

**THE PROJECT MALA CHARITABLE TRUST**  
**UNAUDITED ANNUAL REPORT**  
**FOR THE YEAR ENDED**  
**31 MARCH 2015**

**Charity Number 801953**

# THE PROJECT MALA CHARITABLE TRUST

## UNAUDITED ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

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# THE PROJECT MALA CHARITABLE TRUST

## OFFICERS AND PROFESSIONAL ADVISERS

<b>Registered charity name</b>	The Project Mala Charitable Trust
<b>Charity number</b>	801953
<b>Principal office</b>	25 Church Lane Nether Poppleton York YO26 6LF
<b>Trustees</b>	Robin Garland (Chairman) Peter Scopes MA (Cantab) David Hopton MD FRCS Patrick Scott MA PGCE George Robinson BA (Treasurer) Anne Bate BA PGCE DIP SPLD
<b>Independent examiner</b>	Brett Davis FCA Townends Accountants LLP Fulford Lodge 1 Heslington Lane Fulford York YO10 4HW
<b>Bankers</b>	The Royal Bank of Scotland 6 Nessgate York YO1 9FY  The Cooperative Bank P O Box 250 Delf House Southway Skelmersdale WN8 6WT

# THE PROJECT MALA CHARITABLE TRUST

## TRUSTEES ANNUAL REPORT

### YEAR ENDED 31 MARCH 2015

The trustees present their report and the unaudited Unaudited Annual Report of the charity for the year ended 31 March 2015.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1 of the unaudited annual report.

#### **THE TRUSTEES**

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

Robin Garland (Chairman)  
Peter Scopes MA (Cantab)  
David Hopton MD FRCS  
Nigel Hildred  
Patrick Scott MA PGCE  
George Robinson BA (Treasurer)  
Anne Bate BA PGCE DIP SPLD

Nigel Hildred retired as a trustee on 22 February 2015.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Trust Deed and Objectives**

The Trust is operated under the Trust Deed dated 7 August 1989 and is a Registered Charity No. 801953.

The principal objective of the Charity is the advancement of education and the relief of poverty amongst children in India.

##### **Principal Activities**

The Trust supports the operation of six primary, three middle and one secondary school in the State of Uttar Pradesh in Northern India, supporting over 1,200 children in full time education. The education covers up to 8 years and grades 1-10 of the national curriculum. Most of these children would have grown up illiterate without the benefit of our work. Nutrition and health care are provided for all pupils.

##### **Governance**

The Charity is administered by a Board of Trustees supported by volunteers plus remunerated administrative support as required. There are presently seven Trustees and all administrative work is based at our office in York and from the homes of volunteers. There are no employees.

##### **Trustees Recruitment and Training**

New Trustees are recruited as needs arise and to ensure that an appropriate range of skills and experience is brought to the management of the Trust. Appointments are made by existing Trustees and training is given by them and officials of the charity.

##### **Risk management**

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.

# THE PROJECT MALA CHARITABLE TRUST

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 MARCH 2015

#### **Investment policy**

Due to falling interest rates, the Trustees decided to invest part of the reserves in gilts and equities. These had been managed by T D Waterhouse but were transferred during the year to Redmayne Bentley. The Trustees consider the returns to be satisfactory.

#### **ACHIEVEMENTS AND PERFORMANCE**

The education project in India continues to progress. The exam results for the current year have been spectacular, with many of our children receiving distinctions and merit awards. For the third year running, all of our children in secondary school passed the Uttar Pradesh exams and all passed in first grade. 29 of the 31 children in class 10 got marks over 70%.

During the year we have been putting special effort into teacher training and, in particular, the teaching of English. We have difficulty in finding competent English teachers in our rural location. To help with this problem we have been using phonics training together with Muzzy, DVD and Linguaphone courses which are helping both children and teachers to become more confident English speakers. We also now have a small laboratory at Guria School for the secondary children.

#### **Public Benefit**

In setting out our objectives and planning our activities, the Trustees have complied with the duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission.

The main beneficiaries at this stage are children in the Uttar Pradesh state of Northern India who receive education, nutrition and health care through funding provided by the Trust.

#### **FINANCIAL REVIEW**

- Income of £204,669 included £110,302 from sponsors and donors in the UK, Australia and several other countries and £59,765 in the U.S.A. We are particularly pleased to see a strong growth in corporate support in the U.S.A.

- Charitable Trusts provided a further £12,450.

- Gift Aid relief from UK sponsors provided £18,000.

- The Building Fund gained £9,025 to total £21,525 at the year end and this has now allowed the project to be put in hand at Guria.

- The reserves held in our share portfolio produced a gain of £5,642.

- Funds spent on our charitable activities totalled £168,577 (82% of our income) of which £161,279 was sent to support our schools in India, compared to £132,809 in the previous year.

- The Balance Sheet value at 31 March 2015 was £166,528 (2014: £157,760).

#### **Reserves policy**

The Trustees adopt the advice of the Charity Commission in seeking to maintain an adequate level of unrestricted funds to support ongoing work. The Balance Sheet value represents a 12 months' reserve for our current level of charitable expenditure.

#### **PLANS FOR FUTURE PERIODS**

Our main aim for next year is to extend our secondary facilities. Currently we can only accommodate children for years 9 and 10. Building work has started and we hope to have it completed so the current year 10 will continue with us for years 11 and 12 rather than transferring to local schools as they have previously had to do.

# THE PROJECT MALA CHARITABLE TRUST

## TRUSTEES ANNUAL REPORT *(continued)*

### YEAR ENDED 31 MARCH 2015

#### **Overseas support**

The schools in India are operated by our sister charity registered in India, 'The Children Emancipation Society' which shares our chairman and is rigorously controlled from the UK. All schools operate under the 'Project Mala' name. Project Mala supplies approximately 80% of the costs incurred in India, the balance being raised within the country. Efforts are being made to increase the domestic funding so that in the longer term there is less reliance on grants from overseas.

#### **INDEPENDENT EXAMINER**

Brett Davis FCA

Townends Accountants LLP has been re-appointed as independent examiner for the ensuing year.

25 Church Lane  
Nether Poppleton  
York  
YO26 6LF

Signed on behalf of the trustees

R Garland  
Chair of Board of Trustees

26 May 2015

**THE PROJECT MALA CHARITABLE TRUST**  
**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE**  
**PROJECT MALA CHARITABLE TRUST**  
**YEAR ENDED 31 MARCH 2015**

I report on the accounts of the charity for the year ended 31 March 2015 which are set out on pages 7 to 13.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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 trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**THE PROJECT MALA CHARITABLE TRUST**  
**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE**  
**PROJECT MALA CHARITABLE TRUST** *(continued)*

**YEAR ENDED 31 MARCH 2015**

Brett Davis FCA  
Townends Accountants LLP  
Independent examiner

Fulford Lodge  
1 Heslington Lane  
Fulford  
York  
YO10 4HW

26 May 2015



# THE PROJECT MALA CHARITABLE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds:					
Voluntary income	2	191,492	9,025	200,517	190,304
Activities for generating funds	3	1,572	-	1,572	4,102
Investment income	4	2,580	-	2,580	2,142
<b>TOTAL INCOMING RESOURCES</b>		<u>195,644</u>	<u>9,025</u>	<u>204,669</u>	<u>196,548</u>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Costs of generating voluntary income	5	(21,731)	-	(21,731)	(25,932)
Charitable activities	6	(168,577)	-	(168,577)	(137,998)
Governance costs	7	(11,235)	-	(11,235)	(11,212)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(201,543)</u>	<u>-</u>	<u>(201,543)</u>	<u>(175,142)</u>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
<b>OTHER RECOGNISED GAINS AND LOSSES</b>	8	(5,899)	9,025	3,126	21,406
Gains on investments		5,642	-	5,642	5,189
<b>NET MOVEMENT IN FUNDS</b>		<u>(257)</u>	<u>9,025</u>	<u>8,768</u>	<u>26,595</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		145,260	12,500	157,760	131,165
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>145,003</u>	<u>21,525</u>	<u>166,528</u>	<u>157,760</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 9 to 13 form part of these Unaudited Annual Report.

# THE PROJECT MALA CHARITABLE TRUST

## BALANCE SHEET

31 MARCH 2015

	Note	2015 £	£	2014 £	£
<b>FIXED ASSETS</b>					
Tangible assets	10		-		-
Investments	11		<u>67,684</u>		<u>60,075</u>
			<b>67,684</b>		<b>60,075</b>
<b>CURRENT ASSETS</b>					
Debtors	12	4,560		6,677	
Cash at bank		<u>94,968</u>		<u>91,908</u>	
		<b>99,528</b>		98,585	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(684)</u>		<u>(900)</u>	
<b>NET CURRENT ASSETS</b>			<b>98,844</b>		97,685
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>166,528</b></u>		<u>157,760</u>
<b>NET ASSETS</b>			<u><b>166,528</b></u>		<u>157,760</u>
<b>FUNDS</b>					
Restricted income funds	14		21,525		12,500
Unrestricted income funds	15		<u>145,003</u>		<u>145,260</u>
<b>TOTAL FUNDS</b>			<u><b>166,528</b></u>		<u>157,760</u>

These Unaudited Annual Report were approved by the trustees and authorised for issue on the 26 May 2015 and are signed on their behalf by:

R Garland  
Trustee

G Robinson  
Trustee

The notes on pages 9 to 13 form part of these Unaudited Annual Report.

**THE PROJECT MALA CHARITABLE TRUST**  
**NOTES TO THE UNAUDITED ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2015**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The Unaudited Annual Report have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

**Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to, and virtually certain to receive, the income and the amount can be quantified with reasonable accuracy.

**Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates: Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. 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 accountancy fees and costs linked to the strategic management of the charity. All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource.

**Investments**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

**Fixed Assets**

All fixed assets are initially recorded at cost.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

**THE PROJECT MALA CHARITABLE TRUST**  
**NOTES TO THE UNAUDITED ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2015**

**2. VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Donations</b>				
Donations and similar incoming resources	74,650	6,375	81,025	55,199
Individual child sponsorship	89,042	-	89,042	83,907
Tax refunds from Gift Aid	18,000	-	18,000	21,098
<b>Legacies</b>				
Legacies	-	-	-	25,000
<b>Grants receivable</b>				
Grants from Charitable Trusts	9,800	2,650	12,450	5,100
	<u>191,492</u>	<u>9,025</u>	<u>200,517</u>	<u>190,304</u>

**3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Carpet sales	773	773	1,693
Fundraising events	403	403	1,952
Miscellaneous income	396	396	457
	<u>1,572</u>	<u>1,572</u>	<u>4,102</u>

**4. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Bank interest and dividends receivable	2,580	2,580	2,142

**5. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Donations and sponsorship	21,731	21,731	25,932

**6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Funding to India £	Support costs £	Total Funds 2015 £	Total Funds 2014 £
Distribution to overseas programme	161,279	7,298	168,577	137,998

**THE PROJECT MALA CHARITABLE TRUST**  
**NOTES TO THE UNAUDITED ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2015**

**7. GOVERNANCE COSTS**

	<b>Unrestricted Funds</b>	<b>Total Funds 2015</b>	<b>Total Funds 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Accountancy fees	684	684	–
Audit fees	(120)	(120)	991
Trustees' insurance	265	265	265
Sundry expenses	266	266	104
Secretarial and administration costs	10,140	10,140	9,840
Postage, stationery and telephone	–	–	12
	<u>11,235</u>	<u>11,235</u>	<u>11,212</u>

**8. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging/(crediting):

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration:		
- audit of the financial statements	<u>(120)</u>	<u>991</u>

**9. STAFF COSTS AND EMOLUMENTS PARTICULARS OF EMPLOYEES**

No salaries or wages have been paid to employees, including the trustees, during the year.

**10. TANGIBLE FIXED ASSETS**

	<b>Office Equipment</b>
	<b>£</b>
<b>COST</b>	
At 1 April 2014 and 31 March 2015	<u>6,918</u>
<b>DEPRECIATION</b>	
At 1 April 2014 and 31 March 2015	<u>6,918</u>
<b>NET BOOK VALUE</b>	
At 31 March 2015	<u>–</u>
At 31 March 2014	<u>–</u>

**THE PROJECT MALA CHARITABLE TRUST**  
**NOTES TO THE UNAUDITED ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2015**

**11. INVESTMENTS**

**Movement in market value**

	2015 £	2014 £
Market value at 1 April 2014	60,075	52,840
Acquisitions at cost	10,571	15,722
Disposals at opening book value	(7,738)	(13,784)
Net gains on revaluations in the year ended 31 March 2015	4,776	5,297
Market value at 31 March 2015	<u>67,684</u>	<u>60,075</u>
Historical cost at 31 March 2015	<u>51,780</u>	<u>49,771</u>

**Analysis of investments at 31 March 2015 between funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Listed investments</b>				
UK Quoted Shares	67,290	-	67,290	59,613
<b>Other investments</b>				
UK Cash held as part of Portfolio	394	-	394	462
	<u>67,684</u>	<u>-</u>	<u>67,684</u>	<u>60,075</u>

**12. DEBTORS**

	2015 £	2014 £
Other debtors	<u>4,560</u>	<u>6,677</u>

**13. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Accruals	<u>684</u>	<u>900</u>

**14. RESTRICTED INCOME FUNDS**

	Balance at 1 Apr 2014 £	Incoming resources £	Balance at 31 Mar 2015 £
Building Fund	<u>12,500</u>	<u>9,025</u>	<u>21,525</u>

The Building Fund is the 2014 appeal which aims to raise funds for two new classrooms and a new boys' dormitory.

**THE PROJECT MALA CHARITABLE TRUST**  
**NOTES TO THE UNAUDITED ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2015**

**15. UNRESTRICTED INCOME FUNDS**

	Balance at 1 Apr 2014 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Mar 2015 £
General Funds	<u>145,260</u>	<u>195,644</u>	<u>(201,543)</u>	<u>5,642</u>	<u>145,003</u>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Investments £	Net current assets £	Total £
<b>Restricted Income Funds:</b>			
Building Fund	-	21,525	21,525
<b>Unrestricted Income Funds</b>	<u>67,684</u>	<u>77,319</u>	<u>145,003</u>
<b>Total Funds</b>	<u>67,684</u>	<u>98,844</u>	<u>166,528</u>