

Annual Report and Financial Statements 2020

CURE International (UK)



30 June 2020

uk.cure.org

UK reg. charity number 1094705

Company Registration Number 4268644

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Legal & Administrative Information
For the year ended 30 June 2020

Charity Name	CURE International UK
Charity Registration	CURE International UK was registered with the Charity Commission on 21 November 2002. The registration number is 1094705.
Company Registration	CURE International UK is a company limited by guarantee, with company registration number 4268644.
Registered Office	CURE International UK, The Royal College of Surgeons of England, 35-43 Lincoln's Inn Fields, London WC2A 3PE.
Affiliation	CURE International UK is a sister organisation of CURE International Inc, the leading provider of specialist paediatric surgical care in the developing world.
Governing Document	CURE International UK's governing document is the Memorandum and Articles of Association dated 10 August 2001, as amended on 25 th June 2015 to include Training and Research as a Charitable Activity.
Objectives	CURE International UK transforms the lives of children with disabilities in the developing world through surgery and compassionate care.
Trustees	<p>The Trustees who served during the year or who were serving at the date of this report were:</p> <p>Mr John O'Dowd FRCS Orth (Chair) Professor Christopher Lavy OBE, MD, MCh, FCS FRCS Mrs Rosemary Livingstone Mr Mervyn Thomas CMG Mr Louis Reid Mr Roger Spoelman (Resigned December 2019)</p>
Key Management Personnel	Those in charge of planning, directing, controlling, running and operating the Charity, including those members of staff who are the senior management personnel to whom the trustees have delegated significant authority or responsibility in the day-to-day running of the charity, are the Chair and the Chief Executive Officer.
Bankers	Barclays Bank 50 Pall Mall London SW1A 1QD
Independent Examiner	Christine Cheung-Poston ACCA 32 Fisher House Copenhagen Street London N1 0JE
Solicitors	Howard Dellar Lee Bolton Monier-Williams 1, The Sanctuary Westminster London SW1P 3JT

Foreword by the Chairman Mr. John O 'Dowd FRCS

CURE International UK (CURE UK) is an independent UK registered charity, providing fundraising support to the CURE International Network of Christian hospitals and health programmes in low- and middle-income countries (LMICs). CURE provides life changing medical and spiritual care for children with correctable disabilities, through which we can share God's love with patients, their families, and the communities we serve. We are an organisation motivated by faith, driven by medicine and we are there for all people regardless of gender, ethnicity, or religion.

Today, five billion people do not have access to safe, affordable surgical or anaesthesia care and this access is worst in LMICs, where nine out of ten people cannot access basic surgical care. This results in treatable disabilities, which have essentially been eradicated in high-income countries, becoming permanent debilitating conditions, often with a lifetime of physical pain, shame, and isolation.

CURE works to identify patients suffering needlessly from treatable disabilities, advocate and educate communities regarding disability, and address the emotional needs of those burdened with disability. CURE then provides medical, surgical, and rehabilitative care for these children while training local health workers to elevate the quality and accessibility of care in each country.

Treating a child's disability significantly impacts the health, education, livelihood, inclusion, and empowerment of that child and their family. It eliminates a major obstacle for children already facing the challenges of growing up in an under-resourced area, and it contributes to the alleviation of poverty for them and their families.

This year CURE UK has settled into its new practices as a smaller organisation, working on strategy and more specific fundraising remits in order to better serve the CURE Network. Specifically, CURE UK engaged the services of Cause 4, a social business to help charities achieve their potential, who supported us in developing a new fundraising strategy. This project was supported by the board, and we feel it has helped organisational activities enormously.

We have successfully raised funds for a variety of projects taking place at CURE hospitals and medical programmes. We have supported CURE mobile clinics and training in Ethiopia, surgical services in Uganda, Ethiopia, and Malawi, patient support costs in Zambia and Niger, staffing costs in Ethiopia and Malawi, and visiting surgeons to Ethiopia.

Whilst we were putting our new fundraising strategy into practice, the COVID-19 pandemic presented new challenges. CURE's network of eight paediatric hospitals across Africa and Asia offer elective surgical care to some of the most vulnerable children and young adults in society. These hospitals form an integral part of each country's healthcare services and provide valuable training for local surgeons and anaesthetists. As the virus spread across the world, leaders from all eight CURE hospitals met regularly to decide the best way forward. The decision was made to continue serving patients using increased safety protocols with contingency plans in place in case the local government hospitals were overrun and needed to use CURE hospital facilities.

CURE UK had to rapidly change direction in fundraising initiatives, focussing on more emergency style responses, and focussing on funding PPE equipment and surgical overheads, as other specialised projects were indefinitely put on hold. We managed to respond successfully, notably raising over £50,000 for the Beit CURE Children's Hospital of Malawi to keep it open and facilitated the transport of specialised PPE equipment to our hospitals to protect our staff.

There were delays and cancellations in project delivery and funding, which have been disheartening, but expected due to COVID-19. Throughout we have maintained important lines of communication with supporters and we feel have kept our donors well informed as situations developed at each of the hospitals. These actions I believe will stand us in good stead when activities return to normal.

We ended the financial year still weathering the storm of this pandemic and braced for a difficult year ahead. However, I feel encouraged by what we have been able to achieve this year despite difficult conditions. CURE UK is proud that we are playing a role in the global pandemic response for children with correctable disabilities, who are at an even greater risk of disadvantage than ever.

This year, the CURE Network has ministered to the needs of patients and families through more than 270,000 patient visits and 12,000 procedures at our charitable hospitals around the world. These activities have given CURE staff the opportunity to share the Gospel with more than 78,000 people around the world.



Foreword by the Chairman Mr. John O 'Dowd FRCS

I would like to thank our donors for their faithful and generous support, helping us provide hope and healing to thousands of children in some of the world's most under resourced places.

We are grateful to our partner, CURE International, for their unwavering support and encouragement throughout the year, and I am pleased to say we are building an ever-closer working relationship with them.

I would also like to thank Mr Roger Spoelman, who retired from his position as a trustee in December 2019, for his guidance during his time on the board.

In December 2019, we were grateful for the opportunity to once more host our CURE Carols by Candlelight service at the Chapel Royal, HM Tower of London, and as always it was a pleasure to meet our supporters and guests there to thank them in person.

It is an honour to serve the CURE network and we are excited for the year ahead, which we can already see is presenting new and exciting projects to improve access to healthcare for children with correctable disabilities across the globe.



Mr. John O'Dowd FRCS
Chairman

Annual Report of the Trustees

For the year ended 30 June 2020

The Trustees, who are also Directors of CURE International UK ('CURE UK'), submit their annual report and the financial statements of CURE UK for the year ended 30 June 2020. The financial statements have been prepared in the format prescribed by the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP2015 (FRS102)) and the Financial Reporting Standard 102. The legal and administrative information set out earlier in this document forms part of this report. This report also constitutes a directors' report required by section 415 of the Companies Act 2006 as all Trustees of a charity company are directors.

1. Structure, Governance & Management

1.1. Trustees

The Trustees meet four times a year to discuss a full range of matters relating to strategic planning and development, grant-making, governance and finance.

The Trustees have also established a Finance Sub Committee which meets quarterly with the external accountant, CURE UK CEO, CURE International COO and CFO.

1.2 Trustee Recruitment

New appointments commence with a detailed Trustee Job Description and Person Specification being approved by the Board. This includes the identified skills, experience and expertise that would be beneficial to the Charity. Trustees then use existing networks of contacts in order to recruit the individual who best fits the specification.

1.3 Trustee induction

The induction process for any individual newly-appointed to the board of Trustees comprises an initial meeting with at least two of the Trustees (whenever possible one of these two Trustees being the Chair) and receipt of copies of:

- The Memorandum and Articles of Association
- The most recent financial statements
- The Charity Commission's guidance 'The Essential Trustee'
- The induction process also includes a visit to a CURE Hospital

The Trustees delegate day to day management to Flora Gibbons, the Chief Executive Officer.

1.4 Risk Management

The Trustees acknowledge that they have a responsibility for the identification and proper management of risks faced by CURE UK in achieving its primary aims. The Trustees have therefore assessed the major risks to which CURE UK is exposed, in particular those relating to the specific operational areas of CURE UK, its investments and its finances. The Trustees believe that, by monitoring reserve levels, by ensuring that controls exist over key financial systems, and by examining the operational risks faced by CURE UK, they have established effective systems and procedures to manage those risks.

Risk	Management
Loss of key staff, potential loss of income as attention is redirected to recruitment and training	<ul style="list-style-type: none"> • A full complement of trained staff is now in place • A six-month review takes place for each staff member • Investment in the professional development of staff through internal and external training
Expenditure: the potential for a significant increase in operational expenditure	<ul style="list-style-type: none"> • Trustees approve an annual budget and ensure authorisation of expenditure is in accordance with the agreed financial control policy • Quarterly management accounts are prepared and reviewed on a timely basis and appropriate action taken as necessary • Monthly checks and reconciliation are carried out by an external accountant

Annual Report of the Trustees
For the year ended 30 June 2020

Risk	Management
Potential liabilities	<p>We ensure that insurance policies are up-to-date, including employer's and public liability.</p> <p>CURE UK is fully compliant with regulatory requirements and has been accepted by The Fundraising Regulator. Our policies are including:</p> <ul style="list-style-type: none"> • Data Handling • Consent • Charity/Company Status Statement • Complaints Policy • Vulnerable Persons Policy • Whistleblowing Policy • Anti-Fraud Policy <p>The above policies have been made freely available to the public on our website: uk.cure.org</p>
Funds to overseas bodies	<p>We have developed a range of controls to ensure that funds reach our intended beneficiaries, including:</p> <ul style="list-style-type: none"> • Restricted funds are transferred to CURE International in accordance with donor wishes • Visits to overseas projects are carried out where possible by Trustees and staff to inspect grants with a value of £50,000 or more • Reports detailing grant implementations are made available to the Board • Where requested receipts of invoices and/or photographic evidence, together with reports of patients' data and hospital figures, are compiled. This complies with the mandatory requirements as set out by our grant makers and funding bodies

2. Activities & Strategies

In preparing this report, we have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the UK Charity Commission and have sought to demonstrate that CURE UK provides identifiable benefits which relate directly to its aims as stated in its Memorandum and Articles of Association and which outweigh any potential detriment or harm. Further, the benefits are publicly available to all and are not in any way restricted to those able to pay. Any private benefits to Trustees and members of CURE UK are incidental.

CURE International UK is an independent UK registered charity, providing fundraising support to the CURE International Network.

CURE operates a network of eight specialty teaching hospitals and paediatric specialty health programmes in low- and middle-income countries, working to improve the quality of life for children living with disability; providing charitable medical care to children with treatable conditions such as clubfoot, hydrocephalus, burn contractures, bowed legs, cleft lip/palates and other conditions, while training local health workers to do the same.

Since opening its first hospital in 1998, CURE has served the needs of patients and families through more than 277,600 procedures and more than 4.8 million patient visits. Through our CURE Neuro programme, surgeons trained by CURE have performed more than 15,000 surgeries to treat neurosurgical conditions at our partner treatment locations.

**Annual Report of the Trustees
For the year ended 30 June 2020**

We focus on meeting the immediate needs of children with treatable disabilities while addressing long-term needs by creating sustainable programs to train local medical professionals in-country. All of this is done in an environment where our patients, many of whom have been rejected by family and friends, are treated with love and dignity, often for the first time. Through the work of CURE International's Spiritual Teams, children and their families come to understand the medical reasons for their physical condition. They have the opportunity to learn that they are loved and accepted unconditionally.

CURE is a Christian organisation and incorporates its Christian values and practices in a culturally sensitive way. We are there for all people, regardless of ability to pay, ethnic background or religious affiliation.

3. Achievements and Performance

CURE UK has successfully developed a new fundraising strategy, including materials more appropriate for a smaller organisation, to help us create more impact and make our funding go further.

In light of the pandemic we have successfully adapted our fundraising methods and focussed on creating a more interactive online presence for our donors, so we were rapidly able to communicate with supporters, and raise funds accordingly.

We have also successfully stabilised our free reserves levels and maintained good working relationships with new and long-term supporters.

These activities proved useful when faced with the effects of the pandemic in the latter half of the year and as such we felt we were prepared as best we could be for such an eventuality. We have still had a rewarding year contributing to the CURE network. The Trustees would like to thank some of generous supporters, to whom we are extremely grateful:

- The Vitol Foundation, The Bryan Guinness Charitable Trust, The Haremead Trust, The Kilpatrick Fraser Charitable Trust, The Caldbeck Christian Trust and The William and Katherine Longman Trust.
- Our church partners, namely; Cirencester Community Church, Old Parish & St Pauls Church of Scotland (Galashiels), Birchley St Mary's Third World Group, Hillside Church (Ripon) and Hillside Church.
- All of our private donors who gave so generously throughout the year
- The sponsors of CURE Carols by Candlelight service in December; Spotlight Orthopaedics and RL Flower Designs.

Our special thanks go to Lady Frederick Windsor for being Royal Patron of CURE UK. We would also like to thank Lord Simon Reading for his service as a CURE UK Honorary Patron to CURE UK, Liz Earle MBE and Verona Beckles for their roles as CURE UK Ambassadors.

The Trustees would like to also express their thanks to all our volunteers who have supported CURE UK events, by giving their valuable time and efforts.

4. Financial Review

Funding for CURE UK comes from a variety of UK sources including, statutory funding, trusts and foundations, churches and rotary networks, major donors and regular supporters, corporates and events.

4.1 Financial Activity and Financial Position

The Statement of Financial Activities and Balance Sheet can be found on pages 11 and 12. CURE UK's reserves decreased by £26,419 during the period (2019 – increased by £46,504). The balance sheet shows total net assets of £120,172 (2019: £146,591).

Included in total funds are amounts totalling £64,985 (2019: £103,699) which are restricted. These monies have been raised for, and their use restricted to, specific purposes, as specified by donors. Full details of these restricted funds can be found in note 9 to the accounts together with an analysis of movements in the year.

Annual Report of the Trustees

For the year ended 30 June 2020

4.2 Reserves Policy

The Trustees have examined the requirements for free reserves, ie those unrestricted funds not invested in tangible fixed assets. The Trustees consider that, given the nature of CURE UK's work, free reserves should be equivalent to approximately 3 months' operational expenditure. The Trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in income and will allow CURE UK to cope and respond to unforeseen emergencies whilst specific action plans are implemented. At 30 June 2020 CURE UK had net free reserves of £55,187 (2019: £42,892) as follows:

	2020 £	2019 £
Total reserves	120,172	146,591
Less: restricted funds	(64,985)	(103,699)
Free reserves	55,187	42,892
Free reserves requirement:		
3 months budgeted routine expenditure	35,000	35,000

4.3 Investment Policy

Funds in excess of immediate requirement are placed on bank deposit account.

4.4 Pay Policy

The pay of all staff, including the Chief Executive, is reviewed annually by the Board. It is our expectation that we will continue to benchmark staff benefits against staff performing similar roles in similar charities and will take into consideration the finances of the charity at the time.

5. Plans for Future Periods

CURE UK will continue to work on its new fundraising strategy into 2020 and put into practice initiatives that have been delayed as a result of COVID-19. CURE UK will continue to work on its strengths, such as our good relationship with UK surgeons, Surgical Associations and the University of Oxford, and the exceptional training opportunities for healthcare workers at CURE Hospitals.

The board of trustees will continue to search for more candidates for the CURE UK board with desirable skill sets and experience.

We will continue to fundraise through trusts and foundations and build relationships with churches, communities, corporates, and schools, as well as building on our faithful database of private donors through individuals and events. Our fundraising remit will include more specific, ring-fenced projects where we can show our donors the greatest impact possible for their funds and accountability for our projects.

We also look forward to the successful launch of a new CURE hospital in Zimbabwe in 2021, an initiative led by Professor Chris Lavy OBE and trustee of CURE UK. CURE UK will play an important role in fundraising for the hospital's launch and activities.

6. Statement of responsibilities of the trustees

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

**Annual Report of the Trustees
For the year ended 30 June 2020**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

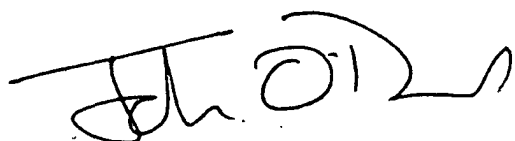
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for 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.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies' subject to the small companies' regime.

7. Approval

The report of the Trustees was approved by the Trustees on 16 March 2021 and signed on its behalf by:



Mr. John O'Dowd
Chairman

**Independent examiner's report to the Trustees of
CURE International UK**

I report on the accounts of Cure International for the year ended 30 June 2020 set out on pages 11 to 20.

Respective responsibilities of Directors and Examiner

The Directors are responsible for the preparation of the accounts. The Directors consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the 2011 Act") and that an independent examination is needed. The Charity's gross income exceeds £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2016 Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2016 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the 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 you as Directors 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

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

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

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



Christine Cheung-Poston ACCA

16 March 2021

Statement of Financial Activities
(incorporating the income and expenditure account)
For the year ended 30 June 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Income from:	2						
Donations and legacies		126,528	121,353	247,881	142,928	122,606	265,534
Other trading activities		7,238	-	7,238	6,104	-	6,104
Investments		228	-	228	214	-	214
Total Income		133,994	121,353	255,347	149,246	122,606	271,852
Expenditure on:							
Raising funds		57,623	-	57,623	46,133	-	46,133
Charitable activities	3	66,904	157,239	224,143	70,300	108,915	179,215
Total Expenditure		124,527	157,239	281,766	116,433	108,915	225,348
Net gains/(losses) on investments		-	-	-	-	-	-
Net (expenditure)/income	4	9,467	(35,886)	(26,419)	32,813	13,691	46,504
Tax payable	5	-	-	-	-	-	-
Net (expenditure)/income after tax		9,467	(35,886)	(26,419)	32,813	13,691	46,504
Transfers between funds	9	2,828	(2,828)	-	-	-	-
Other recognised gains/(losses)		-	-	-	-	-	-
Net movement in funds		12,295	(38,714)	(26,419)	32,813	13,691	46,504
Total funds brought forward		42,892	103,699	146,591	10,079	90,008	100,087
Total funds carried forward		55,187	64,985	120,172	42,892	103,699	146,591

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 9 to the financial statements.

Balance Sheet
As at 30 June 2020

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Fixed Assets					
Tangible Assets	6	-	-	-	-
Current Assets					
Debtors	7	12,935	-	12,935	9,500
Cash At Bank And In Hand		45,871	64,985	110,856	141,435
		58,806	64,985	123,791	150,935
Creditors - Amounts Falling Due Within One Year	8	3,619	-	3,619	4,344
Net Current Assets		55,187	64,985	120,172	146,591
Net Assets		55,187	64,985	120,172	146,591
Represented By:					
Restricted Funds in surplus	9	-	64,985	64,985	103,699
Unrestricted Income Funds		55,187	-	55,187	42,892
Total Funds		55,187	64,985	120,172	146,591


These financial statements have 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.

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 30 June 2020 and no notice requiring an audit has been deposited under section 476.

The Trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as is applicable to the company.

These financial statements were approved by the Trustees on 16 March 2021 and signed on their behalf by:



Mr. John O'Dowd
Chairman

Company registration number: 4268644

**Notes to the Financial Statements
For the year ended 30 June 2020**

1. Accounting Policies

CURE International (UK) is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is The Royal College of Surgeons of England, 35-43 Lincoln's Inn Fields, London WC2A 3PE.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting.

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

Going Concern

There are no material uncertainties about the Charity's ability to continue as a going concern and accordingly the accounts have been drawn up on a going concern basis.

Income recognition

Voluntary income and donations (including legacies) are accounted for once the Charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Income from the recovery of tax on gift aided donations is accounted for in the period to which the relevant donation is received. Grant income is recognised on a receivable basis.

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.

Expenditure recognition

Expenditure is accrued as soon as a liability is considered probable, and the amount of obligation can be measured reliably. Longer term liabilities are discounted to present value. The Charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Expenditure included in Raising Funds includes amounts incurred in obtaining grants and other donations.

Charitable expenditure includes those costs in fulfilling the Charity's principal objects, as outlined in the Report of the Trustees. Charitable expenditure includes governance costs and an apportionment of support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to the independent examination and legal fees.

Support costs are allocated to charitable, fundraising and governance activities on the following bases:

- Staff costs: time basis
- Office costs and premises & equipment: time basis.

Rentals under operating leases are charged as incurred over the term of the lease.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

**Notes to the Financial Statements
For the year ended 30 June 2020**

1. Accounting Policies (continued)

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit the Charity to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Charity.

The Charity makes contributions to defined contribution pension schemes for eligible employees. The assets of the schemes are held separately from these of the Charity in an independently organised fund. The pension cost charge represents contributions payable under the scheme by the Charity to the fund. The Charity has no liability under the scheme other than for the payment of these contributions.

Tangible Fixed Assets

The cost of furniture, fittings and equipment, less any expected residual value, is depreciated at 33% on a straight line basis. The cost of individual items of less than £250 are not capitalised but are expensed in the period of purchase.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation arising 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 recognised at their settlement amount.

Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the net income or expenditure for the year.

Fund accounting

The funds held by the Charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Notes to the Financial Statements
For the year ended 30 June 2020

2. Income

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Donations & legacies				
Donations & grants	119,186	121,353	240,539	243,197
Income tax reclaimed	7,342	-	7,342	8,838
Legacies	-	-	-	13,500
	<u>126,528</u>	<u>121,353</u>	<u>247,881</u>	<u>265,535</u>
Other trading activities				
Fundraising events (ticket sales, auctions etc)	7,238	-	7,238	6,104
Investments				
Bank Interest	228	-	228	214
Total	<u>133,994</u>	<u>121,353</u>	<u>255,347</u>	<u>271,853</u>

3. Expenditure**3a. Fundraising**

	Direct costs £	Support costs (note 3c) £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Fundraising	<u>17,953</u>	<u>39,670</u>	<u>57,623</u>	<u>-</u>	<u>57,623</u>	<u>46,133</u>

Notes to the Financial Statements
For the year ended 30 June 2020

3. Expenditure (continued)

3b. Charitable Activities

	Charitable Giving £	Support costs (note 3c) £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
CURE Clubfoot treatment and research	-	-	-	-	0	36,159
In support of the work at CURE Children's hospitals, in accordance with donors' wishes	107,287	45,650	45,650	107,287	152,937	44,600
Antonia Freeman Scholarship in support of an Orthopaedic Fellow at Beit CURE Malawi	-	-	-	-	0	1,645
In support of the CURE Clubfoot Early Detection and Adherence Project to strengthen training and delivery capacity in Low and Middle Income Countries	49,952	21,254	21,254	49,952	71,206	96,811
	<u>157,239</u>	<u>66,904</u>	<u>66,904</u>	<u>157,239</u>	<u>224,143</u>	<u>179,215</u>

Recipients of direct charitable giving is analysed as follows:

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
CURE International	-	107,287	107,287	49,080
Other charitable institutions	-	49,952	49,952	58,835
Fellowships	-	-	-	1,000
	<u>0</u>	<u>157,239</u>	<u>157,239</u>	<u>108,915</u>

CURE UK utilises CURE International as a conduit to distribute restricted funds in accordance with donor wishes.

Notes to the Financial Statements

For the year ended 30 June 2020

3. Expenditure (continued)

3c. Allocation of 2020 support & governance costs to charitable and fundraising activities

	Staff costs £	Office costs £	Premises & equipment £	Governance £	Total £
Fundraising/income generation (see note 3a)	27,884	5,772	6,014	-	39,670
Charitable activities (see note 3b)	47,138	8,221	8,566	2,979	66,904
	75,022	13,993	14,580	2,979	106,574

Basis of allocation:

- Staff costs: time basis
- Office costs and premises & equipment: on basis of apportioned staff costs.
- Governance: 100% to charitable activities

3d. Staff costs

Included within expenditure are the following staff costs of employed individuals:

	2020 £	2019 £
Wages and salaries	69,124	64,315
Social security costs	4,266	4,091
Pension costs	1,632	2,456
Other staff costs (training, recruitment, staff welfare etc)	-	593
	75,022	71,455
Of which the following salaries and pension contributions were in relation to Key Management Personnel:		
Wages and salaries	40,000	33,000
Pension costs	1,016	650
	41,016	33,650

The number of employed individuals during the year was 3 (2019: 4). No employee (2019: none) received payments in excess of £60,000 during the year.

3e. Trustee expenses

The expenses of 1 (2019: 1) trustees amounting to £69 (2019: £209) in relation to training, travel & subsistence were met during the period.

Notes to the Financial Statements
For the year ended 30 June 2020
4. Net Expenditure

Net expenditure is stated after (crediting)/charging:

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Total 2019 £
Depreciation – owned assets	-	-	-	763
Independent Examiner's remuneration	250	-	250	200
Foreign exchange gains/(losses)	39	-	39	25
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. Taxation

As a charity, CURE International UK is exempt from tax on income and gains falling within the provisions of the Corporation Taxes Act 2010 or the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen on the Charity.

6. Tangible Fixed Assets

	Fixtures, fittings & equipment £
Cost	
At 1 July 2019	8,092
Additions	-
Disposals	-
	<u> </u>
At 30 June 2020	8,092
	<u> </u>
Depreciation	
At 1 July 2019	8,092
Charge for Period	-
Disposals	-
	<u> </u>
At 30 June 2020	8,092
	<u> </u>
Net Book Value	
At 30 June 2020	0
	<u> </u>
At 30 June 2019	0
	<u> </u>

All of the fixed assets are used for charitable purposes.

Notes to the Financial Statements
For the year ended 30 June 2020

7. Debtors

	2020 £	2019 £
Gift Aid Tax receivable	7,337	7,998
Other debtors	5,598	1,502
	12,935	9,500

8. Creditors – Amounts Falling Due Within One Year

	2020 £	2019 £
Other creditors including taxation and social security	1,619	2,094
Accruals and deferred income	2,000	2,250
	3,619	4,344

9. Restricted Funds

	At 1 July 2019 £	Income £	Expenditure £	Transfers £	At 30 June 2020 £
Antonia Freeman Scholarship	24,992	-	-	-	24,992
DFID/THET COOL Partnership	620	-	-	(620)	0
CURE Children's Hospital of Ethiopia	28,091	43,148	(63,000)	(50)	8,189
CURE Children's Hospital of India	0	-	-	-	0
CURE Children's Hospital of Philippines	0	1,125	(1,125)	-	0
CURE Children's Hospital of Uganda	370	540	(675)	-	235
Beit CURE Children's Hospital of Zambia	1,120	1,953	(1,080)	-	1,993
Beit CURE Hospital Malawi	16,203	55,880	(41,407)	(1,100)	29,576
Hope Walks (formerly CURE Clubfoot)	31,453	18,707	(49,952)	(208)	0
African Clubfoot Training	850	-	-	(850)	0
Total	103,699	121,353	(157,239)	(2,828)	64,985

Descriptions of the main restricted funds are as follows:

Antonia Freeman Scholarship: funds in support of an Orthopaedic Fellow at CURE Malawi

DFID/THET COOL partnership: funds received in support of research and training in trauma and musculoskeletal impairment

CURE Children's Hospitals: funds received in support of life-saving and life-changing medical care for children at these hospitals

CURE Clubfoot: funds received in support of treatment and research of clubfoot in India and Sub-Saharan Africa.

Notes to the Financial Statements

For the year ended 30 June 2020

9. Restricted Funds (continued)

Beit CURE Hospitals: funds received in support of medical care for children and CURE's ongoing work.

African Clubfoot Training: funds received in support of treatment and research of clubfoot in in sub-Saharan Africa.

10. Operating Lease Commitments

At 30 June 2020 the following operating lease payments are committed to be paid:

	2020 £	2019 £
Not later than one year	4,948	15,304
Later than one year and not later than five years	-	8,162
	<u>4,948</u>	<u>23,466</u>

11. Related Party Transactions

CURE UK utilises CURE International Inc as a conduit to distribute restricted funds in accordance with donor wishes. During the year ended 30 June 2020 £107,286 (2019: £49,080) was sent to CURE International.

Trustees made aggregate unrestricted donations of £nil (2019: £926) during the year.

12. Member's Funds

CURE International UK is a company limited by guarantee without a share capital. Instead of a share capital, each member guarantees to pay not more than £10 in the event of the company's liquidation. The amount of the members' guarantee represents a contingent asset to the company which will crystallise only if the company goes into liquidation. As the company is a going concern, the members have no obligation to pay the sum guaranteed.

If on a winding up of the company there remains after satisfaction of all debts and liabilities any assets, they cannot be paid to or distributed among the members but will be transferred to CURE International.