

# THE ADSUM FOUNDATION

## REPORT OF THE TRUSTEES (INCORPORATING DIRECTORS' REPORT)

The Directors (who are also the trustees) are pleased to present their annual report together with the financial statements of the charity for the year ending 31st March 2023, which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The directors have adopted the provisions of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP – FRS102), in preparing the annual report and financial statements of the charity.

### Achievements and performance

The focus of our work over the past 12 months has been vital projects in Madagascar. We continue to support rural communities creating access to essential services such as water, education, sanitation, and healthcare.

Through the installation of 26 borehole wells, almost 15,000 people now have access to safe and sustainable sources of water. Prior to this, communities often relied upon open, unprotected water sources, significant distances from their homes. The provision of reliable, clean water closer to their homes and places of study/work truly is life changing. Water technicians and local management committees were trained at each site to ensure care, maintenance and sustainability of every borehole drilled.

Despite the obstacles of the global pandemic, we have once again constructed 7 schools in remote locations bringing bright classrooms and safe education to pupils for many years to come. Around 2,800 pupils will access education in their newly built primary schools at the start of the new academic year. Every school is furnished, complimented with a block of latrines, and provided with teacher and pupil resources packs. We also enhanced the school library collections at each of our existing schools, allocating 59 story book packs. Parents and pupils have been trained in food production and hygiene promotion through the Education for Life programme.

Building upon previous success of the adult literacy project in the Androy region of Southern Madagascar, over 7,000 people commenced the first stage of the programme for the year 2022 across 300 locations.

Markets, workplaces, and health centres are often significant distances from people's homes, circumstances made worse by poor road infrastructure. During the past year, Adsum Bike Aid volunteers have been collecting and reconditioning hundreds of bikes, with the plan to ship, and distribute around 400 bikes during 2023. The bikes are commonly shared with family members and neighbours, growing the impact and prospects of the beneficiaries in remote villages.

Whilst the impact of Covid-19 has been reducing, extreme weather events caused by climate change, and the cost-of-living crisis from global inflation, have created crises for communities in Madagascar, whilst also presenting operational challenges for Adsum programmes. However, we are adapting and being agile to these challenges, for example, we have developed, secured funding for, and commenced a pilot project of well building in the Androy region, forming new partnerships, and gaining new knowledge. Closer to home, we have once again been able to host our 'Battle of Brains' Table Quiz fundraiser, which was once a staple fundraising and networking event in our calendar pre-Covid.

The gratitude from and impact of our work on Malagasy communities motivates us as we plan our future work to change more lives. We are grateful to our supporters for their continued commitment to help the lives of people in need across Madagascar.

We have reviewed our operations, and are currently in the process of a restructuring, including the creation of a Grants and Partnerships Manager post, who we believe will help Adsum Foundation continue our work in Madagascar and beyond.

## THE ADSUM FOUNDATION

### REPORT OF THE TRUSTEES (continued)

#### Financial review and funds policy

During the year, the Foundation's incoming resources for distribution totalled £265,673, with its resources expended on charitable activities totalling £374,067. The resources expended were principally in support of development needs in Madagascar. The level of incoming resources for distribution has dropped significantly compared with the previous year due to a change in the timing of the commitment of donations from the charity's main donor, LFT Charitable Trust. The operating costs of the Foundation were met entirely by LFT Charitable Trust so that 100% of any money donated to or through the Foundation goes directly to our partners and the projects on the ground.

At the year end the Foundation had £281,015 of cash funds available for distribution and the Directors have already committed £273,478 of this to their partners in Madagascar who are involved in many programmes across the charity spectrum, including projects with themes such as education, health, water and sustainable livelihood projects. The net outgoing resources for the year amounting to £108,394 as shown in the statement of financial activities on page 9 have been transferred from the company's funds.

The company plans to continue its activities in the forthcoming years.

#### Objectives and Activities (and how they deliver public benefit)

The Company is a non-profit making entity which funds education, health, sustainable livelihoods and water and sanitation projects in the developing world, with a focus on Madagascar.

The Company's activities benefit the public by:

1. providing relief for persons, who are in conditions of need, hardship or distress as a result of local, national or international disaster or by reason of their social and economic circumstances. The direct benefits which flow from this purpose include improved health outcomes, improved education and life and job opportunities.
2. providing relief of patients suffering from disease or sickness, or who are convalescent, disabled, handicapped or infirm. The direct benefits which flow from this purpose include improved health outcomes, the provision in the interests of social welfare of recreational facilities for such patients and the relief in cases of financial distress of the dependents of such patients or of deceased patients. It would also include research into the causes and treatments of disease on terms that the results of such research are published.
3. furthering the education (including social and physical training) of children and young persons. The direct benefits which flow from this purpose include improved education, job prospects, life skills and as a result living conditions for them and their families.

These can all be demonstrated through local and government statistics and feedback from beneficiaries and their families. These purposes would not lead to harm. The charity's beneficiaries could be anyone locally, nationally or internationally. There is no private benefit.

In setting our objectives and planning our activities for the year, the trustees have considered the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the charity's purposes and provide a benefit to its beneficiaries.

## **THE ADSUM FOUNDATION**

### **REPORT OF THE TRUSTEES (continued)**

#### **Directors and Trustees of the Company**

The directors who held office during the year, or who were directors at the date of this report were as follows:

Mr Gavin Lonergan

Mrs Anne-Marie Lonergan

Mr Bernard Casey

#### **Structure, governance and management**

The Company is a charity limited by guarantee without share capital which avails of the "Limited" exemption.

The company is governed by its Memorandum and Articles of Association dated 23 December 2008. In the event of the Company being wound up, members are required to contribute an amount not exceeding £10. The Board is responsible for the overall governance of the Company and is actively involved in the day-to-day management of the organisation.

Directors are appointed in line with the Memorandum & Articles of Association of the company.

The Board of Directors are also known as Trustees for the purposes of the Charity Commission.

#### **Risk management**

The directors have conducted a review of the major risks to which the charity is exposed. Financial risk is reviewed on a monthly basis having due regard to ongoing income and expenses.

#### **Statement of directors' responsibilities**

The directors (who are the trustees of The Adsum Foundation) are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors 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 of the incoming resources and application of resources, including income and expenditure for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP-FRS102;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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### REPORT OF THE TRUSTEES (continued)

#### Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

#### Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

#### Auditors

A resolution to appoint auditors will be proposed at the Annual General Meeting.

#### Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 29<sup>th</sup> June 2023 and signed on its behalf by:

  
Mr Gavin Lonergan