

Report and Financial Statements

Year Ended 30 June 2020

Reporting period 1 July 2019 – 30 June 2020



Annual report and financial statements for the year ended 30 June 2020

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Reference and Administrative Details

Trustees

GL Salteri
K Alexander
AN Kyendikuwa
L Clarke
Dr L Stackpool-Moore
MJ Weait (*resigned 16 July 2020*)
Dr ML Chirwa
SC Mapa
Dr V Delpech
Dr P Taylor
AZ Mwamblamba
JB Omondi
K De Graaf (*appointed 14 November 2020*)

Principal office

21 West Hill Court
Millfield Lane
London
N6 6JJ

Bankers

HSBC UK Bank plc
176 Camden High Road
London
NW1 8QL

Registered Charity number

1173178

Independent Examiner

RSM UK Tax and Accounting Limited
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA



Report of the Trustees for the year ended 30 June 2020

Introduction

Watipa is a Charitable Incorporated Organisation (CIO) which is supported by donations from individuals and profits from the social enterprise, Watipa Community Interest Company (CIC), a company in which a Trustee of the Charity is a director. Watipa CIC oversees ethical consultancy services provided in the area of international development, where profits support the scholarship program that is managed and overseen by the CIO. The two arms of Watipa work in concert to deliver the joint vision of equal societies, just development and better health for all. This report focuses solely on the operations, results, governance and management of Watipa CIO.

Objectives

Watipa's work is guided by four objectives, as outlined in the constitution:

1. **To advance the education of people under the age of 25 years living in developing countries** (including but not limited to Malawi, Sri Lanka, Zimbabwe, South Africa and Nepal). Scholars are selected based on their letter of motivation and their dedication to the advancement of community development. Awards are given for scholarships, maintenance, allowances or grants.
2. **To help young people living in developing countries through providing support and activities** (including mentorship and volunteering opportunities and learning exchanges) for the public benefit which develop their skills, capacities and capabilities to enable them to participate in and contribute to society.
3. **To develop the capacity and skills of the members of socially and economically disadvantaged communities** in developing countries in such a way that they are better able to identify, and help meet, the needs of their communities and to participate more fully in society.
4. **To help young people living in socially and economically disadvantaged communities in developed countries** (including but not limited to the United Kingdom and Australia) through providing support and activities (including mentorship and volunteering opportunities and learning exchanges) for the public benefit which develop their skills, capacities and capabilities to enable them to participate in and contribute to society.

To date objectives one, two and three have been the focus of activities of Watipa's operations to date. Objective four remains an ambition for the future.

The Trustees refer to the guidance in section 4 of the Charities Act 2011 on public benefit when reviewing their objectives and planning their future activities.

The Watipa scholarship program enables young leaders to complete their education and help them acquire the agency they need to enact the change they want to see in their communities. This contributes to target 4.3 of Sustainable Development Goal (SDG) 4, by 2030 to ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. It also contributes to the implementation target of SDG 4 to substantially expand globally the number of scholarships available to developing countries by 2020, in particular the least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programs, in developed countries and other developing countries.



Report of the Trustees for the year ended 30 June 2020

Watipa has a strong commitment to gender equity and to supporting education opportunities for young women and girls. Watipa, an organisation founded by 9 visionary women from 6 different countries, is trying to support young women be the change they want to see in the world. Watipa's scholars share this passion and commitment and are making great strides to address inequality and promote gender equity in their communities.

The majority of the Watipa scholarships awarded to date have been to young women. Each of the young women are under the age of 25 and have a defining ambition for how they would like to develop their communities; yet each also faces challenges in securing resources for their studies, their livelihoods, and navigating gender inequality in their own cultural contexts. The Watipa scholars are living, studying and dreaming in a range of countries in Africa and Asia.

Overall, 60% of the scholars Watipa supported this year are young women. Seven of the twelve Watipa scholars who graduated during this reporting period were young women. All of Watipa's scholars share a vision for a more developed and just society, including greater opportunities for young women and girls and progress towards gender equity.

Update: COVID-19

2020 was a year of great challenges and learning opportunities, as well as stimulating profound reflection – for every institution and individual alike. COVID-19 triggered a moment in time that demanded innovation, leadership and lateral thinking in response to the pressing immediate concerns raised by the pandemic. For Watipa, the charitable activities in relation to the awarding of scholarships and mentorship support for the scholars remained unchanged. However, most of the scholars faced uncertainty about their studies during this reporting period as educational institutions were closed and access to the necessary technology, data and bandwidth for online learning was challenging or unreliable. Watipa undertook a survey of the scholars and graduates to understand how COVID-19 was affecting their situation, and presented the results for discussion at the AGM (November 2020). The commitment and dedication of Watipa scholars to continuing their studies during these challenging times is commendable.

The financial position of the charity remains stable, with stronger reserves in this reporting period secured than in previous years. This is due both to donations to the charity, as well as prudent decisions by the Trustees to consolidate the activities for existing scholars (rather than extending to awarding additional new scholarships). The Trustees review and update a risk register, and the annual expenditure for the scholarships is forecast 12 months in advance. The administrative support of Watipa CIC remains assured for the day-to-day operations of the charity. Watipa did not need to engage with any government schemes to bolster the financial position of institutions due to COVID-19.

On review by the Trustees, there is no intention to change the current activities or processes of Watipa. The focused nature of Watipa's activities, virtual ways of working and strong financial reserves equipped the charity to be resilient during the uncertain times caused by COVID-19. The cash flow forecast and budget estimate for activities for the next reporting period (1 July 2020 – 30 June 2021) is adequate and anticipated to maintain a strong reserve, having exceeded the target set by Trustees to hold more than 50% of funds needed to sustain the anticipated scholarship payments (the current reserves are just over 100% of the need forecast for 2021). The Trustees will continue to monitor the situation and assess future risks.

COVID-19 has not had an impact on the governance of Watipa, as the Trustees have already been communicating virtually (as established from the outset in the Constitution) and Watipa is run by volunteers.



Report of the Trustees for the year ended 30 June 2020

Activities

Watipa oversees a scholarship program that supports young people achieve their dreams to give back to their communities. The scholarship program provides support to young people in the form of tuition fees and living expenses for a period of 1-4 years (depending on the needs of the scholars), as well as access to Watipa's pool of international mentors. Watipa raises funds and awards scholarships to students in developing countries who have achieved a place at a university or institute of higher education, who have a strong determination and motivation to contribute to inclusive social change, yet who would not otherwise be able to complete their studies. Watipa accepts a broad range of study subjects – the key deciding factor is the commitment of the scholars is to use the benefits of their education for community development.

The Watipa scholarship awards were launched by Watipa CIC in 2016 and have been given annually since then, as part of global celebrations for International Human Rights Day (10 December). In 2016 Watipa CIC awarded 22 scholarships and 14 highly commended awards. Once registered, the management of the scholarship review and award process was taken over by Watipa CIO.

In 2017, 15 new scholarships were awarded, 14 scholarships were sustained and 9 awards were upgraded from “highly commended” to full scholarships. There were 5 graduates at the end of 2017.

In 2018, Watipa celebrated 6 more graduates; 8 new scholarships were awarded, and 30 scholarships were sustained.

In 2019, the Trustees decided to consolidate activities around the existing scholarship recipients and no new scholarships were awarded. Watipa celebrated 12 graduates in 2019, and 23 scholarships were sustained. One scholar achieved the Dean's list and another received a local scholarship and no longer needed tuition support. Another scholar no longer needed tuition support. During the period covered by this report, Watipa scholars were supported in Ghana, Kenya, Malawi, Nepal, South Africa, Uganda, and Zambia.

“I got the Watipa scholarship back in 2017, a time when I not only faced financial crisis but also at the verge of dropping my studies due to lack of tuition fee. Two years later, I reflect how the scholarship positively impacted my academics. I became more focused on my studies, my grades became better. The scholarship enabled me meeting the Watipa team who in one way or the other made my final project year a success. I'm humbled to have interacted with you; my sincere gratitude. Together with my organization, we managed to reach out to the disadvantaged around the coastal region, mobilized more youth to support the orphaned, disabled & marginalized in my community. The scholarship gave me hope, and it was a dream come true. Thank you Watipa for playing a pivotal role in my life.”

Graduate, Bachelor of Science Building & Civil Engineering, Kenya 2019

“I am very grateful and proud for being a Watipa scholar and most happiest to see myself getting my degree with a distinction. Am also glad and proud of myself for being the only girl who made it with a distinction in our cohort. Many thanks to Watipa scholarship program for helping me to achieve my dream, it's one of the greatest achievement I have ever had in my life.”

Graduate, Bachelor of Science in Human Nutrition and Food Science, Malawi 2019



Report of the Trustees for the year ended 30 June 2020

"I am so proud of many things regarding the Watipa Scholarship Programme, however, I will summarize them in three. One, being selected to be one of the scholarship beneficiaries. Having Watipa pay my tuition fees has been a huge financial relief. My grades drastically improved after Watipa began to sponsor me. Two, I am proud to be part of a team or family of scholars who bare the same ambitions. It has been motivating to go through my academic journey with other scholars. Finally, the community development aspect has always been the best part. Seeing my peers strive to play a part in community development or environmental protection has always been very inspiring. It always challenges me to do more as a youth."

Graduate, Bachelor of Arts in Psychology (Counselling), Kenya 2019

"I am proud of myself for I have managed to pass with a credit and for resisting the pressure I encountered throughout my adolescence. I also feel proud for being part of Watipa. Watipa has helped me to be where I am now. I have completed my degree. I am a role model to my community. I feel good when a lot of young girls come to me to ask for guidance about school. I am the first born in my family. Being the first born and able to set an example to siblings is a thing I am also proud of."

Graduate, Bachelor of Science in Nursing and Midwifery, Malawi 2019

"The day I graduated ..it was a dream come true ..this is my favourite moment... Being a Watipa scholar, we participate in lots of activities , participating in a research on access to HIV services was my favourite moment because I reached out to my fellow young people and at the end I received some allowance which helped during school time. The stipend allowance given to scholars is so beneficial ..it pushes us at school ..it facilitated me to buy books and other scholastic items."

Graduate, Bachelor of Social Work and Social Administration, Uganda 2019

The features of being a Watipa scholar are:

- Tuition fees paid, for the duration of the course of study. The payments are made directly to the educational institutions, except in the few cases where those institutions do not accept foreign payments.
- Social networking opportunities and mentorship. Watipa scholars are given the opportunity to network with other Watipa scholars in person in their country, where possible, and through Watipa's WhatsApp group and other social media.
- Leadership and governance opportunities. Watipa scholars are given the opportunity to govern Watipa through election to the Board as a Trustee or as a representative to the Youth Development Working Group.
- Living stipends, which had previously only been paid to Watipa scholars who were young parents and/or who were living with a disability, were extended to all scholarship recipients. These are payments made once a year, in January, directly to the scholars via Western Union and can be used for whatever is the most pressing need for the scholar.
- Graduate stipends. These are payments at the same level as the living stipends, made in January, directly to the graduates via Western Union and can be used for whatever is the most pressing need for the graduate.

Every year scholars complete a renewal form, reflecting on their achievements and challenges throughout the year. As long as they are progressing with their studies and community service, Watipa is committed to supporting scholars through to graduation.



Report of the Trustees for the year ended 30 June 2020

Achievements and performance

As part of the scholarship review, scholars complete a progress update that is designed to reflect their progress of the previous year, some of the challenges they have faced and some of the things they are proud of. Watipa also asks what they like about Watipa, and suggestions for how Watipa can improve. Watipa takes this feedback into consideration for future planning. The responses from the review process inform Watipa's monitoring and evaluation framework, which is aligned to the theory of change, through a variety of qualitative and quantitative indicators.

Based on alumni survey results for 2019, all respondents felt that Watipa services met their needs well. For the scholars whose scholarships were renewed, 88% (83% in 2018) said they were extremely likely to recommend Watipa to a friend or colleague and 92% (73% in 2018) were 'very satisfied' with Watipa.

Watipa's model of supporting scholars who intend to "pay it forward" – that is use the benefits of their education to benefit others – has started from a strong foundation. Watipa is proud of the commitment and determination shown by many of the scholars as leaders in their communities.

Watipa scholars benefit from enhanced social capital through connection with fellow Watipa scholars, Watipa staff and mentors for example through peer mentorship through the Watipa Scholar WhatsApp group. Opportunities for employment, training and learning also emerge through synergies with the activities of Watipa CIC.

Challenges

During this period the same administrative challenges remained in relation to transferring funds for tuition fees to the scholarships to Ghana. The alternative arrangements were repeated, as in 2017 and 2018.

The challenges experienced in the previous reporting period of transferring funds to support the scholars in Malawi, have been overcome through the establishment of a new bank account. The integral relationship with Mwatipasa Trust in Malawi, Watipa's sister organization, continues to remain essential in the oversight and local support for the Watipa scholars in Malawi.

Due to COVID-19 and the resulting uncertainty worldwide that was likely to affect our donors and supporters as well as our scholars, Watipa did not undertake an online fundraising campaign. We anticipate resuming that approach in the future to contribute to our reserves and funding for the activities of the charity. For this reporting period, adequate funds were available from the other sources of revenue to support the activities of the charity.

Risk management

The Trustees have identified three strategic risks for Watipa and have put in place plans for managing them. A data protection officer was nominated who led a review of Watipa's practices and checked compliance with the new GDPR regulations. Safeguarding, ethical conduct, anti-bribery and anti-corruption policies were also further developed during this reporting period, as part of an annual review of key institutional policies.



Report of the Trustees for the year ended 30 June 2020

The strategic risks and associated management plans have been identified as follows:

Risk: The emphasis on individual leadership, innovation and motivation to enable change to occur in local communities does not catalyse or sufficiently engage wider structural determinants of inequality, and therefore the “impact” of the scholarship remains isolated to individuals.

Strategies to manage risk: specific selection criteria, matrix selection process and reference checks before scholarships are awarded.

Risk: Lack of capacity of Watipa to influence the quality of education received by the Watipa scholars at their local institutions, as poor quality education may in fact demotivate young people and lead to entrenched (rather than transformed) gender inequality, low self-esteem and lack of confidence. This is outside Watipa’s scope of influence, and yet potentially a key factor in the success of the programme to enable the scholars to achieve their dreams.

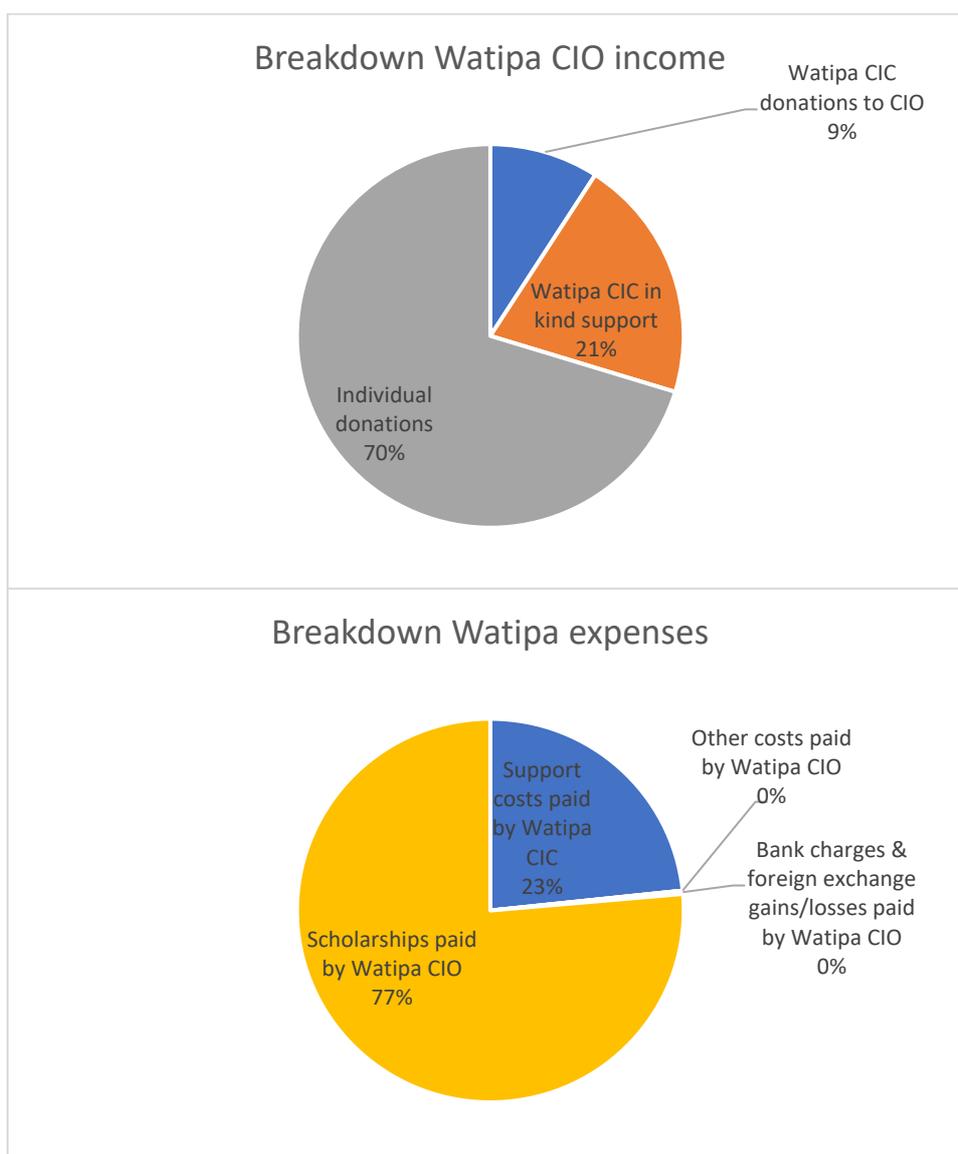
Strategies to manage risk: The annual renewal and review process documenting open and honest feedback from the scholars about their progress and day-to-day challenges. Watipa plans to develop a more systematic mentorship programme linking peers and consultants in Watipa’s network which in future will be another resource to counter or mitigate the effects of the risks associated with poor quality education.

Risk: COVID-19 has impacted the educational opportunities for all Watipa scholars and will delay achieving the objective of educational attainment for Watipa scholars. This will likely mean that the financial commitments for Watipa to support the scholars in the future may need to be extended to compensate for the break in studies due to COVID-19.

Strategies to manage risk: The trustees are monitoring the situation and will continue to manage any potential risks identified as needed. The budget forecast has been adjusted to reflect potential additional and unanticipated extension of scholarships. Fundraising efforts will take this longer term view into account. Given the public health expertise of the consulting services offered by Watipa CIC, it is expected that a similar level of contribution will still be made to Watipa CIO in the next reporting period.

Financial review

Total income for Watipa CIO during this reporting period was £34,996 (2019: £28,706). A breakdown of the sources of income is shown below. Total expenses for Watipa CIO during this reporting period was £21,222 (2019: £45,969). A breakdown of the expenses is also shown below.



An important principle for Watipa is that the funds Watipa receives from public donations go directly to the scholars (Watipa CIO does not take any contribution to overhead costs). Overhead costs for Watipa CIO are covered by Watipa CIC. Watipa CIO covers bank charges in making the scholarship payments and incurs foreign exchange losses which are included as support costs. All costs recognised in the accounts have been paid by Watipa CIC other than bank charges which are included in the scholarship payments. Any donations to Watipa are not used for administrative or support costs.



Report of the Trustees for the year ended 30 June 2020

Without the generous support of individuals, donating funds and/or their expertise, Watipa would not have been able to establish such a strong basis from which to achieve the objectives and contribute towards enabling young people in developing countries to achieve their dreams and develop their communities.

The unrestricted fund balance will be used as reserves to build a buffer so that Watipa has confidence and preparations to maintain the ongoing scholarship commitments in subsequent years. The reserves balance held at 30 June 2020 is a surplus of £11,772 (2019: deficit of £2,002), there are no restricted funds.

This year, the reserves match the estimated amount anticipated to fulfil our scholarship commitments and support for the graduate scholars in 2021, which is approximately £5,500 for the current scholarship recipients and recent graduates. Watipa has achieved (and exceeded) the goal set by the Trustees of holding at least 50% of the funds required to sustain the ongoing commitments of the multi-year scholarship commitments.

Watipa's intention is to continue to raise funds and build new partnerships to increase the depth of mentorship, academic and peer support offered to Watipa scholars within the geographies already directly receiving Watipa support. The main source of income in this reporting period was from personal donations – a combination of regular monthly donors as well as a few individual one-off donations. The Trustees intend to diversify funding for the charity in 2021, by additional outreach for new supporters. In addition the contribution from the consultancy work of Watipa CIC is anticipated to increase back to previous levels (comparable to 2017 and 2018) in 2021.

Structure, governance and management

Watipa is a Charitable Incorporated Organisation that is governed by a constitution and is registered in England and Wales. The date of the Constitution is 25 May 2017 which was the date of incorporation.

Watipa works together with communities to co-create processes of effective, inclusive and sustainable social change. Membership of Watipa is open to anyone (individual or corporate body) who is interested in furthering its purposes and who agree and accept the duties of members. Members include scholars, partners, volunteers and consultants associated with Watipa CIO and/or Watipa CIC.

The management and day to day operations of Watipa CIO is run entirely by volunteers. Lucy Stackpool-Moore, the Founder, and Director of Watipa CIC, manages Watipa CIO in a voluntary capacity.

Plans for future periods

Watipa intends to continue to support scholarships for young leaders, with a primary focus on supporting the completion of studies for the scholars already supported by Watipa. Based on the feedback from Watipa scholars, additional means to connect with the scholars with enhanced mentorship experiences and connections with post-study support are becoming a priority. The number of graduates supported through the Watipa scholarship programme is growing, and accordingly Watipa is considering how the charity is best placed to connect these alumni with opportunities and other support, as well as potentially growing to provide some direct support post-graduation as well.



Report of the Trustees for the year ended 30 June 2020

Commitment to meaningful youth involvement

Watipa has committed to meaningful youth engagement in governance and throughout all activities.

The Trustees responsible for the management of Watipa during the period were:

Karin Alexander, South Africa; Maureen Chirwa, Malawi; Lucy Clarke, United Kingdom; Valerie Delpech, United Kingdom (Secretary); Allen Kyendikuwa, Uganda; Sakunthala Mapa, United Kingdom; Julia Omondi, Kenya; Gemma Salteri, Australia; Lucy Stackpool-Moore, United Kingdom (Chair); Peter Taylor, Canada; Matthew Weait, United Kingdom; and Amos Zingiri Mwamlamba, Kenya.

The Trustees were recruited through existing networks and professional recommendations. A letter of invitation was sent outlining the role and responsibilities of being a Watipa Trustee, and the Board of Trustees was filled accordingly on acceptance and clarification of the duties.

Day-to-day management decisions for the running of Watipa CIO are taken by the Chief Executive Officer, Dr Lucy Stackpool-Moore. Support for the administration of scholarships and communications was provided by Kristen de Graff. Strategic and all other decisions are taken by the Board of Trustees. Watipa is entirely run by volunteers and is very grateful for the support and dedication of expertise.

Three working groups were formed to advise the Board of Trustees: Education, Youth Development, and Business Development.

During this reporting period, there were three Board of Trustee meetings (29 July 2019, 30 September 2019, 25 February 2020) and the Annual General Meeting (AGM) on 27 October 2019.

Statement of Trustees' Responsibilities

Charity law requires the trustees to prepare accounts that give a true and fair view of the state of affairs of the Charity and of its income and expenditure for the financial period. In doing so, 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 accounting records, which disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with applicable Charity law. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

This report was approved by the Trustees on 22 April 2021.



Dr L Stackpool-Moore
Trustee, Chair



Independent Examiner's report to the Trustees of Watipa

I report to the trustees on my examination of the financial statements of Watipa ('the Charity') for the year ended 30 June 2020, which are set out on pages 12 to 18.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Signed:

Name: Laragh Jeanroy

Name of applicable listed body: *The Institute of Chartered Accountants in England and Wales*

Relevant professional qualification or membership of professional body: *Chartered Accountant*

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

Date: 29/04/2021

Statement of Financial Activities for the year ended 30 June 2020

	Notes	2020 £	2019 £
Income from:			
Donations	2	35,179	28,706
Total income		<u>35,179</u>	<u>28,706</u>
Expenditure on:			
Charitable activities	3	21,405	45,969
Total expenditure		<u>21,405</u>	<u>45,969</u>
Net income/(expenditure)		<u>13,774</u>	<u>(17,263)</u>
Reconciliation of funds			
Total funds brought forward		(2,002)	15,261
Total funds carried forward		<u><u>11,772</u></u>	<u><u>(2,002)</u></u>

All income and expenditure related to unrestricted funds.

The notes on pages 14 to 18 form part of these financial statements

Balance sheet at 30 June 2020

	Notes	2020 £	2019 £
Current assets			
Cash at bank and in hand		14,448	3,116
Liabilities			
Creditors: amounts falling due within one year	5	(2,676)	(5,118)
Net assets/(liabilities)		<u>11,772</u>	<u>(2,002)</u>
Unrestricted funds	7	11,772	(2,002)
Total Charity funds		<u>11,772</u>	<u>(2,002)</u>

The financial statements on pages 12 to 18 were approved by the Trustees and authorised for issue on 22 April 2021 and are signed on their behalf by:



Dr L Stackpool-Moore
Trustee, Chair

The notes on pages 14 to 18 form part of these financial statements

1. Accounting policies

The principal accounting policies are set out below.

General information

Watipa is a Charitable Incorporated Organisation domiciled and registered in England and Wales. The address of the Charity's principal place of business is 21 West Hill Court, Mill Field Lane, London, N6 6JJ.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and 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 (Charities SORP (FRS 102))) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

Going concern

The reserves balance held at 30 June 2020 is a surplus of £11,772 (2019: deficit of £2,002), there are no restricted funds.

Due to the impact of Covid-19, even though the Trustees had anticipated that donations from personal contributions would decrease, this was not the case in this reporting period. However in the next period, due to the long term effects and economic insecurity caused by COVID-19 and associated restrictions, the Trustees anticipate a need to diversify income for the charity. Donations from Watipa CIC are expected to increase in the next reporting period, owing to increased consultancy work undertaken and the public health expertise of the business that remains very relevant in the current climate. The trustees consider that the Charity has sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the date of approving these accounts, Watipa CIC pays for all costs other than grants and bank charges associated with grant payments.

The financial position of the charity remains stable, with stronger reserves in this reporting period secured than in previous years. This is due both to strong donations to the charity, as well as prudent decisions by the Trustees to consolidate the activities for existing scholars (rather than extending to awarding additional new scholarships). The Trustees review and update a risk register, and the annual expenditure for the scholarships is forecast 12 months in advance. The administrative support of Watipa CIC remains assured for the day-to-day operations of the charity. Watipa did not need to engage with any government schemes to bolster the financial position of institutions due to COVID-19.

On review by the Trustees, there is no intention to change the current activities or processes of Watipa. The focused nature of Watipa's activities, virtual ways of working and strong financial reserves equipped the charity to be resilient during the uncertain times caused by COVID-19. The cash flow forecast and budget estimate for activities for the next reporting period (1 July 2020 – 30 June 2021) is adequate and anticipated to maintain a strong reserve, having exceeded the target set by Trustees to hold more than 50% of funds needed to sustain the anticipated scholarship payments (the current reserves are just over 100% of the need forecast for 2021). The Trustees will continue to monitor the situation and assess future risks.

Income

Donations are included in the Statement of Financial Activities when the Charity is entitled to the income, when it is probable that the amount will be received and when the amount can be quantified with reasonable accuracy.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

All expenditure is accounted for when incurred and all liabilities are recognised in full as soon as the obligations arise. Expenditure has been classified under the headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Charitable activities

Resources expended under this heading are those directly related to the furtherance of the Charity's objects such as grants payable.

Grant expenditure

Grants made are accounted for once the Charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is the earlier. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term notice accounts with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. Accounting policies (continued)

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The Charity is not liable for assessment to tax on its results to the extent that any surplus generated is applied for the charitable purpose. Recoverable income tax is accounted for on an accruals basis.

Fund accounting

The unrestricted general fund comprises accumulated surpluses. This is available for use at the discretion of the Trustees in furtherance of the Charity's objectives.

2. Income from donations

	2020 £	2019 £
Donations	27,936	21,034
Donated services	7,243	7,672
	<u>35,179</u>	<u>28,706</u>

Donated services comprise expenditure paid on behalf of the Charity by Watipa Community Interest Company, a company in which two of the Trustees are directors. The estimated value of these services is £7,243 (2019: £7,672) which is recognised within incoming resources as a donation and an equivalent charge included within support costs.

3. Expenditure on charitable activities

	2020 £	2019 £
Grants payable	16,349	33,200
Support costs (note 4)	5,056	12,769
	<u>21,405</u>	<u>45,969</u>

4. Support costs

	2020	2019
	£	£
Bank charges	260	504
Rent	-	679
Computer running costs	615	606
Travel expenses	332	147
Other costs	407	7,910
Advertising	166	111
(Profit)/loss on foreign exchange	-	214
Fees payable to independent examiner:		
- for independent examination	1,464	1,422
- other financial services	1,812	1,176
	<u>5,056</u>	<u>12,769</u>

5. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	2,520
Accruals	2,676	2,598
	<u>2,676</u>	<u>5,118</u>

6. Analysis of net assets/(liabilities) between funds

	Total	Total
	Funds	Funds
	2020	2019
	£	£
Current assets	14,448	3,116
Current liabilities	(2,676)	(5,118)
	<u>11,772</u>	<u>(2,002)</u>

7. Movement in Funds

	At 1 July 2019 £	Income £	Expenditure £	At 30 June 2020 £
Unrestricted Funds	(2,002)	35,179	(21,405)	11,772

	At 1 July 2018 £	Income £	Expenditure £	At 30 June 2019 £
Unrestricted Funds	15,261	28,706	(45,969)	(2,002)

8. Transactions with Trustees

No trustees received remuneration or reimbursement of expenses during the current or prior period.

9. Related party transactions

During the year the Charity had transactions with Watipa Community Interest Company, a company in which one of the Trustees is a director. Donations were received of £10,453 (2019: £13,204) which includes donations in kind of £7,243 (2019: £7,672) for expenses paid on behalf of the Charity.

The Charity received total donations of £19,440 (2019: £3,093) from Trustees and their families.