

THE HALLER FOUNDATION

**Company limited by guarantee no. 04807857
registered charity no. 1101725**

**Trustees' Annual Report and Financial Statements
for the year ended 31 December 2017**

THE HALLER FOUNDATION

(Registered charity number 1101725)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2017

CONTENTS

	Page
Reference and administrative Information	1
Trustees' Annual Report	2
Independent Examiner's report	10
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14

THE HALLER FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 December 2017

Trustees	Louise Piper - Co-founder (Chair, appointed 22 December 2017) Jonathan Ford Guido Haller Daniel Haller Robert Otterson (appointed 28 June 2017) Laurie Bennett (resigned 09 May 2018) Robert Evans resigned 22 January 2018) Charles Watson (resigned 22 January 2018) John Collenette (resigned 19 December 2017) Sophie Dollar (resigned 15 December 2017)
President	Dr Rene Haller - Life President
Chief Executive	Alia Malik (until 15 March 2018)
Charity reg. no.	1101725
Registered office	71 Mount Ephraim Tunbridge Wells TN4 8BG
Independent Examiner	Charles Ssempijja, ACA NfP Accountants Ltd No. 38, 52 Peckham Grove London SE15 6FR
Bankers	Cooperative Bank PO Box 250, Delf House, Skelmersdale, Lancashire WN8 6NY CAF Bank 25 Kings Hill House, Kings Hill, West Malling, Kent ME19 4JQ

TRUSTEES' ANNUAL REPORT
For the year ended 31 December 2017

The directors, who are the trustees of the charitable company for the purposes of charity law, present their annual report and financial statements of the Haller Foundation for the year ended 31 December 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Articles of Association (2015), the Companies Act 2006, and charities regulations, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governing document

The Haller Foundation was registered as a company limited by guarantee in England and Wales, incorporated at Companies House in June 2003. The company is also a registered charity with the charity commission, registered number 1101725. The Haller Foundation constituted under The Memorandum and Articles of Association for a charitable company dated 9 May 2003, last amended on 12 April 2015.

The governance of the charity is the responsibility of the Trustees. Day to day management during the period was by the CEO, supported by Board of Trustees as needed.

Method of appointment or election of the Trustees

Trustees are nominated through a nominations committee and then elected by the Board, and stand for up to three years, after which they are subject to re-election. Regular reviews are held to identify any expertise gaps within the Board of Trustees and appointments are made where required to strengthen the Board of Trustees, subject to all trustees' approval.

No other person or external body is entitled to appoint any trustees of the charity. The Trustees who served during the period and after the yearend are shown on page 1.

Policies adopted for the induction and training of Board of Trustees

New trustees meet with the Chief Executive and / or a nominations committee comprised of existing trustees. Potential incoming trustees are given the opportunity to observe a board meeting before committing to join the board. New trustees are provided with an information pack on Haller and the Charity Commission publications about the roles and responsibilities of trustees.

Related party relationships

The Charity has considered the disclosure requirements of the SORP for related party relationships. The trustees consider that the members of the board and their close connections to be related parties of the charity. All trustees give their time voluntarily and receive no benefits from the charity. Details of related parties and transactions with them are disclosed in Notes 10 and 11.

This Charity has a conflict of interest policy. This precludes any trustee benefitting from a financial or other gain arising from any activity of the charity.

Conflicts of interest

We are aware of conflicts and actively manage them in accordance with relevant legislation.

Remuneration policy for key management personnel

The pay of the charity's CEO is subject to annual review, where applicable, and normally increased in accordance with London average earnings, depending on affordability. The trustees also draw on their knowledge of the sector and common practice in other charities of similar size to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Risk management

The trustees are responsible for identifying the major risks to which the Charity is exposed and ensuring that steps are taken to manage those risks.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Purposes and aims

The objects of The Haller Foundation are to advance the conservation and the protection of the environment through the development of sustainable ecosystems. We aim to promote sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Foundation will aim to work with local communities to develop sustainable farming practices through the rehabilitation of damaged land. We will aim to promote environmental education by creating an awareness and better understanding of the environment and local ecosystems through training in farming methods. We will aim to support community health, education, and social enterprise initiatives with the objective of the communities becoming self-sustaining and self-sufficient.

Beneficiaries of our services

Haller's beneficiaries are ultra-poor farming communities in coastal Kenya and smallholder farmers in other areas living off difficult land (defined as those who spent 80% of their income on securing food and water). We serve our beneficiaries in three ways: 1) through projects implemented by our delivery partner Haller Kenya, 2) through working with partners in other locations to share our knowledge, and 3) through using technology as a mechanism for service delivery via a smart phone app for smallholder farmers.

The process for engagement involves communities making an application to Haller Kenya to participate in a partnership known as the 'Haller Journey' which involves the installation of a rain-fed dam, a well, an eco-sanitation facility (ESF) and a farmer training and demonstration plot. Members of the Haller Kenya team then work closely with the community on a multi-year agricultural training programme to ensure that farmers have the knowledge and ability to farm organically, in a sustainable fashion to provide for themselves and their families.

Taking advantage of expanding mobile connectivity across Africa, the Haller Farmers App aims to put the power of education directly into the hands of small holder farmers. Through this resource, the work of the Haller Foundation is made accessible to thousands of small scale food producers. Regardless of their resources, education or location they have access to locally relevant farming content aimed at improving, their agricultural productivity and incomes. Our Smartphone App for farmers has had almost 30,000 unique users since its launch in 2014.

TRUSTEES' ANNUAL REPORT
For the year ended 31 December 2017

Principal activities

The charity's main activities and who it tries to help are described below. All its charitable activities focus on resourceful, sustainable smallholder farming and are undertaken to further the Haller Foundation's charitable purposes for the public benefit.

Haller aligns its priorities with The Sustainable Development Goals of Education, Good Health and Wellbeing, No Poverty, The Opportunity to Work, and To Create Economic Growth.

Summary: Our model begins with creating the motivation and organisational capacity within a community to embark on a four to five-year partnership, which involves hard physical work and a commitment to engaging with our farmer training programme.

Although it is tailored to the needs of each specific community and its location, the Haller Journey is a 5 step process.

The first stage involves providing community access to water for farming and potable water for the household. In partnership with Haller, a community dam is sited. The dam is rain-fed, and hand dug by the community who are paid per cubic metre of earth dug. Spill ways and Koffer dams help ensure the dam is secure and can withstand the potential of flash floods during the rainy season. The land around the dam is terraced, and tree planting initiated. Haller provides a variety of trees from fruit trees, trees with medicinal properties and trees which can be cash cropped.

Households have access to potable water through the construction of a well. This ensures greater reliability of water during the dry season. The well is constructed by a professional construction team to a unique Haller design which is concrete lined, and which includes a shaded seating area and hand pump. To ensure these water sources are not polluted, sanitation facilities are provided through the construction of an eco-loo, and of handwashing facilities.

The second stage of the Haller Journey is The farmer training programme which takes place over two to three years. It starts with training in soil enrichment through the use of organic fertilisers, followed by training in growing vegetables and cash crops which equips them grow a surplus of produce which they can then sell. This first 'earned income' is a real catalyst in further progress towards reaching the goal of having sustainable livelihoods. Training is supported in situ, through the Haller Farmers App and at our Farmer Training School. As the community progresses, training extends to more advanced farming techniques which incorporates training and support for fish farming, bee keeping and livestock production. Haller further supports the community with the implementation of alternative energy sources such as solar, gravity lights and training in biogas production where appropriate.

Where needed Haller is able to offer training in basic accounting/income and expenditure and economic measurement techniques. The communities economic success comes additionally with an improvement in their natural environment, with improved soils, reduced erosion through planting and the introduction of agroforestry, and through the rain-fed dams and wells. Each community is supported through our mobile health-care, family planning and vaccination services. This access to primary healthcare in turn enables farmers to be more productive with less time lost to illness.

Over 35% of the farmers in the 50 communities we have worked with, or are now working in have been introduced to The Haller Farmers App – an online audio and visual farming manual which allows them to continue with their farming progress once Haller lets go of the reins towards the end of the programme.

TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2017

A substantial but secondary component of Haller activities relate to supporting the more urban communities closer to Mombasa. We operate a health clinic at one of our primary location hubs, The Nguuni Nature Sanctuary location out of which 7500 patient consultations and treatments were offered. This location also provides for an Education center and children's library. The library serves children from 60 schools in the surrounding area with over 8000 visits through 2017. The Education Center operates child centered educational activities mainly in the areas of IT education, environmental activities, business skills, and debating and after school clubs. This is a distinct activity from the farmer training which takes place in remoter communities and at our farmer field school and provides education and training for smallholder farmers.

Principle activities to fulfil charitable purposes of the charity include 1) fundraising and applying for grant funding for programmes in Kenya, 2) building strategy and partnerships for expanding impact of organic farming methods, and 3) continued development and improvement of mobile app services for smallholders.

Statement of public benefit

The Board of Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

ACHIEVEMENTS AND PERFORMANCE: REVIEW OF ACTIVITIES FOR THE YEAR

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

In response to the severe drought which affected the Horn of Africa during 2016, and the State of emergency declared in Kenya during 2017 we focused on prioritising water security, using donations and grants to construct nine new wells and nine dams. In September a number of trustees and 16 supporters raised funds via a self funded climb of Kilimanjaro which raised £70,000 towards much needed water projects. In addition to the benefits that access to water provides to households, and to communities for vegetable farming, it also supports the installation of community fish ponds, which are farmed collectively creating additional income and improving family nutrition. Providing water security will remain an ongoing priority for Haller.

We started new Haller Journeys (holistic community projects including rain-fed dams, fresh water wells, bio-loos, farmer training and primary health services to promote sustainable development in nine communities: Marimani, Tupendane, Imani, Jitegemee, Dzanikeni, Ufanisi, Upendo Mapatano and Guu Ngombe. This funding has largely been for the provision of dams and wells and all these projects are either complete or at the final stages of construction. The dams and wells are now complete, and farming training is underway in half of the communities, to continue into 2018. These will provide a direct benefit for over 1750 people and indirect for up to 6,400 people through access to water for irrigation, clean drinking water, avoidance of contamination and improved nutrition and income sources from sustainable farming.

TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2017

Additionally, throughout the year, work on the redevelopment of the Haller Farmers App continued to support the scaling of our farming methodology. With phone usage in Africa growing at a rapid rate, we continue to see the potential for digital services to provide much needed extension support. This year we have undertaken strategy reassessment based on lessons learned, a redesign project with user experience (UX) experts WebCredible, in-house UX redesign, initial design of new user interface (UI) with challenger brand design firm Pearlfisher, and finally a hackathon to plan a redevelopment project with Amido, a fast-growing software developer. The new design aims to improve access to the information available.

We have initiated farmer training and health outreach in half of the eight communities to date providing high quality health outreach and clinic services to over 8000 patients for Malaria, respiratory disease, Diarrhoea, skin diseases, UTI's, Chicken Pox and Helminthiasis. A strike of healthcare workers in government clinics for much of 2017 meant that The Nguuni health centre provided a vital service. We have also continued to support family planning and health education through partner NGO the Milgis Trust in Samburu Kenya. The project has supported delivery of health education and family planning through meetings with over 1400 people and the issuing of 828 bracelets, 239 repro rulers and over 500 sanitary pads to women and schoolgirls.

We were also able to secure a donation from the GravityLight Foundation of nearly 2,500 GravityLights. The majority of Haller beneficiaries live off-grid, and many rely on harmful kerosene lamps which cause respiratory problems. The gravity light is an entirely carbon-neutral source of light that is installed inside the home and works based on a pulley system to provide a reliable source of light, with no harmful emissions. This means families benefit from increased security at night, children have light for homework and they are more secure than solar lighting which is vulnerable to theft. These lights are being distributed systematically to vulnerable families.

We have strengthened our capacity in impact assessment monitoring and evaluation and programming working with an external partner Ace- Africa. 2017 was the first a three-year partnership funded by the Innocent Foundation for knowledge exchange between Haller and Ace Africa based on respective strengths. Key achievements include 1) the completion of a baseline study by Ace Africa of 10 Haller communities, and the internal training and training of local data collectors in surveying and impact assessment and 2) The production by Haller of a fish farming manual for more advanced aquaculture and subsequent training of Ace Africa staff and community champions in fish farming so that Haller methodology could be applied in communities which Ace works with in Western Kenya. In line with the strategy of positioning Haller to win and fulfil grants from larger-scale organisations. this training helps Haller to fulfil the contractual reporting obligations that organisations such the Guernsey International Aid Department and One Days Wages who awarded grants to Haller in 2017, requires.

Fundraising/income improved in 2017 over 2016, with support from the Haller Vespa Golf day, The Kilimanjaro Climb, and through a number of loyal supporters Total income for the year was at £369,180 compared to £312,259 in 2016.

TRUSTEES' ANNUAL REPORT
For the year ended 31 December 2017

At the end of 2017 Haller undertook a strategic review to assess progress towards our agreed strategic plan, our levels of fundraising and to consider our pathway going forward. After in depth review, the trustees determined that our five-year strategy designed to scale through partner organisations required a higher level of funding than we were currently generating and which created future risk for the organisation and as a result the following decisions were taken.

- 1) That the focus of activities would be on ensuring the sustainability and longevity of existing projects in Kenya and on future community development via Haller Kenya.
- 2) That we needed to consider ways in which the Haller UK operation could be streamlined and otherwise structured to maximise the impact of donations.

FINANCIAL REVIEW

Financial position

The Charity incurred net expenditure for the year of £123,641 (2016 - net expenditure of £60,610), details of which are shown in the Statement of Financial Activities on page 12.

Total income for the year amounted to £369,180, an increase of £56,921 on the previous year, and total expenditure amounted to £492,821, an increase of £119,952 on the previous year.

Reserves policy

The Haller Foundation's policy is to ensure that there are reserve funds available to run the basic operations of the charity for a minimum of three months. At the balance sheet date, the Trustees estimate this would require reserves of £40,000. The Charity's reserves at the end of the reporting period were slightly below this level at £31,952. However The trustees consider that this is acceptable because in light of the decision taken to restructure the UK operation the reserves needs to cover 3 months of future operational costs would be reduced to around £5,000. At a Board of Trustees meeting on 13 June 2018, the Trustees agreed a new reserves fund level of £20,000, which will be applied to the following financial year.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

THE HALLER FOUNDATION

TRUSTEES' ANNUAL REPORT

For the year ended 31 December 2017

The Trustees are grateful of the continued financial support from:

- Individual donors and sponsors of the Kilimanjaro climb
- Trusts and Foundations: Many request to remain anonymous. However Marr Munning, Evan Cornish, Oakdale, Chalk Cliff, Open Gate, Jephcott, Souter, Camellia, Innocent Foundation, Addax & Oryx , One Days wages and Guernsey Overseas Development Trust have supported Haller's activities in 2017.
- Corporate partners: Mondrian, Vespa Capital, Euromoney, Red Badger, Amido, PearlFisher, Gravity Light Foundation
- Events: Kilimanjaro Climb, Golf Day
- Schools: Sevenoaks Prep School

This financial and moral support provides a firm foundation for the charity's activities.

PLANS FOR FUTURE PERIODS

As agreed by the Trustees, over the course of 2018 Haller will reduce overheads in the UK to re-focus the organisation around our core service delivery and innovation in Kenya. The result will be more cost-efficient project delivery and reduced core costs.

Haller will additionally investigate a spin off for the embryonic development of a second farming app FarmSmart to a designated organisation in order to ensure the continued development of digital farming services without ongoing costs to the Haller Foundation.

TRUSTEES' RESPONSIBILITIES

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

Company law requires the charity trustees to prepare financial statements for each year which 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 the income and expenditure, of the charitable group for that period. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and 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 statements;
- Follow the methods and principles of the Charity SORP; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the group will continue in business.

THE HALLER FOUNDATION

TRUSTEES' ANNUAL REPORT
For the year ended 31 December 2017

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

The trustees are responsible for the maintenance and integrity of the corporate 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.

PREPARATION OF THE REPORT

In preparing this report, the Board of Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

APPROVAL OF THE REPORT

This report was approved by the Board of Trustees on and signed on their behalf by:

.....
Louise Piper
Chair

INDEPENDENT EXAMINER'S REPORT TO THE BOARD OF TRUSTEES

For the year ended 31 December 2017

I report on the accounts of the charity for the year ended 31 December 2017 set out on pages 12 to 26.

Respective responsibilities of the Trustee and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

1. accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
2. the accounts do not accord with such records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the Charities SORP (FRS102).

/Continued...

INDEPENDENT EXAMINER'S REPORT TO THE BOARD OF TRUSTEES

For the year ended 31 December 2017

.../Continued

I understand that the financial statements have been prepared to give a 'true and fair' view, and have departed from the Charities (Accounts and Reports) Regulations 2008, only to the extent required to provide a 'true and fair view'. This departure has involved following SORP 2015 FRS102, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 (SORP 2005), which is referred to in the extant regulations, but has since been withdrawn.

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

Charles Ssempijja, ACA
NfP Accountants Ltd
Chartered Accountants
No. 38, 52 Peckham Grove
London
SE15 6FR

Date:

THE HALLER FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)

For the year ended 31 December 2017

	Notes	Unrestricted Funds 2017 £	Restricted Income Funds 2017 £	Restricted Endowment Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOME FROM						
Donations and legacies	2	64,600	241,028	11,135	316,763	234,933
Other trading activities	4	52,350	-	-	52,350	77,055
Investments	5	67	-	-	67	271
TOTAL INCOME		117,017	241,028	11,135	369,180	312,259
EXPENDITURE ON:						
Raising funds	6	55,314	-	-	55,314	38,249
Charitable activities	6	73,420	364,087	-	437,507	334,620
TOTAL EXPENDITURE		128,734	364,087	-	492,821	372,869
Net income / (expenditure) before transfers		(11,717)	(123,059)	11,135	(123,641)	(60,610)
NET MOVEMENT IN FUNDS		(11,717)	(123,059)	11,135	(123,641)	(60,610)
RECONCILIATION OF FUNDS						
TOTAL FUNDS AT BROUGHT FORWARD		43,669	196,462	-	240,131	300,741
TOTAL FUNDS CARRIED FORWARD		£ 31,952	£ 73,403	£ 11,135	£ 116,490	£ 240,131

The full Statement of Financial Activities for 2016 is shown in Note 20.

The annexed notes form part of these financial statements

THE HALLER FOUNDATION

(Registered charity number 1101725, Registered company number 04807857)

BALANCE SHEET As at 31 December 2017

	Notes	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		-		653
CURRENT ASSETS					
Debtors	13	43,985		57,042	
Cash at bank and in hand		76,884		191,684	
		<u>120,869</u>		<u>248,726</u>	
CREDITORS: amounts falling due within one year					
	14	(4,379)		(9,248)	
NET CURRENT ASSETS					
			<u>116,490</u>		<u>239,478</u>
NET ASSETS					
			<u>£ 116,490</u>		<u>£ 240,131</u>
FUNDS					
Restricted income funds	15		73,403		196,462
Restricted endowment funds	15		11,135		-
Unrestricted funds:					
General fund	15		31,952		43,669
			<u>£ 116,490</u>		<u>£ 240,131</u>

For the year ended 31 December 2017 the Company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

The 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (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 were approved, and authorised for issue, by the Trustees on
and signed on their behalf by:-

Louise Piper, Chair

The annexed notes form part of these financial statements

THE HALLER FOUNDATION

STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	<u>2017</u>		<u>2016</u>	
	£	£	£	£
Cash flows from operating activities				
Net income for the period		(123,641)		(60,610)
Add back depreciation		653		653
Net cash provided by / (used in) operating activities				
(Increase)/decrease in debtors	13,057		(19,434)	
Increase/(decrease) in creditors	<u>(4,869)</u>		<u>6,548</u>	
		8,188		(12,886)
Cash flows from investing activities				
Purchase of fixed assets		-		-
Cash flows from financing activities				
		-		-
Change in cash and cash equivalents in the year		<u>(114,800)</u>		<u>(72,843)</u>
Cash and cash equivalents at the beginning of the year		191,684		264,527
Cash and cash equivalents at the year end		<u><u>76,884</u></u>		<u><u>191,684</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, as updated on 2 February 2016 (SORP 2016), and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following SORP 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 (SORP 2005) which has since been withdrawn.

Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to the funds: this is when any performance conditions attached to the income have been met, it is probable that the income will be received, and that the amount can be measured reliably.

Income is only deferred when: The donor specifies that the grant or donation must only be used in future accounting periods; or for performance related grants, where these are received in advance of the performances or specific event to which they relate.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is considered all to relate to Charitable activities and includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.

Allocation of support costs

Support and governance costs have been allocated between charitable activities based on estimated staff costs. The allocation of support and governance costs is analysed in note 6.

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Judgements and key sources of estimation uncertainty

No judgements have been made in the process of applying the above accounting policies and there are no key sources of estimation uncertainty.

Foreign currencies

The reporting currency is GBP. The Foundation operates a no loss no gains policy with regard to currency fluctuations between GBP and Kenyan Shillings. Currency fluctuation is contained within project reporting. Where there are adverse movement in the exchange rate, activities may be reduced to reflect the lower amount received on exchange. The opposite is also true. As a result, the accounts do not reflect any exchange gains or losses that may arise from delivering charitable projects in foreign currencies.

Tangible fixed assets

Fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their useful economic lives on a straight line basis as follows:

Computer equipment - 3 years

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
<i>Cash grants and donations</i>				
Project grants and donations	-	252,163	252,163	166,131
Haller App	150	-	150	-
Haller Prize	-	-	-	5,000
General unrestricted gifts	6,146	-	6,146	45,616
	<u>6,296</u>	<u>252,163</u>	<u>258,459</u>	<u>216,747</u>
<i>Donated goods and services</i>				
CEO programme	-	-	-	7,794
Gravity Lights (x2500)	8,500	-	8,500	-
Webcredible	25,000	-	25,000	-
Pearlfisher	22,800	-	22,800	-
Other	2,004	-	2,004	10,392
	<u>58,304</u>	<u>-</u>	<u>58,304</u>	<u>18,186</u>
	<u>£ 64,600</u>	<u>£ 252,163</u>	<u>£ 316,763</u>	<u>£ 234,933</u>

Donated goods in the year include 2,500 "gravity lights" donated by the charity Gravity Light Foundation. The retail value of these lights was £42,500, however the trustees consider that the real value to the charity is 20% of this - therefore have included the income and matching cost as £8,500.

Other donated services is made up of software donations (£825) (2016 - Nil), BA flights (979) (2016 - £4,992), Eventbrite (£200) (2016 - Nil). The value for 2016 also included £3,600 office space (Second Home), and £1,800 for the Salesforce platform. Amido provided some pro-bono strategic visioning for the app.

Equivalent charges are included under the relevant expenditure categories.

3. RESTRICTED ENDOWMENT FUNDS

During the year, the charity was gifted 850 25 pence shares in GlaxoSmithKline Plc. The transfer was completed on 02 January 2018, and the shares were valued at £11,135 on this date. The Trustees may convert the shares into income when they see fit, however the donor has placed a restriction that the funds must be used in relation to the charity's water projects. The value of the shares has therefore been held as a non-permanent endowment fund in these accounts. As the the transfer was not completed until after the year end, the asset is included within debtors at the year end.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

4. INCOME FROM OTHER TRADING ACTIVITIES

	2017 £	2016 £
Fundraising events	50,460	75,445
Sale of merchandise	1,890	1,610
	<u>£ 52,350</u>	<u>£ 77,055</u>

5. INVESTMENT INCOME

	2017 £	2016 £
Interest receivable from:		
Cash at bank	<u>£ 67</u>	<u>£ 271</u>

6. ANALYSIS OF EXPENDITURE

Current year	Staff / consultant costs £	Direct costs £	Support costs £	Total 2017 £	Total 2016 £
Charitable activities					
- Education	3,490	-	2,564	6,054	21,902
- Health & community	3,173	22,598	2,331	28,102	27,372
- Water, Dams, and Wells	8,876	141,060	6,520	156,456	87,668
- Farming and Terracing	27,614	85,716	20,283	133,613	102,788
- Haller Prize	-	25	-	25	5,573
- Haller App	11,016	51,169	8,092	70,277	83,504
- Partnership projects	12,504	2,690	9,185	24,379	5,813
- Renewable energy	4,000	10,500	2,938	17,438	-
- Other	277	684	202	1,163	-
	<u>70,950</u>	<u>314,442</u>	<u>52,115</u>	<u>437,507</u>	<u>334,620</u>
Fundraising costs	18,000	24,092	13,222	55,314	38,249
Governance & support costs	31,078	34,259	(65,337)	-	-
	<u>£ 120,028</u>	<u>£ 372,793</u>	<u>£ Nil</u>	<u>£ 492,821</u>	<u>£ 372,869</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

NOTE 6 ANALYSIS OF EXPENDITURE - CONTINUED

Prior year	Staff / consultant costs £	Direct costs £	Support costs £	Total 2016 £
<i>Charitable activities</i>				
- Education	6,408	729	14,765	21,902
- Health & community	6,348	6,398	14,626	27,372
- Water	4,773	71,898	10,997	87,668
- Farmer Field Training	15,705	50,898	36,185	102,788
- Haller App	11,712	44,807	26,985	83,504
- Partnership projects	-	5,813	-	5,813
- Haller Prize	-	5,573	-	5,573
	<u>44,946</u>	<u>186,116</u>	<u>103,558</u>	<u>334,620</u>
Fundraising costs	-	38,249	-	38,249
Monitoring & evaluation	-	2,690	(2,690)	-
Governance & support costs	33,908	66,960	(100,868)	-
	<u>£ 78,854</u>	<u>£ 294,015</u>	<u>£ Nil</u>	<u>£ 372,869</u>

Of total expenditure of £492,821, £364,087 (2016 - £191,970) was out of restricted income funds, and £128,734 (2016 - £180,899) was unrestricted.

7. STAFF COSTS AND NUMBERS

	2017 £	2016 £
Salary costs		
Wages and salaries	60,000	31,750
Social security costs	4,156	2,158
Employer's pension	70	-
	<u>64,226</u>	<u>33,908</u>
Consultancy costs		
Consultancy - UK	32,747	23,234
Consultancy - overseas	23,055	10,000
	<u>£ 120,028</u>	<u>£ 67,142</u>

The average weekly number of staff on a head count basis was: 1 employee, 5 consultants (2016 - 1 employee, 6 consultants).

The total employee benefits of the key management personnel were £60,000 (2016 - £31,750).

One employee's pay was in the band £60,000 - £70,000 (2016 - No employee earned more than £60,000, including benefits, during the year).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

8. EXPENDITURE ON RAISING FUNDS

	2017	2016
	£	£
Event costs	18,900	32,685
Merchandise	1,105	-
Justgiving charges	-	1,263
Other fundraising costs	4,087	4,301
	£ 37,314	£ 38,249

9. SUPPORT COSTS

	2017	2016
	£	£
Governance costs:		
Independent Examiner's fee	2,280	2,160
Other governance costs	-	1,179
	2,280	3,339
Website & Domains	593	18,101
Membership Fees & Subscriptions	2,214	31
Travel & Meeting Expenses	4,721	9,934
Training & Staff Development	105	7,864
Bank Charges	521	225
Marketing - Project costs	2,047	-
Marketing & Communication	843	4,707
Recruitment/Support Staff Costs	-	3,957
Office Rent & Running Costs	12,387	12,202
Legal and accountancy	3,611	5,947
Accountancy Fees & Bookkeeping	4,284	-
Depreciation	653	653
	£ 34,259	£ 66,960

Support costs all relate to the charitable activities on the basis of staff time.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

10. TRUSTEES' REMUNERATION AND EXPENSES

No Trustee received any remuneration or payments for services rendered to the charity.

One trustee made events donations of £175 (2016 - Nil). No trustees were reimbursed out of pocket expenses incurred on the charity's behalf (2016 - one trustee was reimbursed £1,026 of out of pocket expenses).

11. OTHER RELATED PARTY TRANSACTIONS

No payments were made to key management personnel other than their salary as disclosed in Note 7 (2016 - out of pocket expenses of £932 were reimbursed to the Chief Executive).

There were no other disclosable related party transactions (2016 - the same).

12. TANGIBLE FIXED ASSETS

	Fixture and fittings £
Cost	
At 1 January 2017 and 31 December 2017	<u>1,959</u>
Depreciation	
At 1 January 2017	1,306
Charge for the year	<u>653</u>
At 31 December 2017	<u>1,959</u>
Net book value	
At 31 December 2016	<u>£ 653</u>

13. DEBTORS

	2017 £	2016 £
Due within one year		
Grants receivable	32,850	38,667
Prepayments	-	2,084
Other debtors	11,135	16,291
	<u>£ 43,985</u>	<u>£ 57,042</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Accruals	2,345	2,160
Taxation and social security	2,034	2,074
Sundry creditors	-	5,014
	<u>£ 4,379</u>	<u>£ 9,248</u>

15. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
RESTRICTED FUNDS					
<i>Restricted income funds</i>					
Education	30,345	1,150	(21,150)	-	10,345
Health	3,441	8,000	(11,441)	-	-
Water, dams and wells	88,293	139,524	(194,824)	-	32,993
Farmer Field Training and Terracing	50,033	72,354	(111,163)	-	11,224
Alternative energies	6,350	-	(6,350)	-	-
Core support	18,000	20,000	(19,159)	-	18,841
<i>Restricted non-permanent endowment funds</i>					
Water, dams and wells	-	11,135	-	-	11,135
	<u>£ 196,462</u>	<u>£ 252,163</u>	<u>£ (364,087)</u>	<u>£ Nil</u>	<u>£ 84,538</u>
SUMMARY OF FUNDS					
General Funds	43,669	117,017	(128,734)	-	31,952
Restricted Funds	196,462	252,163	(364,087)	-	84,538
	<u>£ 240,131</u>	<u>£ 369,180</u>	<u>£ (492,821)</u>	<u>£ Nil</u>	<u>£ 116,490</u>

THE HALLER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

STATEMENT OF FUNDS - 2016

	<i>Brought Forward</i>	<i>Incoming Resources</i>	<i>Resources Expended</i>	<i>Transfers and investment gains/(losses)</i>	<i>Carried Forward</i>
	£	£	£	£	£
<i>RESTRICTED FUNDS</i>					
<i>Restricted income funds</i>					
<i>Education</i>	36,069	2,413	(8,137)	-	30,345
<i>Health</i>	-	23,000	(19,559)	-	3,441
<i>Water, dams and wells</i>	82,672	84,292	(78,671)	-	88,293
<i>Farmer Field Training and Terracing</i>	82,210	36,426	(68,603)	-	50,033
<i>Alternative energies</i>	6,350	-	-	-	6,350
<i>Website</i>	10,000	-	(10,000)	-	-
<i>Haller Prize</i>	-	5,000	(5,000)	-	-
<i>Core support</i>	-	20,000	(2,000)	-	18,000
	<u>£ 217,301</u>	<u>£ 171,131</u>	<u>£ (191,970)</u>	<u>£ Nil</u>	<u>£ 196,462</u>

SUMMARY OF FUNDS - 2016

<i>General Funds</i>	83,440	141,128	(180,899)	-	43,669
<i>Restricted Funds</i>	217,301	171,131	(191,970)	-	196,462
	<u>£ 300,741</u>	<u>£ 312,259</u>	<u>£ (372,869)</u>	<u>£ Nil</u>	<u>£ 240,131</u>

Description of funds

The Haller Journey is the name ascribed to the charity's Haller Community Development Model - a 5 stage process of taking a community from bare subsistence to self sustainability. It includes the provision of water, health, farmer training, education, and environmental regeneration through tree planting and terracing.

Education

This project is an Education Center that operates child centered educational activities - mainly in the areas of IT education, environmental activities, business skills and debating and after school clubs. The project started with a balance of £30,345. £1,150 was received from personal donors during the year, and £21,150 was spent, leaving a balance of £10,345, to be spent in 2018.

Health

Each community is supported through our mobile health-care and vaccination service. The project started with a balance of £3,441. During the year, £8,000 was donated, and all project funds were spent during the year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

Water, dams, and wells

The project provides access to a clean and reliable water sources in the communities, through the rain-fed dams and wells. During the year, £139,524 was received in support of the charity's water projects. £73,174 of this was received through donations from a Kilimanjaro mountain climb, while the remainder was from a number of Trusts and Foundations and Corporate donors. £194,824 was spent during the year on water projects, leaving a balance of £32,993, to be spent in the coming financial year.

In addition, however, as described more fully in Note 3, the charity was granted a gift of shares valued at £11,135, to be used by the charity in support of its health projects. The value of the shares is held as a non-permanent endowment in these accounts.

Farmer Field Training and Terracing

The project aims to skill farmers up to grow a surplus of produce which they can then sell. £72,354 was received for this work during the year. The charity had £50,033 at the start of the year for this project, and spent £111,163, leaving a balance of £11,224.

Alternative energies

This work is to support the community with the implementation of alternative energy sources such as solar, gravity lights and training in biogas production where appropriate. The charity had £6,350 at the start of the year for this project. No further income was received and all project funds were spent during the year.

Core

This funding refers to a donation made to support the UK office costs and personnel as part of Haller's goal of scaling impact through partnerships. £20,000 was received for core costs during the year. The charity had £18,000 at the start of the year for this project, and spent £19,159, leaving a balance of £18,841.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds			Total Funds
	Designated Funds	General Funds	Restricted Funds	
	£	£	£	£
Net current assets	-	43,087	73,403	116,490
	<u>£ Nil</u>	<u>£ 43,087</u>	<u>£ 73,403</u>	<u>£ 116,490</u>

17. ANALYSIS OF THE NET MOVEMENT IN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2017	2017	2017	2016
	£	£	£	£
Net movement in funds	(123,641)	-	(123,641)	(60,610)
Net expenditure on additions for the year	(653)	-	(653)	-
	<u>£ (124,294)</u>	<u>£ Nil</u>	<u>£ (124,294)</u>	<u>£ (60,610)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

18. OPERATING LEASE COMMITMENTS	2017	2016
	£	£
The charity is committed to give 3 months' notice on a rolling basis, with respect to its office rent. The current value is £600 + VAT per month, to be updated annually in line with the Retail Price Index.		
- Not later than 1 year	2,160	625
- Later than 1 year and not later than 5 years	-	-
- Later than 5 years	-	-
	£ 2,160	£ 625

19. OTHER COMPANY INFORMATION

The Haller Foundation is a private company, limited by guarantee, domiciled in England and Wales, registration number 04807857. The registered office is 71 Mount Ephraim, Tunbridge Wells, TN4 8BG. The accounts are presented in GBP to the nearest £1.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

20. STATEMENT OF FINANCIAL ACTIVITIES - 2016

(incorporating Income and Expenditure Account & Statement of Total Realised Gains and Losses)

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total Funds 2016 £
INCOME FROM					
Donations and legacies	2	63,802	171,131	-	234,933
Other trading activities	4	77,055	-	-	77,055
Investments	5	271	-	-	271
TOTAL INCOME		141,128	171,131	-	312,259
EXPENDITURE ON:					
Raising funds	6	38,249	-	-	38,249
Charitable activities	6	142,650	191,970	-	334,620
TOTAL EXPENDITURE		180,899	191,970	-	372,869
Net income / (expenditure) before transfers		(39,771)	(20,839)	-	(60,610)
NET MOVEMENT IN FUNDS					
		(39,771)	(20,839)	-	(60,610)
RECONCILIATION OF FUNDS					
TOTAL FUNDS AT 1 JANUARY 2017		83,440	217,301	-	300,741
TOTAL FUNDS AT 31 DECEMBER 2017		£ 43,669	£ 196,462	£ Nil	£ 240,131