

Company Number: 5840786
Charity Number: 1115154

THE RUMI FOUNDATION
REPORT AND ACCOUNTS

For the year ended

31 MARCH 2021

THE RUMI FOUNDATION

CONTENTS	PAGES
Trustees and advisors	2
Trustees' annual report	3 - 9
Independent auditor's report	10 - 12
Consolidated Statement of Financial Activities	13
Consolidated Balance Sheet	14
Company Balance Sheet	15
Consolidated Statement of cash flows	16
Notes to the accounts	17 - 38

THE RUMI FOUNDATION

TRUSTEES AND ADVISORS

Trustees and Directors

D Muriithi
B Pollard
J Verjee (resigned 30 September 2020)
S Malcolmson (appointed 28 September 2020)

Secretary

S Malcolmson

Registered office

1st Floor
Clutha House
10 Storey's Gate
London
SW1P 3AY

Bankers

National Westminster Bank Plc
Piccadilly and New Bond Street
63 Piccadilly
London
W1J 0AJ

Auditor

Nexia Smith & Williamson
Chartered Accountants
Statutory Auditor
25 Moorgate
London
EC2R 6AY

Tax Advisors

Smith & Williamson LLP
Accountants
25 Moorgate
London
EC2R 6AY

Company registration number

5840786

Charity registration number

1115154

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT

The Trustees present their report and the accounts for the year ended 31 March 2021.

Structure, Governance and Management

The Foundation is a charitable company limited by guarantee, incorporated on 8 June 2006 and registered as a charity on 7 July 2006. The Foundation was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The Trustees of the Foundation are also directors for the purposes of company law under the company's Articles and are shown on page 2 to this report. The Trustees who served during the year are listed below:

- B Pollard
- D Muriithi
- J Verjee (resigned 30 September 2020)
- S Malcolmson (appointed 28 September 2020)

Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. In the absence of staff to run the Foundation's day to day activities the Trustees have outsourced these operations to third party property management professionals who report back monthly.

At the year end the Foundation's corporate structure includes one active subsidiary which is 100% owned by the Foundation and engages in property investment. The Trustees appoint the directors of the subsidiary.

Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration or expenses were paid in the year (2020: £nil). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and in accordance with the Foundation's policies withdraw from decisions where a conflict of interest arises.

The Trustees have adopted a Trustees' Roles and Responsibilities Policy, which includes a Trustees' Code of Conduct.

Trustee Induction and Training

As part of their induction programme any new Trustees are made aware of their responsibilities as Trustees.

The existing Trustees recognise the need to have regular training on their roles and responsibilities and continuously seek to educate themselves to improve their skills and best practices. The Trustees appoint specialist advisors for professional support where necessary.

Risk Policy

The Trustees have adopted a Risk Assessment Register which considers the major risks to which the Foundation is exposed and sets out systems and procedures to mitigate them. The Trustees consider the major risk to be the safety of, and investment returns on, its funds. The Trustees seek professional advice to manage risks as appropriate.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

The Trustees have specifically considered a number of business risks such as: the credit-worthiness of its tenants and debtors, the risk of changes in interest rates and the risks associated with property investment. The Foundation has made investments where the Trustees believe such risks are as low as possible and the Trustees seek professional advice where appropriate.

Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (Charities SORP FRS102). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not fall below the amount required to run its activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's expenditure including charitable donations is around £4.5 million per annum.

At the year end, the Group's cash consisted of around £18m and the Group expects to receive around £5 million in annual income from investments.

The Trustees are comfortable with the level of reserves held at the end of the financial year due to the cash balance held and the relatively secure rental income from its UK real estate investments which provide the Foundation with a source of continuing reliable income.

The Trustees have examined the future anticipated cash flows of the Foundation and are satisfied that the Foundation has sufficient resources to meet its continuing obligations.

Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities. Currently the Foundation does not engage in any external fundraising activities because all of its funding derives from its investments and subsidiaries.

The investment policy is to make appropriate investments achieving a reasonable balance of risk and reward in a range of both short and long-term investments. The Trustees leverage their own investment skills and also seek independent advice where appropriate to ensure that this balance is met.

The current investment strategy of the Foundation is to continue to build its capital to create an Expendable Endowment which can support a larger number of long-term projects in the future. In the low interest rate environment, the Trustees consider an appropriate target return to be 3% - 5%, in a blend of income and capital appreciation. The Trustees have regard to environmental, social and ethical considerations in evaluating potential investment opportunities for the Foundation.

The focus of the Foundation's investment policy for the year was to continue to source good value, income-yielding investments and to increase the value of existing investments through good asset management techniques. The Foundation's return on investment in the current financial year was within the target range.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. The Foundation obtained third party valuations of its existing assets and these resulted in increases in values to reflect the improvements undertaken in the year.

The Foundation's other investments of £274,852 have maintained their value. Rental income continues to increase as further investment properties have been acquired and the Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. With these new investments, the Foundation continued to increase its annual income and to record the requisite earnings from its investments to fund its activities through the financial year.

With the acquisition of 7 new freehold properties in the year, the Foundation increased its loan with the same lender as part of the existing long-term borrowing arrangement.

Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016

Grant-Making Policy

The Trustees have an established grant making framework whereby the Foundation works with large, established foundations to, together, support smaller, grassroots organisations that are making changes in an innovative way. The purpose of this grant making framework is to leverage the Foundation's impact by building up and maintaining strong long-term relationships with its strategic grant partners, which enables the Foundation to scale the impact of its activities. Furthermore, the Foundation's general policy is to enter longer-term grant arrangements as it enables the Foundation to build up a more meaningful and productive relationship with the grant recipient.

As part of its due diligence procedures on potential grant recipients, the Foundation ordinarily meets with every organisation it is considering funding and interviews them. Where appropriate the Foundation then records the terms on which it provides its grants in written grant agreements using Grant Offer Letters and Terms & Conditions and Grant Reporting Forms. The Foundation monitors the application and impact of its grant funding by meeting with each grant recipient on a regular basis to carry out a detailed assessment of the grant activities. In addition, the Foundation conducts site visits to the projects supported by some of its larger grants.

Objectives and Activities for the Public Benefit

The objects and purposes of the Charity as set out in its Articles, are:

- the advancement of education in the UK and overseas, in particular by:
 - the provision, support and promotion of the education of children and young people in schools schools and institutions of further and higher education;
 - the education of disadvantaged members of the public;
 - the promotion of the arts; and
 - the relief of poverty.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The Trustees are satisfied that the processes and activities of the Foundation satisfy the public benefit test set out in s.4 Charities Act 2011.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation will support research into scientific and human advancement and additionally supports the advancement of entrepreneurial thinking at educational institutions, particularly those focused around social sciences, healthcare, technology and creative industries, where commercial training is vital.

Achievements and Performance during the period and plans for the future

The Foundation continued to work with existing charitable partners and sought to identify new long term partners to help fulfil its charitable vision.

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and on community engagement and civic involvement.

Details of grant funding and charitable expenditure are set out in Note 8. Further details of selected initiatives are set out below.

As the Foundation has continued to mature, the Trustees have begun to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale.

The Trustees use their networks and entrepreneurial skills to find innovative organisations that are making change at the grassroots level and provides these charities with funding to develop their ideas and to experiment and test how they can make the most impact. The Foundation provides guidance and mentorship and local networks to these young founders, and then connects the charities with larger, global organisations who help them grow, can provide them with additional levels of funding, and can give them access to best practices and networks of similar organisations around the world.

As the Foundation has entered into discussions with its grantees, it has also become clear how important it is for these charities to receive some unrestricted funds to allow them to satisfy their core costs, rather than to restrict funding to specific projects and not to underlying costs. The Trustees work with the grantees, particularly the smaller charities, to ensure that they are allocating the Foundation's funds wisely, are acting in accordance with the Trustees' suggestions and guidance, and that their impact is measured. Where funds have been allocated to support a particular project, this is indicated below.

The Obama Foundation

The Foundation continued its long-term partnership with the Obama Foundation to further its object of education. The Obama Foundation operates globally, supporting outstanding civic innovators, those leaders who are working with their communities to create transformational change and addressing some of the world's most pressing problems.

The Obama Foundation runs educational programs in North America, Europe, Africa, Asia and Pacific regions. People enrolled in these programs are offered tailored workshops that will help them grow their existing skills develop new ones, further enhancing their 'leadership toolkit'. The Obama Foundation also engages with young people aged 18 - 25 to identify future leaders, it then supports them by offering educational workshops, mentoring and networking opportunities and cultural events where the emerging leaders can meet and engage with innovative thinkers and inspirational civic leaders from around the world. As a key supporter of the Obama Foundation's European programme representatives from the Foundation have attended events hosted by the Obama Foundation and directly witnessed it's impact and the community spirit created amongst the emerging leaders.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

Clinton Foundation

The Foundation also continued its partnership with The Clinton Foundation. The mission of The Clinton Foundation is to improve global health, strengthen economies, promote healthier childhoods, and protect the environment by fostering partnerships among governments, businesses, non-governmental organisations, and private citizens to turn good intentions into measurable results.

The Foundation's main direction of funds provided to The Clinton Foundation is to education and health causes, particularly in Africa and South America. The Community Agribusiness Approach programme provides education to rural farmers in sub-Saharan Africa to understand markets and climate-smart agriculture production. In Rwanda, The Clinton Foundation estimates that every \$1 of funding has resulted in \$3.80 of increased income for farmers.

Representatives of the Foundation met with representatives of the Clinton Foundation to discuss the application, use and impact of the Foundation's grant. The grant furthers the Foundation's objects of education of disadvantaged members of the public and relief of poverty.

Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Duke and Duchess of Cambridge. The Foundation provided unrestricted core funding for the Earthshot Prize, a project launched by the Duke of Cambridge in October 2020. The Prize will run between 2021 and 2030 and will be awarded annually to 5 winners whose solutions substantially help the environment. The prize fund will distribute £50 million over the course of the next decade. The Foundation also supported the mental health programmes of the Royal Foundation with a view to introducing some of the Foundation's innovative, grassroots charities to the Royal Foundation to increase their impact and scale. Representatives of the Foundation worked closely with staff of the Royal Foundation to begin this co-ordination and plan for further engagement during the next financial year to continue to educate disadvantaged members of the public.

UK Education

Renaissance Foundation

The Renaissance Foundation is a key smaller, grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

Equality Education

Global Institute for Women's Leadership

The Foundation began a new relationship with the Global Institute for Women's Leadership, an innovative charity that engages in rigorous academic research with the aim of playing key role in driving gender equality in leadership. Research undertaken by Global Institute for Women's Leadership provides insights that policymakers, practitioners and campaigners can use to make evidence-based decisions, effective interventions and policies that create real change.

UK Healthcare

Step up to Serve

Step up to Serve is an innovative social action charity that is behind the #iwill campaign, which seeks to engage young people under 20 years old to take action and help their communities. The #iwill campaign inspires young people to volunteer at hospitals and care for the elderly. The campaign was a very early actor as Coronavirus became prevalent in the UK at the end of March 2020 and #iwill ambassadors worked with the NHS Youth Forum to write the official Coronavirus guidelines for young people. This grant furthers the Foundation's objectives of educating young people and relieving poverty.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

India Education

Yuva Unstoppable

The Foundation supported YUVA Unstoppable, a progressive charity which is dedicated to providing underprivileged children with access to education, sanitation, drinking water, cleanliness and various non-curricular activities. YUVA Unstoppable has been operating for more than 15 years and its 150,000 volunteer youth leaders have engaged with 1,500 government schools to help improve the life chances of 600,000 children.

Other Initiatives

The Foundation also supported a number of other organisations including institutions within the creative industries, educational projects and children's charities in the UK and across the globe to further all of the Foundation's objectives.

Financial Review

The Foundation had another successful year. The Trustees continue to seek to build a long-term Expendable Endowment for the Foundation to allow it to sustainably increase its charitable giving without eroding the Foundation's capital base. This will allow the Foundation to continue to grow in size as it finds more long-term major charitable projects with which it can partner, both large and smaller.

COVID-19

The COVID-19 pandemic has affected each and every one of us. The Foundation's relatively secure rental income has not been materially affected and the Trustees remain in active discussions with tenants to ensure they are able to pay rent on a sustainable basis. The Trustees consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will continue to monitor UK Government advice on the global pandemic and seek to find ways for the Foundation to support those in greatest need.

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Rumi Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. 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 charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that charitable company will continue in business.

THE RUMI FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that Nexia Smith & Williamson have been reappointed as auditors of the company.

Awareness of relevant audit information

The Trustees of the company confirm that, in fulfilling their duties as Trustees, they have:

- taken all the necessary steps in order to make themselves aware of any information relevant to the and to establish that the auditors are aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditors have not been aware.

**Approved by the board of trustees
and signed on behalf of the board**



S Malcolmson
Trustee

Date: 21 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION**Opinion**

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's 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.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included within the Trustees' Annual Report.

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

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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:

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting

Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE RUMI FOUNDATION
(CONTINUED)**

We obtained a general understanding of the charitable group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the charitable group's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of charity regulation.

We understand that the charitable group complies with the framework through:

- Updating operating procedures and internal controls as legal and regulatory requirements change; and
- The Trustees' close oversight through regular board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable group's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significant in the context of the charitable group.

- FRS 102 and the requirements of the Companies Act 2006 in respect of the preparation and presentation of the financial statements;
- Health and safety regulations, including building and fire safety; and
- Charity law and regulation.

The senior statutory audit led a discussion with all members of the engagement team regarding the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries, and incorrect treatment of the valuation of investment properties.

The procedures we carried out to gain evidence in the above areas included testing:

- A sample of manual journal entries, selected through applying specific risk assessments based on the Charity's processes and controls surrounding manual journals;
- Making enquiries of the Trustees as to the risks of and any instances of non-compliance with laws and regulations;
- Reading minutes of meetings of trustees and enquiring into any correspondence between regulators and the charitable company; and
- Reviewing support for the valuation of investment properties.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

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

Use of our report

This report is made solely to the parent 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 parent charitable 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Bond

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 23/07/2021

THE RUMI FOUNDATION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR TO 31 MARCH 2021

		Total Funds	Total Funds
		31 March 2021	31 March 2020
	Notes	£	£
Income from:			
Donations	4	1,219,308	-
Investments	5	5,403,509	4,968,479
Other trading income	6	12,942	19,625
Total income		<u>6,635,759</u>	<u>4,988,104</u>
Expenditure on:			
Raising funds			
Administrative costs	7	2,007,885	1,124,017
Interest payable	7	1,401,226	1,420,389
Charitable activities	7	1,128,183	1,219,934
Total expenditure		<u>4,537,294</u>	<u>3,764,340</u>
Net gain / (loss) on investments		2,841,173	(184,859)
Net income and net movement in funds		<u>4,939,638</u>	<u>1,038,905</u>
Funds as at 1 April		71,488,577	70,449,672
Funds as at 31 March		<u>76,428,215</u>	<u>71,488,577</u>

All incoming resources and resources expended derive from continuing activities.

THE RUMI FOUNDATION**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	12	1,866,974	1,951,374
Investments	13	274,852	23,700,852
Investment properties	14	154,162,794	98,379,293
		<hr/>	<hr/>
		156,304,620	124,031,519
Current Assets			
Debtors	15	988,991	1,047,519
Cash at bank and in hand		17,975,875	1,573,147
		<hr/>	<hr/>
		18,964,866	2,620,666
Creditors: amounts falling due within one year	17	(3,728,879)	(2,727,268)
		<hr/>	<hr/>
Net Current Assets / (Liabilities)		15,235,987	(106,602)
Creditors: amounts falling due after more than one year	18	(95,112,392)	(52,436,340)
		<hr/>	<hr/>
Net Assets		76,428,215	71,488,577
		<hr/>	<hr/>
Represented by:			
Unrestricted charity funds			
Accumulated fund	20	62,693,251	56,436,133
Revaluation reserve	20	13,734,964	15,052,444
		<hr/>	<hr/>
		76,428,215	71,488,577
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Directors on 21 July 2021 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

COMPANY BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	12	1,866,974	1,951,374
Investments	13	279,852	23,700,853
Investment properties	14	154,162,794	80,469,293
		<hr/>	<hr/>
		156,309,620	106,121,520
Current Assets			
Debtors	15	995,633	18,175,324
Cash at bank and in hand		17,964,876	1,414,176
		<hr/>	<hr/>
		18,960,509	19,589,500
Creditors: amounts falling due within one year	17	(3,728,879)	(2,404,240)
		<hr/>	<hr/>
Net Current Assets		15,231,630	17,185,260
Creditors: amounts falling due after more than one year	18	(95,112,392)	(52,436,340)
		<hr/>	<hr/>
Net Assets		76,428,858	70,870,440
		<hr/>	<hr/>
Represented by:			
Unrestricted			
Accumulated fund	20	62,693,894	59,976,649
Revaluation reserve	20	13,734,964	10,893,791
		<hr/>	<hr/>
		76,428,858	70,870,440
		<hr/>	<hr/>

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

The company's surplus for the year ended 31 March 2021 was £5,558,417 (2020 £1,435,476).

The accounts were approved and authorised for issue by the Board of Directors on 21 July 2021 and were signed on its behalf by:



S Malcolmson
Director

Company Number: 5840786

THE RUMI FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR TO 31 MARCH 2021

Net cash generated from operating activities	Notes	2021 £	2020 £
Net income		4,939,638	1,038,905
Depreciation charge		84,400	84,400
Interest paid		1,401,226	1,420,389
Interest received		(729,708)	(1,016,081)
Change in debtors		58,528	706,511
Change in creditors		2,660,192	512,680
Revaluation gain		(2,841,173)	-
Revaluation loss		-	171,303
Net cash generated from operating activities		5,573,103	2,918,107
Investing activities			
Additions to investment properties		(52,942,328)	(7,913,703)
Additions to investments		-	(3,526,000)
Disposals of investments		23,426,000	-
Interest received		729,708	1,016,081
Impairment of investments		-	148
Cash paid on acquisition of subsidiaries net of cash acquired		(1,658,581)	-
Net cash outflow from investing activities		(30,445,201)	(10,423,474)
Financing activities			
New loans		43,216,052	5,486,552
Loans repaid		(540,000)	-
Interest paid		(1,401,226)	(1,420,389)
Net cash inflow / (outflow) from financing activities		41,274,826	4,066,163
Increase / (decrease) in cash and cash equivalents		16,402,728	(3,439,204)
Cash at 1 April		1,573,147	5,012,351
Cash and cash equivalents at year end	23	17,975,875	1,573,147

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021

1 Legal status

The Rumi Foundation ("the Foundation") is a private company limited by guarantee (Company number: 5840786) and a registered charity (Charity number: 1115154) incorporated in England and Wales. The address of the registered office is 1st Floor, Clutha House, 10 Storey's Gate, London SW1P 3AY.

In the event of the charitable company being wound up the liability in respect of the guarantee is limited to £1 per member.

2 Accounting policies

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

(a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain assets including investment properties, in accordance with the Foundation's accounting policies.

The group's functional currency is sterling (£).

The Foundation is a public benefit entity and the Group is a public benefit group, as defined by FRS 102.

The principal accounting policies of the Foundation are set out below.

(b) Going concern

These financial statements have been prepared on a going concern basis.

On 11th March 2020 the World Health Organisation declared the outbreak of the novel Coronavirus (COVID-19) a "Global Pandemic". The outbreak has impacted global financial markets and the UK economy is faced with an unprecedented set of circumstances to which the Group is not immune. Management have considered the impact of the Global Pandemic on the Group's income and have determined that it will not be significantly impacted. The Trustees have reviewed the outlook for the coming year, which takes into account the impact of the Global Pandemic and the fact the Foundation had consolidated net current assets of £15,235,987 at 31 March 2021, After making allowance for some reduction in income but also allowing for the fact that charitable expenditure and some overheads can be reduced, the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operational existence for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(c) Basis of consolidation

The group financial statements incorporate the financial statements of the Foundation and entities controlled by the Foundation (its subsidiaries) prepared to 31 March each year. Control is achieved where the Foundation has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The Foundation has taken advantage of the exemption under section 408 of the Companies Act 2006 from publishing its individual income statement, statement of other comprehensive income and related notes.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy and the receipt is considered to be probable.

Voluntary income is received by the way of donations and is included in full in the Statement of Financial Activities when receivable.

Investment income relates to interest on bank deposits, rental income arising from investment properties and interest on long term secured debt. Investment income is recognised on an accruals basis. Rental income is recognised as earned with the cost of any lease incentives being spread equally over the lease term. Any rental income relating to future periods is recognised in deferred income.

Other trading income relates to sales of development properties.

(e) Resources expended

Expenditure is recognised on an accruals basis, as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which relates.

- Grants are recognised at the earlier of payment and when a constructive obligation to the recipient is created. Any grant recognised but unpaid, is recognised as a creditor.
- Raising funds comprise the costs associated with attracting voluntary income, property management costs, financing costs and the cost of developments sold.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and the services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Governance costs are allocated between expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(f) Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. The Foundation's activities are charitable and therefore, to the extent that any surpluses are applied to its charitable objects, the Foundation is not liable to tax. In addition, its subsidiaries incur no current tax charge as all their profits, which would otherwise be taxable, are distributed to the Foundation by way of Gift Aid and thus no tax liability arises.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(f) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, and where it is probable that a tax liability will arise. Deferred tax on investment property revaluation gains are not recognised where it is probable that the crystallised profits will be donated to the Foundation such that no tax liability will ultimately arise.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Whilst the tax expense is immaterial, it is recognised as a part of the cost of the relevant activity, rather than being disclosed separately in the Statement of Financial Activities.

(g) Property, Plant and Equipment

Property, Plant and Equipment are valued using the cost model and are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing an asset to the condition necessary for it to operate in the manner intended for it by the trustees.

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

Depreciation is provided on the following basis:

Freehold property - 4% straight line

(h) Investments

Investments are initially recognised at cost and subsequently recorded at fair value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(i) Investment properties

Investment properties which are properties held to earn rentals and / or capital appreciation are initially measured at cost and subsequently at fair value. Revaluation surpluses and deficits are recognised as part of the income statement.

Where there is a mixed use property the fair value of the investment element is included in Investment Properties and the cost is included in Property, Plant and Equipment, in accordance with FRS 102.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

2 Accounting policies (continued)

(j) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Foundation becomes a party to the contractual provisions of the instrument.

Trade (including rental) and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Foundation will not be able to collect all amounts due.

Loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to proceeds received net of direct issue costs. These liabilities are subsequently measured at the amortised cost, using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank deposits with maturities of three months or less.

(l) Recognition of liabilities

All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure.

(m) Funds structure

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Unrestricted funds comprise the revaluation reserve and general reserves. The revaluation reserve is the excess of the fair value of investment property in excess of cost; the general reserves are the accumulated reserves of the Foundation, not otherwise classified as restricted reserves or revaluation reserves. Restricted funds are subjected to restrictions on their expenditure imposed by the donor, currently there are no restricted funds.

(n) Foreign currency transactions

All transactions denominated in foreign currencies are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Statement of Financial Activities in the period in which they arise. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

3 Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Significant management judgements

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions as basic are met. This includes consideration of the form and its return.

Recognition of grants payable

Grants payable are recognised at the earlier of payment or when a constructive obligation to the grant recipient arises. The point at which this occurs requires the exercise of judgement in the cases of conditional grants which have been advised to the recipients.

Significant management estimates

Valuation of investment property

Investment properties are included in the financial statements at their value at the year end, as required by FRS 102. Fair value is estimated based on expected future net income from the properties and market yield rates. The value of the investment properties is detailed in note 14.

Deferred taxation

Deferred tax on investment property revaluation gains arising in subsidiaries are not recognised where it is probable that the crystallised profits will be donated to the Foundation such that no tax liability will ultimately arise.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

4 Voluntary income	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Donations	<u>1,219,308</u>	<u>-</u>	<u>1,744,692</u>	<u>250,000</u>

The income from donations was £1,219,308 (2020: £ Nil) for the group. The company received donations of £1,744,692 from its wholly owned subsidiaries (2020: £250,000). All income was unrestricted.

The Foundation benefits greatly from the involvement and support of its volunteers, details of which are given in the Annual Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5 Investment income	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Rental income	4,673,801	3,952,398	4,184,251	3,092,741
Interest on debt securities	729,673	1,010,508	850,851	1,591,311
Bank interest	35	5,573	27	5,302
	<u>5,403,509</u>	<u>4,968,479</u>	<u>5,035,129</u>	<u>4,689,354</u>

6 Other trading income	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other income	12,942	19,538	12,942	19,291
Gain on exchange	-	87	-	87
	<u>12,942</u>	<u>19,625</u>	<u>12,942</u>	<u>19,378</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

7 Total Resources Expended - Group

	Basis of allocation	Raising funds		Charitable activities		2021 £	2020 £
		2021 £	2020 £	2021 £	2020 £		
Costs directly allocated to activities							
Grants	Direct	-	-	969,128	1,078,241	969,128	1,078,241
Investment property expenses	Direct	1,192,324	602,449	-	-	1,192,324	602,449
		<u>1,192,324</u>	<u>602,449</u>	<u>969,128</u>	<u>1,078,241</u>	<u>2,161,452</u>	<u>1,680,690</u>
Support costs allocated to activities							
Accountancy	Direct	92,433	48,340	-	-	92,433	48,340
Bank charges and fees	Direct	80,181	59,187	-	-	80,181	59,187
Interest on bank loans	Direct	1,401,226	1,420,389	-	-	1,401,226	1,420,389
		<u>1,573,840</u>	<u>1,527,916</u>	<u>-</u>	<u>-</u>	<u>1,573,840</u>	<u>1,527,916</u>
Governance costs allocated to activities							
Audit fees	Apportioned	19,098	7,978	19,097	7,977	38,195	15,955
Legal and professional	Direct	483,891	272,346	-	-	483,891	272,346
Other	Apportioned	139,958	133,717	139,958	133,716	279,916	267,433
		<u>642,947</u>	<u>414,041</u>	<u>159,055</u>	<u>141,693</u>	<u>802,002</u>	<u>555,734</u>
Total expenditure		<u>3,409,111</u>	<u>2,544,406</u>	<u>1,128,183</u>	<u>1,219,934</u>	<u>4,537,294</u>	<u>3,764,340</u>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

8 Grants and charitable expenditure		2021	2020
		£	£
Material Grants	Charitable Objective		
Obama Foundation	Education	369,661	-
Royal Foundation	Education	100,000	100,000
Clinton Foundation	Education	76,176	120,565
WE Charity UK	Education	-	337,153
Think Equal	Education	-	240,000
Other Grants			
Equality Education	Education	122,037	71,000
UK Education	Education	127,800	80,608
North America Education	Education	50,000	16,535
UK Creative Industries	Education - Promotion of the Arts	47,000	48,380
UK Healthcare	Relief of poverty	31,000	34,000
India Education	Education	30,454	-
Africa Education	Education	15,000	30,000
		<u>969,128</u>	<u>1,078,241</u>

All grants were made to institutions.

9 Auditor's remuneration		2021	2020
		£	£
Fees payable to the Foundation's auditor for the audit of the Foundation's financial statement.		32,945	27,145
Fees payable to the Foundation's auditor for the audit of the financial statements of the Foundation's subsidiaries.		-	5,665
Accountancy and advisory fees		45,198	2,750
Restructuring and professional fees		<u>15,912</u>	<u>8,236</u>
		<u>94,055</u>	<u>43,796</u>

10 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year (2020: £ Nil). During the year a company controlled by a trustee received £49,918 for the provision of accountancy services to the group.

11 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The Trustees consider that it is probable no corporation tax will arise in the group's commercial subsidiary as all their profits, which otherwise would be taxable, are likely to be distributed to the Foundation by way of Gift Aid. Accordingly, no post acquisition tax charge has been provided on their results.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

12 Tangible fixed assets	Group	Company
Cost	Land and Buildings £	Land and Buildings £
At 1 April 2020	2,110,000	2,110,000
Additions	-	-
At 31 March 2021	<u>2,110,000</u>	<u>2,110,000</u>
Depreciation		
At 1 April 2020	158,626	158,626
Charge for the year	84,400	84,400
At 31 March 2020	<u>243,026</u>	<u>243,026</u>
Net Book Value		
At 31 March 2021	<u>1,866,974</u>	<u>1,866,974</u>
At 31 March 2020	<u>1,951,374</u>	<u>1,951,374</u>

13 Investments

	Unlisted £	Debt Securities £	Subsidiaries £	Total £
Group				
At 1 April 2020	274,852	23,426,000	-	23,700,852
Disposal	-	(23,426,000)	-	(23,426,000)
At 31 March 2021	<u>274,852</u>	<u>-</u>	<u>-</u>	<u>274,852</u>
Company				
At 1 April 2020	274,852	23,426,000	1	23,700,853
Additions	-	-	3,392,064	3,392,064
Disposals	-	(23,426,000)	(3,387,065)	(26,813,065)
At 31 March 2021	<u>274,852</u>	<u>-</u>	<u>5,000</u>	<u>279,852</u>

At 31 March 2021, the charity's investments were held in the UK and USA.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

14 Investment properties

Group	Freehold £	Leasehold £	Total £
At 1 April 2020	91,699,293	6,680,000	98,379,293
Additions	52,942,328	-	52,942,328
Revaluation gains	2,771,173	70,000	2,841,173
	<hr/>	<hr/>	<hr/>
At 31 March 2021	147,412,794	6,750,000	154,162,794
	<hr/>	<hr/>	<hr/>
Company	Freehold £	Leasehold £	Total £
At 1 April 2020	73,789,293	6,680,000	80,469,293
Additions	70,852,328	-	70,852,328
Revaluation gains	2,771,173	70,000	2,841,173
	<hr/>	<hr/>	<hr/>
At 31 March 2021	147,412,794	6,750,000	154,162,794
	<hr/>	<hr/>	<hr/>

Historical cost of freehold properties at 31 March 2021 amounted to £134,524,192 (2020: £77,423,211) for the Group and £134,524,192 (2020: £61,629,078) for the Foundation. Historical cost of leasehold properties at 31 March 2021 amounted to £5,903,638 (2020: £5,903,638) for Group and Foundation. Additions are comprised of new properties acquired by the group and improvements to some of its existing properties during the year.

Investment properties have been valued by the Trustees taking account of independent professional advice. Fair value is estimated based on expected future net income from the properties and market yield rates.

15 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	699,209	710,099	699,209	563,521
Loan to subsidiary	-	-	-	17,275,458
Other debtors	-	-	6,642	-
Accrued income	217,250	307,316	217,250	307,316
Prepayments	72,532	30,104	72,532	29,029
	<hr/>	<hr/>	<hr/>	<hr/>
	988,991	1,047,519	995,633	18,175,324
	<hr/>	<hr/>	<hr/>	<hr/>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

16 Operating leases with tenants

The Foundation leases out all its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
Due:	£	£	£	£
Not later than one year	3,880,818	3,407,527	3,880,818	2,825,381
Later than one year but within five years	7,146,182	8,589,561	7,146,182	7,194,933
Later than five years	6,149,518	6,951,185	6,149,518	3,283,788
	<u>17,176,518</u>	<u>18,948,273</u>	<u>17,176,518</u>	<u>13,304,102</u>

None of the leases entered into give tenants the right or option to purchase or contain contingent rents.

17 Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Secured bank loan	540,000	540,000	540,000	540,000
Accruals and deferred income	1,691,002	1,241,182	1,691,002	1,050,165
Other creditors	1,388,416	912,941	1,388,416	780,930
Other taxes and social security costs	109,461	33,145	109,461	33,145
	<u>3,728,879</u>	<u>2,727,268</u>	<u>3,728,879</u>	<u>2,404,240</u>

18 Creditors: Amounts falling due after one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Secured loan	22,000,000	-	22,000,000	-
Secured bank loan	73,112,392	52,436,340	73,112,392	52,436,340
	<u>95,112,392</u>	<u>52,436,340</u>	<u>95,112,392</u>	<u>52,436,340</u>

Bank loans

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts due within one year	540,000	540,000	540,000	540,000
Amounts due within two to five years	73,112,392	52,436,340	95,112,392	52,436,340
	<u>73,652,392</u>	<u>52,976,340</u>	<u>95,652,392</u>	<u>52,976,340</u>

The secured bank loan is secured with a charge against the properties to which the loan relates, the value of the properties offered as security is £151,562,794 (2020: £93,688,596). The loan is repayable in 2024, and interest on the loan accrues at 2% above LIBOR.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

19 Related party transactions and key management personnel

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £49,918.50 for the provision of accountancy services, of which £3,500 was unpaid at the year end.

During the year the Foundation received the following donations from related parties:

Whitechapel Acquisitions Limited, a wholly owned subsidiary, made a gift of net assets with a value of £225,370 (2020: £ Nil).

The following donations were received from subsidiaries that have since been liquidated:

Abacus Investments Limited, a wholly owned subsidiary now liquidated, made a gift of net assets with a value of £93,420 (2020: £ Nil).

Baltimore Holdings Limited, a wholly owned subsidiary now liquidated, made a gift of net assets with a value of £92,430 (2020: £ Nil).

Batemans Row Limited, a wholly owned subsidiary now liquidated, made cash donations of £41,259 (2020: £ Nil) and also made a gift of £200,000 (2020: £ Nil) arising from revaluation gains on property transferred during the year.

Boundary Street Holdings Limited, a wholly owned subsidiary now liquidated, made cash donations of £398,895 (2020: £250,000) and also made a gift of £335,742 (2020: £ Nil) arising from revaluation gains on property transferred during the year (2020: £ Nil). During the year the subsidiary fully repaid the amount of its loan from the Foundation. The balance of the loan at the year end was £ Nil (2020: £17,275,458).

Hoxton Square Acquisitions Limited, a wholly owned subsidiary now liquidated, made cash donations of £136,912 (2020: £ Nil) and also made a gift of net assets with a value of £100,860 (2020: £ Nil).

Pitfield Street Acquisitions Limited, a wholly owned subsidiary now liquidated, made cash donations of £19,703 (2020: £ Nil) and also made a gift of net assets with a value of £100,100 (2020: £ Nil).

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Foundation. In the opinion of the Trustees, key management are the board of Trustees. The Trustees appoint specialist advisors for professional support where necessary.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

20 Movements in funds

	Revaluation reserve £	Accumulated fund £	Total Funds £
Group			
At 1 April 2020	15,052,444	56,436,133	71,488,577
Incoming resources	-	6,635,759	6,635,759
Outgoing resources	-	(4,537,295)	(4,537,295)
Revaluation gains on investment properties	2,841,173	-	2,841,173
Revaluation gains realised on intra-group investment property transfers	(4,158,653)	4,158,653	-
	<u>(1,317,480)</u>	<u>6,257,118</u>	<u>4,939,638</u>
Movement for the year	<u>13,734,964</u>	<u>62,693,251</u>	<u>76,428,215</u>
Company			
At 1 April 2020	10,893,791	59,976,649	70,870,440
Incoming resources	-	6,792,763	6,792,763
Outgoing resources	-	(4,075,518)	(4,075,518)
Revaluation gains on investment properties	2,841,173	-	2,841,173
	<u>2,841,173</u>	<u>2,717,245</u>	<u>5,558,418</u>
Movement for the year	<u>13,734,964</u>	<u>62,693,894</u>	<u>76,428,858</u>

21 Financial instruments

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Financial assets				
Financial assets measured at fair value through the profit & loss	274,852	274,852	274,852	274,852
Financial assets measured at amortised cost	17,975,875	1,573,147	17,964,876	1,414,176
	<u>17,975,875</u>	<u>1,573,147</u>	<u>17,964,876</u>	<u>1,414,176</u>

Financial assets measured at amortised cost are comprised of cash.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries

On 17th July 2020 the group acquired 100% of the share capital of Batemans Row Limited, its principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	1,700,000	948,610	2,648,610
Trade and other debtors	9,200	-	9,200
Cash at bank and in hand	152,609	-	152,609
Trade and other creditors	(70,419)	-	(70,419)
	<hr/>	<hr/>	<hr/>
	1,791,390	948,610	2,740,000
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	1,791,390	948,610	2,740,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Satisfied by:			
Cash			2,740,000
			<hr/>
Total cost of acquisition			2,740,000
			<hr/> <hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

Adjustments arising on acquisition relate to the fair value uplift to the investment property. In line with the judgement set out in Note 3 no deferred tax has been recognised on the fair value uplift of the properties.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Abacus Investments Limited by means of being gifted 100% of the share capital of that company. Abacus Investments Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	3,667,500	-	3,667,500
Trade and other debtors	14,124	-	14,124
Cash at bank and in hand	-	-	-
Trade and other creditors	(3,579,187)	-	(3,579,187)
	<hr/>	<hr/>	<hr/>
	102,437	-	102,437
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	102,437	-	102,437
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			102,437
			<hr/>
Total amount of donation received			102,437
			<hr/>

The value of the subsidiary at year end was £ Nil as the company was dissolved in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Baltimore Holdings Limited by means of being gifted 100% of the share capital of that company. Baltimore Holdings Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	3,300,000	-	3,300,000
Trade and other debtors	9,293	-	9,293
Cash at bank and in hand	-	-	-
Trade and other creditors	(3,209,976)	-	(3,209,976)
	<hr/>	<hr/>	<hr/>
	99,317	-	99,317
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	99,317	-	99,317
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			99,317
			<hr/>
Total amount of donation received			99,317
			<hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Hoxton Square Acquisitions Limited by means of being gifted 100% of the share capital of that company. Hoxton Square Acquisitions Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	9,275,200	-	9,275,200
Trade and other debtors	43,400	-	43,400
Cash at bank and in hand	447,400	-	447,400
Trade and other creditors	(9,665,140)	-	(9,665,140)
	<hr/>	<hr/>	<hr/>
	100,860	-	100,860
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	100,860	-	100,860
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			100,860
			<hr/>
Total amount of donation received			100,860
			<hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Pitfield Street Acquisitions Limited by means of being gifted 100% of the share capital of that company. Pitfield Street Acquisitions Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	7,125,200	-	7,125,200
Trade and other debtors	29,960	-	29,960
Cash at bank and in hand	69,000	-	69,000
Trade and other creditors	(7,124,060)	-	(7,124,060)
	<hr/>	<hr/>	<hr/>
	100,100	-	100,100
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	100,100	-	100,100
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			100,100
			<hr/>
Total amount of donation received			100,100
			<hr/>

The value of the subsidiary at year end was £ Nil as the company entered a Members Voluntary Liquidation in the year, following the transfer of its property and assets to the parent company.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

22 Acquisition of subsidiaries (continued)

On 17th July 2020 the group obtained control of Whitechapel Acquisitions Limited by means of being gifted 100% of the share capital of that company. Whitechapel Acquisitions Limited's principal activity is property letting. Its acquisition has added to the value of the investment properties held by the group.

Net assets acquired:	Book value	Fair Value Adjustments	Amounts recognised at acquisition date
Investment property	22,955,200	-	22,955,200
Trade and other debtors	196,120	-	196,120
Cash at bank and in hand	412,410	-	412,410
Trade and other creditors	(23,314,380)	-	(23,314,380)
	<hr/>	<hr/>	<hr/>
	249,350	-	249,350
Goodwill	-	-	-
	<hr/>	<hr/>	<hr/>
Total consideration	249,350	-	249,350
	<hr/>	<hr/>	<hr/>
Satisfied by:			
Gift of shares			249,350
			<hr/>
Total cost of acquisition			249,350
			<hr/>
The value of the subsidiary at year end was arrived at by considering the following:			
Donation paid up to the Foundation			(244,350)
			<hr/>
Value at 31 March 2021			5,000
			<hr/>

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)

23 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered	Nature of business	Class of shares held	2021 % Held Direct	2020 % Held Direct
Whitechapel Acquisitions Limited	11380670 England and Wales	Property investment	Ordinary	100	-

The following subsidiaries entered into Members Voluntary Liquidations or were dissolved in the year:

Abacus Investments Limited	14473 Guernsey	Property investment	Ordinary	-	-
Baltimore Holdings Limited	170767 British Virgin Islands	Property investment	Ordinary	-	-
Batemans Row Limited	02246858 England and Wales	Property investment	Ordinary	-	-
Boundary Street Holdings Ltd.	10697264 England and Wales	Property investment	Ordinary	-	100
Hoxton Square Acquisitions Limited	11634951 England and Wales	Property investment	Ordinary	-	-
Pitfield Street Acquisitions Limited	11702063 England and Wales	Property development	Ordinary	-	-

Summary financial information of the significant subsidiaries at 31 March 2021:

	Whitechapel Acquisitions Limited 2021
Turnover	489,550
Fair value gain	-
Expenses	574,816
Loss	(85,266)
Assets	11,000
Liabilities	6,642
Net Assets	4,358

Gift Aid donations to the Foundation are excluded from the profit and loss information above.

THE RUMI FOUNDATION**NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2021 (continued)****24 Analysis of changes in net debt**

	At 1 April 2020	Cash Flows	Other non cash changes	At 31 March 2021
Cash and cash equivalents				
Cash and cash equivalents	1,573,147	16,402,728	-	17,975,875
	1,573,147	16,402,728	-	17,975,875
Borrowings				
Debt due within one year	(540,000)	-	-	(540,000)
Debt due after one year	(52,436,340)	(42,676,052)	-	(95,112,392)
	(52,976,340)	(42,676,052)	-	(95,652,392)
Total Net Debt	(51,403,193)	(26,273,324)	-	(77,676,517)

25 Post Balance Sheet Events

The Foundation agreed the purchase of a commercial property located in Central London with a purchase price of £6,800,000, contracts to purchase the property were exchanged in July 2021. The Foundation accounts for transactions upon their completion and therefore the property will be an addition next year.