

COMPANY REGISTRATION NUMBER: 9405449

CHARITY REGISTRATION NUMBER: 1162494

Alquity Transforming Lives Foundation

Financial Statements

30 June 2017

MERCER LEWIN LTD

Chartered accountant & statutory auditor
41 Cornmarket Street
Oxford
OX1 3HA

Alquity Transforming Lives Foundation

Financial Statements

Year ended 30 June 2017

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Alquity Transforming Lives Foundation

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 June 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 June 2017.

Reference and administrative details

| | |
|---|--|
| Registered charity name | Alquity Transforming Lives Foundation |
| Charity registration number | 1162494 |
| Company registration number | 9405449 |
| Principal office and registered office | 3 Waterhouse Square 138-142 Holborn London EC1N 2SW |

The trustees

| | |
|-------------|---------------------------|
| KJ Cavelle | |
| PH Robinson | |
| CS Webhe | (Appointed 31 March 2017) |
| GJ Fienberg | (Resigned 31 March 2017) |
| CA Miranda | (Resigned 31 August 2016) |

| | |
|----------------|---|
| Auditor | Mercer Lewin Ltd Chartered accountant & statutory auditor 41 Cornmarket Street Oxford OX1 3HA |
|----------------|---|

Structure, governance and management

The charity is a company limited by guarantee. It is managed by a board of Trustees who meet regularly to decide direction and approve grant payment.

Objectives and activities

The Charity's objectives are the prevention or relief of poverty or financial hardship, including by providing or assisting in the provision of training, healthcare projects and all the necessary support designed to enable individuals to generate a sustainable income and be self-sufficient; to advance education and to develop the capacity and skills of people who are socially and economically disadvantaged, the relief of unemployment in such ways as may be thought fit, including assistance to find employment, the relief of sickness and the preservation of health, including by providing or assisting in the provision of equipment, facilities and sanitation services.

Alquity Transforming Lives Foundation

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2017

Achievements and performance

The Charity receives a regular donation from Alquity Investment Management Limited, based on its revenues, and this is the primary source of funding for the charity.

In the current period and looking forwards the Trustees are focusing on projects that promote the creation of sustainable livelihoods (SDG 8) and employment readiness programs (SDG 4).

The foundation continued to support the following charitable organisations:

Afrikids - FLiPs and Transforming Futures
 Amantani - employment readiness programs
 Shivia - Poultry kits and poultry farming
 Hand in Hand - microfinance

Financial review

In the year the Foundation received £233,368 in donations from Alquity Investment Management. It has dispersed £95,040 to our charity partners.

At all times, the Foundation will seek to ensure it has a minimum of £50k of cash (or cash like instruments) reserves. In addition, it is the intent that any future committed grants would be covered by the reserves and a maximum of 50% of the annulated, current 3-month donation accrual rate. If 50% of the current rate is insufficient then the donations stream will be used to accumulate a cash balance until such time as this metric is met.

Plans for future periods

Due to the successful growth of Alquity Investment Management the Foundations flow of donations continues to grow. The Trustees are therefore focused on identifying new partners who can deliver a pipeline of quality projects for us to support.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, 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).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Alquity Transforming Lives Foundation

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 June 2017

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 29 March 2018 and signed on behalf of the board of trustees by:



PH Robinson
Trustee

Alquity Transforming Lives Foundation

Independent Auditor's Report to the Members of Alquity Transforming Lives Foundation

Year ended 30 June 2017

Opinion

We have audited the financial statements of Alquity Transforming Lives Foundation (the 'charity') for the year ended 30 June 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with section 144 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Alquity Transforming Lives Foundation

Independent Auditor's Report to the Members of Alquity Transforming Lives Foundation (continued)

Year ended 30 June 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Alquity Transforming Lives Foundation

Independent Auditor's Report to the Members of Alquity Transforming Lives Foundation (continued)

Year ended 30 June 2017

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Alquity Transforming Lives Foundation

Independent Auditor's Report to the Members of Alquity Transforming Lives Foundation (continued)

Year ended 30 June 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Andrew Churchill Stone (Senior Statutory Auditor)

For and on behalf of
Mercer Lewin Ltd
Chartered accountant & statutory auditor
41 Cornmarket Street
Oxford
OX1 3HA

29 March 2018

Alquity Transforming Lives Foundation

Statement of Financial Activities (including income and expenditure account)

30 June 2017

| | | Unrestricted funds £ | 2017 Restricted funds £ | Total funds £ | 2016 Total funds £ |
|---|------|----------------------------|----------------------------------|------------------|--------------------------|
| | Note | | | | |
| Income and endowments | | | | | |
| Donations and legacies | 5 | 233,368 | — | 233,368 | 933 |
| Charitable activities | 6 | — | — | — | 5,000 |
| Total income | | <u>233,368</u> | <u>—</u> | <u>233,368</u> | <u>5,933</u> |
| Expenditure | | | | | |
| Expenditure on charitable activities | 7,8 | 93,194 | 5,000 | 98,194 | 18 |
| Total expenditure | | <u>93,194</u> | <u>5,000</u> | <u>98,194</u> | <u>18</u> |
| Net income and net movement in funds | | <u>140,174</u> | <u>(5,000)</u> | <u>135,174</u> | <u>5,915</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 915 | 5,000 | 5,915 | — |
| Total funds carried forward | | <u>141,089</u> | <u>—</u> | <u>141,089</u> | <u>5,915</u> |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Alquity Transforming Lives Foundation

Statement of Financial Position

30 June 2017

| | | 2017 | | 2016 | |
|---|----|---------------|----------------|--------------|--------------|
| | | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 13 | 45,858 | | — | |
| Cash at bank and in hand | | <u>97,031</u> | | <u>5,915</u> | |
| | | 142,889 | | 5,915 | |
| Creditors: amounts falling due within one year | 14 | <u>1,800</u> | | <u>—</u> | |
| Net current assets | | | <u>141,089</u> | | <u>5,915</u> |
| Total assets less current liabilities | | | <u>141,089</u> | | <u>5,915</u> |
| Net assets | | | <u>141,089</u> | | <u>5,915</u> |
| Funds of the charity | | | | | |
| Restricted funds | | | — | | 5,000 |
| Unrestricted funds | | | <u>141,089</u> | | <u>915</u> |
| Total charity funds | 15 | | <u>141,089</u> | | <u>5,915</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 29 March 2018, and are signed on behalf of the board by:



PH Robinson
Trustee

Alquity Transforming Lives Foundation

Statement of Cash Flows

Year ended 30 June 2017

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Cash flows from operating activities | | |
| Net income | 135,174 | 5,915 |
| <i>Adjustments for:</i> | | |
| Accrued expenses | 1,800 | — |
| <i>Changes in:</i> | | |
| Trade and other debtors | (45,858) | — |
| Cash generated from operations | 91,116 | 5,915 |
| Net cash from operating activities | 91,116 | 5,915 |
| Net increase in cash and cash equivalents | 91,116 | 5,915 |
| Cash and cash equivalents at beginning of year | 5,915 | — |
| Cash and cash equivalents at end of year | 97,031 | 5,915 |

The notes on pages 11 to 15 form part of these financial statements.

Alquity Transforming Lives Foundation

Notes to the Financial Statements

Year ended 30 June 2017

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 3 Waterhouse Square, 138-142 Holborn, London, EC1N 2SW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Alquity Transforming Lives Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Alquity Transforming Lives Foundation

Notes to the Financial Statements (continued)

Year ended 30 June 2017

4. Limited by guarantee

The company is limited by guarantee and does not have a share capital. Its members undertake to contribute a sum to the assets of the company, not exceeding £1 each, in the event of it being wound up.

5. Donations and legacies

| | Unrestricted Funds £ | Total Funds 2017 £ | Unrestricted Funds £ | Total Funds 2016 £ |
|------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Donations | | | | |
| Donations | 233,368 | 233,368 | 933 | 933 |

6. Charitable activities

| | Restricted Funds £ | Total Funds 2017 £ | Restricted Funds £ | Total Funds 2016 £ |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Other income from charitable activities | — | — | 5,000 | 5,000 |

7. Expenditure on charitable activities by fund type

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2017 £ |
|-------------------------|----------------------------|--------------------------|--------------------------|
| Sustainable development | 90,040 | 5,000 | 95,040 |
| Support costs | 3,154 | — | 3,154 |
| | 93,194 | 5,000 | 98,194 |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2016 £ |
|-------------------------|----------------------------|--------------------------|--------------------------|
| Sustainable development | — | — | — |
| Support costs | 18 | — | 18 |
| | 18 | — | 18 |

8. Expenditure on charitable activities by activity type

| | Grant funding of activities £ | Support costs £ | Total funds 2017 £ | Total fund 2016 £ |
|-------------------------|-------------------------------------|--------------------|--------------------------|-------------------------|
| Sustainable development | 95,040 | 514 | 95,554 | 18 |
| Governance costs | — | 2,640 | 2,640 | — |
| | 95,040 | 3,154 | 98,194 | 18 |

Alquity Transforming Lives Foundation

Notes to the Financial Statements (continued)

Year ended 30 June 2017

9. Analysis of grants

| | 2017 | | 2016 | |
|-------------------------------|------|---------------|------|----------|
| | £ | £ | £ | £ |
| Grants to institutions | | | | |
| Grants to institutions | | 95,040 | | — |
| Total grants | | <u>95,040</u> | | <u>—</u> |

10. Net income

Net income is stated after charging/(crediting):

| 2017 | 2016 |
|------|------|
| £ | £ |

11. Auditors remuneration

| | 2017 | 2016 |
|--|--------------|----------|
| | £ | £ |
| Fees payable for the audit of the financial statements | <u>1,800</u> | <u>—</u> |

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

13. Debtors

| | 2017 | 2016 |
|---------------|---------------|----------|
| | £ | £ |
| Other debtors | <u>45,858</u> | <u>—</u> |

14. Creditors: amounts falling due within one year

| | 2017 | 2016 |
|-----------------|--------------|----------|
| | £ | £ |
| Other creditors | <u>1,800</u> | <u>—</u> |

15. Analysis of charitable funds

Unrestricted funds

| | At 1 July 2016 | Income | Expenditure | At 30 June 2017 |
|---------------|----------------|----------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| General funds | <u>915</u> | <u>233,368</u> | <u>(93,194)</u> | <u>141,089</u> |

Alquity Transforming Lives Foundation

Notes to the Financial Statements *(continued)*

Year ended 30 June 2017

15. Analysis of charitable funds *(continued)*

Restricted funds

| | At 1 July 2016 | Income | Expenditure | At 30 June 2017 |
|-------------------|----------------|----------|----------------|-----------------|
| | £ | £ | £ | £ |
| Good Food Project | <u>5,000</u> | <u>—</u> | <u>(5,000)</u> | <u>—</u> |

16. Analysis of net assets between funds

| | Unrestricted Funds | Total Funds 2017 | Total Funds 2016 |
|----------------|--------------------|------------------|------------------|
| | £ | £ | £ |
| Current assets | <u>141,089</u> | <u>141,089</u> | <u>—</u> |