

Charity Registration Number: 1135589

**HAKUNA MATATA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

Hakuna Matata (No. 1135589)  
Year Ended 31 March 2016

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Hakuna Matata (No. 1135589)  
Year Ended 31 March 2016

**TRUST INFORMATION**

<b>CONSTITUTION</b>	A registered charity governed by its Trust Deed
<b>REGISTERED CHARITY NUMBER</b>	1135589
<b>TRUSTEES</b>	Mr Davide Serra Ms Anna Barassi Mr Richard Kelly Mr Carlo Barassi Mr Matthew King Miss Sarah Finley Ms Francesca Gregoratti Ms Fabiola Clemente (resigned 12 January 2016) Miss Lucy Challis (appointed 12 January 2016)
<b>REGISTERED OFFICE</b>	7 Clifford Street London W1S 2FT
<b>BANKERS</b>	HSBC Bank Plc HSBC Securities Services 8 Canada Square London E14 5HQ
<b>CUSTODIANS</b>	UBS Switzerland AG Baerengasse 16 8001 Zurich
<b>INDEPENDENT AUDITORS</b>	Arnold Hill & Co LLP Chartered Accountants Craven House 16 Northumberland Avenue London WC2N 5AP

## TRUSTEES' REPORT

The Trustees present their report and audited financial statements for the year ended 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 and 13 and comply with the current statutory requirements, the Charities Act 2011, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### STATUS

Hakuna Matata (the "Trust") was established on 15 March 2010 and registered as a charity on 19 April 2010, for exclusively charitable purposes pursuant to its Trust Deed dated 15 March 2010. The Trust Deed defines the objects and powers of the Trust.

### TRUST OBJECTIVES AND MISSION

The Trust's objectives, as stated in the Trust Deed, are the holding of capital and income upon trust and to apply the income for the public benefit for exclusively charitable objects and purposes in any part of the world.

In setting the Trust's objectives and planning its activities, the Trustees have considered Section 17 of the Charities Act 2011. In doing so they are satisfied that they have complied with their duty to have regard to the Public Benefit guidance published by the Charity Commission. The Trust's activities and achievements are outlined throughout this Trustees' Report and the Trustees believe they fully demonstrate that the Trust is providing public benefit.

The primary mission of the Trust, as agreed by the Trustees, is to:

*...develop continuous financial support for the activities of the project "Help a Village" which demonstrably improves the lives of children living in poverty in developing countries by achieving a significant and sustainable impact.*

### ORGANISATION

The Board of Trustees meets regularly to review and update the Trust's strategy and areas of activity, including consideration of grant-making, investment decisions, a review of the reserves policy as well as the overall risk profile of the Trust.

### APPOINTMENT OF TRUSTEES

The Trustees who held office during the year were:

Mr Davide Serra  
Ms Anna Barassi  
Mr Richard Kelly  
Mr Carlo Barassi  
Mr Matthew King  
Miss Sarah Finley  
Miss Lucy Challis (appointed 12 January 2016)  
Ms Francesca Gregoratti  
Ms Fabiola Clemente (resigned 12 January 2016)

The Trustees are selected on the basis of their skills and expertise and the contribution, in particular in the areas of business management and development, which they can make to determine the strategy and policies of the Trust and to monitor implementation

The Trustees, who meet regularly, are responsible for finance, development and planning. There is no formal process for training Trustees, but training is provided to individual Trustees and to the Trustees as a whole as needs arise.

All Trustees give their time freely and no Trustee remuneration was paid in the period.

## TRUSTEES' REPORT *(continued)*

### TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the Trust for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the relevant law. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant information of which the Trust's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statement may differ from legislation in other jurisdictions.

### TRUST ACTIVITIES

The founding Trustees were inspired by two extraordinary people, Fausta Pina and Father Tarcisio Moreschi, who started the "Help a Village" project in central Tanzania.

This project provides a wide range of essential services to more than 65 villages with a combined population of 110,000. As well as the endemic poverty in the region, the early mortality rates, caused primarily by HIV/AIDS, has led to a high population of orphaned children.

Sadly many are infected with the disease from birth. Until now financial support to the project has been reliant on ad-hoc donations.

The primary mission of Hakuna Matata is to develop long term financial support for their project.

To aid this, the Trust is committed to providing €6,500 per month for the next 10 years. Funding began in October 2010 and the Trust will endeavour to donate at least a third of all monies collected through donations. The remaining funds are invested to ensure ongoing finances for the work of the "Help a Village" project and other charitable causes.

### RESERVES POLICY

The Trustees are committed to applying the Trust's resources in a responsible manner for the purposes of yielding maximum benefit primarily for the support of the "Help a Village" project.

To achieve this, the Trustees implemented a simple strategy of investing monies into a highly liquid portfolio, with generated income used to meet grant expenditure whilst preserving the capital base.

## TRUSTEES' REPORT *(continued)*

### RESERVES POLICY *(continued)*

#### *Restricted Fund*

Restricted funds are generated when the donor stipulates how their donation may be spent. In most cases, there will be a time lag between when such funds are received and when they are expended. The Trustees ensure that these funds are expended in accordance with the terms under which they have been donated to the Trust.

During the period no monies were donated which had restrictions on how the donations could be spent.

#### *Expendable Endowment*

Based on the Trustees' assessment of the Trust's aims, the Trustees will cultivate the endowment fund to a level that provides a mature asset base capable of producing a level of income that can sustain the Trust's annual grant-making programmes on an indefinite basis and at a consistent, sustainable level regardless of any significant drop in income. The Trustees have the powers to convert any required amount of this endowment from time to time into an income which can then be utilised by the Trust to further its charitable objects in the future.

#### *Operational Reserves*

Cash flow projections for income and expenditure are regularly reviewed by the Trustees to ensure that the level of disposable net assets is adequate and that the Trust is in a position to meet all its grant-making and working capital commitments for the foreseeable future. In the event that the Trustees find themselves unable to meet the Trust's commitments from reserves of Unrestricted Funds at their disposal, they will, draw on the Expendable Endowment to meet those commitments as necessary.

The reserves policy is reviewed annually to reassess the risks and reflect any changes to the Trust's income, capital, financial obligations and long term plans for charitable expenditure.

## RISK STATEMENT

The Trustees are responsible for the management of the risks faced by the Trust and have examined the major strategic, business and operational risks to which the Trust is and may be exposed. They are satisfied that the systems and controls are in place to mitigate and manage exposure to such major risks identified by the Trustees. They continue to review current processes recognising that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## GRANTING POLICY

The Trust primarily invests in and engages with partners who support the "Help a Village" project. The "Help a Village" primarily concentrates its efforts in the Iringa area of central Tanzania.

## INVESTMENT POLICY

The investment policy of the Trust is to maintain an approach that recognises the requirement for income to meet the commitment provided by the Trust to financially support the "Help a Village" project for the next 10 years with the desire for capital growth and the creation of an Expendable Endowment while safeguarding funds for future grant-making capacity.

The Trustees remain mindful of their duty to review and monitor regularly the management of the Trust's investments. The Trustees are satisfied with the current investments and their allocation.

## FINANCIAL REVIEW

During the year to 31 March 2016, the Trust made excellent progress on its primary objective of financially supporting the "Help a Village" project (the "Project").

The Trust's monthly €6,500 and additional ad-hoc contributions to local self-sustainable projects, while directed at creating a long term positive legacy on the region's economy apt at improving her children's future prosperity, also provide continuous support to the healthcare and education needs of Tanzania's youngest and poorest.

Below is a brief description of the ongoing efforts and latest achievements.

## TRUSTEES' REPORT *(continued)*

### FINANCIAL REVIEW *(continued)*

#### Education

One of the core projects of the Trust is to help provide nursery care, primary and secondary education to children in the Iringa area of central Tanzania (the "Area").

- The Project helps to manage over 55 nursery schools in 4 villages in the Area boarding over 4,000 children, mostly orphaned. These schools receive monthly distributions of supplies, including food, that are funded by the Trust.
- The Agricultural Farming Mamre College project in Mayale (the "College"), within the Illembula Catholic parish, has doubled the number of students enrolled to 60, who are taught by 8 teachers and 8 supporting staff. The Trust has helped the school acquire a new textbooks for the library.
- The Trust also helped in the creation of a long term mutually profitable relationship between the college students and a new farmers' business sunflower oil enterprise (see below).

#### Orphanages

The Trust has continued to provide financial support for the running of all the Area's orphanages.

- The Trust continues to provide funds to train, educate and pay salaries to the Putative Mums running the orphanage.
- The Trust also helps to fund the purchase of clothes for the children.
- The Trust continues to fund the provision of medical assistance for the children at the orphanages, including transport to and from the nearest hospitals whenever necessary, for routine as well as emergency assistance, and paying for doctors' fees and medicines.

#### Assistance to the Disabled

The Trust has increased its support to the Rehabilitation and Physiotherapy Centre in the village of Wanging'ombe (the "Physiotherapy Centre"), which has significantly further developed its extremely positive impact of the lives of local communities.

With its nine local branches, the Physiotherapy Centre provides assistance to an increasing number of patients in the Area, and the Trust helped fund the expansion of its servicing capabilities and expertise.

- Employing over fifteen community rehabilitation workers, four therapists, one doctor, one psychologist, the Physiotherapy Centre provides inpatient and out patient intensive and routine rehabilitation care to over one thousand children and young adults.
- An increasing number of the youngest patients, most of whom are club foot cases, are part of the "school inclusion program" organized by the Physiotherapy Centre, to protect their education and equal treatment rights.
- The Physiotherapy Centre continues to run a successful orthopaedic workshop on its premises producing supportive tailor-made prosthetics.
- The Leveraged Freedom Chairs purchased by the Trust have been assigned and are all used within the community.
- The Trust has increased its contributions to the Physiotherapy Centre's Pamoja Project ("Pamoja Project"), a contact farming enterprise covering 35 acres of land.

The Pamoja Project aims to strengthen the agricultural network and sunflower oil commercial activity by obtaining both the Tanzania Food and Drug Authority and the Tanzanian Bureau of Standards licenses.

The Pamoja Project includes 34 farmers in 9 villages with an expected oil production in excess of 15,000 litres plus 38,193 kilograms of Oil Cake and employs five people with disabilities and three vulnerable youth.

**TRUSTEES' REPORT** *(continued)*

**FINANCIAL REVIEW** *(continued)*

**Health - Aids/HIV**

The Trust continues to provide financial and logistical support to those suffering, or at risk from, HIV, mostly young women, mothers and children.

This program includes medical prophylaxis, education and awareness efforts, hospital assistance and deliveries of food and other basic provisions to the extremely sick.

In addition to the donations of £114,791 made to 'Help a Village', donations of £41,592 were made to other charities during the year.

Total incoming resources amounted to £75,703 (2015: £134,086), made up of voluntary donations of £31,260 (2015: £61,145) and £44,443 (2015: £72,941) of investment income.

The asset base of the Trust stands at £933,561 (2015: £1,044,431) and is predominately made up of investments which generate sufficient income to enable the Trust to meet its ongoing financial commitments.

**FUTURE PLANS**

The future plans of the Trust are to continue to meet the main objectives of the Trust and to ensure that the application of any income for the public benefit is exclusively for charitable objects and purposes. To aid this the Trust will actively seek voluntary donations.

**INDEPENDENT AUDITORS**

The auditors, Arnold Hill & Co LLP, have expressed their willingness to remain in office for a further year and a resolution to that effect will be put to the Annual General Meeting.



On behalf of the Board

Matthew King

Trustee

Date: 31 JANUARY 2017



## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF HAKUNA MATATA

We have audited the financial statements of Hakuna Matata for the year ended 31 March 2016 as set out on pages 10 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibilities to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditors

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and international Standards on Auditing (UK and Ireland). Those standards required us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on accounts

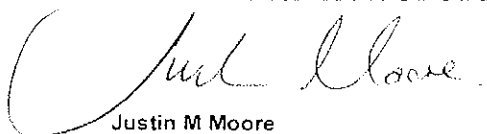
In our opinion the accounts:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of its incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- Sufficient accounting records have not been kept; or
- The accounts are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.



Justin M Moore  
For and on behalf of Arnold Hill & Co LLP  
Chartered Accountants, Statutory Auditors  
Craven House  
16 Northumberland Avenue  
London  
WC2N 5AP

Dated: 31 January 2017

Hakuna Matata (No. 1135589)  
Year Ended 31 March 2016

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds	Expendable Endowment Fund	Year ended 31 March 2016	Year ended 31 March 2015
		£	£	£	£
<b>Income</b>					
Donations and legacies		31,260	-	31,260	61,145
Investment income	3	44,443	-	44,443	72,941
<b>Total Income</b>		<b>75,703</b>	<b>-</b>	<b>75,703</b>	<b>134,086</b>
<b>Expenditure</b>					
Costs of raising funds					
Investment management costs	4	(14,273)	-	(14,273)	(1,080)
Expenditure on charitable activities					
UK based charities	5	-	-	-	(1,068)
Overseas charities	5	(164,310)	-	(164,310)	(116,332)
Cost of grant making		(164,310)	-	(164,310)	(117,400)
<b>Total expenditure</b>		<b>(178,583)</b>	<b>-</b>	<b>(178,583)</b>	<b>(118,480)</b>
<b>Net (outgoing) / incoming resources before transfers</b>		<b>(102,880)</b>	<b>-</b>	<b>(102,880)</b>	<b>15,606</b>
Transfers between funds	11	110,870	(110,870)	-	-
<b>Net incoming / (outgoing) resources before gains and losses</b>		<b>7,990</b>	<b>(110,870)</b>	<b>(102,880)</b>	<b>15,606</b>
(Losses) / gains on investments	7	(7,990)	-	(7,990)	164,385
<b>Net movements in funds</b>		<b>-</b>	<b>(110,870)</b>	<b>(110,870)</b>	<b>179,991</b>
<b>Total funds brought forward</b>			<b>1,044,431</b>	<b>1,044,431</b>	<b>864,440</b>
<b>Total funds carried forward</b>	11	<b>-</b>	<b>933,561</b>	<b>933,561</b>	<b>1,044,431</b>

The statement of financial activities has been prepared on the basis that all activities are continuing.

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

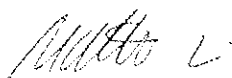
The accounting policies and the notes on pages 12 to 16 form part of the Financial Statements.

Hakuna Matata (No. 1135589)  
Year Ended 31 March 2016

BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	7	942,531	915,846
<b>CURRENT ASSETS</b>			
Debtors	9	32,976	19,918
Bank and cash		<u>65,576</u>	<u>113,375</u>
		98,552	133,293
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(107,522)</u>	<u>(4,708)</u>
<b>NET CURRENT ASSETS</b>		<u>(8,970)</u>	<u>128,585</u>
<b>NET ASSETS</b>	11	<u>933,561</u>	<u>1,044,431</u>
<b>FUNDS</b>			
Unrestricted Funds	11	-	-
Expendable Endowment Fund	11	<u>933,561</u>	<u>1,044,431</u>
<b>TOTAL FUNDS</b>	11	<u>933,561</u>	<u>1,044,431</u>

Approved by the Trustees and authorised for issue on 31 JANUARY 2017 and signed on their behalf by:



Matthew King  
Trustee

The accounting policies and the notes on pages 12 to 16 form part of the Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 1. Accounting Policies

#### a) Statement of Compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trust meets the definition of a public benefit entity under FRS 102. The assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### b) Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Trust has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 2.

#### c) Critical accounting estimates and judgements in applying accounting policies

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial period. Actual results may differ from those estimates. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions are explained in the respective accounting policy notes below.

#### d) Incoming resources

All incoming resources are included in the respective line items of the Statement of Financial Activities when the Trust is legally entitled to the income and the amount can be quantified with reasonable certainty.

Interest income and expense is recognised in the Statement of Financial Activities on an effective interest rate basis. Dividend income and expenses, when the underlying security is held directly by the Trust, is recognised in the Statement of Financial Activities on an ex-dividend basis, gross of foreign withholding taxes when receivable. Withholding tax is recorded on an accruals basis.

#### e) Resources expended

Resources expended are accounted for on an accruals basis. Constructive obligations (including grants payable) are accounted for as liabilities where it is probable that there will be a transfer of economic benefits and the amount of the obligation can be reliably estimated and communicated to the recipient.

Grants which the charity has committed to paying but have the right to cancel are not recognised as liabilities.

#### f) Governance Costs

Governance costs are those costs incurred in the compliance with constitutional and statutory requirements including related professional fees, and are accounted for on an accruals basis. These costs are included under the heading charitable activities.

#### g) Financial assets and liabilities held for trading

##### *Classification*

The Trust classifies its investments in debt securities (other than those classified as loans and receivables), and equity securities as financial assets at fair value through the Statement of Financial Activities. These financial assets are classified as held for trading. Financial assets held for trading are acquired principally for the purpose of selling in the short term.

##### *Recognition/de-recognition*

Purchases and sales of investments are recognised on their trade date, which is the date on which the Trust commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs for such investments are expensed as incurred. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### h) Financial assets and liabilities held for trading

#### *Measurement*

Subsequent to initial recognition, these financial assets are measured at fair value. Any gains and losses arising from changes in the fair value of the financial assets are included in the Statement of Financial Activities in the period in which they arise and are based on the First In First Out ("FIFO") method. Interest income from financial assets is recognised in the Statement of Financial Activities. Dividend income from financial assets is recognised in the Statement of Financial Activities when the Trust's right to receive payment is established.

### i) Investments

#### *Listed and unlisted securities*

Investments that are listed on or quoted on any securities exchange or similar and are regularly traded are valued at their market value with any unrealised gains and losses being taken to the Statement of Financial Activities.

Unlisted securities or listed securities not regularly traded, or in respect of which no prices as described above are available, are valued at their fair value by utilising prices obtained from the administrator based on net asset values.

During the year ended 31 March 2016, unlisted traded securities were held.

### j) Foreign Currency Translations

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

### k) Funds

Unrestricted Funds comprise those funds which the Trustees are free to use in accordance with the charitable objectives of the Trust.

Restricted Funds comprise those funds that can only be used for particular restricted purposes within the objectives of the Trust. Restricted Funds arise when the funds are specified as such by the donor(s) or when funds are raised for particular restricted purposes.

The Expendable Endowment Fund represents those assets held by the Trustees principally in investments. Income arising on the Expendable Endowment Fund can be transferred to the unrestricted fund and can then be expended in accordance with the objectives of the Trust. If the Trust is unable to meet its commitments from reserves of Unrestricted Funds, there would be a release of the Expendable Endowment to Unrestricted Funds to meet those commitments.

## 2. TRANSITION TO FRS 102

This is the first year that the Trust has presented its results under FRS 102 and in accordance with the Charities SORP (FRS 102). The last financial statements under the Statement of Recommended Practice - Account and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting and the Financial Reporting Standard for Smaller Entities (effective April 2008) were for the year ended 31 March 2015.

The date of transition to FRS 102 was 1 April 2014. There are no changes to accounting policies as a result of this transition that have changed the reported profit for the financial year ended 31 March 2015 or the total funds as at 1 April 2014 and 31 March 2015.

## 3. INVESTMENT INCOME

The investment income arises from interest received on cash deposits and fixed income securities within the investment portfolio held by the Trust. Dividend income is from equity securities within the portfolio held by the Trust.

	2016	2015
	£	£
Distributions from funds	44,436	72,937
Bank interest	7	4
	<u>44,443</u>	<u>72,941</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. COSTS OF RAISING FUNDS

The costs of raising funds relate to the costs associated with the purchase of the Trusts portfolio of investments.

5. CHARITABLE ACTIVITIES

	Grant funded activity £	Support and governance costs £	2016 £	2015 £
UK based grants	-	-	-	1,068
Overseas based grants	156,383	7,927	164,310	116,332
	<u>156,383</u>	<u>7,927</u>	<u>164,310</u>	<u>117,400</u>

Of the overseas based grant payments, £114,791 (2015: £65,507) was used to assist in the "Help a Village" project which demonstrably improves the lives of children living in poverty in developing countries by achieving a significant and sustainable impact.

Analysis of support and governance costs

	General support £	Governance function £	Total £	Basis of apportionment
Legal and other professional fees	-	583	583	Governance
General office	285	-	285	Grants made
Bank charges	7,045	14	7,059	Grants made
	<u>7,330</u>	<u>597</u>	<u>7,927</u>	

6. TAXATION

As a registered charity, the Trust is exempt from taxation on income and gains to the extent that these are applied in furtherance of its charitable objectives. No tax charge has arisen in the year for the Trust.

7. INVESTMENTS

	Fair Value at 1 April 2015 £	Additions £	Disposals £	Total gains/ (losses)* £	Fair value at 31 March 2016 £	Cost at 31 March 2016 £
Overseas	915,846	447,371	(396,304)	(24,382)	942,531	872,908
Total quoted	<u>915,846</u>	<u>447,371</u>	<u>(396,304)</u>	<u>(24,382)</u>	<u>942,531</u>	<u>872,908</u>

\* difference between total gains/losses above and the Statement of Financial Activities (loss of £7,990 - 2015: gain of £164,385) is due to the foreign exchange movements on bank balances which has been excluded in the above analysis, but has been included within the gains and losses on investments in the Statement of Financial Activities.

Financial Assets

	2016 £	2015 £
<i>Held for trading</i>		
Funds - Overseas	942,531	915,846
Total Financial Assets	<u>942,531</u>	<u>915,846</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7. INVESTMENTS *(continued)*

(Losses) / gains recognised in relation to financial assets and liabilities measured at fair value

	2016	2015
	£	£
Realised (losses) on financial assets and liabilities and foreign exchange	(9,100)	-
Unrealised gains on financial assets and liabilities and foreign exchange	1,110	164,385
<b>Total realised and unrealised (losses) / gains</b>	<b>(7,990)</b>	<b>164,385</b>

8. FINANCIAL RISK MANAGEMENT

Principles of Risk Management

The Trust's financial activities may expose it to a variety of financial risks: market risk (including other price risk and interest rate risk), credit risk and liquidity risk.

The Trust is also exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets and liabilities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the financial assets and liabilities held by the custodian, in the event of its failure, the ability of the Trust to transfer the financial assets and liabilities might be temporarily impaired.

The Trust's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Trust is exposed and seeks to minimise potential adverse effects on the Trust's financial performance.

All investments present a risk of loss of capital. The maximum loss of capital on equity and debt securities is limited to the fair value of those positions.

The Trust uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

**Market risk**

(a) Other price risk

The Trust is exposed to equity and debt securities price risk. This arises from investments held by the Trust for which prices in the future are uncertain. Where non-monetary financial instruments, for example, equity securities, are denominated in currencies other than GBP, the price initially expressed in foreign currency and then converted into GBP will also fluctuate because of changes in foreign exchange rates.

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Trust has exposure to credit positions that expose the Trust to fair value interest rate risk. The Trust also holds cash and cash equivalents that expose the Trust to cash flow interest rate risk.

**Credit risk**

The Trust is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Trust is exposed arises from the Trust's investments in managed funds. The Trust is also exposed to counterparty credit risk, cash and cash equivalents, amounts due from brokers and other receivable balances.

The Trust's policy to manage this risk is to invest in reputable fund managers, in addition all transactions are settled / paid for upon delivery using approved counterparties. The risk of default is considered minimal, as delivery of securities sold is only made once the administrator has received payment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Trust may be unable to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust has the ability to borrow in the short term to ensure settlement of its obligations and for short term financing. The Trust is also able to release the Expendable Endowment to Unrestricted Funds to meet any such commitments.

9. DEBTORS

	2016	2015
	£	£
Distributions receivable	11,892	7,418
Gift Aid receivable	21,084	12,500
	<u>32,976</u>	<u>19,918</u>

10. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Grants outstanding	5,150	4,708
Loans payable	102,372	-
	<u>107,522</u>	<u>4,708</u>

The loan was fully repaid on 31 August 2016. The loan totalled €129,000 and accrued interest at 0.919% p.a.

11. MOVEMENT IN FUNDS

	2015	Incoming Resources	Resources Expended	Transfers	Investment (losses)/gains	2016
	£	£	£	£	£	£
Unrestricted	-	75,703	(178,583)	110,870	(7,990)	-
Restricted	-	-	-	-	-	-
Expendable Endowment	1,044,431	-	-	(110,870)	-	933,561
Total funds	<u>1,044,431</u>	<u>75,703</u>	<u>(178,583)</u>	<u>-</u>	<u>(7,990)</u>	<u>933,561</u>

12. CAPITAL COMMITMENTS

At 31 March 2016, the Trust had committed to providing €6,500 per month for the next 10 years to the 'Help a Village' charity. The Trust has the option of cancelling this without notice, therefore no long term liability has been recognised in these accounts.