

ROTARY FOUNDATION OF THE UNITED KINGDOM

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Company Number: 2582374

Charity Number: 1002059

ROTARY FOUNDATION OF THE UNITED KINGDOM

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ROTARY FOUNDATION OF THE UNITED KINGDOM

COMPANY INFORMATION

Directors	M Webb M Parry I Legge	(appointed 15/09/2020)
General Secretary	A Watkin	
Registered Office	Kinwarton Road Alcester Warwickshire B49 6PB	
Company number	2582374	
Registered charity number	1002059	
Auditors	Burgis & Bullock Chartered Accountants 23 - 25 Waterloo Place Leamington Spa Warwickshire CV32 5LA	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4TA Lloyds Bank Alcester Branch 1 Stratford Road Warwickshire B49 5AX Ulster Bank Ireland Limited 19 Mardyke Street Athlone Co Westmeath Ireland	

Report of the Directors for the year ended 30 June 2021

The Directors present their combined Annual Report for the year to 30 June 2021 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year, prepared in accordance with the accounting policies set out in note 1 to the accounts, and comply with the charity's governing document, the Charities Act 2011, "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 United Kingdom and Republic of Ireland (FRS102)", and the financial reporting standards applicable in the UK and Republic of Ireland (FRS102).

The information set out on page 1 forms part of the Directors' report.

Structure, Governance and Management

Company and charity status

Rotary Foundation of the United Kingdom is a Company Limited by Guarantee and not having a share capital, which is registered in England, company number 2582374. It is also a charity, registered in England, number 1002059.

The company was incorporated on 29 June 1990 and registered as a charity on 27 February 1991.

The charitable company operates from the administrative headquarters of Rotary International in Great Britain and Ireland at Kinwarton Road, Alcester, Warwickshire B49 6BP, which is also the registered office. For information on the charitable company, please visit www.rotarygbi.org.

Rotary Foundation of the United Kingdom is a registered charitable company whose charitable purpose defined within the Charities Act 2011 is for the advancement of health or the saving of lives and the advancement of education. It is funded principally by voluntary donations from Rotarian members and clubs of Rotary International in Great Britain and Ireland.

As an associate foundation, Rotary Foundation of the United Kingdom supports with funding projects and activities of The Rotary Foundation of Rotary International, a not-for-profit corporation which was incorporated in the State of Illinois, United States of America, on 31 May 1983.

Governing document

The charitable company is governed by its Articles of Association which were revised and adopted by the members on 14 April 2011.

Organisational structure

Since the adoption of the new Articles of Association, the company is run by its Management Committee consisting of up to three Directors, who are also the trustees of the charity. At least two must reside in the United Kingdom. The Committee has full responsibility for the activities and operation of the charitable company.

The members of Rotary Foundation of the United Kingdom are those trustees of The Rotary Foundation of Rotary International who have agreed to act as a member of the charitable company. The members have responsibility for appointment of the directors of the charitable company, and have no beneficial interest in the charitable company. Their liability in the case of a winding up of the charitable company is limited to £1.

The Management Committee aims to meet four times each year, and oversees the management of the charitable company's affairs and financial activities, and provides overall policy direction within the strategic plan of The Rotary Foundation of Rotary International which the charitable company is committed to support.

The day to day running of the charitable company is supervised by the General Secretary, Amanda Watkin, who works closely with the Management Committee.

Trustees, appointment and training

The appointment of the Directors of Rotary Foundation of the United Kingdom is under the control of the members, who are trustees of The Rotary Foundation of Rotary International.

Any director of the charitable company who is also a trustee of The Rotary Foundation of Rotary International serves for a term of four years, to coincide with his term of office of that trusteeship. Other Directors may serve for a period of up to three years and can be reappointed.

Upon induction the Directors are provided with information to enable them to carry out their responsibilities and duties through published guidance for charities and external advisors in order to gain expertise.

During the year indemnity insurance was in force for the benefit of one or more directors

Report of the Directors for the year ended 30 June 2021 (continued)

The trustees are volunteers who give their time to assist the organisation's vision and purpose of their own free choice and without receipt of payment beyond the reimbursement of direct expenditure.

Objectives and principal activities

Charitable objective

The charitable company's objectives as set out in its Articles of Association are to advance any charitable purpose or the charitable work of any institution anywhere in the world and in particular:

- i) the advancement of education, and
- ii) the preservation and protection of the health of the general public.

In addition, the charitable company is committed to supporting the activities of The Rotary Foundation of Rotary International which has a mission to advance world understanding, goodwill and peace by improvement of health, providing quality education, improving the environment and alleviating poverty.

In order to meet and further the charity objectives the following policies have been adopted:

- a) maintaining its income stream of voluntary donations, primarily sourced through the generosity of Rotarians and friends of the Foundation.
- b) providing support through grants of projects and activities of The Rotary Foundation of Rotary International that fall within the criteria defined by the company's objectives.
- c) increasing awareness of alternative fundraising opportunities.

Success Criteria

The generosity of individual Rotarians, their families and the Rotary Clubs to the aims of The Foundation worldwide plays a significant part in the success in achieving the stated objectives of the charitable company.

Principal activities

Major fundraising activities by Rotarians in Great Britain (the charitable company's main funders) in the year supported PolioPlus, the continuing aim of The Rotary Foundation for the eradication of Polio throughout the world. In addition, Rotarians in Great Britain and Ireland have continued to participate in the 'Every Rotarian Every Year' initiative within the Annual Programs Fund, which has helped to increase funding for worldwide projects initiated by Rotarians.

Public benefit

The Directors have referred to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities.

The Directors regularly review their grant making policy to ensure that it advances public benefit by reflecting the company's objectives. The nature of these objectives mean that the benefits are available for worldwide consumption by all.

Achievements and performance

The success of the charity in meeting its aims and objectives is measured as follows:

The charitable company raised in excess of £2.6 million during the year to 30 June 2021, through donations from individual Rotarians and friends, Rotary clubs and legacies. Of this total, just over 716,000 relates to the PolioPlus campaign for the eradication of polio worldwide.

Maintenance of these levels of giving by Rotary clubs and members, particularly in view of the difficult economic climate and the pandemic, is testament to the enthusiasm and determination of Rotarians to support the activities of their own charity.

The company has been able to provide funding totalling £2,648,905 (2020: £4,128,126) for projects of The Rotary Foundation of Rotary International which aim to deliver this company's charitable objectives.

What we plan to do in the year to 30 June 2022

Rotary Foundation of the United Kingdom will continue to encourage Rotarians to meet the long-standing challenge for the eradication of polio worldwide.

In addition, fundraising efforts will continue to raise awareness of other projects under the Annual Fund which provides funding for the general charitable activities of the Foundation.

Report of the Directors for the year ended 30 June 2021 (continued)

Financial review and results for the year

The charity has made a deficit for the year. Detailed financial statements are attached to this report which provide the following highlights:

Principal funding sources

Rotary Foundation of The United Kingdom is dependent on funding by voluntary donations and fundraising activities of Rotarians in Great Britain and Ireland, and no government funding or grants are received, except for the benefits available to registered charities. Rotarians are noted for their generosity which is very much appreciated. In addition to donations of money, many Rotarians freely give their time to initiate and oversee projects abroad set up in conjunction with locally based Rotary Clubs.

The Foundation encourages members and the general public to donate directly via an online platform. It does not use a third party professional fundraiser and has not received any fundraising complaints during the year.

Donations and legacies

Donations in the year included legacies totalling £157,170 (2020: £1,310,049). The Directors continually strive to reduce the reliance on current Rotary members for individual donations which is the principal source of our funds each year.

Investment income

Investment income, principally bank interest, remained low throughout the year, reflecting the challenges imposed by the continuing minimal bank and other interest rates.

Costs of generating voluntary income

Cost of generating voluntary income includes administrative costs directly related to raising funds.

Staff and governance costs

Rotary Foundation of the United Kingdom has no staff costs. All personnel and administrative duties are currently carried out by staff members of Rotary International in Great Britain and Ireland to ensure that administrative costs are kept to a minimum and to maximise the distribution to the intended recipients of funds raised. Governance costs include fees and other administrative costs.

The future

The charity plans on continuing the activities outlined above in future years.

Despite the charity recording a decrease in voluntary donations relating mainly to the impact of the recent COVID-19 pandemic, it is hoped that with the easing of restrictions related to the same, donations will revert back to prior pandemic levels in the future. As Directors and Trustees of the charity, we continue to encourage Rotarians and friends to support our charitable aims.

Our aim for the future is to minimise administrative costs to ensure that the maximum amount of funds raised and income earned from these funds can be used for charitable purposes.

Financial management and reserves

Budgets are prepared annually for review and approval by the Management Committee. The Committee reviews management information on a quarterly basis, monitoring performance against forecast.

Rotary Foundation of the United Kingdom has adopted a policy to retain in unrestricted reserves only sufficient funds to cover expected fundraising and administrative costs for 18 months and to mitigate the risk of an unforeseen substantial loss of income plus a contingent amount to cover potential administration costs should Rotary International in Great Britain and Ireland be unable to continue to provide the aforementioned staff support. The aim is to distribute all money allocated to the restricted funds, by supporting projects of The Rotary Foundation of Rotary International each year.

As at 30 June 2021 the charity had unrestricted funds of £33,448 (2020: £34,096) and restricted funds of £Nil (2020: £Nil) and Capital fund of £250 in both years.

The Directors formally review the reserves policy each year.

Report of the Directors for the year ended 30 June 2021 (continued)

Administrative details

The Directors who held office during the period from 1 July 2020 to the date of this report, unless otherwise stated, are set out below:

M Webb	Chairman
M Parry	
I Legge	(appointed 15/09/2020)

Responsibilities of the Directors, corporate governance and risk management

The Management Committee, consisting of the Directors of the company, is responsible for preparing the Annual 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 Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation;
4. observe the methods and principles of the Charities SORP 2019 (FRS102);
5. state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors, as members of the Management Committee, are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing these accounts, the Directors have complied with current statutory requirements and its Articles of Association and have adopted in full the provisions of SORP 2019 (FRS102).

The Directors consider that the charity is adequately funded to meet its current obligations and have therefore concluded that the going concern basis of accounting is appropriate.

Report of the Directors for the year ended 30 June 2021 (continued)

Corporate governance

There are procedures in place to ensure that internal controls over governance and financial matters are continually assessed and refined. Performance is monitored and appropriate management information is reviewed by the Management Committee.

The systems of internal control are designed to provide reasonable assurance against material misstatement or loss. These include:

- delegation of day to day management authority and segregation of duties
- identification and management of risks.

Principle risks and uncertainties

The principle risks and uncertainties for the Rotary Foundation of the United Kingdom appear to come from the following areas:

- main source of donation income remains with Rotary members; significant reduction in membership could therefore results in reduction of donations;
pressure on administration costs through increased banking charges, costs for the use of credit card facilities,
- continued low interest rates as well as the possibility that Rotary International in Great Britain and Ireland could withdraw their staff support;
- incorrect, inefficient or old fashioned processes and procedures;
- non compliance with statutory and charity regulations.

The Directors have always maintained that the factor most likely to affect future financial performance or position is the general economic climate, as this will impact on individuals' desire and ability to make charitable donations. They have monitored any impact relating to the ongoing global pandemic (COVID-19 virus) but found that there was little effect in the year and, at this point, do not anticipate a high drop in donations for the future.

Risk management

The Management Committee is continuously considering the risks and uncertainties that affect the charity and have put systems in place to mitigate the same, particularly with regard to those risk which could jeopardise the ability of the charity to continue with its charitable activities. This involves taking external advice where necessary as well as ensuring that internal systems remain robust to change and challenges.

Connected charities

Rotary Foundation of the United Kingdom is an associate foundation of The Rotary Foundation of Rotary International, a not-for-profit corporation registered in USA. It also has a very strong relationship with Rotary International in Great Britain and Ireland, whose members are prominent in its fundraising activities.

This report has been prepared in accordance with the accounting policies set out on page 12 and in accordance with the provisions applicable to the companies subject to the small companies regime.

Approved by the Directors and signed on their behalf by:

Mike Webb

Mr Mike Webb (Dec 9, 2021, 4:12pm)

Mike Webb

Director

Date of approval: 09 Dec 2021

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ROTARY FOUNDATION OF THE UNITED KINGDOM

Opinion

We have audited the financial statements of The Rotary Foundation (the 'charitable company') for the year ended 30 June 2021 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021, and of its incoming resources and application of resources, including 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 and Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ROTARY FOUNDATION OF THE UNITED KINGDOM (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulation 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 directors 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 directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The directors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made or having under section 154 of the Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the charity and the sectors it operates in we identified that the principal risks of non-compliance with laws and regulations related to breaches of Charities Act 2011, UK Tax Legislation and UK Employment Law; Companies Act 2006; Safeguarding and GDPR regulations; and the terms of the charity's governing documents.

We evaluated management incentive and opportunities for fraudulent manipulations of the financial statements and determined the principal risks are related to fraudulent transactions to meet funders requirements or to gain personal benefit for the Trustees or members of management.

Audit procedures performed included:

- Identifying and assessing the design effectiveness of controls in management have in place to prevent and detect fraud.
- Challenging assumptions and judgments made by management in their significant accounting estimates and assessing if these indicate evidence of management bias;
- Reviewing the accounting records for large and unusual journal entries and testing any identified and in particular the rationale for any transactions outside the charity's normal course of activity;
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the charity's normal course of activity;
- Testing a sample of debit entries in the profit and loss account to check they are bona-fide costs made for the benefit of the charity;
- Discussions with management, including consideration of known or suspected incidences of non-compliance with laws and regulation and fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

W A Hubbard

Wende Hubbard (Dec 9, 2021, 5:42pm)

Wende Hubbard, FCCA (Senior Statutory Auditor)

For and on behalf of Burgis & Bullock

Chartered Accountants

Statutory Auditors

23 - 25 Waterloo Place

Leamington Spa

Warwickshire

CV32 5LA

Dated: 09 Dec 2021

Burgis and Bullock is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ROTARY FOUNDATION OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Unrestricted Funds 2021 £	RFUK Capital Fund 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and Capital from:						
Donations and legacies	3	119,120	-	2,648,905	2,768,025	4,258,918
Investment and other income		132	-	-	132	2,616
Total income		<u>119,252</u>	<u>-</u>	<u>2,648,905</u>	<u>2,768,157</u>	<u>4,261,534</u>
Expenditure						
Raising funds:						
Administrative costs		115,120	-	-	115,120	126,792
Charitable activities:						
Payments to The Rotary Foundation of Rotary International		-	-	2,648,905	2,648,905	4,128,126
Governance costs	4	4,780	-	-	4,780	4,767
Total expenditure		<u>119,900</u>	<u>-</u>	<u>2,648,905</u>	<u>2,768,805</u>	<u>4,259,685</u>
Net income/expenditure		(648)	-	-	(648)	1,849
Funds brought forward at 1 July 2020		34,096	250	-	34,346	32,497
Funds carried forward at 30 June 2021		<u>33,448</u>	<u>250</u>	<u>-</u>	<u>33,698</u>	<u>34,346</u>

The deficit for the year arises from the charitable company's continuing operations.

The company has no recognised gains or losses other than the net incoming resources for the year.

The Statement of Financial Activities is also the Income and Expenditure account for the year.

The notes on pages 12 to 16 form part of these financial statements.

ROTARY FOUNDATION OF THE UNITED KINGDOM

BALANCE SHEET AS AT 30 JUNE 2021

	NOTES	2021 £	2020 £
Current assets			
Debtors	6	70,808	13,524
Cash at bank and in hand		1,272,017	3,600,716
		<u>1,342,825</u>	<u>3,614,240</u>
Creditors			
Amounts falling due within 1 year	7	(1,309,127)	(3,579,894)
		<u>33,698</u>	<u>34,346</u>
Total assets less current liabilities			
		<u>33,698</u>	<u>34,346</u>
Funds of the charity			
Unrestricted funds	8	33,448	34,096
Capital fund	8	250	250
Restricted funds	8	-	-
		<u>33,698</u>	<u>34,346</u>

For the year ending 30 June 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but, as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statement has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 9 to 16 were approved by the board of directors and signed on it's behalf by:

Mike Webb

Mr Mike Webb (Dec 9, 2021, 4:12pm)

Mike Webb
Director

Date of approval: 09 Dec 2021

The notes on pages 12 to 16 form part of these financial statements.

ROTARY FOUNDATION OF THE UNITED KINGDOM

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 £	2020 £
Cash flow from operating activities			
Cash absorbed by operations	10	(2,328,831)	2,115,097
Investing activities			
Purchase of tangible fixed assets		-	-
Interest received		132	2,616
Net Cash used in investing activities		(2,328,699)	2,117,713
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		(2,328,699)	2,117,713
Cash and Cash equivalents at beginning of year		3,600,716	1,483,003
Cash and cash equivalents at end of year		<u>1,272,017</u>	<u>3,600,716</u>
Relating to:			
Bank balances and short term deposits		1,272,017	3,600,716
Bank overdrafts		-	-
		<u>1,272,017</u>	<u>3,600,716</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021

1. ACCOUNTING POLICIES

Company and charity status

Rotary Foundation of the United Kingdom is a Company Limited by Guarantee and not having a share capital, which is registered in England, company number 2582374. It is also a charity, registered in England, number 1002059.

The company was incorporated on 29 June 1990 and registered as a charity on 27 February 1991.

The charity operates from the administrative headquarters of Rotary International in Great Britain and Ireland at Kinwarton Road, Alcester, Warwickshire B49 6BP, which is also the registered office. For information on the charity, please visit www.rotarygbi.org.

Basis of accounting

These financial statements have been prepared in accordance with the Companies Act 2006, "Accounting and Reporting by Charities: Statement of Recommended Practices applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102)" (as amended for accounting periods from 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the requirements of the Charities Act 2011. The Rotary Foundation of the United Kingdom is a public benefit entity as defined by FRS102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Funds structure

Unrestricted funds are those funds that can be spent at the discretion of the charity trustees for any purpose of the charity. The fund balance represents the unexpended resources held within the fund.

Restricted funds are those funds which must be spent as income on the particular purposes as specified by the donor.

The capital fund includes those funds which the charity must hold and retain and not spend as income. The income arising is used for charitable purposes.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Tax reclaims on donations

Incoming resources from tax claims are included in the statement of financial activities at the same time as the gift to which they relate.

Resources expended

Liabilities are recognised as resources expended as soon as there is legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis, classified under headings appropriate to that expenditure.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

Expenditure on raising funds

Costs of generating funds consist of the costs of generating voluntary income.

Governance costs

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These include costs related to statutory audit and professional fees and the cost of meetings.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay donations received during the year to Rotary International. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

ROTARY FOUNDATION OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the view of the directors, no assumptions concerning the future or estimated uncertainty affecting assets or liabilities at the balance sheet date are likely to result in material adjustments to their carrying amount in the next financial years.

3. DONATIONS	Unrestricted	Restricted	Total
	Funds	Funds	
	2021	2021	2021
	£	£	£
Donations including Gift Aid	-	2,491,735	2,491,735
Legacies	-	157,170	157,170
Donated services	119,120	-	119,120
	<u>119,120</u>	<u>2,648,905</u>	<u>2,768,025</u>
	2020	2020	2020
	£	£	£
Donations including Gift Aid	-	2,818,077	2,818,077
Legacies	-	1,310,049	1,310,049
Donated services	130,792	-	130,792
	<u>130,792</u>	<u>4,128,126</u>	<u>4,258,918</u>

The following major legacies were received in the year:

		£
John Trethewey	Endowment Fund	49,162
Peter W Desborough	Endowment Fund	25,000
Marcus Jewell	Endowment Fund	7,600
David Holborrow	Endowment Fund	5,000

INVESTMENTS	Unrestricted	Unrestricted
	Funds	Funds
	2021	2020
	£	£
Deposit account and other interest	132	2,616
	<u>132</u>	<u>2,616</u>

RAISING FUNDS	Unrestricted	Unrestricted
	Funds	Funds
	2021	2020
	£	£
Administrative costs	115,120	126,792
	<u>115,120</u>	<u>126,792</u>

CHARITABLE ACTIVITIES	Restricted	Restricted
	Funds	Funds
	2021	2020
	£	£
Payments to The Rotary Foundation of Rotary International	2,648,905	4,128,126
	<u>2,648,905</u>	<u>4,128,126</u>

ROTARY FOUNDATION OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2020 (continued)

4. SURPLUS/DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2021	2020
	£	£
Surplus/Deficit is after charging:		
Auditors remuneration	4,000	4,000
Bank and donation processing charges	780	767
	<u>4,780</u>	<u>4,767</u>

The Auditors remuneration relates to audit services only.

5. STAFF COSTS

The charitable company had no employees other than Trustees (2020: NIL) and incurred no staff costs during the year (2020: £NIL).

The directors received no remuneration during the year (2020: £ NIL). The directors can claim travelling and subsistence expenses. During the year, a total of £NIL was paid for the 3 directors (2020: £327).

6. DEBTORS	2021	2020
	£	£
Taxation recoverable	13,996	13,524
Legacies receivable	56,812	-
Other debtors	-	-
	<u>70,808</u>	<u>13,524</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Contributions to The Rotary Foundation of Rotary International	1,304,127	3,575,744
Other creditors	1,000	150
Accruals	4,000	4,000
	<u>1,309,127</u>	<u>3,579,894</u>

8. ANALYSIS OF FUND ASSETS AND LIABILITIES

	Unrestricted Funds 2021 £	Capital Fund 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Debtors	-	-	70,808	70,808
Cash at bank and in hand	37,448	250	1,234,319	1,272,017
Creditors	(4,000)	-	(1,305,127)	(1,309,127)
	<u>33,448</u>	<u>250</u>	<u>-</u>	<u>33,698</u>
	2020	2020	2020	2020
	£	£	£	£
Debtors	-	-	13,524	13,524
Cash at bank and in hand	38,096	250	3,562,370	3,600,716
Creditors	(4,000)	-	(3,575,894)	(3,579,894)
	<u>34,096</u>	<u>250</u>	<u>-</u>	<u>34,346</u>

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

9. PURPOSE OF RESTRICTED FUND

Donations and legacies are received from Rotarians, Rotary clubs and friends of Rotary to support the worldwide programmes and projects of The Rotary Foundation of Rotary International. These are treated as restricted funds and are held until awarded by the directors to The Rotary Foundation of Rotary International as funding for specific projects.

10. CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Surplus /(Deficit) for the year	(648)	1,849
<i>Adjustments for</i>		
Investment income recognised in statement of financial activities	(132)	(2,616)
Depreciation and impairment of tangible fixed assets	-	-
<i>Movements in working capital:</i>		
Decrease/(increase) in debtors	(57,284)	2,554
Increase/(decrease) in creditors	(2,270,767)	2,113,310
Cash absorbed by operations	<u>(2,328,831)</u>	<u>2,115,097</u>

11. CONTINGENT ASSET

The charity has been notified that it is due to receive a share of income from 1 residual legacy. The expected legacy income has not yet been recognised in the financial statements due to the uncertainty regarding the amount of the receipts.

12. CONTROLLING PARTY

“The Rotary Foundation of Rotary International”, a not-for-profit corporation and public charity incorporated in the state of Illinois, USA, has the power to appoint or remove a majority of the directors/trustees of the Charity and as such is classified as its 'parent entity' for accounting purposes. The Rotary Foundation of Rotary International funds charitable projects including to fight disease, provide clean water, relieve the need of mothers and children, and improve education, and provides scholarships and professional training opportunities, in all cases for the public benefit.

The sole corporate member of The Rotary Foundation of Rotary International is “Rotary International”, also a corporation organised under the Illinois not-for-profit Corporation Act. Rotary International is permitted under its local accounting protocols to include the Charity within its consolidated financial statements. Such financial statements are available at One Rotary Center, 150 Sherman Ave, Evanston, IL 60201-3698, USA.

13. RELATED PARTY

The charity has taken advantage of exemptions available under FRS102 whereby it has not disclosed transactions with the parent and ultimate parent company of the group.