

# **The Costa Foundation**

**(A Company limited by guarantee)**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**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)  
K Brunton  
L Camfield  
K Cooke  
C Emerson (appointed 11 May 2021)  
R Fairhurst (Chair)  
N Lake  
V Moorhouse  
G Mowat (appointed 1 February 2021)  
S Wade (appointed 1 February 2021)

**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

In 2020, the Covid-19 pandemic had a severely detrimental effect on Costa, our corporate sponsor, as their stores throughout the world were either closed or suffered trading restrictions. The lockdowns significantly impacted fundraising as Costa was unable to sell the products with associated donations to the Foundation and Costa's team members were unable to take part in all their usual fundraising activities. Nonetheless, over £1.1m was raised in 2020; a fantastic achievement in the circumstances.

I would like to take this opportunity to thank Costa, Costa's team members, management and of course, Costa's customers for their continued support. Thanks to the funds from a record-breaking fundraising year in 2019 and their continued efforts, although we had to limit our investments, we were still able to commit to a significant number of school projects around the world.

Promoting Equality in African Schools (PEAS), our partners for the schools we have funded in Uganda and Zambia, faced a particular challenge as a result of the pandemic. Unlike the schools in the other countries where we have built schools where the schools have been adopted by the state education authority, PEAS operate the schools themselves. The closure of the schools resulted in PEAS having no income to pay their teachers. I am delighted that the Foundation was able to provide targeted financial support to ensure that PEAS' teachers could continue with remote teaching activity while the schools were closed and to ensure their teachers remained employed so that they were ready to teach when the schools reopened.

I'm delighted to inform you that during 2020 the Costa Foundation opened five new schools in Vietnam and Ethiopia. We were fortunate that we were able to continue with construction work in these countries during the pandemic. These five schools created 2,160 school places for children that could not otherwise have accessed a safe, quality education. We also opened a multi-school project in Nicaragua with Fundación Nicafrance, improving facilities across three primary schools and benefitting 160 children. Finally, we carried out thirteen expansion projects in Ethiopia, Uganda and Zambia to further improve previously funded Costa Foundation schools resulting in additional classrooms, boarding accommodation and freshwater points being provided for over 10,500 children.

Given the circumstances, we are very proud that we were able to achieve so much during the year in spite of the pandemic. Our financial prudence allowed us to continue to meet our funding commitments, so no project was delayed due to funding.

We had to say goodbye to some Board members during the year. Liz Perry has stepped down from the board after nine years as a trustee. Prior to the establishment of the Foundation as an independent charity, Liz was instrumental in establishing the activity of fundraising and building schools via Charities Trust. In addition to supporting and mentoring Piers Blake, the Foundation Director who has driven the Foundation forward since its inception, Liz adopted some of the most difficult countries in which we build schools. Liz's dedication, wisdom and good humour will be greatly missed.

After over eight years each as trustees, Clive Bentley and Tim Johnson also stepped down from the board. Clive was a founding trustee and chaired the board from the incorporation of the Foundation until 2019. Tim Johnson was a huge help to the board guiding us in the adoption of a wide range of best practices for fundraising and governance.

On behalf of the board I should like to thank Liz, Clive and Tim for their long service and commitment to the Foundation.

I am delighted to report the appointments to the board of Amit Aggarwal, Stephan Wade, Gordon Mowat and Connie Emerson. Amit brings a wealth of experience of fundraising, particularly from the corporate sector. Stephan, Gordon and Connie are all senior executives from Costa. Their appointments underscore Costa's commitment to the Foundation and I am confident that they will help the broadening of our funding base within Costa internationally and as Costa grows its non-store based businesses, in tandem with Costa's mission to become a Global Total Coffee Company.

We have maintained regular contact throughout the pandemic with our partners in the countries where Foundation funded schools are located. As those countries have less developed healthcare systems and limited access to vaccines, it will be some time before all our schools can function normally. In the meantime, we will continue to do all that we can to fulfil our mission of providing coffee growing communities with schools which provide a safe, quality education.

*Russell Fairhurst*

Russell Fairhurst (Sep 30, 2021 17:27 GMT+1)

Russell Fairhurst – Chair, The Costa Foundation

30 September 2021

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees, who are Directors of the Costa Foundation ('the Foundation'), present their annual report and financial statements for the year ended 31 December 2020 (the prior years' annual report and financial statements were for the ten-month period ended 31 December 2019).

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 2020) 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 YEAR ENDED 31 DECEMBER 2020

### 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.

The Trustees serving during the period were as follows:

<b>Name of Trustee</b>	<b>Appointment</b>	<b>Resigned</b>
C Bentley		6 November 2020
R Fairhurst		
E Perry		2 July 2021
T Johnson		23 October 2020
K Cooke		
K Brunton		
V Moorhouse		
K Seljeflot		11 March 2020
N Lake		
L Camfield		
A Aggarwal	13 August 2020	

### 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 YEAR ENDED 31 DECEMBER 2020

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 visit schools from time to time to improve their understanding of the educational needs in coffee growing communities in those countries and to satisfy themselves 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, financial, operational and reputational risks which the charity faces and regularly review what actions can be taken to mitigate these risks. The three risks that would have the highest impact are a decrease in income, a reduction in the quality of the delivery of projects with project partners and safeguarding issues in Foundation funded schools. 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 resulted in the closure or restricted operation of all of Costa Foundation funded schools. We have maintained regular contact with our implementation partners regarding the impact of the pandemic on our schools. The extent and duration of closures or restrictions and any home learning provision has varied in accordance with local government requirements and resources.

In addition to impacting the education provision in our schools, some building works were 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.

As our policy is to commit funds only when they have been raised, the loss of income caused by the pandemic will have an impact on the numbers of projects likely to be completed in future years. As fundraising re-commences in Costa stores, we will prioritise expenditure on areas that it can have the highest impact.

The charity operates in Internationally so there may be some impact in terms of FX. However grants are given based on the income generated.



## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### 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. During the year, our Theory of Change was reviewed and updated, which allowed the Trustees to develop the new strategic plan for 2021-2023.

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. 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.

### Projects Funded from 1 January 2020 to 31 December 2020

Despite the incredibly difficult situation the COVID-19 pandemic created globally; during the year ended 31 December 2020, the Foundation opened five new schools in Vietnam and Ethiopia, in total adding a

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further 2,160 school places. In addition to these new schools we also invested in a multi-school project in Nicaragua with Fundacion Nicafrance improving facilities across three primary schools and benefitting 258 children.

We also carried out thirteen expansion projects in Ethiopia, Uganda and Zambia to further improve previously funded Costa Foundation schools, ensure that we continue to “change a child’s life story” and give the best possible education experience to students long after the schools we have funded first opened their doors. These expansions resulted in additional classrooms, boarding accommodation and fresh water points being provided across thirteen Costa Foundation funded schools benefitting over 10,500 children.

Construction continued within seven projects that had been signed off in 2019 and 2020; albeit at an understandably slower pace than normal due to Covid-19 restrictions. Finally, a further four school projects were signed off by the Board in 2020, all in Vietnam and Ethiopia as they were the two countries still able to continue with construction work during the pandemic.

In addition to the infrastructure investments we made in 2020, we were able to provide targeted financial support to ensure that PEAS teachers in Uganda and Zambia could carry out remote learning activities while the schools were closed due to the pandemic. We also invested in communication materials raising awareness of the need to wash hands, sanitize and wear masks which were used in some of the Costa Foundation funded schools in Africa and Central and South America.

This year, we received a number of match-funding donations for our projects from other non-governmental organisations, being made either direct to the Foundation or to our in-country partners:

- Run for Water - \$187,129 towards water and sanitation in four Costa Foundation funded schools in Ethiopia
- Educate a Child - \$107,027 towards one Costa Foundation funded primary school in Ethiopia
- The Coca-Cola Foundation - \$100,000 towards sanitation upgrades in nine Costa Foundation funded schools in Ethiopia
- Project Waterfall - £40,000 received for water and sanitation in three Costa Foundation funded schools in Nicaragua and Vietnam.

We would like to take this opportunity to thank these generous donors for their partnership and support. We would also like to give special thanks to our delivery partners. The fact that we are able to report continued activity at the levels shown above is a credit to their hard work, commitment and absolute focus on changing a child’s life story. It’s also a credit to our donors at Costa Coffee without whose tireless efforts to fundraise we would have had so much less to report.

### Opened and Now Educating Children - 2020

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

1. **Dung K’ Noh Nursery School, Vietnam – opened May 2020 for 200 children.**  
A five-classroom school which includes administration block, two teacher’s rooms, admin block, multi-function room, sick bay, sanitation throughout, fresh water, electricity, perimeter fence, playground and a landscaped garden area.

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- 2. Hoa Mai Nursery School, Vietnam – opened September 2020 for 300 children.**  
An eight-classroom school with one multi-function room, one kitchen, one canteen, one teacher's room, one storage room, sanitation, playground, perimeter fence, water, electricity and a landscaped garden area.
- 3. Choche Preparatory School, Ethiopia – opened September 2020 for 960 children**  
An eight-classroom school built within the grounds of Choche High School (funded by the Costa Foundation in 2012) it also has two science labs, text and reference books, new sanitation, electricity and water. This is a double-shift lessons school.
- 4. Bekkaye Primary School, Ethiopia – opened September 2020 for 1,185 children.**  
An eight-classroom school including one early child education block, library, text books, fresh water, sanitation, electricity, computers and playground. This is a double-shift lessons school.
- 5. Buluk Primary School, Ethiopia – opened September 2020 for 1,554 children.**  
An eight-classroom school including one early child education block, library, text books, fresh water, sanitation, electricity, computers and playground. This is a double-shift lessons school.

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

- 1. Three primary schools in Cerro Grande and Castilla, Nicaragua – completed in February 2020 for 258 children.**  
Across three primary schools, this project provided four new classrooms, three new kitchens, three new dining areas, two perimeter fences, six sanitation blocks and three playgrounds as well as refurbishing all existing school infrastructure to the same standard.

### **School expansions completed**

- 1. Noble High School, Uganda (opened 2016) – new facilities opened February 2020**  
Two new 60 bed dormitories were added, one each for boys and girls.  
This school was originally funded by the Costa Foundation and opened in 2016
- 2. Kampinda High School, Zambia (opened 2018) – new facilities opened February 2020**  
Conversion of old community room into additional classrooms for 120 children.  
This school was originally funded by the Costa Foundation and opened in 2018
- 3. Frontiers High School, Uganda (opened 2016) – new facilities opened February 2020**  
One new 60 bed dormitory for boys  
This school was originally funded by the Costa Foundation and opened in 2016
- 4. Hibiscus High School, Uganda (opened 2011) – new facilities opened October 2020**  
One new 60 bed dormitory for girls  
This school was originally funded by the Costa Foundation and opened in 2011

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### 5. Water installations in nine CF funded high schools in Ethiopia – installed by November 2020

Whilst the CF had funded water sources before at these schools, due to sinking water tables and some failing pipe systems, between them nine schools received a total of two new spring capping systems, eight water harvesting tanks and sixteen four-tap water points providing fresh drinkable water to over 8,900 students.

### Under construction; not yet completed

There were seven school projects under construction which had not been completed by the end of 2020. These are:

1. **Santa Teresa Primary School, Colombia** – New school
2. **El Huabo Primary and Secondary School, Peru** – New schools
3. **Kumbi Primary School, Ethiopia** – New school
4. **Hawo Primary School, Ethiopia** – New school
5. **El Remolino Middle School, Colombia** – New school
6. **La Estrellita Primary School, Nicaragua** – School project (expanding/improving an existing government school)
7. **Santa Emilia Primary School, Nicaragua** – School project (expanding/improving an existing government school)

### Signed off by the Board in 2020; but construction did not start until 2021.

There are four projects that were signed off by the Board during 2020 which did not start until 2021, they are:

1. **Adame Yirgachefe High School, Ethiopia** – New school
2. **Hoa Trung Nursery School, Vietnam** – New school
3. **Ea H' Ding Nursery School, Vietnam** – New school
4. **Sanitation upgrades in seven CF funded schools, Ethiopia** - 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

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impoverished to maintain the schools to the Costa Foundation standard. As a result and following our annual quality audits, this year we identified three schools for maintenance investment namely:

1. **Gew Gew Primary School, Ethiopia**
2. **Kilenso Rasa High School, Ethiopia**
3. **Bule High School, Ethiopia**

For more details about school projects opened in 2020 visit:-

<https://www.costafoundation.com/>

For case studies and examples of the impacts of our work visit:-

<https://www.costafoundation.com/lives-we-have-changed/>

### Infrastructure Quality Audits

Our delivery partners 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 previously funded schools in Ethiopia, Uganda and Zambia as well as invest in maintenance in three schools in Ethiopia.

### Monitoring, Evaluation & Impact

2020 will always be remembered as the year of the Covid-19 pandemic and at the time of writing this report more than 1.5 billion children were out of school and missing their education. Throughout the year, only the nursery school children in Vietnam and our schools in Nicaragua had a full year of education. In the other seven countries in which we operate, children were either not in school, attending one or two days a week or attending for exams only. As a result, the Costa Foundation Board took the decision not to gather our usual monitoring & evaluation data as the information would not have been useful when comparing it with previous “uninterrupted” school years.

However, despite the pandemic, our delivery partners have been able to identify some highlights and provide quotes from some of the schools, as outlined below:

**Ethiopia** – Despite the Covid-19 pandemic; 84% of students in Costa Foundation funded schools who sat their national exams scored a pass rate compared with the regional average of 73%. This is a true mark of the quality of schools and teaching that the Costa Foundation has created here in rural Ethiopia.

**Uganda and Zambia** - Due to school closures throughout 2020 most students pivoted to PEAS innovative remote learning, partly funded by the Costa Foundation, so that the most marginalized still had access to quality education and were supported throughout the crisis. This involved educational interventions and interventions focusing on well-being. There has been positive uptake of all remote learnings across Costa/PEAS Schools in Uganda and Zambia:

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- Students who received learning packs across the Costa Schools: 3217 (1555 girls, 1662 boys) **48% girls**
- Number who accessed radio: 2497 (1041 girls, 1456 boys) **42% girls**
- Number who accessed SMS: 2209 (1125 girls, 1084 boys) **51% Girls**
- Number who received call from teacher: 2531 (1378 girls, 1153 boys) **54% Girls**
- Percentage of students who accessed remote learning from Costa/PEAS schools in Uganda: **82% (83% of girls)**
- Percentage of students who accessed remote learning from Costa/PEAS schools in Zambia: **97% (95% of girls)**

**Peru** - The impacts are evident through records that document that in all Costa Foundation funded schools there has been an increase in school enrolment and a decrease in dropouts since the schools were originally opened. In these settings and pre-pandemic, teachers and students attend school motivated and pedagogical activities are carried out in ideal conditions. The data below is pre-pandemic (early 2020).

- **Chuquibambilla Secondary School** – Thanks to the computer lab, 80% of the school's students are trained in the use of computer equipment, improving the quality of remote learning.
- **Santa Elena Secondary School** – There has been a 219% increase in enrolment in the school since 2015. The educational level has increased as well, 83% of students who sat the national exams scored a pass mark compared with the regional average of 70%.
- **Mazaronkiari multi-purpose classroom** – There has been a 705% increase in enrolment in the school since 2014. Today, more than 134 children of the Nomatsiguenga native community of Mazaronkiari receive adequate food, reducing the percentage of cases of childhood anemia.

**Vietnam** – 100% of the 6 year old children at all Costa Foundation funded nursery schools in Daklak, Vietnam have learned speaking, writing and reading skills in the Vietnamese official language and graduated (earlier than normal by one week due to the fourth Covid -19 outbreak), to enter grade 1 of the local primary school.

### What the parents, teachers and children had to say.

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

“I am very grateful because the original classrooms were sinking and the floor was cracking as they were on the edge of a slope. It was very dangerous. We also had leaks in the classrooms when it rained, and then the classrooms would flood. On top of all that, the heat inside the classrooms was torture. I used to get headaches because of the heat and that made it very difficult for me to concentrate. Now, in the newly- built classrooms it is so much cooler, and it feels much more relaxing. Our classrooms get fresh air through big windows and that is much better for studying and for us to pay more attention during lessons.”

*Jheidy Yanithza Munoz Burbano, Student - Colombia*

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“In the course of teaching our classes in this new infrastructure, what we have noticed the most in the students is the motivation. Now the young people actively participate in all the classes!”

*Paul - Teacher at Secondary School in Chuquibambilla – Peru*

“The organisation that unlocks potential in African children has gone the extra mile in fighting COVID-19. Closing all 28 schools in Uganda didn't stop us from sending messages to the community alerting them about COVID-19, encouraging their learners to stay at home as they continue to revise and encouraging them to practice the measures to control COVID-19. Bravo PEAS!

*Head Teacher – Pioneer High School, Uganda*

“The investments that the Costa Foundation has made in this coffee-growing area bring shelter and warmth to children who arrive cold after traveling from their homes to the school. I studied at the Santa Emilia School and the simplicity of its origins only serves to confirm that the opportunity only needs a ray of light to prosper. Even with the pandemic, children prefer the joy of a nice, clean school, which offers hot food and a dynamic environment in which mathematics is learned through games that are made of recycled materials. Currently a total of 1,304 students (595 girls) regularly attend the nine schools built by the Costa Foundation.”

*Francisco Javier Padilla, Rural Educational Nucleus Director, Santa Emilia, Nicaragua*

“My parents were reluctant to send me to school due to the COVID-19 pandemic. Thanks to Costa Foundation and Imagine1day's COVID-19 awareness campaign and the provision of a protected school environment; I was able to return to school after having been away for nine months.

*Meron, 15 years old - Ethiopia*

“When I knew that they were going to build a new school I felt very happy. Now the school is beautiful and other children will feel encouraged to come to study, like me. Now I feel safe and I'm not afraid of the rain anymore because I know that nothing will happen. I hope that the rest of children continue studying and that their parents encourage and support them.”

*Ana, 13 years old – Guatemala*

“We have built 22 new classrooms in Nariño that house 564 students, 48% of them are girls. Those new schools will make it easier for students to safely go back to class after COVID-19 lockdown because our spacious classrooms enable the implementation of virus-prevention practices such as social distancing, fresh air ventilation and sunlight illumination. These generous spaces will also make it easier to start the implementation of an extended school day strategy promoted by the government, which today only applies to 15% of state school nationwide.”

*Vivian Vasquez, Projects Director - Colombia*

“We are extremely grateful to the Costa Foundation and Plan International Honduras for the great support they have given our community, not only in the area of education, but also in the midst of the crisis of covid-19”

*Wilfredo, Mayor – Honduras*

“This school is so concerned about my children. I have two children at PEAS Kampinda; the teachers are calling regularly to find out about the well-being of the students and giving them school work”

*Parent, Kampinda High School – Zambia*



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“My old school was ugly; there was no field to play on and no space to hold classes. Everyone was crowded together. This new school is great. The kitchen is clean and big enough for all of us. It is no longer hot in the classrooms and now you can hear the teacher when it rains. In my new school, there is enough space for everyone to play and learn. Thanks, Costa Foundation!”

*Angelina - Student at Primary School in Unión Alto Sanibeni – Peru*

“I love to go to school, meet my classmates and teachers and play with my friends; there are many toys inside and outside my classroom. I love the school so much I want to become a teacher in the future. I'd love to meet and thank the builders of the school, the Costa Foundation for the beautiful school and many interesting things there.

*Thi Hen, 4 years old – Vietnam*

“I wasn't sure if I had to send my child to school during the pandemic. I couldn't be more grateful to the Costa Foundation for creating access to fresh water and providing hand washing facilities for our children. I now feel that our children are learning in the safest of school environments.

*Marta, mother of Hailu in grade 1, Adame Yirgachefe Primary School, Ethiopia*

“The Costa Foundation has been an extraordinary ally to fulfill our mission of being a catalyst of change in coffee-growing communities, populated by families in vulnerable conditions. In these communities, not only the placards commemorate the important contribution the schools make to the future of their children; The boys, girls, and parents tell their visitors that in the Costa coffee shops, their employees collect smiles, affection and also money so that they can have beautiful schools and more qualified teachers to teach.”

*Cristina Cuadra Lacayo, Vice President, Fundación Nicafrance, Nicaragua*

### 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 year ended 31 December 2020 was £1.4m (ten-month period ended 31 December 2019: £1.9m).

£1.6m was paid out or formally committed to in the year 1 January 2020 to 31 December 2020 and a further £115,675 was committed to projects subject to conditions being met. Other expenditure of £101,311 was made in respect of management of the projects and costs relating to the running of the Foundation. Reserves at 31 December 2020 amounted to £887,481 (31 December 2019: £1,185,841).



## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Reserves and Investment Policy

The Reserves at the year end of £887,481 are held mainly by the Foundation and partly by Charities Trust. Since the year end the Trustees have agreed further project expenditure of \$1,561,084. 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 current reserves policy is held at £75,000. This is 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 adopted a new strategic plan for 2020-2023, which includes the Foundation's strategic goal to have helped fund at least a further 15 schools and a further 7,000 school places for children in coffee growing communities, providing a safe quality education, by 2023. The second strategic goal is that by 2023, the Foundation will have helped fund programmes to ensure that at least 45% of secondary school leavers are girls. The Foundation will also trial funding to improve teacher and school leader training in Foundation funded schools and to work with our implementation partners to agree shared good practice and minimum standards for child protection and safeguarding systems.

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

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

- 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.

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.

### 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 30 September 2021 and signed on their behalf by:

*Russell Fairhurst*

Russell Fairhurst (Sep 30, 2021 17:27 GMT+1)

R Fairhurst, 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 year ended 31 December 2020 which comprise 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 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

### Other information

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

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' 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 Directors' Report included within the Trustees' Report.

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:

- 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' 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 statement set out on page 4-16, 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**

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of The Costa Foundation and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006.

We evaluated the trustees’ and management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

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

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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



Vincent Marke (Sep 30, 2021 18:15 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: 30 September 2021

**STATEMENT OF FINANCIAL ACTIVITIES  
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR TO 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 Total £	Period ended 31 December 2019 Total £
<b>INCOME FROM:</b>					
Voluntary income	2	1,358,776	57,086	1,415,862	1,911,167
<b>TOTAL INCOME</b>		<u>1,358,776</u>	<u>57,086</u>	<u>1,415,862</u>	<u>1,911,167</u>
<b>EXPENDITURE ON:</b>					
Charitable activities	3	1,657,135	57,086	1,714,221	1,518,244
<b>TOTAL EXPENDITURE</b>		<u>1,657,135</u>	<u>57,086</u>	<u>1,714,221</u>	<u>1,518,244</u>
<b>NET MOVEMENT IN FUNDS</b>		(298,359)	-	(298,359)	392,923
<b>TOTAL FUNDS BROUGHT FORWARD</b>	11	<u>1,185,841</u>	<u>-</u>	<u>1,185,841</u>	<u>792,918</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>887,482</u>	<u>-</u>	<u>887,482</u>	<u>1,185,841</u>

The notes on pages 24 to 30 form an integral part of these financial statements.

**BALANCE SHEET  
AS AT YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	31 December 2020 Total £	31 December 2019 Total £
<b>CURRENT ASSETS</b>					
Debtors	8	361,943	-	361,943	441,005
Cash & cash equivalents	9	1,070,584	-	1,070,584	1,558,172
<b>TOTAL CURRENT ASSETS</b>		<b>1,432,527</b>	<b>-</b>	<b>1,432,527</b>	<b>1,999,177</b>
<b>CREDITORS: amounts falling due within one year</b>					
	10	545,045	-	545,045	813,336
<b>Net current assets</b>					
Total assets less current liabilities		887,482	-	887,482	1,185,841
<b>Net assets</b>					
		<b>887,482</b>	<b>-</b>	<b>887,482</b>	<b>1,185,841</b>
<b>FUNDS OF THE CHARITY</b>					
Total funds	11	887,482	-	887,482	1,185,841

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 30 September 2021 and signed on its behalf by:

  
Kay Brunton (Sep 30, 2021 14:23 GMT+1)

K Brunton  
Trustee

The notes on pages 24 to 30 form an integral part of these financial statements.



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Year to 31 December 2020 £</b>	<b>Period to 31 December 2019 £</b>
<b>Cash flows from operating activities:</b>		
Net movement in funds	(298,360)	392,923
Increase in debtors	79,062	(176,507)
Increase/(decrease) in creditors	(268,290)	232,024
<b>Net cash inflow from operating activities</b>	<b>(487,588)</b>	<b>448,440</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(487,588)</b>	<b>448,440</b>
Opening cash & cash equivalents	1,558,172	1,109,732
Movement in the year	(487,588)	448,440
<b>Cash and cash equivalents at the year end</b>	<b>1,070,584</b>	<b>1,558,172</b>

The notes on pages 24 to 30 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (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 year ended 31 December 2020 (the prior annual report and financial statements were for the 10 month period ended 31 December 2019). 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 YEAR ENDED 31 DECEMBER 2020 (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 £20k, 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 YEAR ENDED 31 DECEMBER 2020 (continued)

### 2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Donations from sales of merchandise by Costa in stores	659,552	-	659,552	825,018
Store Fundraising	445,995	-	445,995	684,066
Matched Giving	200,000	-	200,000	200,000
Donations from Costa	20,000	-	20,000	20,000
Donations from fundraising events	17,561	-	17,561	81,275
General and gift aid donations	5,478	-	5,478	98,104
Payroll Giving	319	-	319	294
Corporate donations	1,346	57,086	58,432	-
Recharges to Costa	8,525	-	8,525	2,410
	<u>1,358,776</u>	<u>57,086</u>	<u>1,415,862</u>	<u>1,911,167</u>

### 3 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Charitable activities				
Project expenditure (note 4)	1,555,824	57,086	1,612,910	1,408,328
Project management costs	65,977	-	65,977	67,781
Cost of Raising Funds	15,888	-	15,888	12,648
Governance costs (note 5)	19,446	-	19,446	29,487
	<u>1,657,135</u>	<u>57,086</u>	<u>1,714,221</u>	<u>1,518,244</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

4 PROJECTS	Year ended 31 December 2020 £	Period ended 31 December 2019 £
Dimtu Hambela A level School		20,470
San Pedro Tutule and Santiago Puringla school, Honduras		15,750
Ethiopia Maintenance		11,543
Goru Bantu, Ethiopia		17
Son Ca Nursery, Vietnam		21,696
Union Alto Nursery, Peru		28,841
El Huabo Primary/Secondary School, Peru		142,254
E4 Noble High School ICT		(5,136)
Tam Lam Nursery School, Vietnam		(15,447)
E5 Noble Dorm expansion		52,963
E4 Apire ICT		(5,136)
E2 Kampinda Sanitation		17,095
E6 Frontiers Dorm expansion		24,817
E3 Kampinda Expansion 2		111,767
FX Adjustment on US projects	(41,515)	3,955
E1 Adame Yirgachefe upgrade	124,221	22,864
Bekayye Primary, Ethiopia	8,871	79,946
Buluk Primary, Ethiopia	8,798	80,050
Dung K’Noh Nursery, Vietnam	13,601	122,152
Ea Nam Nursery, Vietnam	3,053	94,148
Cerro Grande, Nicaragua	15,337	137,763
Santa Teresa Primary School, Colombia	15	-
Kumbi Primary, Ethiopia	44,247	-
Hawo Primary, Ethiopia	36,117	-
Ethiopia Water Installations	56,012	-
Choche Prep, Ethiopia	119,337	-
Hoa Mai Nursery, Vietnam	110,377	-
El Remonlino School, Columbia	92,524	-
PEAS teachers salaries	80,000	-
La Estrellita Primary School	50,960	-
Santa Emilia Primary School	78,242	-
Ea H’ Ding Nursery School	100,201	-
Hoa Trung Nursery School	96,125	-
Sanitation Upgrades imagine 1 Day	92,433	-
Water Install Biloya Second	9,111	-
Water Install Haru High, Ethiopia	10,638	-
Water Install Biloya, Ethiopia	12,442	-
Juan Velasco Alvarado School	15	-
Ethiopia Maint GewGew Kilenso	16,034	-
Subtotal	1,137,196	962,372

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

4	PROJECTS (continued)	Year ended 31 December 2020 £	Period ended 31 December 2019 £
	Bule and Dimtu High School Girls Club	10,435	
	Committed, not paid:		
	Ethiopia Water Installations	-	63,643
	Choche Prep, Ethiopia	-	104,996
	Hoa Mai Nursery, Vietnam	-	103,172
	El Remonlino School, Columbia	-	83,849
	Kumbi Primary, Ethiopia	9,943	49,715
	Hawo Primary, Ethiopia	8,116	40,581
	Adame Yirgachefe upgrade, Ethiopia	96,513	-
	PEAS teachers salaries	20,000	-
	Sanitation Upgrades imagine 1 Day	71,918	-
	La Estrellita Primary School	5,526	-
	Santa Emilia Primary School	60,710	-
	Ea H' Ding Nursery School	77,833	-
	Hoa Trung Nursery School	74,720	-
	Santa Teresa Primary School, Cundinamarca, Columbia	40,000	-
	<b>Committed, not paid</b>	<b>465,279</b>	<b>445,956</b>
	Total project expenditure	<u>1,612,910</u>	<u>1,408,328</u>

**5 GOVERNANCE COSTS**

	Unrestricted Funds £	Restricted Funds £	Year ended 31 December 2020 Total £	Period ended 31 December 2019 Total £
Audit fees	9,540	-	9,540	6,756
Trustee review of projects	1,200	-	1,200	17,967
Trustee insurance	1,069	-	1,069	1,064
Training	-	-	-	(1,140)
Trustee expenses	197	-	197	1,561
Other	7,440	-	7,440	3,279
	<u>19,446</u>	<u>-</u>	<u>19,446</u>	<u>29,487</u>

No trustee received remuneration in the period to 31 December 2020 (31 December 2019: £NIL). Included in the above is £197 of reimbursed expenses to one Trustee (31 December 2019: £1,831 to four Trustees). Trustee Indemnity Insurance was also in place during the period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**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 2020</b>	<b>31 December 2019</b>
	£	£
Amounts due from Costa Limited	360,160	432,888
Other debtors	1,783	8,117
	<u>361,943</u>	<u>441,005</u>

**9 CASH & CASH EQUIVALENTS**

	<b>31 December 2020</b>	<b>31 December 2019</b>
	£	£
Current accounts	1,070,584	1,558,172
	<u>1,070,584</u>	<u>1,558,172</u>

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

	<b>31 December 2020</b>	<b>31 December 2019</b>
	£	£
Project expenditure committed, not paid	528,495	787,474
Accruals	8,340	19,221
Other Creditors	8,210	6,641
	<u>545,045</u>	<u>813,336</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

**11 FUNDS**

	As at 31 December 2019 £	Income £	Expenditure £	Transfer £	As at 31 December 2020 £
Unrestricted	1,185,841	1,358,776	(1,657,135)	-	887,481
Restricted	-	57,086	(57,086)	-	-
Total funds	<u>1,185,841</u>	<u>1,415,862</u>	<u>(1,714,221)</u>	<u>-</u>	<u>887,481</u>

Restricted funds consist of:

- Allegra donated £40,000 in 2020 for further Waterfall projects, this has been spent on Santa Emilia and Estrellita Primary Schools, Nicaragua and Hoa Trung Nursery school and Ea H' Ding Nursery School, Vietnam.
- Run for Water donated £17,086 in 2020 for water installation projects with Imagine1Day in Ethiopia.

**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.

During the financial year, Neil Lake was a director of Costa Limited and Russell Fairhurst was Secretary of Costa Limited.

Liz Perry, Trustee, was a Trustee of Charities Trust during the financial year who collect monies on behalf of the Foundation.

**13 COMMITMENTS**

The Costa Foundation had commitments of £115,675 (31 December 2019: £563,419) at the year 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, continued uncertainty has arisen due to the impact of Covid-19. The Trustees' has already assessed this risk and it does not cause for any adjustment 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.