

**PROJECT MALA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2008**

Charity Number 801953

PROJECT MALA
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

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PROJECT MALA
OFFICERS AND PROFESSIONAL ADVISERS

Registered charity name	Project Mala
Charity number	801953
Principal office	Town Farmhouse Church Lane Nether Poppleton York YO26 6LF
Trustees	R Garland P Scopes D Hopton N Hildred
Auditor	Townends Accountants Limited Chartered Accountants & Registered Auditors Harlington House 3 Main Street Fulford York YO10 4HJ
Bankers	The Royal Bank of Scotland 6 Nessgate York YO1 9FY The Cooperative Bank P O Box 250 Delf House Southway Skelmersdale WN8 6WT

PROJECT MALA
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 MARCH 2008

The trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2008.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1 of the financial statements.

THE TRUSTEES

The trustees who served the company during the period were as follows:

R Garland
P Scopes
D Hopton
N Hildred

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees Recruitment and Training

Trustees are recruited as needs arise. Appointments are made with the agreement of existing trustees. Training for new trustees is given by existing trustees and officials of the charity.

Risk review

A review of the major risks to which the charity is exposed has been conducted. Systems have been established to mitigate these risks and these procedures are periodically reviewed.

OBJECTIVES AND ACTIVITIES

The Trust is operated under the Trust Deed dated 7 August 1989. The principal object of the Charity is the advancement of education and the relief of poverty amongst children in India. Project Mala has come a long way since its establishment in 1989. By 2008 we had six primary schools with over 1,000 children in full time education. It is also pleasing to know that without Project Mala these children may well have grown up illiterate.

ACHIEVEMENTS AND PERFORMANCE

Results

The results for the year are set out on page 6. Income exceeded expenditure by £65,486 (2007 £6,080). Income for the year increased by £97,617. The increase in income is mainly due to a substantial gain on the sale of shares given to us some years ago by two supporters. This enabled us to bring forward our plans to open two new Middle schools. We would like to express our very grateful thanks to these supporters who have given such a great boost to the prospects of the brightest children in our schools. Our trading subsidiary, Mala Handicrafts Limited, again produced a profit before tax for the year of £216.

Operations in UK

Our sponsorship scheme started in 1995. After the first 10 years we had only 185 children under individual sponsorship. In the year under review this had increased to over 500. The office continues to be run by two part time staff.

PROJECT MALA

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

Operations in India

During the year we ran six primary schools with over 1,000 children in full time education. We provided them with a light breakfast and a hot cooked midday meal. All our children receive a new uniform each year and a sweater for the winter. Our staff consists of one Administrative Officer, one Education Officer, one Teaching Officer, two School Supervisors plus teachers and school staff. For the academic session beginning 1 April 2007, 330 students were enrolled in Project Mala schools. Including these the total number of students enrolled since the beginning of Project Mala schools went over 5,000. We have had a major purge on drop outs over the last few years and since the introduction of our Social Workers the drop out figures have gone down considerably.

FINANCIAL REVIEW

Reserves policy

The trustees policy on unrestricted funds held by the charity is that funds should be used to support Project Mala schools in India. The aim is to keep a reserve of cash to ensure funding of operations for at least a year ahead.

PLANS FOR FUTURE PERIODS

We have had good support from the USA for some years but as we did not have official registration in that country and no dollar bank account, it was difficult for our supporters. During this year we finally received our C15 accreditation and we now have a registered office in Maryland USA and two volunteers to run it for us. The income and expenditure from the USA are included in these accounts.

RESPONSIBILITIES OF THE TRUSTEES

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROJECT MALA
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 MARCH 2008

AUDITOR

A resolution to re-appoint Townends Accountants Limited as auditor for the ensuing year will be proposed at the Annual General Meeting.

Signed on behalf of the trustees

Town Farmhouse
Church Lane
Nether Poppleton
York
YO26 6LF

R Garland
Chair of Board of Trustees

11 August 2008

PROJECT MALA
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
PROJECT MALA
YEAR ENDED 31 MARCH 2008

We have audited the financial statements of Project Mala for the year ended 31 March 2008 on pages 7 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR

The responsibilities of the trustees for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Responsibilities of the Trustees on page 3 .

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, and whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
PROJECT MALA *(continued)*
YEAR ENDED 31 MARCH 2008

expenditure, for the year then ended; and

- have been properly prepared in accordance with the Charities Act 1993.

Harlington House
3 Main Street
Fulford
York
YO10 4HJ

11 August 2008

TOWNENDS ACCOUNTANTS LIMITED
Chartered Accountants
& Registered Auditors