

Trustees' Report and
Audited Financial Statements
for the Year Ended 5 April 2020

for

David Rattray Foundation
known as Khula Education

CANSDALES AUDIT LLP
Bourbon Court
Nightingales Corner
Little Chalfont
Buckinghamshire
HP7 9QS

David Rattray Foundation
known as Khula Education

Contents of the Financial Statements
for the Year Ended 5 April 2020

	Page
Reference and Administrative Details	1
Trustees' Report	2 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 to 19
Detailed Statement of Financial Activities	20

David Rattray Foundation
known as Khula Education

Reference and Administrative Details
for the Year Ended 5 April 2020

TRUSTEES	T O'Malley R Woodhead G Klintworth H Lloyd B Carroll P Hollingum (appointed 21.1.20) H Loyd R Neville (appointed 8.4.20) R Kugler (resigned 8.4.20)
PRINCIPAL ADDRESS	26 Gosfield Street London W1W 6HH
REGISTERED CHARITY NUMBER	1119353
AUDITORS	CANSDALES AUDIT LLP Bourbon Court Nightingales Corner Little Chalfont Buckinghamshire HP7 9QS
BANKERS	HSBC Bank plc The Peak 333 Vauxhall Bridge Road London SW1V 1EJ

David Rattray Foundation
known as Khula Education

Trustees' Report
for the Year Ended 5 April 2020

The Name of Trust is changed from "David Rattray Memorial Trust" to "David Rattray Foundation", which is also approved by Charity Commission on 27 October 2020.

The Trustees present their report and financial statements for the year ended 5 April 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011 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 2019)".

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our Vision

That all children, regardless of their socio-economic, cultural background or location are able to reach their potential and make a difference to their families and communities.

Our Mission

Our mission is to enable children from under-served (rural) communities in South Africa to obtain a high-quality education.

Our Goals

(1) Give children the chance to lift themselves out of their extremely disadvantaged background by working to improve educational facilities, standards and care for children.

(2) Support the development of children by ensuring that they are not just educated sufficiently to pass a set of exams, but also effectively prepared for their adult lives. We believe that through improving their educational attainment, each child will be in a better position to improve their own life, achieve better standards of health, secure more satisfactory employment, and contribute more meaningfully to the life of their family, village, society and country.

Our Scope

We achieve these goals by concentrating on a limited area and a small number of schools so as to give the local community the capacity to bring about sustainable social transformation. Our current area of support is in the remote uMzinyathi district in South Africa. Our work in this area is a collaboration with our sister organisation, the David Rattray Foundation (DRF), under the shared identity of KHULA Education. Our activities span the historic battlefields of rural KwaZulu-Natal from Elandskraal, through Rorke's Drift to Nquthu and Isandlwana, some of the most isolated and marginalised areas in South Africa. This is a region of outstanding beauty and dramatic history, but those elements alone are no substitute for education.

In total we are involved with 20 under-resourced, local schools to address key educational needs, both infrastructural and academic, to ensure a measurable uplift in education levels and post school employment.

Safeguarding

The Trust (and the Foundation in South Africa) have made safeguarding of children in the supported schools their highest priority. A Child Protection Policy has been implemented in all schools, and all staff have been accordingly trained. There have been no reportable incidents.

All staff are required to obtain a Sexual Offenders Register Clearance Certificate. Further, all staff, volunteers and partners are required to sign a "Personal Commitment to Child Protection" Form.

OBJECTIVES AND ACTIVITIES

Our Strategy and Programmes

During 2018-19, the Trust worked, together with the DRF, to develop a new three-year strategic plan. The main objectives of this strategy are:

1. that no child's education should be disadvantaged by the circumstances of their upbringing
2. that we would work within the existing government education system and
3. that we would continue to build on the work that had been developed and operated to date

The Trust invests funds raised to support education through a 'Linked Schools' model. The Trust currently supports two such clusters - one at Rorke's Drift, and another at Isandlwana. Each cluster consists of a KHULA Education pre-school situated within, and linked to, a government primary and high school. The priority is to ensure that young children attain a good command of English, above average analytical skills and more resilience for future learning and success.

Our approach is built on four complementary programmes:

1. Early childhood development
2. Improving Maths and English education
3. Life skills development and job readiness
4. Curriculum support interventions for teachers and principals

Early Childhood Development

At KHULA, we recognise the importance of the early years of learning which shape a child's school career and beyond. With emphasis on intellectual, physical and emotional development, KHULA works with each child to ensure they have the very best start which, in turn, shows in the consistently excellent results that our learners achieve year on year. One remarkable measure is that despite most having had limited or no exposure to English when they started preschool, 73% of our children were proficient in English by the end of the first year, compared with just 4% at the beginning of the year.

We can demonstrate the impact of KHULA's early years programme by comparing our pupils in Reception (Grade R) with those in the local primary schools. In the benchmark tests, over 80% of KHULA children are in the top 10% across all local schools. Our pre-schools have developed a reputation for high quality early years education and are the popular choice with parents, with an increase in numbers attending from 87 in 2019 to 157 in 2020 - through extra capacity and increased demand.

Improving Maths and English Education

Our Foundation supplementary teaching programme, initiated in the second half of 2019 in two local primary schools, focuses on the first four years of formal schooling, allowing us to continue to support our young learners as they transition from pre-school through primary school. Our senior school education specialists expanded their reach to seven local primary and high schools, working intensively with educators and children to support improvements in Maths and English education outcomes. In addition, our team supported a further 13 schools with targeted interventions such as access to the internet, and Maths and English study packs. In 2019-20, results improved across all grades in comparison to results for the same grades in the previous year. During 2020, through our intensive support programmes, our Grade 12 students steadily improved their results, despite the disruptions of the COVID pandemic to classroom time.

Life Skills Development and Job Readiness

KHULA is committed to children beyond their school years. We help them shape their future in the last years of secondary school by running subject choice and study skills workshops. Our life skills and career guidance workshops help Year 12 students apply for tertiary study and prepare for life after school. We assist with applications for study bursaries and scholarships and currently have 10 former students studying at tertiary institutions across South Africa. KHULA collaborates with a variety of partners to enable access to career advice from inspirational figures as well as opportunities for internships and work placements. We are proud that two of our graduates are now on an internship year with KHULA, supporting a future generation of children at the rural high schools they once attended. With an 80% unemployment rate in local communities, KHULA's life skills and job readiness interventions are vital in helping local youths to secure a brighter future for themselves and their families..

Curriculum Support Interventions for Teachers and Principals

OBJECTIVES AND ACTIVITIES

KHULA Education knows that the best teachers are the ones who have a team around them, so we offer individual mentoring and group workshops to ensure that the 200 educators in our network know they have the support they need to perform one of the hardest, but most rewarding jobs in the world. Our goal is to build a community of dedicated and professional educators.

Tech for Good in Education

By working with a number of international partners, in 2020 we introduced technology and access to online learning tools into the classroom from pre-school through to Grade 12 - helping rural learners to be as connected to educational opportunities and resources as their urban counterparts. This has tripled our reach, ensuring 6,000 school children and their teachers have been able to continue their studies during the stringent lockdown months of early 2020. In a particularly difficult year, digital access has become a game changer for our rural schools.

Going forward

We are very proud of the progress we have made over the past year. We have reinforced our Linked Schools Model in Isandlwana and are now reaching 6,000 children and 200 Educators. We have enhanced our impact measurement and know that our local KHULA schools are achieving English and Maths results and pass rates above district and provincial benchmarks. Our reputation has grown widely; we are working hand in hand with many more local leaders, school principals, and district officials. Furthermore, our successes and 'can-do' attitude despite the challenges of COVID-19 have been recognised by the South African Department of Education and commercial partners, building on the support we receive from inspirational philanthropists. We look forward to developing the KHULA Linked Schools Model further, both by strengthening our programmes in Rorke's Drift and Isandlwana and by sharing our model elsewhere.

For further information, please visit <https://www.khula-education.org/>

Fundraising

Over the past year our focus has been on the development of expanded fund-raising activities with private donors as well as Trusts and Foundations. These activities included the creation of a fundraising committee, with experienced leadership. While physical events have not been possible our virtual campaigns have focused on expanding the donor base supported by underlying donor management systems.

Increased resourcing and a more focused strategy have enabled us to maintain fundraising at a level well above that seen during the five years up to 2018-19. The revised strategy led to the DRF establishing the structure to enable support for a wider range of activities, with a renewed emphasis on early years education and supporting quality educational outcomes in both primary and secondary schools through the provision of Maths and English educational support.

The increase in funds raised secured our early years programme for three years and enabled a higher level of investment in this essential programme: both for the running costs of the first school at Rorke's Drift, and for the building and running costs of the second pre-school at Isandlwana (Magaga Isisekelo) which expanded from one to two classes during the year.

During the course of the year, we also secured funding for supplementary teaching in the 'Foundation' phase for children aged 5 to 8, to build upon the advantages of early learning in our pre-schools.

We are particularly grateful for the support provided by the Yad Mordechai Charitable Trust, which recognised our achievements to date, our ability to innovate and our ambition to expand the linked schools model to more children and educators. With this generous support for our management and overhead costs it has been possible to achieve economies of scale by reaching more schools through face to face and virtual programmes. Our results over the past year have demonstrated convincingly that our objective of reaching more children, while reducing the cost per beneficiary is achievable.

David Rattray Foundation
known as Khula Education

Trustees' Report
for the Year Ended 5 April 2020

FINANCIAL REVIEW

Financial Summary

Overall expenditure was used to further the Trust's mission as outlined above, as well as fundraising activity aimed at securing income for future programmes.

Income:

The income can be broken down as follows:

> Income from trusts and foundations continued to provide the base of our programmes with income reaching £185,186 (2019: £268,018). Funders included Saga Charitable Trust, Allen and Nesta Charitable Trust, British and Foreign Schools Society and Burton Trust. Restricted funding made up £127,420 (2019: £173,772) of this total.

> Unrestricted donations from supporters totalled £57,766 (2019: £94,246).

Expenditure:

Expenditure in 2019/20 continued to be focused on our core programme work in South Africa and fundraising in the UK. Expenditure (excluding exchange gain or loss) totalled £230,846 (2019: £274,979) which included 3,189,867 (2019: 1,887,167) South African Rand.

> Restricted expenditure stood at £167,873 (2019: £198,183).

> At the end of the year, the total funds balance stood at £171,517 (2019: £249,382) made up of restricted funds of £Nil (2019: £24,923) and unrestricted funds of £171,517 (2019: £224,459). We believe that these allow the Trust to continue to maintain its current approach to meet our goals and provide the basis for funding future plans.

FINANCIAL REVIEW

Reserves policy

The Trustees have decided to adopt a low risk approach and hold surplus funds in short term UK deposit accounts and in order to minimise currency risk also have a South African Rand deposit bank account, to hold a proportion of assets in South African Rand.

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three to six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At 5 April 2020, the total reserves of the Trust stood at £171,517 (2019: £249,382) of which £Nil (2019: £24,923) relates to restricted funds. Total unrestricted funds of £171,517 (2019: £224,459) are therefore above the Trustees' requirement however, as future donations cannot be predicted, the Trustees do not consider it necessary to amend the total reserves or revise the policy at this stage.

Risk Policy

The Trustees have given consideration to the main risks to which the Trust is exposed and have satisfied themselves that systems, actions and procedures are in place to manage and mitigate those risks.

Governance - The Trustees meet formally, between two to three times a year, to review financial and operational performance. Detailed progress on projects that have received grants are reviewed at each Trustee meeting and one or more of the UK trustees visits the supported schools and has on-site visits to projects funded by the UK Trust usually at least twice a year. Significant efforts have been made to ensure GDPR compliance, and to mitigate any associated risks.

Currency Risk - The trustees have decided to adopt a low risk approach and hold surplus funds in short term UK deposit accounts and in order to minimise currency risk also have a South African Rand deposit bank account, to hold a proportion of assets in local currency.

Financial Risk - We operate a dual signature regime on all bank accounts, expenditure, future commitments and bank balances are reviewed at trustee meetings. Private donations are made either via an approved internet intermediary (Just Giving or Virgin Giving) or directly to the Trust's bank account. Despite being a small charity, our accounts are audited annually.

Future Sustainability - The Trustees have continued to invest in fundraising support to secure the long-term future of the organisation. Support is primarily used to approach major foundations for grants for specific projects and to ensure all grants and investments are against defined projects which have discrete and measurable outcomes. There are very good relations with known donors. Records of donors have been formalised, and there is regular contact with past and current donors/funders to support continuing and regular flow of funds.

Grants not applied to a specific project - We work in a specific area and grants are made only to support the work and running of our sister South African Foundation, David Rattray Foundation, (DRF). The Chairman of the Trustees is also a trustee of DRF and visits South Africa at least twice a year. He has onsite inspections of all projects and meets with the other trustees and officers of the Foundation.

FUTURE PLANS

The Trust will continue to make donations in line with its charitable activities.

David Rattray Foundation
known as Khula Education

Trustees' Report
for the Year Ended 5 April 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

History & governing document

The Trust was established in March 2007 to commemorate the life and work of David Rattray, a world-renowned historian of the Anglo-Zulu Wars, who was tragically killed on 26th January 2007. He devoted much of his life to the reconciliation of the peoples of South Africa and had a life-long passion for the promotion and caring of the Zulu people around the world. The Trust is constituted under a trust deed dated 23rd March 2007. The Trust works closely with its "sister" charity, David Rattray Foundation, based in South Africa.

In 2020, the name of the Trust was changed to David Rattray Foundation to reflect these close links. The UK Trust and South African charity remain separately registered entities.

The Trusts' Objectives

To advance education and raise awareness about different racial groups in order to promote good relations between persons of different racial groups by promoting knowledge and mutual understanding with particular reference to South Africa and its historical context;

To advance the education of young people in the United Kingdom in the subject of racial reconciliation with particular reference to South Africa and its historical context;

To promote sustainable development for the benefit of the public by

- (a) the preservation, conservation and protection of the environment and the prudent use of resources in southern Africa and
- (b) the relief of poverty and the improvement of the conditions of life of socially disadvantaged communities in southern Africa particularly in the areas of education and health.

Trustee Selection & Training

The trustees are appointed by resolution of the remaining trustees for a term of three years. Trustees can serve for additional periods, each period being for three years. New trustees are nominated by members of the board of trustees who appoint the new trustee if they have the necessary skills to contribute to the Trust's management and development. Where new trustees are appointed, they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

Public Benefit

The objects and purpose of the Trust are set out above. The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policy for the year.

Management

During the year ended 5th April 2020, the trustees met on three occasions. The Trust does not employ any staff and all activities are carried out either by the trustees who receive no salary or expenses or, particularly in the area of fund raising from trusts and foundations, by engaging on a consultancy basis suitable and experienced support.

David Rattray Foundation
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Trustees' Report
for the Year Ended 5 April 2020

STATEMENT OF 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).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity 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 2015 (FRS 102);
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

In so far as the trustees are aware:

- > there is no relevant audit information of which the charity'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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 5 February 2021 and signed on its behalf by:

T O'Malley - Trustee

Report of the Independent Auditors to the Trustees of
David Rattray Foundation

Opinion

We have audited the financial statements of David Rattray Foundation (the 'charity') for the year ended 5 April 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2020 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.

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 Auditors' 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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 financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements 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.

Report of the Independent Auditors to the Trustees of
David Rattray Foundation

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (1) 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.
- (2) 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 charity's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- (4) 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.
- (5) 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.

Report of the Independent Auditors to the Trustees of
David Rattray Foundation

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CANSDALES AUDIT LLP

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Bourbon Court

Nightingales Corner

Little Chalfont

Buckinghamshire

HP7 9QS

5 February 2021

David Rattray Foundation
known as Khula Education

Statement of Financial Activities
for the Year Ended 5 April 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	57,766	127,420	185,186	268,018
Charitable activities					
Charitable Activities	4	500	-	500	13,312
Investment income	3	104	-	104	4,776
Total		58,370	127,420	185,790	286,106
 EXPENDITURE ON					
Raising funds	5	21,375	-	21,375	23,948
Charitable activities					
Charitable Activities	6	41,598	167,873	209,471	251,031
Other		32,809	-	32,809	10,079
Total		95,782	167,873	263,655	285,058
NET INCOME/(EXPENDITURE)		(37,412)	(40,453)	(77,865)	1,048
Transfers between funds	12	(15,530)	15,530	-	-
Net movement in funds		(52,942)	(24,923)	(77,865)	1,048
RECONCILIATION OF FUNDS					
Total funds brought forward		224,459	24,923	249,382	248,334
TOTAL FUNDS CARRIED FORWARD		171,517	-	171,517	249,382

The notes form part of these financial statements

David Rattray Foundation
known as Khula Education

Balance Sheet
5 April 2020

	Notes	2020 £	2019 £
CURRENT ASSETS			
Cash at bank		174,916	302,810
CREDITORS			
Amounts falling due within one year	10	(3,399)	(53,428)
NET CURRENT ASSETS		171,517	249,382
TOTAL ASSETS LESS CURRENT LIABILITIES		171,517	249,382
NET ASSETS		171,517	249,382
FUNDS	12		
Unrestricted funds		171,517	224,459
Restricted funds:			
Pre-school running costs		-	22,874
Pre-school capital costs		-	905
IT Education		-	1,144
		-	24,923
TOTAL FUNDS		171,517	249,382

The financial statements were approved by the Board of Trustees and authorised for issue on 5 February 2021 and were signed on its behalf by:

T O'Malley - Trustee

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is more likely than not. If the amount is not known, the legacy is treated as a contingent asset.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TAXATION

The Trust is a registered charity and therefore is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

The charity has the following restricted funds:

- **IT Education:** For the purpose of costs associated with IT teachers and equipment.
- **Pre-schools running costs:** For the purpose of the general running costs of the pre-schools.
- **Pre-schools capital costs:** For the purpose of extending the pre-schools to accommodate the increase in pupil intake.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

David Rattray Foundation
known as Khula Education

Notes to the Financial Statements - continued
for the Year Ended 5 April 2020

1. ACCOUNTING POLICIES - continued

FOREIGN EXCHANGE

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange of the most recent transfer from the sterling bank accounts. Exchange differences are taken into account in arriving at the surplus or deficit.

GOING CONCERN

At the time of approving the financial statements, the Trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GRANTS

Grants are treated as expenditure when authorised by the Trustees and communicated to beneficiaries, not when the grants are paid.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	185,186	268,018

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	104	4,776

4. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Charitable Income - Other	500	13,312
Activity Charitable Activities		

David Rattray Foundation
known as Khula Education

Notes to the Financial Statements - continued
for the Year Ended 5 April 2020

5. RAISING FUNDS

OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Consultancy Fees	17,156	19,008
Charity Development & Others	4,219	4,940
	<u>21,375</u>	<u>23,948</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Charitable Activities	<u>206,049</u>	<u>3,422</u>	<u>209,471</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Just Giving Fees	247	288
David Rattray Foundation Donations - SA	34,313	38,016
Website Costs	3,335	10,327
Charitable Expenditure	167,873	198,183
Interest payable and similar charges	281	198
	<u>206,049</u>	<u>247,012</u>

8. SUPPORT COSTS

	Governance costs
	£
Charitable Activities	<u>3,422</u>

Support costs, included in the above, are as follows:

	2020	2019
	Charitable Activities	Total activities
	£	£
Auditors' remuneration	2,191	2,585
Accountancy and legal fees	1,231	1,434
	<u>3,422</u>	<u>4,019</u>

David Rattray Foundation
known as Khula Education

Notes to the Financial Statements - continued
for the Year Ended 5 April 2020

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2020 nor for the year ended 5 April 2019.

TRUSTEES' EXPENSES

There was an expenditure of £970 paid to Paul Hollingum paid for the year ended 5 April 2020 for charitable activities (2019: Nil)

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	3,399	53,428
	<u>3,399</u>	<u>53,428</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Current assets	174,916	-	174,916	302,810
Current liabilities	(3,399)	-	(3,399)	(53,428)
	<u>171,517</u>	<u>-</u>	<u>171,517</u>	<u>249,382</u>

Unrestricted fund balance of £171,517 at 5 April 2020 are represented by net current assets/(liabilities) (2019: £224,459), that of Restricted Fund was Nil at 5 April 2020 (2019: £24,923)

12. MOVEMENT IN FUNDS

	At 6.4.19	Net movement in funds	Transfers between funds	At 5.4.20
	£	£	£	£
Unrestricted funds				
General fund	224,459	(37,412)	(15,530)	171,517
Restricted funds				
Pre-school running costs	22,874	865	(23,739)	-
Pre-school capital costs	905	(41,318)	40,413	-
IT Education	1,144	-	(1,144)	-
	<u>24,923</u>	<u>(40,453)</u>	<u>15,530</u>	<u>-</u>
TOTAL FUNDS	<u>249,382</u>	<u>(77,865)</u>	<u>-</u>	<u>171,517</u>

David Rattray Foundation
known as Khula Education

Notes to the Financial Statements - continued
for the Year Ended 5 April 2020

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	58,370	(95,782)	(37,412)
Restricted funds			
Pre-school running costs	127,420	(126,555)	865
Pre-school capital costs	-	(41,318)	(41,318)
	<u>127,420</u>	<u>(167,873)</u>	<u>(40,453)</u>
TOTAL FUNDS	<u><u>185,790</u></u>	<u><u>(263,655)</u></u>	<u><u>(77,865)</u></u>

Comparatives for movement in funds

	At 6.4.18 £	Net movement in funds £	At 5.4.19 £
Unrestricted funds			
General fund	199,000	25,459	224,459
Restricted funds			
Pre-school running costs	6,696	16,178	22,874
Pre-school capital costs	41,494	(40,589)	905
IT Education	1,144	-	1,144
	<u>49,334</u>	<u>(24,411)</u>	<u>24,923</u>
TOTAL FUNDS	<u><u>248,334</u></u>	<u><u>1,048</u></u>	<u><u>249,382</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	112,334	(86,875)	25,459
Restricted funds			
Pre-school running costs	124,415	(108,237)	16,178
Pre-school capital costs	49,357	(89,946)	(40,589)
	<u>173,772</u>	<u>(198,183)</u>	<u>(24,411)</u>
TOTAL FUNDS	<u><u>286,106</u></u>	<u><u>(285,058)</u></u>	<u><u>1,048</u></u>

Notes to the Financial Statements - continued
for the Year Ended 5 April 2020

13. RELATED PARTY DISCLOSURES

Unrestricted donations totalling £2,750 (2019: £1,157) were received from One trustee (2019: One).

14. COVID-19

The Coronavirus (COVID-19) has emerged globally resulting in a significant impact on organisations worldwide. As a result, some operations have been restricted, however the charity continues to operate using alternative methods and remote working. The Trustees are unable to evaluate the overall financial impact at present. Hence financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Trustees are continuing to monitor, assess and act to the current changing environment in order to position the charity to ensure its future success.

David Rattray Foundation
known as Khula Education

Detailed Statement of Financial Activities
for the Year Ended 5 April 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	185,186	268,018
Investment income		
Deposit account interest	104	4,776
Charitable activities		
Charitable Income - Other	500	13,312
Total incoming resources	185,790	286,106
EXPENDITURE		
Other trading activities		
Consultancy Fees	17,156	19,008
Charity Development & Others	4,219	4,940
	21,375	23,948
Charitable activities		
Just Giving Fees	247	288
David Rattray Foundation Donations - SA	34,313	38,016
Website Costs	3,335	10,327
Charitable Expenditure	167,873	198,183
Bank interest & charges	281	198
	206,049	247,012
Other		
Foreign exchange gains/losses	32,809	10,079
Support costs		
Governance costs		
Auditors' remuneration	2,191	2,585
Accountancy and legal fees	1,231	1,434
	3,422	4,019
Total resources expended	263,655	285,058
Net (expenditure)/income	(77,865)	1,048

This page does not form part of the statutory financial statements