

Registered number: 04797376
Charity number: 1098422

Pestalozzi International Foundation
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

For the year ended 31 August 2021

Pestalozzi International Foundation
(A company limited by guarantee)

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Reference and administrative details of the Charity, its Trustees and advisers
For the year ended 31 August 2021

Trustees	Mr Aaron Eckhoff, Chair Ms Linda Blank Mr David Dixson (appointed 23 September 2020) Mr David Little Mr Pradeep Subedi Mrs Susan Walton, Secretary (resigned 3 November 2020) Mr Mark Stanton (appointed 19 January 2021)
Company registered number	04797376
Charity registered number	1098422
Registered office	First Floor 10 Queen Street Place London EC4R 1BE
Company secretary	Mrs Susan Walton (resigned November 2020) Mrs Stella Keen (appointed 12 October 2020, resigned 19 July 2021) Mr David Little (appointed 2 February 2022)
Senior management	Ms Margaret Alexander - Student Scholarship, Alumni Liaison and Dev. Fund Mgr.
Accountants	Kreston Reeves LLP Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Barclays Bank plc 207 208 Queens Road Hastings East Sussex TN34 1QP
Patron	HRH The Duke of Gloucester KG GCVO
Institutional Members	HE Gaiti Issar Kumar - Indian High Commissioner HE Ms Perla Maria Perdomo - Belizean High Commissioner Mr SonamTsering Frasi - Representative of HH The Dalai Lama HE Liutenant General Paul Mihova (Rtd) - Zambian High Commissioner Mr Michael Rutland OBE - Bhutanese Honorary Consul HE Dr Rizal Sukma - Indonesian Ambassador HE Mr Julius Peter Moto - Ugandan High Commissioner HE Dr Durga Bahadur Subedi - Nepalese Ambassador HE Colonel Christian Katsande - Zimbabwean Ambassador

Pestalozzi International Foundation
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Chairman's statement
For the year ended 31 August 2021

The chairman presents his statement for the year.

Following a difficult year in the charitable sector following the pandemic of 2020, the team at Pestalozzi approached the start of 2021 with enthusiasm and optimism. New ways of working were identified to increase individual giving to the charity via a robust social media presence. The renewed focus of social media postings looks to encourage potential new donors and raise awareness. The difficulties and uncertainty for the whole country during of the last twelve months, has impacted on the success that was envisaged, ongoing uncertainty created by further restrictions set by the Government, and a reducing staff team. However, by the end of the 2020 - 2021 financial year, we grew in confidence in our ability to find more creative and useful ways to attract new donors as well as foster the relationships with existing stakeholders. We anticipate the next financial year to be positive and ambitious as we continue to transition from being a local village-based charity to one that has a truly international reach.

Staffing:

A review of our business model has resulted in a reduction in the staff team, whilst establishing a viable product aligned with our new strategy for obtaining funding. We also took the decision to move to a cloud-based system for our information, including a new Customer Relationship Management system, which enables cloud-based access and reduces physical storage space. The Database and Alumni Officer, Nigel Ford, whose post was made redundant, has kindly given his services as a volunteer to ease us through the transition.

We continue to transition from a local approach to fundraising to a more global and corporate approach. Roles and responsibilities in fundraising and marketing have changed. A new strategy for fundraising and marketing was agreed, which then continued to develop during the 2020 - 2021 financial year. Further work has been done since and we will report on recent initiatives in the next report.

An Office Manager was recruited to cover administrative and Company Secretary duties between Dec 2020 and July 2021. Following their departure, the former COO, Lesley Russell-Dean returned to undertake these duties. The duties of the Marketing Officer, currently on Maternity leave, are being covered by Mags Alexander

United World College Updates and Successes

2020 – 2021 saw our first graduations from UWC with excellent outcomes achieved by each of the students. They all gained places for higher study in the US at the University of Rochester, St. Lawrence University, St. Olaf College, Tufts University, and the University of Richmond. This is a fantastic achievement and shows the dedication of the students that have been sponsored by Pestalozzi and the support provided by staff at UWC Atlantic.

Despite the great successes outlined above, the pandemic continued to present various challenges to the recruitment process for future scholars due to travel restrictions and abilities of students to obtain visas in a timely manner. We pledged to support five new scholars for the 2021 – 2023 academic period but have had to defer two places for a year due to the challenges presented by the pandemic. Nonetheless, we secured the deferred places at the same cost as originally agreed. Further details and progress updates on these students will be in next years' report.

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Chairman's statement (continued)
For the year ended 31 August 2021

Pestalozzi Development Fund Grants (PDF)

PIF continues to support alumni with seed funding opportunities via the PDF. It was a successful year for the fund and the projects that we are proud to support. Social enterprises supported range from poultry farming, waste recycling to youth empowerment and women's maternal wellbeing. Full details are available on our website and social media channels. A summary of the fund's activity is included below:

	2019 - 2020	2020 - 2021
Projects	10	8
Individuals	5	2
Total funds awarded	£49,179	£25,275

The scope and strength of PDF applications continues to improve each cycle. The board scrutinises the longevity and sustainability of all projects to ensure viability.

Structural and Operational Changes

The staff team have been reviewing all operational requirements to ensure optimal use of the charity's resource and significant savings have been made. In addition, analysis of the need for a physical office continues to be considered. The Board of Trustees agreed to the appointment of a part-time Chief Executive Officer for the start of the 2021 – 2022 financial year as well as the placement of 3 of the new scholarship students at UWC Mostar for 2022 – 2024 and a further 2 at UWC Atlantic.

Here ends the Chair's report for this set of accounts.



A Eckhoff
Chair

Date: 19/04/2022

Pestalozzi International Foundation
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2021

The Trustees present their annual report together with the financial statements of the Charity for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Constitution

Pestalozzi International Village Trust (PIVT) was constituted and incorporated in England and Wales on 12 June 2003 and on 1 September 2003 took over the activities, assets and liabilities of the Pestalozzi Children's Village Trust (PCVT), which had been formed under a Trust Deed dated 30 November 1957. In April of 2019, following the sale of the Pestalozzi Village PIVT registered a change of name to Pestalozzi International Foundation (PIF) to more accurately reflect the nature of its operations. PIF is both a registered charity (1098422) and a limited company (04797376).

Objectives and activities

a. Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to the general guidance published by the Charity Commission relating to public benefit. PIF promotes the educational philosophy of Johann Heinrich Pestalozzi (1746 - 1827), of which the principle component is the concept of a balanced programme of education 'for the head, heart and hands'.

PIF awards scholarships to exceptional 16 - 19 year olds who are academically gifted but have limited educational prospects in their home countries. All these young people have demonstrated their enthusiasm for helping to make a difference in their communities.

From 1997 until 2019 PIF students spent the two years of their scholarship residing in a multi cultural, multi faith community in East Sussex, UK. From the academic year 2019/2020 Pestalozzi scholars have been studying the International Baccalaureate as residential students at Atlantic College, in south Wales. Atlantic College is part of the United World Colleges International (UWCI) network. UWCI embraces a very wide range of nationalities within its student body helping them to understand and embrace their differences, breaking down cultural and religious barriers.

A PIF scholarship provides young people with an opportunity they would not otherwise receive – the chance to develop their potential and make a real and lasting difference in the world. In order to facilitate this in 2019 PIF's Trustees inaugurated the Pestalozzi Development Fund with the intention to provide small amounts of seed funding to enable Pestalozzi alumni to set up their own charities or social enterprises. The Trustees undertake a rigorous review of every application and award grants to those projects that they believe will deliver the real and lasting differences in the communities that Pestalozzi alumni serve.

Pestalozzi International Foundation
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Trustees' report (continued)
For the year ended 31 August 2021

Objectives and activities (continued)

b. Volunteers and Fundraising

PIF has felt the impact of the Covid-19 pandemic in the areas of volunteering and fundraising with many activities necessarily curtailed. The cancellation of all speaking engagements from March 2020 onwards has led to reduced income for the year. The Trustees would like to record their thanks to the volunteers who have been able to support PIF throughout this difficult period.

Furthermore, the Trustees remain grateful for the ongoing support of all who provide PIF with much needed funding in what continues to be a challenging time for many voluntary organisations.

The Trustees are extremely grateful to Trusts, Foundations and Friends of Pestalozzi groups, regular givers, and alumni, along with Trustees and staff for all their support during the year.

The Trustees seek to ensure that all fundraising activities by PIF are undertaken with integrity and in a highly professional manner. PIF does not engage external professional fundraisers or commercial participators.

PIF's focus is on providing its supporters with information about the students via regular newsletters and by participating in events and undertaking speaking engagements to community groups UK wide. PIF seeks to develop new contacts as well as maintaining good relationships with existing supporters.

Many individuals and organisations raise funds for PIF. PIF seeks to instil in these individuals and groups, standards of fundraising equivalent to those applied to its own campaigns. PIF strives to adhere to recognised fundraising standards as set by the government and related bodies, in particular The Charities (Protection and Social Investment) Act 2016.

PIF does not indulge in, nor tolerate, aggressive campaigning. Furthermore, to protect vulnerable people and other members of the public we do not share database information. We are pleased to report that no complaints about our fundraising have been notified to the Trustees during the year.

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Trustees' report (continued)
For the year ended 31 August 2021

Achievements and performance

a. Main achievements of the Charity

PIF provided scholarships for 5 students (2019-2021) to attend UWC Atlantic. These young people were selected from India, Tibet, Uganda, Zambia and Zimbabwe. This reduction in numbers reflects the Board's decision to sell the Pestalozzi estate and develop a new and more cost-effective way of providing scholarships in partnership with UWCI. These young people undertook the majority of the first two semesters of their International Baccalaureate Diploma at UWC Atlantic, but due to the restrictions imposed as a result of the Covid-19 pandemic had to complete the first year of their studies remotely.

It had been intended to provide scholarships for a further 5 students to begin studies in the academic year 2020 - 21. Unfortunately, the difficulties presented by the Covid-19 pandemic meant that only 3 of these young people, those from Indonesia, Nepal and Uganda, have been able to take up their places. The Trustees have agreed to defer the remaining 2 scholarships for students from Belize and Bhutan until the beginning of the academic year 2021 - 22.

Regular reports and updates are received from alumni, generally via social media, thus helping the Trustees measure and monitor the outcomes of the scholarship programme and its impact on society. Measuring this impact remained a key focus of 2020 - 21 and work continues to demonstrate how our alumni are making a difference in the world. This contact has led to several applications to the Pestalozzi Development Fund as well as success stories for the re-vitalised and re-branded Pestalozzi Newsletter.

Pestalozzi alumni continue to secure undergraduate places at prestigious universities around the world as well as funding to study for Masters degrees and PhDs at institutions including the London School of Economics, Brown University and the University of Illinois Urbana-Champaign.

Financial review

a. Going concern

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonable possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcome on the charity's activities and its partners. However, taking into consideration the UK Government's response and the charity's planning, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future and achieve its charitable aims.

b. Reserves policy

The charity's free reserves as at 31 August 2021 amounted to £1,919,416 (2020: £2,263,974). The Trustees have long recognised the need to hold reserves sufficient to ensure that the costs of each two year scholarship are fully covered. Changes to the scholarship programme ensure that student numbers could be flexed up or down to match resources.

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Trustees' report (continued)
For the year ended 31 August 2021

c. Financial review

Total income for the year amounted to £148,914 (2020: £194,818) and included £61,939 (2020: £45,961) received from legacies. There were total outgoings of £493,472 (2020: £421,620). A total of £423,107 (2020: £350,393) was expended on the student programme, representing 86% (2020: 83%) of expenditure.

Net resources for the year showed a deficit of £344,558 (2020: deficit of £226,722). The detailed Financial Statements are set out on pages 15 to 29.

PIF's subsidiary Pestalozzi Enterprises Limited (PEL) is non trading and provided no contribution to the charity during 2020/2021.

d. Investments policy

The liquid assets of PIF comprise cash held in bank current and deposit accounts to meet the charity's short and medium term needs. Generally the Trustees adopt a low risk investment strategy.

Structure, governance and management

a. Constitution

As a company limited by guarantee, PIF's governing documents are its Memorandum and Articles of Association. The Articles of Association were amended in July 2019 to reflect the fact that PIF no longer owns the Pestalozzi Village, to enable the distribution of monies under the Pestalozzi Development Fund programme and to adopt Charity Commission best practice. The charity is administered by a Board of Trustees, which consists of not less than three persons and currently stands at five. All Trustees are also directors of the charitable company for the purposes of the Companies Act. Furthermore, all Trustees are the members of the Council. Council Members are the members of the company under the company's articles of association.

b. Methods of appointment or election of Trustees

The current Trustees are listed on page 1.

A minimum of four meetings of the Board of Trustees are held during the year. As Board meetings had been scheduled bi-monthly to address all the issues associated with the development of the new programme with UWCI and those presented by the Covid-19 pandemic.

The skills, interests and expertise of the Trustees are reviewed regularly and any skills gaps are addressed through training and recruitment. The Board reviews applications for membership to the Board of Trustees. It considers the skill sets required for the sound governance of the charity and succession planning within the Board of Trustees. One third of Trustees retire from office at each AGM but may stand for re election. Trustees must step down from the Board when they have served for three consecutive three year terms.

There is a formal induction and training programme for Trustees, and a regular review of governance procedures. All Trustees are made aware of relevant governance documentation and are provided with training opportunities as required.

The Trustees, who have overall responsibility for the charity, currently delegate the day to day operational management of PIF to the senior staff member i.e. the Student Scholarship, Alumni Liaison and Development Fund Manager for Student Programme-related matters and the Office Manager for administration matters.

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Trustees' report (continued)
For the year ended 31 August 2021

Structure, governance and management (continued)

c. Associated organisations

The Trustees are indebted to the organisations and individuals who support PIF with the delivery of its aims and objectives, particularly UWCI for facilitating the implementation of the scholarship programme.

The Trustees are especially appreciative of the generous support of PIF's Patron, HRH The Duke of Gloucester KG GCVO and for the active and informed interest that he and the Duchess continue to take in the work and development of PIF.

d. Pay policy for senior staff

PIF seeks to ensure that its remuneration policy and practices are compatible with effective risk management. This is done by embedding the following principles into its Pay Policy:

- remuneration is compatible with the risk management and risk tolerance of the charity;
- remuneration supports the charity's strategy, objectives, values and long term interests; and
- employees in senior positions have appropriate authority and are remunerated adequately in line with their roles.

This policy aims to attract and retain people with the right mix of skills and experience who share the charity's values and are prepared to work together as a team. To put this policy into practice, appropriate levels of remuneration must be considered. The Trustees benchmark the pay of senior staff by reference to Croner's Pay and Benefits taking account of the nature and location of the charity's work.

The Trustees maintain oversight and control over all staff salaries to ensure pay levels remain fair and reasonable. In addition to public holidays, full time staff receive 20 days annual leave per calendar year. This is adjusted pro rata as required for part time personnel and joiners/leavers. Staff are invited to join the organisation's auto enrolment pension scheme when reaching the eligibility criteria.

The Trustees approve and review annually the general principles of the remuneration policy. Salaries are reviewed annually but must be affordable given the financial performance of the charity.

e. Risk

With the majority of income derived from voluntary contributions, funding remains the principal uncertainty facing PIF. In 2018 the Trustees had taken steps to mitigate that risk by agreeing to change the way in which PIF's charitable objectives are delivered. In 2019 the estate in Sedlescombe was sold and PIF entered into an agreement with UWCI to provide fully funded scholarships for students meeting PIF's selection criteria. The new scholarship programme required a smaller team encompassing fundraising, marketing, alumni liaison and selection staff with some administration support. The staff complement was reduced to a headcount of 6 people delivering approximately 4.5 full time equivalent hours.

The Board of Trustees are now directly responsible for all of the matters that had been delegated to sub committees. A risk register notes potential areas of risk and their severity. A rolling programme of review is undertaken by the staff and the Trustees and systems and procedures have been established to manage identified risks.

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Trustees' report (continued)
For the year ended 31 August 2021

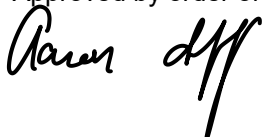
Plans for future periods

The joint venture with UWCI enables PIF to continue to provide the final two years of high quality secondary education to academically gifted young people from some of the world's poorest communities. The Trustees recognised that the scale of this programme would be entirely dependent upon successful fundraising. After 12 months of the new operation and an assessment of the impact of the Covid-19 pandemic on PIF's income it became apparent that traditional forms of fundraising were no longer appropriate. After careful consideration the Trustees agreed to focus on securing donations through digital means making the best use of PIF's online platforms. The consequent re-shaping of the staff team has also allowed savings to be made in relation to staff costs.

The Development Fund allows Pestalozzi alumni to access seed capital for their own charitable or social enterprises. The Development Fund has already allowed PIF to demonstrate very clearly the wider positive impacts of the Pestalozzi scholarship programme and how our alumni add value in both their work and their charitable endeavours. The details of this fund are available on PIF's website.

The appointment of a new Chief Executive Officer will be instrumental in the organisation becoming a more international organisation. The placement of several Pestalozzi scholars at UWC Mostar from 2022 will enable a more cost-effective use of funds to deliver the charity's objectives.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mr Aaron Eckhoff
Chair
Date: 19/04/2022

Pestalozzi International Foundation
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Statement of Trustees' responsibilities
For the year ended 31 August 2021

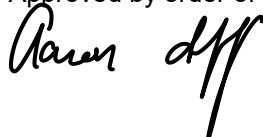
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



Mr Aaron Eckhoff
Chair
Date: 19/04/2022

Pestalozzi International Foundation
(A company limited by guarantee)

Independent examiner's report
For the year ended 31 August 2021

Independent examiner's report to the Trustees of Pestalozzi International Foundation ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 August 2021.

Responsibilities and basis of report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:



Dated:

19 April 2022

Samantha Rouse FCCA DChA

Kreston Reeves LLP

Chartered Accountants

Canterbury

Pestalozzi International Foundation
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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	3	145,049	145,049	185,086
Other trading activities	4	1,824	1,824	700
Investments	5	1,041	1,041	9,112
Other income	6	1,000	1,000	-
Total income		148,914	148,914	194,898
Expenditure on:				
Raising funds	7	70,365	70,365	71,227
Charitable activities	9	423,107	423,107	350,393
Total expenditure		493,472	493,472	421,620
Net movement in funds		(344,558)	(344,558)	(226,722)
Reconciliation of funds:				
Total funds brought forward		2,263,974	2,263,974	2,490,696
Net movement in funds		(344,558)	(344,558)	(226,722)
Total funds carried forward		1,919,416	1,919,416	2,263,974

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 29 form part of these financial statements.

Pestalozzi International Foundation
(A company limited by guarantee)
Registered number: 04797376

Balance sheet
As at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,094	3,351
Investments	15	2	2
		<u>2,096</u>	<u>3,353</u>
Current assets			
Debtors	16	3,398	4,518
Cash at bank and in hand		1,920,980	2,270,777
		<u>1,924,378</u>	<u>2,275,295</u>
Creditors: amounts falling due within one year	17	(7,058)	(12,811)
Net current assets		<u>1,917,320</u>	<u>2,262,484</u>
Total assets less current liabilities		<u>1,919,416</u>	<u>2,265,837</u>
Provisions for liabilities		-	(1,863)
Net assets excluding pension asset		<u>1,919,416</u>	<u>2,263,974</u>
Total net assets		<u><u>1,919,416</u></u>	<u><u>2,263,974</u></u>
Charity funds			
Restricted funds	19	-	-
Unrestricted funds	19	1,919,416	2,263,974
Total funds		<u><u>1,919,416</u></u>	<u><u>2,263,974</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Mr Aaron Eckhoff
 (Chair of Trustees)
 Date: 19/04/2022

The notes on pages 14 to 29 form part of these financial statements.

Pestalozzi International Foundation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2021

1. General information

Pestalozzi International Foundation is a company, limited by guarantee, with a company registration number of 04797376, which is incorporated in England and Wales.

The charity's registered office is First Floor, 10 Queen Street Place, London, EC4R 1BE.

The charitable activities of the charity is to promote the educational philosophy of Johann Heinrich Pestalozzi, by awarding scholarships to exceptional 16-19 year old who are academically gifted by have limited educational prospects in their home countries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Pestalozzi International Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest Pound.

2.2 Company status

Pestalozzi International Foundation is a company limited by guarantee. The members of the company are the Trustees and Council Members named on page 3. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per Council Member.

2.3 Going concern

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the trustees, so far as reasonable possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcome on the charity's activities and its partners. However, taking into consideration the UK Government's response and the charity's planning, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future and achieve its charitable aims.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Notes to the financial statements
For the year ended 31 August 2021

2. Accounting policies (continued)

2.5 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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2. Accounting policies (continued)

2.6 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	25%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.11 Deferred income

In accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period in which they relate. Such deferrals are included in creditors in the financial statements.

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2. Accounting policies (continued)

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes 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.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.15 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.17 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statement requires key management to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates. In the opinion of the key management the charity does not have any material key sources of estimation uncertainty.

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Notes to the financial statements
For the year ended 31 August 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	83,110	83,110
Legacies	61,939	61,939
Grants	-	-
	<u>145,049</u>	<u>145,049</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Donations	131,625	131,625
Legacies	45,961	45,961
Grants	7,500	7,500
	<u>185,086</u>	<u>185,086</u>

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Events income	424	424
Rental income	1,400	1,400
	<u>1,824</u>	<u>1,824</u>
	Unrestricted funds 2020 £	Total funds 2020 £
Rental income	700	700
	<u>700</u>	<u>700</u>

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5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank deposit interest received	1,041	1,041

	Unrestricted funds 2020 £	Total funds 2020 £
Bank deposit interest received	9,112	9,112

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Sale of office furniture	1,000	1,000	-

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising publicity	9,107	9,107
Costs of fundraising activities	17,320	17,320
Costs of fundraising events	71	71
Wages and salaries	41,000	41,000
Employers national insurance	2,867	2,867
	70,365	70,365

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Notes to the financial statements
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7. Expenditure on raising funds (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising publicity	11,061	11,061
Costs of fundraising activities	5,036	5,036
Wages and salaries	51,403	51,403
Employers national insurance	3,727	3,727
	<u>71,227</u>	<u>71,227</u>

8. Analysis of grants

	Grants to Individuals 2021 £	Total funds 2021 £
Pestalozzi Development Fund grants	<u>42,828</u>	<u>42,828</u>

	Grants to Individuals 2020 £	Total funds 2020 £
Pestalozzi Development Fund grants	<u>27,550</u>	<u>27,550</u>

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Notes to the financial statements
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9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Student programme	423,107	423,107

	Unrestricted funds 2020 £	Total funds 2020 £
Student programme	350,393	350,393

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Student programme	327,541	42,828	52,738	423,107

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Student programme	237,515	27,550	85,328	350,393

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Notes to the financial statements
For the year ended 31 August 2021

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Student programme 2021 £	Total funds 2021 £
Staff costs	32,670	32,670
Premises costs	4,357	4,357
Other direct costs including tuition	290,514	290,514
	<u>327,541</u>	<u>327,541</u>

	Student programme 2020 £	Total funds 2020 £
Staff costs	52,137	52,137
Premises costs	5,168	5,168
Other direct costs including tuition	180,210	180,210
	<u>237,515</u>	<u>237,515</u>

Analysis of support costs

	Student programme 2021 £	Total funds 2021 £
Staff costs	15,835	15,835
Depreciation	1,257	1,257
Indirect employee costs	240	240
General administrative expenses	14,834	14,834
Professional fees	5,169	5,169
Rent	11,647	11,647
Audit and accountancy fees	3,756	3,756
	<u>52,738</u>	<u>52,738</u>

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Notes to the financial statements
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10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Student programme 2020 £	Total funds 2020 £
Staff costs	29,680	29,680
Depreciation	1,676	1,676
Indirect employee costs	1,847	1,847
General administrative expenses	22,016	22,016
Professional fees	8,095	8,095
Rent	13,207	13,207
Audit and accountancy fees	8,807	8,807
	<u>85,328</u>	<u>85,328</u>

11. Independent examiner's remuneration

	2021 £	2020 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	2,800	-
Fees payable to the Charity's independent examiner in respect of:		
Prior year fee for the audit of the Charity's annual accounts	-	5,000
All other services not included above	957	3,807
	<u>957</u>	<u>3,807</u>

12. Staff costs

	2021 £	2020 £
Wages and salaries	86,192	124,293
Social security costs	3,808	9,576
Contribution to defined contribution pension schemes	2,372	3,078
	<u>92,372</u>	<u>136,947</u>

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Notes to the financial statements
For the year ended 31 August 2021

12. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2021	2020
	No.	No.
Employees	4	6

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Employees	3	4

No employee received remuneration amounting to more than £60,000 in either year.

The Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the charity are considered to be key management personnel. As noted in note 13, no Trustees received any remuneration during the year (2020: £NIL) and the total remuneration in respect of the Senior Management Team is £47,079 (2020: £56,695).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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Notes to the financial statements
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14. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 September 2020	<u>5,027</u>
At 31 August 2021	<u>5,027</u>
Depreciation	
At 1 September 2020	1,676
Charge for the year	<u>1,257</u>
At 31 August 2021	<u>2,933</u>
Net book value	
At 31 August 2021	<u><u>2,094</u></u>
At 31 August 2020	<u><u>3,351</u></u>

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2020	<u>2</u>
At 31 August 2021	<u><u>2</u></u>
Net book value	
At 31 August 2021	<u>2</u>
At 31 August 2020	<u><u>2</u></u>

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Notes to the financial statements
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15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
Pestalozzi Enterprises Limited	00890936	Philips House, Drury Lane, St. Leonards-On-Sea, East Sussex, England, TN38 9BA	100%

16. Debtors

	2021	2020
	£	£
Due within one year		
Prepayments and accrued income	3,398	4,518
	3,398	4,518

17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	668	1,507
Amounts owed to group undertakings	2	2
Other taxation and social security	1,842	2,350
Other creditors	1,371	800
Accruals and deferred income	3,175	8,152
	7,058	12,811

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Notes to the financial statements
For the year ended 31 August 2021

18. Provisions

	Redundancy provision £
At 1 September 2020	1,863
Amounts used	(1,863)
	<u><u>-</u></u>

Redundancy provision

At the year ended 31 August 2020, a decision was made to make two staff redundant and therefore a provision was recognised.

The redundancies occurred within the year ended 31 August 2021 and therefore the provision was utilised.

19. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
General Funds	2,263,974	148,914	(493,472)	1,919,416
	<u><u>2,263,974</u></u>	<u><u>148,914</u></u>	<u><u>(493,472)</u></u>	<u><u>1,919,416</u></u>

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds	2,490,696	194,898	(421,620)	2,263,974
	<u><u>2,490,696</u></u>	<u><u>194,898</u></u>	<u><u>(421,620)</u></u>	<u><u>2,263,974</u></u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,094	2,094
Fixed asset investments	2	2
Current assets	1,924,378	1,924,378
Creditors due within one year	(7,058)	(7,058)
Total	<u>1,919,416</u>	<u>1,919,416</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,351	3,351
Fixed asset investments	2	2
Current assets	2,275,295	2,275,295
Creditors due within one year	(12,811)	(12,811)
Provisions for liabilities and charges	(1,863)	(1,863)
Total	<u>2,263,974</u>	<u>2,263,974</u>

21. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,371 (2020 - £3,078). Contributions totalling £370 (2020 - £728) were payable to the fund at the balance sheet date and are included in creditors.

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Notes to the financial statements
For the year ended 31 August 2021

22. Operating lease commitments

At 31 August 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	10,178	11,803
Later than 1 year and not later than 5 years	-	10,178
	10,178	21,981

23. Related party transactions

During the year ended 31 August 2021 donations totalling £2,375 (2020: £4,670) were received from the Trustees and other related parties.

During the year, a close family member of a trustee was employed by the charity and received compensation which totalled £1,523 (2020: £5,565).

During the year, a close family member of a trustee was charged rent from the charity totalling £700 (2020: £700).

24. Controlling party

In the opinion of the Trustees, there is no controlling party.