

# **The Costa Foundation**

**(A Company limited by guarantee)**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

**Company No: 08064488**  
**Charity No: 1147400**  
**Scottish Charity No: SC043414**

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## REFERENCE AND ADMINISTRATIVE DETAILS

**TRUSTEES/DIRECTORS:** A Aggarwal (appointed 13 August 2020)  
C Bentley  
K Brunton  
L Camfield (appointed 2 October 2019)  
K Cooke  
R Fairhurst (Chair)  
T Johnson  
N Lake (appointed 3 May 2019)  
V Moorhouse  
E Perry

**SECRETARY:** R Gardiner

**REGISTERED OFFICE:** Costa House  
Houghton Hall Business Park  
Porz Avenue  
Houghton Regis  
Dunstable  
Bedfordshire  
LU5 5YG

**REGISTERED NUMBERS:** Company No: 08064488  
Charity No: 1147400  
Scottish Charity No: SC043414

**AUDITOR:** Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

**BANKERS:** National Westminster Bank Plc  
City of London Branch  
PO Box 12258  
1 Princes Street  
LONDON  
EC2R 8PA

## CHAIRMAN'S STATEMENT

2019 saw Greta Thunberg capturing the hearts and minds of many millions of people spurring children across the globe to raise awareness of global warming. The scale of Greta's impact demonstrates the power of young peoples' collective voices and the energy and commitment that students and children can give to the world if only they're given the opportunity.

It's with immense pride that I'm able to share with you the highlights of our work in the period –

- Seven new schools were opened in 2019 in Colombia, Ethiopia, Peru and Vietnam providing learning spaces for 3,380 children
- Three large multi-school projects were completed in Guatemala, Honduras and Nicaragua across sixteen schools; projects now being enjoyed by 3,548 children
- Four Costa Foundation schools were given additional facilities in Uganda and Zambia, benefiting a further 842 children.

Who knows, of the 3,380 students now attending school for the first time in Costa Foundation funded schools, there may well be a future "Greta Thunberg" among them?

2019 was a challenging year in terms of fundraising but despite the challenging environment created by uncertainty of Brexit I am delighted that we still managed to raise over £1.9 million in the ten months to the end of the year. Our sincere thanks go to all of the teams and customers at Costa Coffee who have worked tirelessly and given so generously to raise funds and help create such wonderful education facilities in coffee-growing communities around the world. Thank you so much to each and every one of you.

2019 was also the year that saw the rebranding of the Costa Foundation with a new logo and our new strapline "Changing a child's life story". Rest assured we remain committed to "Helping Communities Grow" but having heard so many stories of the impact on individual students of attending school for the first time we wanted to bring the scale of the impact to life for our donors.

Having been one of the founding trustee directors when the Costa Foundation was incorporated and after nearly eight years of meetings, visits to schools, attending fundraising events and making many friends along the way Clive Bentley decided it was time for him to stand down as Chair of the Foundation. On behalf of the board I should like to thank Clive for his long service and commitment to the cause. Happily, Clive remains as a trustee so the Board continues to benefit from his wisdom and experience. I should also say thank you to Kate Seljeflot who resigned as a trustee director when she left Costa earlier this year. Kate was always a passionate supporter of the Foundation and we shall miss her insight and commitment.

I am delighted to report the appointments to the Board of Neil Lake, Costa's UK & Ireland Managing Director and Professor Laura Camfield, Head of the University of East Anglia's School of International Development. Neil's appointment has strengthened the Foundation's relationship with our corporate sponsor, Costa Coffee and his infectious energy and passion for the Foundation has already led to a big step up in funding from his store colleagues. Laura's appointment brings some real academic insight to our work and such is her enthusiasm to learn about our work she has already given up time to visit our schools in Uganda.

Finally, thank you to our amazing donors, supporters and the many people who volunteer their time to support the Foundation bringing positive change to many more children's life stories.

Russell Fairhurst, Chair, The Costa Foundation

## **TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Trustees, who are Directors of the Costa Foundation ('the Foundation'), present their annual report and financial statements for the ten-month period ended 31 December 2019 (the prior years' annual report and financial statements were for the year ended 28 February 2019). During the period the Trustees approved a change in the Foundation's financial year end from 1 March to 31 December, to coincide with Costa's new financial year end.

The Foundation was incorporated at Companies House on 10 May 2012, registered as a charity with the Charity Commission on 23 May 2012 and with the Office of the Scottish Charity Regulator on 17 September 2012.

Prior to the incorporation of the Foundation, donations were collected in an account maintained by Charities Trust, an independent registered charity, pursuant to an agreement with Costa Limited and with the intent that the monies in the account would be used for similar charitable purposes to those adopted by the Foundation. Following incorporation, Charities Trust transferred the funds then held by them to the Foundation.

### **Relationship with Costa Limited**

Under the Articles of Association of the Foundation, Costa Limited ("Costa") has the power to appoint Trustees of the Foundation provided at least two Trustees are appointed by the Board of Trustees.

Costa is party to a Commercial Participation Agreement with the Foundation to enable Costa to raise funds through the sale of certain products from which it has agreed to donate certain proceeds to the Foundation and otherwise through fundraising from Costa's employees and members of the public. In addition to the other fundraising activities described below, Costa is also party to a Grant Funding Agreement pursuant to which Costa donated the sum of £20,000 in the year.

### **Fundraising Approach**

The Foundation's approach to fundraising is to predominantly use the relationship with Costa, its employees and customers to raise funds through fundraising activities and the sale of products. We do not carry out street fundraising, nor do we undertake fundraising mail shots or telephone canvassing. We work with Costa to ensure any fundraising they do for the Foundation complies to recognised standards. The fundraising practice is monitored by the trustees of the charity through the Fundraising and Engagement Committee and we monitor any fundraising complaints (none were received during 2019) and always seek to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

## **Structure, Governance and Management**

### **Governing Document**

The Foundation is incorporated as a private company limited by guarantee.

The Articles of Association of the Foundation established the objects and powers of the Foundation. In the event of the Foundation being wound up, members are required to contribute an amount not exceeding £1 each.

## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

### Recruitment and Appointment of the Board of Trustees

Trustees were appointed by Costa on incorporation of the Foundation and subsequently by the Board to ensure that the Board includes experience in financial, legal and other relevant fields. Trustees are aware of their obligations in law as Trustees and Directors and are encouraged to acquaint themselves with publications and guidance available from the Charity Commission. Members of the Board have access to external Trustee training.

During the period Clive Bentley stepped down as Chair of the Foundation and it was agreed by the Trustees that Russell Fairhurst be appointed in his place. The Trustees serving during the period were as follows:

<b>Name of Trustee</b>	<b>Appointment</b>	<b>Resigned</b>
C Bentley		
R Fairhurst		
E Perry		
T Johnson		
K Cooke		
K Brunton		
V Moorhouse		
K Seljeflot		11 March 2020
N Lake	3 May 2019	
L Camfield	2 October 2019	

### Secretary

R Gardiner

### Organisational Structure

The Board of Trustees meet at least four times a year and oversees finance, current project work and the future strategy of the Foundation.

The Foundation also has two Trustee sub committees: The Projects Committee and the Fundraising and Engagement Committee. The purpose and duties of these committees are set out in their respective terms of reference and are broadly outlined below.

The purpose of the Projects Committee is:

- a) To recommend to the Board the Projects strategy in fulfilment of the Foundation's Theory of Change;
- b) To prepare annual budgets for projects and other matters within the remit of the Committee;
- c) To consider for approval all projects presented for funding by the Foundation;
- d) To develop and implement a system for the monitoring and evaluation of Foundation projects; and
- e) To monitor all external delivery partners for Foundation projects and to recommend new partners to the Board.

## **TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Projects Committee uses a strategic matrix to assist in the evaluation of project proposals and collects detailed monitoring and evaluation information on Foundation schools to measure the impact and success of the projects across a number of key performance indicators.

The purpose of the Fundraising and Engagement Committee is as follows:

- a) To recommend the fundraising strategy for the Foundation to the Board;
- b) To oversee the planning, coordination and implementation of all fundraising activities in relation to the Foundation;
- c) To develop annual plans for engagement with Costa; and
- d) To act as the key link between the Foundation and Costa and any other fundraisers, to ensure joined up and co-ordinated working.

Trustees are allocated certain countries in which the Foundation funds projects to improve their understanding of the educational needs in coffee growing communities in those countries, visiting those projects to undertake governance reviews to ensure that the funds given to projects are being used appropriately and on a timely basis.

The Foundation held Trustee Indemnity Insurance during the period.

### **Principal risks and uncertainties**

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks. The three risks that would have the highest impact to the model of operation that the charity has are a decrease in income received and in the quality of the delivery of projects with project partners overseas and safeguarding. While the Foundation does not build or operate any of the schools which it has funded, cases of misconduct by staff of our delivery partners on or off Foundation projects could result in reputational harm for the Foundation. The Foundation has a safeguarding policy to mitigate against this risk.

COVID-19 has been a tragic global event. It has caused schools to close around the World, including some Costa Foundation schools. Home learning policies have been put in place where possible, and local Government advice followed.

In addition to impacting the education provision in our schools, some building works have been delayed by COVID-19. This may cause delays in opening schools but we are working with our partners to ensure schools are ready to open as quickly as is possible, within guidelines.

Due to the way funding is arranged within the Foundation, with funds only committed once they are raised, the loss of income from store fundraising will have a delayed impact. Our charitable activity over the coming year is supported by funds already received, however we will inevitably see a reduction in projects in the following year, as a direct impact of the loss of income in 2020. As fundraising recommences in Costa stores, we will prioritise charitable expenditure on areas that it can have the highest impact.

The Foundation is not directly impacted by Brexit. However, an adverse movement in the GBP to USD exchange rate has impacted the sterling cost of our projects. Funds are only committed to new projects

## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

once the income has been received, and the USD purchased for each project. Therefore, we do not have any exchange rate risk, but rather increase project costs.

### Objectives and Activities

The Foundation's aims are the advancement of education, the prevention and relief of poverty and the advancement of health and the environment of coffee-growing communities around the world.

In the consideration of projects, the Trustees have due regard to the Charity Commission's guidance on public benefit. The Trustees always ensure that the projects undertaken are in line with the aims and objectives of the Foundation and use its Theory of Change to guide their decisions.

All projects continue to be implemented via delivery partners based in the countries where the projects are undertaken. The delivery partners range from charitable non-governmental organisations to the sustainability teams of coffee companies.

The Foundation aims to fund schools which provide individual wellbeing and a safe, quality education for children within coffee growing communities. All projects are required to have fresh water and separate sanitation facilities for boys and girls. Depending upon local needs; the Foundation also funds child nutrition programmes, electricity installations, boarding accommodation, teacher's accommodation, libraries, science labs, computer labs and safety infrastructure such as perimeter fencing, safety lighting and flood barriers.

The Foundation also invests additional capital into expanding schools previously built with our funds. This can be through the provision of extra classrooms, sanitation, boarding accommodation, teacher's accommodation, sanitation, science and computer labs etc. For example, the first school the Foundation funded in 2008 received additional classrooms, sanitation and a canteen in 2016 to help cope with the growing numbers of children attending the school. Expansion funds have been focused mainly in Uganda, Vietnam, Colombia and Guatemala where the success of the schools has warranted extra facilities. Examples of this on-going support are available on our website at <https://www.costafoundation.com/about/>.

The Foundation works with communities and local authorities where its school projects will be located but does not employ the teaching staff or influence the curriculum. The schools we have funded in Uganda are operated by a charity called Promoting Equality in African Schools ("PEAS") where the teachers are employed and paid by PEAS. You can find out more information on the PEAS website at <https://www.peas.org.uk>. All other Costa Foundation funded schools are run by teachers trained and funded by the local education authorities or other NGOs. This system ensures the sustainability of the schools as teachers are not reliant upon continued funding from the Foundation to meet their operating costs.

We support many of our schools by funding leadership and train-the-trainer sessions and providing equipment and learning aids for extra curriculum "Citizenship" lessons held outside of school hours. These sessions are run by students and often attended by the parents within the community. Citizenship lessons are in subjects such as Health; particularly AIDS/HIV awareness, Gender Equality, Environment, Sport and Student Leadership through the provision of Girl's and Boy's Clubs.

## **TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

### **Projects Funded from 1 March 2019 to 31 December 2019**

In 2019 our financial year end was changed to 31 December to coincide with Costa's new financial year end. As we have already reported January and February 2019 in our last set of accounts, this year's report is for the ten months from 1 March 2019 to 31 December 2019.

During the period ended 31 December 2019, the Foundation opened seven new schools in four countries, in total adding a further 3,380 school places. In addition to these new schools we have also invested in three multi-school projects meaning we have invested in existing government schools to increase capacity, improve facilities and fund programmes to support a quality education. These three multi-school projects were in Nicaragua, Guatemala and Honduras, have collectively improved sixteen schools through Plan International and have positively impacted 3,548 children as well the teachers and parents in sixteen coffee-growing communities.

We also carried out four expansion projects in Ethiopia, Uganda and Zambia to further improve previously funded Costa Foundation schools and ensure that we continue to "change a child's life story" long after the schools we have funded first opened their doors.

As ever, our thanks go to our delivery partners who worked extremely hard this year as on top of the schools and school projects reported above; a further eleven projects were under construction in Colombia, Ethiopia, Peru and Vietnam during 2019.

Finally, in addition to the projects that were either completed or under construction, a further four projects were signed off by the Board during 2019, all of which were going through the legal process before work could commence.

### **Opened and Now Educating Children**

#### **New schools - Defined as the construction of a school that didn't previously exist**

1. Vereda El Sauce Middle School, Colombia – opened March 2019 for 200 children.  
A six-classroom school which includes two new sanitation blocks, water harvesting tanks, administration block for teachers, wheelchair access and a landscaped garden area.
2. Union Alto Sanibeni Primary School, Peru – opened September 2019 for 117 children.  
A six-classroom school with one multi-function room, one kitchen, one canteen, one teacher's room, one storage room, sanitation, playground, perimeter fence, water and electricity.
3. Union Alto Sanibeni Nursery School, Peru – opened September 2019 for 38 children  
An additional school structure added part way through the primary school construction including two classrooms, one multi-use room, one library, one kitchen, one storage area, sanitation, open-air multi-use area and playground.
4. Son Ca Nursery School, Vietnam – opened September 2019 for 391 children.  
An eleven-classroom school which includes one multi-function room, two teacher's rooms, one meeting room, one sickbay, one kitchen, sanitation, playground, perimeter fence, water and electricity.

## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

5. Gora Bantu Primary School, Ethiopia – opened September 2019 for 1,393 children.  
An eight-classroom school including one kindergarten classroom, one library, sanitation (including showers), text books, learning aids, school club funding and training for teachers, school leaders and school club leaders.
6. Dimtu Hambela Preparatory School, Ethiopia – opened September 2019 for 992 children.  
An eight-classroom school with one library, one administration block and sanitation. This school has been built in the compound of Dimtu Hambela High School funded by the Costa Foundation in 2010.
7. Tan Lam Nursery School, Vietnam opened September 2019 for 240 children.  
A six-classroom school which includes a multi-function room, teacher's room, sick bay, meeting room, kitchen, sanitation, playground, perimeter fence, water and electricity.

### **School projects – Defined as pre-existing government school structures that have been improved with additional facilities or programmes funded by the Costa Foundation.**

1. Investment in four schools in Madriz, Nicaragua via Plan Nicaragua – completed in September 2019 and benefitting 1,230 children.  
Across all four schools we funded the construction of new nursery school classrooms, new sanitation, new water points and sinks and provided new furniture where needed. We also refurbished 11 classrooms.
2. Investment in ten schools in Alta Verapaz, Guatemala via Plan Guatemala – completed in September 2019 for 1,990 children.  
Work in these ten schools included the construction of new nursery school classrooms in four schools; new sanitation in four schools, new water points and sinks where needed, new furniture as required in six schools and the refurbishment of twenty two classrooms in four schools.
3. Investment in two schools in La Paz, Honduras via Plan Honduras – completed in September 2019 for 328 children.  
Across both schools this investment included the construction of five new classrooms, new sanitation, new water points and sinks, new furniture as required and new perimeter fencing. In addition, three classrooms have been refurbished in one of the schools.

All of the multi-school projects listed above and carried out with Plan included programmes such as water, sanitation and health training, working with the community to teach the importance of education for girls, awareness of gender and the reduction of violence in schools and creation of school committees led by students to work on the projects.

## **TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

### **School expansions completed**

1. Aspire High School, Uganda – new facilities opened March 2019  
Match funded with the SITA Foundation this new ICT suite has 30 computers  
This school was originally funded by the Costa Foundation and opened in 2016
2. Noble High School, Uganda – new facilities opened March 2019  
Match funded with the SITA Foundation this new ICT suite has 30 computers  
This school was originally funded by the Costa Foundation and opened in 2016
3. Kampinda High School, Kampinda, Zambia – new facilities opened September 2019  
Five new sanitation blocks for boys and eight new sanitation blocks for girls  
This school was originally funded by the Costa Foundation and opened in 2018
4. Adame Yirgachefe Primary School (2<sup>nd</sup> Cycle), Ethiopia – new facilities opened September 2019  
Twelve new classrooms and new male and female sanitation  
This school was originally funded by the Costa Foundation and opened in 2011

### **Under construction; not yet completed**

There were eleven school projects under construction but not been completed by the end of 2019. These are:

1. Santa Teresa Primary School, Colombia – New school
2. Ea Nam Nursery school, Vietnam – New school
3. Bekkaye Primary school, Ethiopia – New school
4. Buluk Primary School, Ethiopia – New school
5. Dung K'Noh Nursery school, Vietnam – New school
6. El Huabo Primary and Secondary School, Peru – New schools
7. Kumbi primary School, Ethiopia – New school
8. Hawo Primary School, Ethiopia – New school
9. Choche Preparatory School, Ethiopia – New school
10. Hoa Mai Nursery School, Vietnam – New school
11. New water installations in six schools, Ethiopia – School expansions

## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

### **Signed off by the Board in 2019; but still in legal.**

There are four projects that were signed off by the Board during 2019 that were still in legal at the end of 2019. They are:

1. El Remolino Middle School, Colombia – New school
2. Biloya High School new water installation, Ethiopia – School expansion
3. Biloya Primary School new water installation, Ethiopia – School expansion
4. Haru High School new water installation, Ethiopia – School expansion

### **Maintenance Programmes**

Whilst we endeavour to set up all of the schools we've funded to be self-sustaining and not dependent on funding from the UK, inevitably there are some communities / local authorities that are too impoverished to maintain the schools to the Costa Foundation standard. As a result and following our annual quality audits, this year we identified two schools for maintenance investment namely:

1. Wote Yirgachefe Primary School, Ethiopia
2. Bedesa High School, Ethiopia

For more details about school projects opened in 2019 visit [www.costafoundation.com/projects/](http://www.costafoundation.com/projects/)

For case studies and examples of the impacts of our work visit [www.costafoundation.com/case-studies/](http://www.costafoundation.com/case-studies/)

### **Infrastructure Quality Audits**

Our delivery partners have audited the quality of infrastructure and learning resources in Costa Foundation funded schools enabling us to identify what extra facilities were needed and any schools where urgent maintenance or infrastructure was required. As a result of these audits we were able to prioritise those needs and invest in additional facilities for some of our existing schools in Ethiopia, Uganda and Zambia as well as invest in maintenance in two schools in Ethiopia.

### **Monitoring, Evaluation & Impact**

We have seen some significant improvements in the performance of Costa Foundation funded schools in all three continents which is proof positive that providing safe, quality environments in which to learn results in happy and high performing children. Our thanks go to the teachers and staff in the schools whose focus on giving the children the best possible start is much appreciated. We were disappointed to see the numbers of girls in our Ethiopian schools dropping for the second year; exacerbated by the continuing civil unrest in the country and parent's understandable reluctance to send their daughters to school as the journeys there and back can be dangerous.

We have highlights from the schools we have funded in Asia, Africa and Central and South America as outlined below:

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Some of the highlights of the year in Costa Foundation funded schools:

- **Vietnam** - Having learnt the national language; 100% of children from our Vietnamese nursery schools were offered places in primary schools.
- **Ethiopia** – 89% of students who sat the national exams scored a pass mark compared with the national average of 78%.
- **Guatemala** – There has been an 81% increase in enrolment in the school projects since 2017.
- **Uganda** – 55.7% of students achieved top grades compared with 49% at the national level.
- **Zambia** – PEAS Kampinda High School which opened in 2018 held their first O Level exams and 56% of students passed compared with 51% at the national level.
- **Colombia** - More than 1,000 students now attend our schools in Cundinamarca of which 51% are girls.
- **Honduras** – Schools where construction has been completed have seen an increase in enrolment of 78%.
- **Ethiopia** – Student attendance was at 87% which is high for rural Ethiopia and compares with 71% in government schools.
- **Zambia** – 58% of students come from households living below the \$1.90 a day poverty line.
- **Nicaragua** - In the schools where construction has been completed 95% of children feel the school is more enjoyable and safer and know how to use soap and water to wash their hands.
- **Uganda** – Costa Foundation funded schools educated over 4,800 students, 53% of whom are girls.

As well as the hard facts and figures, we have also received many quotes from children, teachers, parents and our partners that really express the impact that having new safe, quality education facilities has had on communities. Here are just a few examples:

*'Great thanks to the Costa Foundation for continuing to offer your support to our school. Before, we had no chance to receive a good education, but thanks to you now we even have optimistic thoughts and golden dreams for the future.'*

Student at PEAS Noble - Uganda

*"I am very happy and grateful for the talks and constructions that have brought us that encourage my friends and me to keep studying."*

Kimberly – 11 years old - Guatemala

*"We'd like to thank Costa Foundation for all the support it has given to our communities and especially to the thousands of girls and boys who have benefited from the projects. We have seen students become more motivated, and through the projects they now see possibilities to have ambitions for their future. Through the improved infrastructure, they can enjoy new libraries, school restaurants and recreational areas for activities. They also can enjoy interactive spaces where their school gardens and productive projects are located. It's*

## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

*noteworthy that the schools financed by CF have been improving as shown through improvement of exam results and the strengthening of competencies of teachers to provide high quality education"*

Nestor -Social Coordinator from FNC – Colombia.

*"I am now very happy because in my school we have good conditions and in the preschool classroom; children are full of joy upon receiving their lessons in a decent space. They are no longer in a house and do not receive smoke."*

Alioska – 13 years old - Nicaragua

*"Costa connected my wife to her dream of sending me back to school after a ten year break. The fact that the school is high standard and close by compared with my previous experience of travelling six hours back and forth, how could I not make my wife's dream come true. I have ranked 2<sup>nd</sup> in my class and am working hard to be first. Being in school has also helped me to closely follow my own children's progress and two of them are already in the top ten in their classes. Thank you Costa Foundation."*

Soma Abebe – 40 years old - Ethiopia.

*"I am infinitely grateful for the support provided both economically with the student scholarship and in each of the workshops, which have helped me a lot to improve my personal hygiene, learn a little more about gender and equality, which has strengthened my self-esteem. I always keep it 100%. This helped me a lot and I hope they continue to provide us with this type of training as it is very important for me."*

Maria – 19 years old – Honduras

*"I have been blown away by the incredible difference that the Costa Foundation had on the lives of so many students during my time at PEAS. To all the thousands of Costa employees who worked hard to fundraise this money, I just want to say a huge thank you. The future of Uganda will be forever grateful for all your support."*

Unia Nakityo - PEAS Uganda School Support Specialist

### Communication

Our website continues to be regularly updated and now contains current videos, case studies and news items including the latest school openings and stories from around the world. For more information visit [www.costafoundation.com](http://www.costafoundation.com)

In addition, our Instagram page (@costafoundation) and Twitter feed (@foundationcosta) are regularly updated with images from coffee-growing communities around the world that have benefited from a Costa Foundation funded school plus many stories and images from our inspirational fundraisers in Costa stores and beyond.

### Financial Review

Total income for the period ended 31 December 2019 was £1.9m (year ended 28 February 2019: £1.7m).

£1.4m was paid out or formally committed to in the period 1 March 2019 to 31 December 2019 and a further £563,419 was committed to projects subject to conditions being met. Other expenditure of £111,228 was made in respect of management of the projects and costs relating to the running of the charity. Reserves at 31 December 2019 amounted to £1,185,841 (28 February 2019: £792,918).

## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

### Reserves and Investment Policy

The Reserves at the period end of £1,185,841 are held mainly by the Foundation and partly by Charities Trust. Since the period end the Trustees have agreed further project expenditure of \$913,288. The Trustees monitor reserve levels regularly to ensure that all commitments are met and that future project requests are reviewed on a timely basis. Funds are only committed to new projects once the income has been received. As a result, there is a delay of some months between the receipt of funds, the approval of projects and the subsequent expenditure of funds to complete those projects. Those funds identified for future projects are held in cash balances for safekeeping pending their expenditure.

The reserves policy was reviewed during the year and was changed to be held at £75,000. This was calculated based on keeping £50,000 reserved as seed money for an emergency or unexpected need for money. A further £25,000 is reserved for unforeseen day-to-day operational costs. As projects are not signed off until funds are received, we do not require reserved funds for uncertainty of future income, or “troughs” in the cash budget.

### Plans for Future Periods

The Trustees intend to continue to increase investment into existing schools to give the best possible learning environment for the students.

The Trustees have a strategic business plan for 2017-2020 with a focus on sustainability and investment in monitoring and evaluation. This plan includes the Foundation's strategic goal to have helped fund at least 100 school projects for children in coffee growing communities providing at least 50,000 places in schools providing a safe quality education. If we achieve this goal, during 2021 at least 100,000 children should have benefited from a safe, quality education at schools supported by The Costa Foundation.

Further details on the Costa Foundation activity can be found on our website at <http://www.costafoundation.com>

### Trustees' Responsibilities

The Trustees, who are directors of the Foundation, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Generally Accepted Accounting Practice in the UK. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation 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 Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

## **TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Appointment of Statutory Auditor**

Mazars LLP have been re-appointed as auditor and have signified their willingness to continue in office.

### **Statement of Disclosure to the Statutory Auditor**

The Trustees have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. As far as the Trustees are aware, there is no relevant audit information of which the Foundation's auditor are unaware.

### **Post balance sheet event**

Following the period end, a significant uncertainty has arisen due to the impact of Covid-19. As this uncertainty only emerged after the period end, the Trustees' view is that any future significant change is considered to be a non-adjusting event in relation to these financial statements.

The Trustees will continue to monitor any impacts of Covid-19 on the Foundation, but as at the date of signing the financial statements do not believe that there has been any significant impact requiring disclosure.

### **Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The Annual Report was approved by the Board of Trustees on 17 July 2020 and signed on their behalf by:



K. Brunton (Oct 22, 2020 12:21 GMT+1)

K Brunton  
Trustee

## **Independent Auditor’s Report to the Members of The Costa Foundation**

### **Opinion**

We have audited the financial statements of the Costa Foundation (the ‘Charity’) for the 10 month period ended 31 December 2019 which comprise of the Statement of financial activities, the Balance sheet, the Statement of Cash Flows 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, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (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 31 December 2019 and of its income and expenditure for the 10 month period 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### **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.

### **Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the Charity’s financial statements, which is not modified, we draw your attention to the Trustees’ view on the impact of COVID-19 as disclosed on page 5, the consideration given in the going concern basis of preparation on page 22 and non-adjusting post balance sheet events on page 27.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the impact of which became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Charity’s operations, customers and the wider economy.

### **Conclusions relating to going concern**

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

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

## **Independent Auditor’s Report to the Members of The Costa Foundation**

- 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 auditor’s report 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.

### **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 Chairman’s Statement and the Trustees’ Annual Report (which includes the Directors’ Report prepared for the purposes of company law), for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman’s Statement, and the Trustees’ Annual Report has been prepared in accordance with applicable legal requirements.

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

In 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 Chairman’s Statement and the Trustees’ Annual Report.

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

- adequate and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies’ exemption in preparing the Trustees’ Annual Report and from the requirement to prepare a Strategic Report.

## Independent Auditor’s Report to the Members of The Costa Foundation

### Responsibilities of Trustees

As explained more fully in the Trustees’ Responsibilities set out on page 13, the trustees (who are also the directors of the charitable company 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

We have been appointed as auditors under Section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

### Use of the audit report

This report is made solely to the company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’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 company and the company’s members as a body for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (Oct 22, 2020 19:47 GMT+1)

Vincent Marke (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF

Date: 22-Oct-2020

**STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD TO 31 DECEMBER 2019**

		Unrestricted Funds £	Restricted Funds £	Period ended 31 December 2019 Total £	Year ended 28 February 2019 Total £
	Note				
INCOME FROM:					
Voluntary income	2	1,861,167	50,000	1,911,167	1,700,226
<b>TOTAL INCOME</b>		<u>1,861,167</u>	<u>50,000</u>	<u>1,911,167</u>	<u>1,700,226</u>
EXPENDITURE ON:					
Charitable activities	3	1,468,244	50,000	1,518,244	2,011,841
<b>TOTAL EXPENDITURE</b>		<u>1,468,244</u>	<u>50,000</u>	<u>1,518,244</u>	<u>2,011,841</u>
NET MOVEMENT IN FUNDS		392,923	-	392,923	(311,615)
TOTAL FUNDS BROUGHT FORWARD	11	<u>792,918</u>	<u>          </u>	<u>792,918</u>	<u>1,104,533</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,185,841</u>	<u>          </u>	<u>1,185,841</u>	<u>792,918</u>

The notes on pages 21 to 27 form an integral part of these financial statements.

**BALANCE SHEET  
AS AT PERIOD ENDED 31 DECEMBER 2019**

	Note	Unrestricted Funds £	Restricted Funds £	31 December 2019 Total £	28 February 2019 Total £
<b>CURRENT ASSETS</b>					
Debtors	8	441,005	-	441,005	264,498
Cash & cash equivalents	9	1,508,172	50,000	1,558,172	1,109,732
<b>TOTAL CURRENT ASSETS</b>		<b>1,949,177</b>	<b>50,000</b>	<b>1,999,177</b>	<b>1,374,230</b>
<b>CREDITORS: amounts falling due within one year</b>					
	10	763,336	50,000	813,336	581,312
<b>Net current assets</b>					
Total assets less current liabilities		1,185,841	-	1,185,841	792,918
<b>Net assets</b>					
		<b>1,185,841</b>	<b>-</b>	<b>1,185,841</b>	<b>792,918</b>
<b>FUNDS OF THE CHARITY</b>					
Total funds	11	1,185,841	-	1,185,841	792,918

The Costa Foundation is a Company limited by guarantee registered in England and Wales. Company number 08064488. Charity number 1147400. Scottish Charity number SC043414.

The accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relative to small companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 17 July 2020 and signed on its behalf by:

  
K. Brunton (Oct 22, 2020 12:21 GMT+1)

K Brunton  
Trustee

The notes on pages 21 to 27 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
AT PERIOD ENDED 31 DECEMBER 2019**

	<b>Period to 31 December 2019 £</b>	<b>Year to 28 February 2019 £</b>
<b>Cash flows from operating activities:</b>		
Net movement in funds	392,923	(311,615)
Increase in debtors	(176,507)	(27,446)
Increase/(decrease) in creditors	232,024	(303,277)
<b>Net cash inflow from operating activities</b>	<u>448,440</u>	<u>(642,338)</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<u>448,440</u>	<u>(642,338)</u>
Opening cash & cash equivalents	1,109,732	1,752,070
Movement in the period/year	448,440	(642,338)
<b>Net increase in cash &amp; cash equivalents</b>	<u>1,558,172</u>	<u>1,109,732</u>

The notes on pages 21 to 27 form an integral part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)**

### **1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period and the preceding year.

#### **1.1 General information**

The Costa Foundation is a company limited by guarantee, incorporated in England and Wales. The address of its registered office, its registered numbers and principal place of business is disclosed on page 1.

The principal activity of the charity is the advancement of education, the relief of poverty and the advancement of health and environment of coffee-growing communities around the world.

The annual report and financial statements are for the ten-month period ended 31 December 2019 (the prior years' annual report and financial statements was for the year ended 28 February 2019). During the period the Trustees approved a change in the Foundation's financial year end from 1 March to 31 December, to coincide with Costa's new financial year end. The financial statements are presented in Sterling and this is the functional currency of the Charity. The financial statements are rounded to the nearest whole pound.

#### **1.2 Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 15), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

#### **1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes. The charity's general fund may be used by the charity at its discretion to further its stated charitable objectives.

#### **1.4 Income**

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources,
- the Trustees are virtually certain they will receive the resources, and
- the monetary value can be measured with sufficient reliability.

#### **1.5 Expenditure**

All support costs incurred have been allocated between charitable expenditure and governance as appropriate. There are no costs relating to more than one functional cost category.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)**

### **1 ACCOUNTING POLICIES (CONTINUED)**

#### **1.6 Allocation of costs**

All expenditure and liabilities are included on an accruals basis and recognised when there is a legal or constructive obligation to pay out resources.

#### **1.7 Foreign Exchange**

Transactions denominated in foreign currencies are translated into sterling on the exchange rate ruling on the date of transaction.

#### **1.8 Financial Instruments**

Costa Foundation only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

#### **1.9 Cash and Cash equivalents**

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **1.10 Going concern**

These financial statements have been prepared on a going concern basis. This is based on the charity reserves policy, plus the fact the charity only commits to projects once income has been raised, committed project expenditure is already secure. The charity has the security of a contractual annual donation from Costa Limited of £50k, which is not linked to fundraising. Therefore, we do not view any going concern risk for the charity.

#### **1.11 Judgments in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The Trustees do not consider there to be any significant judgements, estimates or assumptions in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)**

**2 VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted Funds £	Period ended 31 December 2019 £	Year ended 28 February 2019 £
Donations from sales of merchandise by Costa in stores	825,018	-	825,018	668,100
Store Fundraising	684,066	-	684,066	487,824
Matched Giving	200,000	-	200,000	205,307
Donations from Costa	20,000	-	20,000	50,000
Donations from fundraising events	81,275	-	81,275	116,489
General and gift aid donations	48,104	50,000	98,104	166,565
Payroll Giving	294	-	294	726
Share Sales	-	-	-	5,215
Recharges to Costa	2,410	-	2,410	-
	<u>1,861,167</u>	<u>50,000</u>	<u>1,911,167</u>	<u>1,700,226</u>

**3 EXPENDITURE**

	Unrestricted Funds £	Restricted Funds £	Period ended 31 December 2019 £	Year ended 28 February 2019 £
Charitable activities				
Project expenditure (note 4)	1,358,328	50,000	1,408,328	1,819,339
Project management costs	67,781	-	67,781	156,108
Cost of Raising Funds	12,648	-	12,648	22,220
Governance costs (note 5)	29,487	-	29,487	14,174
	<u>1,468,244</u>	<u>50,000</u>	<u>1,518,244</u>	<u>2,011,841</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)**

4 PROJECTS	Period ended 31 December 2019 £	Year ended 28 February 2019 £
Dimtu Hambela A level School	20,470	109,347
Vereda El Sauce, Colombia	-	86,195
San Pedro Tutule and Santiago Puringla school, Honduras	15,750	-1,207
Ethiopia Maintenance	11,543	10,920
Adame Yirgachefe upgrade, Ethiopia	-	113,345
Kithoma High School Relaunch, Uganda	-	5,401
Noble High School ICT, Uganda	-	5,136
Kilenso Mekonisa Preparatory School, Ethiopia	-	19,802
Dano High School, Ethiopia (incl £25,000 Waterfall project)	-	19,561
Las Escaleras, Nicaragua	-	30,812
Cu Pong Nursery School, Vietnam	-	46,757
Hoa Cuc Nursery 2, Vietnam	-	40,801
Awash Kolati, Ethiopia (incl £25,000 Waterfall project)	-	13,224
Le Paz, Honduras	-	1,560
Aspire ICT, Uganda	-	5,136
Frontiers High School ICT, Uganda	-	5,219
Kampinda classroom conversion, Uganda	-	8,034
Biloya High School, Ethiopia	-	17
Union Alto Sanibeni Primary, Peru	-	17,461
Various Nicaragua Plan Project	-	15,863
Tam Lam Nursery School, Vietnam	-	165,726
Goru Bantu, Ethiopia	17	150,775
El Tepeyac School, Nicaragua	-	147,565
Son Ca Nursery, Vietnam	21,696	108,329
Kabuta/Mungwi High School, Uganda	-	200,000
Santa Teresa Primary School, Colombia	-	(38,488)
Union Alto Nursery, Peru	28,841	-
Bekayye Primary, Ethiopia	79,946	-
Buluk Primary, Ethiopia	80,050	-
Dung K’Noh Nursery, Vietnam	122,152	-
Cerro Grande, Nicaragua	137,763	-
El Huabo Primary/Secondary School, Peru	142,254	-
Tam Lam Nursery School, Vietnam	-15,447	-
E1 Adame Yirgachefe upgrade	22,864	-
E4 Noble High School ICT	-5,136	-
Ea Nam Nursery, Vietnam	94,148	-
E5 Noble Dorm expansion	52,963	-
E4 Apire ICT	-5,136	-
E2 Kampinda Sanitation	17,095	-
Subtotal	821833	1,287,291

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)**

<b>4 PROJECTS (continued)</b>	<b>Period ended 31 December 2019 £</b>	<b>Year ended 28 February 2019 £</b>
E6 Frontiers Dorm expansion	24,817	-
E3 Kampinda Expansion 2	111,767	-
FX Adjustment on US projects	3,955	(35,925)
Committed, not paid:		
Dimtu Hambela A level School, Ethiopia	-	87,190
Adame Yirgachefe upgrade, Ethiopia	-	90,676
Aspire ICT, Uganda	-	5,136
Frontiers High School ICT, Uganda	-	5,136
Tam Lam Nursery School, Vietnam		18,410
Goru Bantu, Ethiopia	-	16,749
Son Ca Nursery, Vietnam	-	86,654
Ea Nam Nursery, Vietnam		100,308
San Pedro Tutule and Santiago Puringla school, Honduras	-	67,827
Ethiopia Water Installations	63,643	-
Santa Teresa Primary School, Cundinamarca, Columbia	-	72,000
San Pedro Carcha, Guatamala	-	17,887
Kumbi Primary, Ethiopia	49,715	-
Hawo Primary, Ethiopia	40,581	-
Choche Prep, Ethiopia	104,996	-
Hoa Mai Nursery, Vietnam	103,172	-
El Remonlino School, Columbia	83,849	-
<b>Committed, not paid</b>	<b>445,956</b>	<b>567,973</b>
Total project expenditure	<u>1,408,328</u>	<u>1,819,339</u>

**5 GOVERNANCE COSTS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Period ended 31 December 2019 Total £</b>	<b>Year ended 28 February 2019 Total £</b>
Audit fees	6,756	-	6,756	7,343
Trustee review of projects	17,967	-	17,967	2,636
Trustee insurance	1,064	-	1,064	1,196
Training	(1,140)	-	(1,140)	1,140
Trustee expenses	1,561	-	1,561	1,274
Other	3,279	-	3,279	585
	<u>29,487</u>	<u>-</u>	<u>29,487</u>	<u>14,174</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)**

No trustee received remuneration in the period to 31 December 2019 (28 February 2019: £NIL). Included in the above is £1,831 of reimbursed expenses to five of the Trustees (28 February 2019: £1,274 to four Trustees). Trustee Indemnity Insurance was also in place during the period.

**6 STAFF COSTS**

There are no staff costs included in our disclosures as The Costa Foundation has no employees.

**7 TAXATION**

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

**8 DEBTORS**

	<b>31 December 2019</b>	<b>28 February 2019</b>
	£	£
Amounts due from Costa Limited	432,888	200,049
Other debtors	8,117	64,449
	<u>441,005</u>	<u>264,498</u>

**9 CASH & CASH EQUIVALENTS**

	<b>31 December 2019</b>	<b>28 February 2019</b>
	£	£
Current accounts	1,558,172	1,109,732
	<u>1,558,172</u>	<u>1,109,732</u>

**10 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 2019</b>	<b>28 February 2019</b>
	£	£
Project expenditure committed, not paid	787,474	567,973
Accruals	19,221	7,140
Other Creditors	6,641	6,199
	<u>813,336</u>	<u>581,312</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019 (continued)

### 11 FUNDS

	As at 28 February 2019 £	Income £	Expenditure £	Transfer £	As at 31 December 2019 £
Unrestricted	792,918	1,861,167	1,468,244	-	1,184,528
Restricted	-	50,000	50,000	-	-
Total funds	<u>792,918</u>	<u>1,911,167</u>	<u>1,518,244</u>	<u>-</u>	<u>1,185,841</u>

Restricted funds consist of:

- Allegra donated £50,000 in 2019 for further Waterfall projects, this has been spent on two Ethiopian projects, Adame Yirgachefe upgrade and Dimtu Hambela A-Level School, both part of the project “Ethiopia Water installations”.

### 12 RELATED PARTIES

All unrestricted income received originated from Costa Limited and their employees, apart from donations received via the Costa and Costa Foundation websites and third parties.

Kate Seljeflot was a director and Neil Lake is a director of Costa Limited. Russell Fairhurst is also Secretary of Costa Limited.

Liz Perry, Trustee, is also a Trustee of Charities Trust who collect monies on behalf of the Foundation.

### 13 COMMITMENTS

The Costa Foundation had commitments of £563,419 (28 February 2019: £238,395) at the period end. These have not been provided for in the financial statements as they are subject to conditions being met before payment.

### 14 POST BALANCE SHEET EVENTS

Following the period end, a significant uncertainty has arisen due to the impact of Covid-19. As this uncertainty only emerged after the period end, the Trustees' view is that any future significant change is considered to be a non-adjusting event in relation to these financial statements.

The Trustees will continue to monitor any impacts of Covid-19 on the Foundation, but as at the date of signing the financial statements do not believe that there has been any significant impact requiring disclosure.