

Company Number: 5840786  
Charity Number: 1115154

**THE RUMI FOUNDATION**  
**REPORT AND ACCOUNTS**

**For the year ended**  
**31 MARCH 2023**

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## **THE RUMI FOUNDATION**

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## **THE RUMI FOUNDATION**

### **TRUSTEES AND ADVISORS**

Trustees and Directors	S Malcolmson D Muriithi B Pollard
Secretary	S Malcolmson
Registered office	1st Floor Clutha House 10 Storey's Gate London SW1P 3AY
Bankers	National Westminster Bank Plc Piccadilly and New Bond Street 63 Piccadilly London W1J 0AJ
Auditor	CLA Evelyn Partners Limited Statutory Auditor 45 Gresham Street London EC2V 7BG
Tax Advisors	Evelyn Partners LLP Accountants 45 Gresham Street London EC2V 7BG
Legal Advisors	BDB Pitmans LLP 1 Bartholomew Close London EC1A 7BL
Property Advisors	Coreprop Group Limited 92 Banner Street London EC1Y 8JU
Company registration number	5840786
Charity registration number	1115154

## THE RUMI FOUNDATION

### TRUSTEES' ANNUAL REPORT

#### incorporating the Strategic Report and Directors' Report

The Trustees present their report and the accounts for the year ended 31 March 2023.

#### Structure, Governance and Management

The Rumi Foundation ("the Foundation") is a charitable company limited by guarantee, established under a Memorandum and Articles of Association adopted by the Foundation on incorporation on 8 June 2006, as amended by the Articles of Association adopted on 27 October 2019. The Foundation was registered as a charity on 7 July 2006. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

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

- B Pollard
- D Muriithi
- S Malcolmson

#### Organisational structure

The Rumi Foundation has a Board made up of three Trustees who meet at least twice a year and are responsible for managing the business of the Foundation. The Foundation retains third party professional managers to oversee its property portfolio. The Foundation's legal advisors are BDB Pitmans LLP.

At the year end the Foundation's corporate structure includes one subsidiary, Hundred Squared Limited, which is dormant and is 100% owned by the Foundation. The Trustees appoint the directors of the subsidiary.

#### Trustees' recruitment and appointment

Under the requirements of the Articles of Association the Trustees are appointed for fixed terms in office of a maximum of three years, and on retirement are eligible for re-appointment subject to the conditions in the Articles. New Trustees are recruited by the board and are selected for their experience and knowledge of the areas in which the Foundations operates.

The Trustees have adopted a skills matrix and are recruited for their expertise and experience. The role of Trustee does not carry any remuneration, as such all Trustees give their time freely and no Trustee remuneration or expenses were paid in the year (2022: £nil). Trustees are required to disclose all related interests, any such interests or transactions are shown in Note 19 and in accordance with the Foundation's policies withdraw from decisions where a conflict of interest arises.

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

#### Trustee Induction and Training

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

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

#### Risk Policy

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

## THE RUMI FOUNDATION

### TRUSTEES' ANNUAL REPORT

#### incorporating the Strategic Report and Directors' Report (continued)

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

#### Reserves policy

The Trustees have formalised the Foundation's reserves policy with reference to Charity Commission guidance (CC19) and accounting standards (as disclosed in note 2a). The Trustees have adopted a policy which defines free reserves as funds which are available for use by the Foundation, which are deemed to be those that are readily realisable in liquid investments, excluding any funds whose uses are restricted or else designated for any particular purposes (no such funds currently exist).

The policy specifies that the Foundation's free reserves should not, as a minimum, fall below the amount required to run its charitable activities for at least one year should there be any call for funds on the Foundation, bearing in mind the levels of stable income which the Foundation currently receives. The Foundation's charitable giving and associated overheads, amounts to approximately £1.7 million per annum and the free reserves did not fall below this target.

At the year end, the aggregate cash position of the Foundation and its subsidiaries (together 'the Group') was around £12.5 million and this represented the Foundation's free reserves balance. The Group expects to receive around £7 million in annual rental income from its investment properties.

The Trustees are comfortable that the level of reserves held at the end of the financial year are suitable, despite being in excess of the levels required by its long term policy, detailed above. This year the Trustees have continued their cautious approach to the Foundation's finances due to operating in the current high interest and high inflation environment, which is likely to only get worse in the year ahead. The Foundation held a large cash balance and projects relatively secure rental income from its UK real estate investments in the coming year, which will provide a source of continuing reliable income.

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

#### Investment Policy

The Trustees have created an investment policy to further the Foundation's charitable objectives and are aware of the Charity Commission's guidance (CC14) on the importance of managing risk in the formation of the Foundation's investment policy. As the Foundation's charitable objectives include the furtherance of charitable purposes both in the UK and overseas, the investment policy aims to invest its funds to create revenue streams in areas where the Foundation is undertaking or planning to undertake charitable activities.

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

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

The focus of the Foundation's investment policy for the year was to maintain its income-yielding investments and to maximise the value of those investments through good asset management techniques. The Foundation's realised return on investment in the current financial year was within the target range, however there is a revaluation loss recognised in the year in respect of investment properties which means the overall return on investment is not. The Trustees are however satisfied that the overall return across a 5 year period is within the target range.

## THE RUMI FOUNDATION

### TRUSTEES' ANNUAL REPORT

#### incorporating the Strategic Report and Directors' Report (continued)

The Trustees also recognise that by making social investments The Foundation can invest to directly meet its charitable objects. During the year the Foundation provided further funds to its existing programme related investment. The investment was made exclusively to further the charitable aims of The Foundation by providing seed funding to scientific projects that will bring benefit to all mankind and relieve poverty. Any future financial return is not the primary reason for making the investment and on the basis the Foundation does not expect a financial return for approximately 5 years, at least, an impairment has been recognised against these investments thereby reducing the carrying value of accumulated programme related investments. Further details of the programme related investment are given in Note 13.

During the financial year, the Trustees continued to improve the Foundation's existing property portfolio by renovating vacant units and improving common parts, whilst renegotiating rents with existing tenants. Investment properties have been valued by the Trustees taking account of independent professional advice.

During the year the Trustees added £210,517 (2022: £2,561,779) to the Foundation's other financial investments. Their intention in making these investments is to reduce risk and diversify future revenue streams. The value of the Foundation's other financial investments at the year end was £3,047,148 (2022: £2,836,631). Rental income was consistent with the previous year and is expected to increase as vacant offices are let. The Foundation monitors the covenants of its tenants to maximise the sustainability of its rental income. Rates of return on bank deposit accounts increased during the year, to the benefit of the Foundation, which received interest on its cash deposits of £146,213 (2022: £3). With these investments, the Foundation continued to increase its annual income and to receive the requisite earnings from its investments to fund its activities through the financial year.

#### Fundraising Policy

The Foundation is in compliance with the Charities (Protection and Social Investment) Act 2016. The Foundation does not fundraise and has not subscribed to any bodies that promote fundraising standards. The Foundation has not received any complaints about fundraising or of the activities of any person acting on behalf of the Foundation.

#### Grant-Making Policy

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

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

#### **Objectives and Activities for the Public Benefit**

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

- the advancement of education of the public of any age in the UK and overseas and in particular, but without prejudice to the generality of the foregoing:
  - the provision, support and promotion of the education of children and young people in schools and institutions of further and higher education;
  - the education of disadvantaged members of the public;
  - the promotion of the arts; and
- the relief of poverty.

## THE RUMI FOUNDATION

### TRUSTEES' ANNUAL REPORT

#### incorporating the Strategic Report and Directors' Report (continued)

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

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

The Foundation carries out these objects in the shorter term by providing financial support to schools, universities, healthcare and educational programmes that have a specific focus on the advancement of education, the relief of poverty, or both. The Foundation also provides financial support to schools in the most disadvantaged areas of the world, aimed at both educating disadvantaged members of the public and relieving poverty. In the longer term, the Foundation seeks to promote and support research into scientific and human advancement at educational institutions, specifically in areas which will further the education of, and relieve poverty amongst, the disadvantaged. This will further the Foundation's objects of the relief of poverty and promoting education. The intention is to partner with those particularly focused around social sciences, healthcare, technology and creative industries, where any innovation is most likely to further the Foundation's objects. The Trustees are aware that such collaborations may also lead to significant private benefit. Any projects supported will be carefully assessed for this risk and measures will be implemented to ensure any private gain is incidental to the benefit provided to humanity as a whole. The Foundation also aims, in particular, to support the education of girls.

#### Achievements and Performance during the period and plans for the future

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

The Foundation focused its partnerships this year on the education, empowerment and advancement of young people in our society today, and on community engagement and civic involvement. Education provides a route out of poverty for young people and prevents future generations from having to experience poverty. Also by having educated, motivated people actively engaging with their community the benefits of any educational programme or one designed to relieve poverty can be brought to individuals that were not initially involved with that programme.

The Foundation assesses how its giving meets its objects and measures the success of the programmes or other charities it has funded against a number criteria. These include the number of people that have been helped, has the project or organisation grown and is there potential for future growth, the objective and subjective impact any funding has had on a community or organisation and whether any future giving will provide further impact. When measured against these criteria the Foundation had a very successful year. Future giving will continue to be measured against these criteria. The Trustees will continue learning from and improving their work and seeking the best opportunities for the Foundation to further its objects.

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

Drawing on their experience of working with charitable partners in previous years, the Trustees wanted to explore whether the networks the Foundation has built could successfully be used to connect charitable organisations with each other. As the Foundation has continued to mature, the Trustees were increasingly able to identify the unique ability of the Foundation to work with large, established foundations all around the world and at the same time to support smaller, grassroots foundations that are making change in an innovative way. Through the Trustees' unique networks, the Foundation can match these young changemakers with established foundations, further helping their growth and allowing them to access funding and recognition on a larger scale. The Foundation acts as an accelerator for social impact enterprises and organisations.

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

## THE RUMI FOUNDATION

### TRUSTEES' ANNUAL REPORT

#### incorporating the Strategic Report and Directors' Report (continued)

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

#### The Jane Goodall Institute

The Foundation initiated a partnership with the Jane Goodall Institute to further its object of education. The Jane Goodall Institute operates globally, inspiring and supporting young people to become creative, compassionate and responsible change makers in their communities and to carry that passion on as they become future leaders.

The Jane Goodall Institute runs its educational program 'Roots and Shoots' in North America, Europe, Africa, Asia and Pacific regions. Young people enrolled in this program are offered support in finding innovative projects that provide solutions for issues that may be effecting their communities, such as climate change, environmental degradation or social injustice. The young people are encouraged to use four steps of the Roots and Shoots Formula to complete their community service project. As a supporter of the Roots and Shoots programme, representatives from the Foundation have attended events hosted by the Jane Goodall Institute and directly witnessed its impact and the community spirit created amongst the young people.

#### Royal Foundation

The Foundation continued its relationship with the Royal Foundation, the charitable organisation of the Prince and Princess of Wales. The Foundation provided unrestricted core funding, that will be magnified many times and have huge impact, for the Earthshot Prize which was launched by the Prince of Wales in October 2020. The Prize will run between 2021 and 2030 and will be awarded annually to 5 winners whose solutions substantially help the environment and therefore work to relieve poverty, by halting or even reversing the degradation of the planet, which disproportionately effects the world's poorest people. The prize fund will distribute £50 million over the course of the next decade. The Foundation also supported the mental health programmes of the Royal Foundation. The support was given with the intention of introducing some of the Foundation's innovative, grassroots charities that focus on educating those suffering with mental health issues to the Royal Foundation, increasing their impact and scale. Representatives of the Foundation worked closely with staff of the Royal Foundation to co-ordinate and plan for further engagement during the next financial year to continue to benefit disadvantaged members of the public and its mission to relieve poverty.

#### Kings College - The Global Institute for Women's Leadership

The Foundation continued its relationship with the Global Institute for Women's Leadership, an innovative charity that engages in rigorous academic research with the aim of playing a key role in driving gender equality in leadership. The Foundation gave unrestricted funding that has helped to facilitate research by Global Institute for Women's Leadership to provide insights that policymakers, practitioners and campaigners can use to make evidence-based decisions, effective interventions and policies that create real change.

#### African Gifted Foundation

During the year the Foundation began a new relationship with the African Gifted Foundation. The African Gifted Foundation provides opportunities to gifted young women from across Africa, with a specific focus on the teaching of STEM (Science, Technology, Engineering and Mathematics) subjects. It achieves this by operating Africa's first STEM academy for academically gifted girls.

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



## **THE RUMI FOUNDATION**

### **TRUSTEES' ANNUAL REPORT**

#### **incorporating the Strategic Report and Directors' Report (continued)**

##### Mandela Heritage Collection

During the year the Rumi Foundation provided funding to establish a permanent photographic exhibition charting the life of Nelson Mandela, hosted in the Nelson Mandela Capture Site Museum in Natal, South Africa. The exhibition is part of the museum's educational tour, where visitors can learn about the history of South Africa and how Nelson Mandela first influenced and then changed it. Making this grant meets the Foundation's objects of educating disadvantaged members of the public.

##### Renaissance Foundation

The Renaissance Foundation is a key smaller, grassroots organisation that seeks to empower young people aged 12-18 experiencing significant challenges in their lives. The Renaissance Foundation runs a 3 year tailored outreach programme which aims to inspire and support disadvantaged young people facing barriers to education, work and fulfilment. The Renaissance Foundation also offers a space known as the Hub, where young people, including young carers who care for family members that may have physical or mental health problems or substance abuse issues, can gain some respite. Representatives of the Rumi Foundation have met regularly with the Renaissance Foundation to assess the impact of its giving.

##### Queens Commonwealth Trust

The Queen's Commonwealth Trust (QCT) operates in 56 Commonwealth countries, supporting a network of over 850 young leaders aged 18-35. The young leaders are supported over a 2 year period through the Youth Ventures Programme, where the QCT work side by side with the young leaders and their teams to build resilient organisations which will deliver more value for, and impact in, their communities. The Rumi Foundation receives regular updates showing the impact of its giving, furthering its charitable objects of educating disadvantaged members of the public and the relief of poverty. The Rumi Foundation is proud to support the QCT in its work.

##### Inspiring Girls International

Inspiring Girls International works in partnership with other charities and businesses around the world to help educate and inspire girls around the world to achieve their ambitions. In the last year Inspiring Girls teams held 835 events, reached 55,089 and registered 2,244 role models. and expanded to include 9 new global teams in Australia, Algeria, Belgium, Guatemala, Jersey, Poland, Portugal, Switzerland and Russia. As a result Inspiring Girls is now active in 28 countries around the world. The Foundation was an early donor to Inspiring Girls International and it is great to see the impact of these funds and the growth of its work educating and empowering women directly empowers whole families to improve their economic well-being.

##### Other Initiatives

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

##### **Financial Review**

The Foundation had a successful year in an increasingly challenging economic environment. Due to changes in working habits brought about by the response to COVID 19 and increasing interest rates, the Trustees took the prudent and cautious decision to write down the value of the Foundations investment property portfolio based on advice from professional external valuers, causing the Foundation to show a large loss in the year. This decision was made with the expectation that property values are likely to recover over the next 2 or 3 years. The Foundation's income is mainly rental income derived from its investment property portfolio, the operation of which has inherent costs associated with it, however where possible the Trustees sought to reduce costs. The Foundation also benefitted from the elimination of exceptional costs as a result of COVID 19, such as bad debts, when compared to the previous year. The Trustees continue to seek to build a long-term Expendable Endowment for the Foundation to allow it to sustainably increase its charitable giving without eroding the Foundation's capital base. This will allow the Foundation to continue to grow in size as it finds more long-term major charitable projects with which it can partner, both large and small.

## **THE RUMI FOUNDATION**

### **TRUSTEES' ANNUAL REPORT**

#### **incorporating the Strategic Report and Directors' Report (continued)**

##### **Going Concern**

Over the last year, global and national events have left most advanced economies with inflation levels greatly in excess of previous forecasts with Central Banks increasing interest rates to combat it and the UK is no exception to this trend. The Trustees, taking into account the expected impact of the high interest and high inflation environment we are currently operating in, consider that the investment and reserves policies they have put in place are sufficient to allow the Foundation to continue to meet its charitable purposes for the foreseeable future. The Trustees will be monitoring the economy and seek to find ways for the Foundation to support those most impacted and in greatest need.

##### **Trustees' Responsibilities Statement**

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

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and The Financial Reporting Standard 102. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- and follow the applicable UK Accounting Standards, 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 that the Group will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company and Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

##### **Auditors**


In accordance with Section 485 of the Companies Act 2006, the Trustees confirm that CLA Evelyn Partners Limited have been reappointed as auditors of the company.

##### **Awareness of relevant audit information**

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

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

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



**S Malcolmson**  
Trustee

Date: 7 August 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION

### Opinion

We have audited the financial statements of The Rumi Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated & Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the Report and Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUMI FOUNDATION (CONTINUED)

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

We understand that the group and charitable parent company complies with the framework through:

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

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

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

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

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

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

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

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

### Use of our report

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

*CLA Evelyn Partners Limited*

### Daniel Quilter

Senior Statutory Auditor, for and on behalf of  
CLA Evelyn Partners Limited  
Statutory Auditor  
Chartered Accountants  
Date: 7 August 2023

45 Gresham Street  
London  
EC2V 7BG

**THE RUMI FOUNDATION**

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

**FOR THE YEAR TO 31 MARCH 2023**

		<b>Total Funds</b>	<b>Total Funds</b>
		<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>			
Voluntary income	4	250,000	710,000
Investment income	5	7,265,052	6,922,525
Other trading income	6	21,203	27,345
<b>Total income</b>		<b>7,536,255</b>	<b>7,659,870</b>
<b>Expenditure on:</b>			
Raising funds			
Administrative costs	7	95,554	71,037
Real Estate Management			
Administrative costs	7	2,249,451	3,430,343
Interest payable	7	4,239,116	2,556,207
Charitable activities	7	1,728,757	2,141,135
<b>Total expenditure</b>		<b>8,312,878</b>	<b>8,198,722</b>
Net (loss) / gain on investments		(15,575,460)	4,160,973
<b>Net (loss) / income and net movement in funds</b>		<b>(16,352,083)</b>	<b>3,622,121</b>
Funds as at 1 April		80,050,336	76,428,215
<b>Funds as at 31 March</b>		<b>63,698,253</b>	<b>80,050,336</b>

All income and expenditure derive from continuing activities.

**THE RUMI FOUNDATION**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible fixed assets	12	1,825,683	1,782,574
Investments	13	3,164,648	2,916,631
Investment properties	14	144,667,870	159,244,794
		<hr/>	<hr/>
		149,658,201	163,943,999
<b>Current Assets</b>			
Debtors	15	4,857,267	5,676,279
Cash at bank and in hand		12,522,648	9,798,852
		<hr/>	<hr/>
		17,379,915	15,475,131
<b>Creditors: amounts falling due within one year</b>	17	(9,143,768)	(4,714,550)
		<hr/>	<hr/>
<b>Net Current Assets</b>		8,236,147	10,760,581
<b>Creditors: amounts falling due after more than one year</b>	18	(94,196,095)	(94,654,244)
		<hr/>	<hr/>
<b>Net Assets</b>		63,698,253	80,050,336
		<hr/>	<hr/>
<b>Represented by:</b>			
Unrestricted charity funds			
Accumulated fund	20	62,208,158	62,984,781
Revaluation reserve	20	1,490,095	17,065,555
		<hr/>	<hr/>
		63,698,253	80,050,336
		<hr/>	<hr/>

The accounts were approved and authorised for issue by the Board of Directors on 7 August 2023 and were signed on its behalf by:



**S Malcolmson**  
Director

Company Number: 5840786

**THE RUMI FOUNDATION**

**COMPANY BALANCE SHEET AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible fixed assets	12	1,825,683	1,782,574
Investments	13	3,164,748	2,920,989
Investment properties	14	144,667,870	159,244,794
		<hr/>	<hr/>
		149,658,301	163,948,357
 <b>Current Assets</b>			
Debtors	15	4,857,267	5,677,429
Cash at bank and in hand		12,522,648	9,793,344
		<hr/>	<hr/>
		17,379,915	15,470,773
 <b>Creditors: amounts falling due within one year</b>	17	(9,143,868)	(4,714,550)
		<hr/>	<hr/>
<b>Net Current Assets</b>		8,236,047	10,756,223
 <b>Creditors: amounts falling due after more than one year</b>	18	(94,196,095)	(94,654,244)
		<hr/>	<hr/>
<b>Net Assets</b>		63,698,253	80,050,336
		<hr/>	<hr/>
 <b>Represented by:</b>			
<b>Unrestricted</b>			
Accumulated fund	20	62,208,158	62,984,781
Revaluation reserve	20	1,490,095	17,065,555
		<hr/>	<hr/>
		63,698,253	80,050,336
		<hr/>	<hr/>

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

The company's loss in the year ended 31 March 2023 was £16,352,083 (2022: surplus of £3,622,121).

The accounts were approved and authorised for issue by the Board of Directors on 7 August 2023 and were signed on its behalf by:



**S Malcolmson**  
Director

Company Number: 5840786



**THE RUMI FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR TO 31 MARCH 2023**

<b>Net cash generated from operating activities</b>	<b>Notes</b>	<b>2023 £</b>	<b>2022 £</b>
Net (loss) / income		(16,352,083)	3,622,121
Depreciation charge		106,222	84,400
Interest paid		4,239,116	2,556,207
Interest received		(231,830)	(3)
Change in debtors		819,012	(367,288)
Change in creditors		429,218	985,671
Revaluation gain		-	(4,160,973)
Revaluation loss		15,575,460	-
Impairment of investments		712,500	1,520,000
<b>Net cash generated from operating activities</b>		<b>5,297,615</b>	<b>4,240,135</b>
<b>Investing activities</b>			
Additions to investment properties		(998,536)	(8,121,027)
Disposals of investment properties		-	2,880,000
Additions to investments		(960,517)	(4,161,779)
Additions to fixed assets		(149,331)	-
Interest received		231,830	3
<b>Net cash outflow from investing activities</b>		<b>(1,876,554)</b>	<b>(9,402,803)</b>
<b>Financing activities</b>			
New loans		4,000,000	-
Loans repaid		(458,149)	(458,148)
Interest paid		(4,239,116)	(2,556,207)
<b>Net cash outflow from financing activities</b>		<b>(697,265)</b>	<b>(3,014,355)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>2,723,796</b>	<b>(8,177,023)</b>
Cash and cash equivalents at beginning of the year		9,798,852	17,975,875
<b>Cash and cash equivalents at the end of the year</b>	<b>23</b>	<b>12,522,648</b>	<b>9,798,852</b>

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023

#### 1 Legal status

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

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

#### 2 Accounting policies

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

##### (a) Basis of preparation

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

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

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

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

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

##### (b) Going concern

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

The Trustees have reviewed their forecasts for the coming year, taking into account the impact of the high interest rate environment we are currently operating in. The Trustees noted that the Group has a diverse investment property portfolio, consisting of a number of properties with a range of uses, its covenants with its tenants are strong, and it also has a portfolio of other financial investments contributing to a consolidated net current asset position of £8,236,047 at 31 March 2023. Therefore the Trustees consider that there is reasonable assurance the Group and the Foundation will have sufficient resources to enable them to continue in operation for the foreseeable future, being a period of no less than one year from the date of approval of these Financial Statements. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

## **THE RUMI FOUNDATION**

### **NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **(c) Basis of consolidation**

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

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

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

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

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

##### **(d) Business combinations and goodwill**

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

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

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

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

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

#### 2 Accounting policies (continued)

##### (e) Income

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

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

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

Other trading income relates to sales of development properties and other miscellaneous income.

##### (f) Expenditure

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

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

##### (g) Taxation

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

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

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

#### 2 Accounting policies (continued)

##### (h) Taxation (continued)

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

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

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

##### (i) Tangible Fixed Assets

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

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

Depreciation is provided on the following basis:

Freehold buildings	- 4% straight line
Fixtures and fittings	- 20% straight line

##### (j) Investments

Investments are initially recognised at cost and subsequently at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

##### (k) Social Investments

Programme related investments are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. Where a decision is taken that a programme related investment should be held to generate a financial return and that the primary motivation for holding it is no longer to further the objects of the Foundation, it will be transferred to the main investment portfolio and measured accordingly.

##### (l) Investment properties

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

Where there is a mixed use property the fair value of the investment element is included in Investment Properties and the cost is included in Tangible fixed assets, in accordance with FRS 102

## **THE RUMI FOUNDATION**

### **NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **(m) Financial instruments**

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

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

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

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

##### **(n) Cash and cash equivalents**

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

##### **(o) Recognition of liabilities**

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

##### **(p) Funds structure**

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

##### **(q) Foreign currency transactions**

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

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

#### 3 Key sources of estimation uncertainty and judgements

The preparation of the financial statements requires the use of estimates and assumptions that affect the amounts reported for the assets and liabilities as at the balance sheet date and the amounts reported for income and expenses for the year. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

##### *Significant management judgements*

###### Financial instruments classification

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

###### Recognition of grants payable

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

##### *Significant management estimates*

###### Valuation of investment property

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

###### Valuation of Programme Related Investments

The Trustees make a judgement in relation to the classification of investments between those made primarily for financial return and those held for non-financial objectives. Impairments to programme related investments are charged to Charitable Activities.

Programme related investments form a portfolio managed separately from the Group's other investments. These investments are held primarily to further the charitable aims of the Group rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment.

# THE RUMI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

4 Voluntary income	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Donations	<u>250,000</u>	<u>710,000</u>	<u>250,000</u>	<u>710,000</u>

The income from donations was £250,000 (2022: £710,000) for the group.  
All income was unrestricted.

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

5 Investment income	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Rental income	7,030,153	6,907,927	7,030,153	6,907,927
Interest on debt securities	85,617	-	85,617	-
Dividend income	3,069	14,595	3,069	14,595
Bank interest	146,213	3	146,213	3
	<u>7,265,052</u>	<u>6,922,525</u>	<u>7,265,052</u>	<u>6,922,525</u>

6 Other trading income	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Other income	21,203	27,345	21,203	27,345
	<u>21,203</u>	<u>27,345</u>	<u>21,203</u>	<u>27,345</u>



THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

7 Total Expenditure - Group

	Basis of allocation	Raising funds		Real Estate Management		Charitable activities		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
		£	£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>									
Grants	Direct	-	-	-	-	920,703	833,432	920,703	833,432
Other charitable activities	Direct	-	-	-	-	712,500	1,236,667	712,500	1,236,667
Disposal of investment property	Direct	-	-	-	76,000	-	-	-	76,000
Investment property expenses	Direct	-	-	1,735,982	2,637,481	-	-	1,735,982	2,637,481
Provision for doubtful debts	Direct	-	-	100,857	347,487	-	-	100,857	347,487
		-	-	1,836,839	3,060,968	1,633,203	2,070,099	3,470,042	5,131,067
<b>Support costs allocated to activities</b>									
Accountancy	Direct	-	-	57,947	61,322	-	-	57,947	61,322
Bank charges and fees	Direct	-	-	96,544	86,092	-	-	96,544	86,092
Interest on bank loans	Direct	-	-	4,239,116	2,556,207	-	-	4,239,116	2,556,207
		-	-	4,393,607	2,703,621	-	-	4,393,607	2,703,621
<b>Governance costs allocated to activities</b>									
Audit fees	Apportioned	15,705	12,080	15,705	12,080	15,705	12,080	47,115	36,240
Legal and professional	Direct	-	-	162,567	150,924	-	-	162,567	150,924
Other	Apportioned	79,849	58,957	79,849	58,957	79,849	58,956	239,547	176,870
		95,554	71,037	258,121	221,961	95,554	71,036	449,229	364,034
<b>Total expenditure</b>		<b>95,554</b>	<b>71,037</b>	<b>6,488,567</b>	<b>5,986,550</b>	<b>1,728,757</b>	<b>2,141,135</b>	<b>8,312,878</b>	<b>8,198,722</b>

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

8 Grants and charitable expenditure		2023	2022
		£	£
<b>Material Grants</b>	<b>Charitable Objective</b>		
WE Charity UK	Education	100,000	-
Royal Foundation	Education	100,000	100,000
Clinton Foundation	Education	-	221,663
Obama Foundation	Education	-	198,958
<b>Other Grants</b>			
UK Education	Education	341,750	90,500
Equality Education	Education	156,591	114,365
Africa Education	Education	88,785	48,333
North America Education	Education	54,161	18,500
UK Creative Industries	Education - Promotion of the Arts	33,070	7,780
India Education	Education	28,846	33,333
UK Healthcare	Relief of poverty	17,500	-
		<u>920,703</u>	<u>833,432</u>

All grants were made to institutions. Further details of the key grants made during the year can be found in the Trustees' Annual Report.

9 Auditor's remuneration	2023	2022
	£	£
Fees payable to the Group's auditor for the audit of the Group's financial statements.	47,115	36,240
Accountancy and advisory fees	<u>8,060</u>	<u>4,778</u>
	<u>55,175</u>	<u>41,018</u>

### 10 Trustees' remuneration and expenses

No trustees received any remuneration or expenses during the year (2022: £Nil). During the year a company controlled by a trustee received £49,888 (2022: £46,975) for the provision of accountancy services to the group, as detailed in Note 19.

### 11 Corporation Taxation

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

# THE RUMI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

### 12 Tangible fixed assets

	Group			Company		
	Fixtures and Fittings £	Land and Buildings £	Total £	Fixtures and Fittings £	Land and Buildings £	Total £
<b>Cost</b>						
At 1 April 2022	-	2,110,000	2,110,000	-	2,110,000	2,110,000
Additions	149,331	-	149,331	149,331	-	149,331
At 31 March 2023	149,331	2,110,000	2,259,331	149,331	2,110,000	2,259,331
<b>Depreciation</b>						
At 1 April 2022	-	327,426	327,426	-	327,426	327,426
Charge for the year	21,822	84,400	106,222	21,822	84,400	106,222
At 31 March 2023	21,822	411,826	433,648	21,822	411,826	433,648
<b>Net Book Value</b>						
At 31 March 2023	127,509	1,698,174	1,825,683	127,509	1,698,174	1,825,683
At 31 March 2022	-	1,782,574	1,782,574	-	1,782,574	1,782,574

### 13 Investments

	Unlisted Investments £	Program Related Investments £	Subsidiaries £	Total £
<b>Group</b>				
At 1 April 2022	2,836,631	80,000	-	2,916,631
Additions	210,517	750,000	-	960,517
Impairment	-	(712,500)	-	(712,500)
At 31 March 2023	3,047,148	117,500	-	3,164,648
<b>Company</b>				
At 1 April 2022	2,836,631	80,000	4,358	2,920,989
Additions	210,517	750,000	100	960,617
Impairment	-	(712,500)	-	(712,500)
Disposals	-	-	(4,358)	(4,358)
At 31 March 2023	3,047,148	117,500	100	3,164,748

At 31 March 2023, the Foundation's investments were held in the UK and USA.

Programme related investments form a portfolio managed separately from the Foundation's other investments. These investments are held primarily to further the charitable aims of the Foundation rather than to provide a financial return. They are held at fair value, if this can be measured reliably; or if fair value cannot be measured reliably, at cost less impairment. The Foundation has committed to provide further PRI funding of £750,000 during the year to 31 March 2024.

THE RUMI FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

14 Investment properties

Group	Freehold £	Leasehold £	Total £
At 1 April 2022	151,059,269	8,185,525	159,244,794
Additions	883,165	115,371	998,536
Disposals	-	-	-
Revaluation losses	(14,510,089)	(1,065,371)	(15,575,460)
At 31 March 2023	137,432,345	7,235,525	144,667,870
Company	Freehold £	Leasehold £	Total £
At 1 April 2022	151,059,269	8,185,525	159,244,794
Additions	883,165	115,371	998,536
Disposals	-	-	-
Revaluation gains	(14,510,089)	(1,065,371)	(15,575,460)
At 31 March 2023	137,432,345	7,235,525	144,667,870

Historical cost of freehold properties at 31 March 2023 amounted to £135,983,611 (2022: £135,983,611) for the Group and Foundation. Historical cost of leasehold properties at 31 March 2023 amounted to £7,194,164 (2022: £7,194,164) for Group and Foundation. Additions are comprised of improvements to some of the properties during the year.

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

15 Debtors

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	369,590	1,213,960	369,590	1,213,960
Other debtors	4,416,890	4,374,255	4,416,890	4,374,255
Accrued income	-	-	-	1,150
Prepayments	70,787	88,064	70,787	88,064
	<u>4,857,267</u>	<u>5,676,279</u>	<u>4,857,267</u>	<u>5,677,429</u>

During the previous year the Foundation disposed of one of its investment properties. Included in Other Debtors is a loan of £4,320,000 (2022: £4,320,000) extended to the purchasers of the property. The loan is at 60% LTV, secured by first charge against the property and attracts interest at 8% per annum. The loan is repayable on 13 December 2023.

# THE RUMI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

### 16 Operating leases with tenants

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

Due:	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Not later than one year	3,823,430	3,491,059	3,823,430	3,491,059
Later than one year but within five years	4,833,042	4,729,166	4,833,042	4,729,166
Later than five years	5,563,826	6,064,661	5,563,826	6,064,661
	<u>14,220,298</u>	<u>14,284,886</u>	<u>14,220,298</u>	<u>14,284,886</u>

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

### 17 Creditors: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	197,820	198,682	197,820	198,682
Secured bank loan	4,540,000	540,000	4,540,000	540,000
Accruals and deferred income	2,375,837	2,500,492	2,375,837	2,500,492
Other creditors	1,775,895	1,302,489	1,775,995	1,302,489
Other taxes and social security costs	254,216	172,887	254,216	172,887
	<u>9,143,768</u>	<u>4,714,550</u>	<u>9,143,868</u>	<u>4,714,550</u>

### 18 Creditors: Amounts falling due after one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Secured loan	22,000,000	22,000,000	22,000,000	22,000,000
Secured bank loan	72,196,095	72,654,244	72,196,095	72,654,244
	<u>94,196,095</u>	<u>94,654,244</u>	<u>94,196,095</u>	<u>94,654,244</u>

Bank loans	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts due within one year	4,540,000	540,000	4,540,000	540,000
Amounts due within two to five years	72,196,095	72,654,244	72,196,095	72,654,244
	<u>76,736,095</u>	<u>73,194,244</u>	<u>76,736,095</u>	<u>73,194,244</u>

The secured bank loan is secured with a charge against the properties to which the loan relates, the value of the properties offered as security is £144,667,870 (2022: £159,244,794). The loan is repayable in 2026, and interest on the loan accrues at 2% above SONIA.

The Secured loan is secured by a second charge against the security properties in the above note. The loan is repayable in 2026 and interest on the loan accrues at a fixed rate of 8%.

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

#### 19 Related party transactions and key management personnel

During the year Aristeia Accounting Limited, a company controlled by Stuart Malcolmson who is also a Trustee of the Foundation, invoiced £49,888 (2022: £46,975) for the provision of accountancy services, of which £5,200 (2022: £3,852) was unpaid at the year end.

During the year, a payment was made to the son of Brent Pollard, who is a Trustee of the Foundation. The amount was paid for media and promotion services provided on one of the Group's projects. The total amount invoiced was £2,500 (2022: £nil) and was fully settled in the year.

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

#### 20 Movements in funds

	Revaluation reserve £	Accumulated fund £	Total Funds £
<b>Group</b>			
At 1 April 2022	17,065,555	62,984,781	80,050,336
Income	-	7,536,255	7,536,255
Expenditure	-	(8,312,878)	(8,312,878)
Revaluation losses on investment properties	(15,575,460)	-	(15,575,460)
Movement for the year	(15,575,460)	(776,623)	(16,352,083)
	<u>1,490,095</u>	<u>62,208,158</u>	<u>63,698,253</u>
<b>Company</b>			
At 1 April 2022	17,065,555	62,984,781	80,050,336
Income	-	7,536,255	7,536,255
Expenditure	-	(8,312,878)	(8,312,878)
Revaluation gains on investment properties	(15,575,460)	-	(15,575,460)
Movement for the year	(15,575,460)	(776,623)	(16,352,083)
	<u>1,490,095</u>	<u>62,208,158</u>	<u>63,698,253</u>

#### 21 Financial instruments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
<b>Financial assets</b>				
Financial assets measured at fair value through the profit & loss	3,164,648	2,916,631	3,164,748	2,916,631

All other financial assets and liabilities are measured at amortised cost.

## THE RUMI FOUNDATION

### NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)

#### 22 Subsidiaries

All of the Foundation's subsidiaries have the same registered address as the Group as detailed in note 1. Details of the subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered	Nature of business	Class of shares held	2023 % Held Direct	2022 % Held Direct
Hundred Squared Limited	12602560 England and Wales	Dormant	Ordinary	100	-

Summary financial information of the significant subsidiaries at 31 March 2023:

	Hundred Squared Limited 2023
Turnover	-
Fair value gain	-
Expenses	-
Loss	-
Assets	100
Liabilities	-
Net Assets	100

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

#### 23 Analysis of changes in net debt

	At 1 April 2022	Cash Flows	At 31 March 2023
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	9,798,852	2,723,796	12,522,648
	<b>9,798,852</b>	<b>2,723,796</b>	<b>12,522,648</b>
<b>Borrowings</b>			
Debt due within one year	(540,000)	(4,000,000)	(4,540,000)
Debt due after one year	(94,654,244)	458,149	(94,196,095)
	<b>(95,194,244)</b>	<b>(3,541,851)</b>	<b>(98,736,095)</b>
<b>Total Net Debt</b>	<b>(85,395,392)</b>	<b>(818,055)</b>	<b>(86,213,447)</b>

**THE RUMI FOUNDATION**

**NOTES TO THE ACCOUNTS FOR THE YEAR 31 MARCH 2023 (continued)**

**24 Post Balance Sheet Events**

A repayment of £4,000,000 was made against the secured bank loan, in April 2023.