

THE PROJECT MALA CHARITABLE TRUST
UNAUDITED ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2016

Charity Number 801953

THE PROJECT MALA CHARITABLE TRUST

UNAUDITED ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

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THE PROJECT MALA CHARITABLE TRUST

OFFICERS AND PROFESSIONAL ADVISERS

Registered charity name	The Project Mala Charitable Trust
Charity number	801953
Principal office	25 Church Lane Nether Poppleton York YO26 6LF
Trustees	Robin Garland MBE (Chairman) David Hopton MD FRCS Patrick Scott MA PGCE George Robinson BA (Treasurer) Anne Bate BA PGCE DIP SPLD Karen Brook
Independent examiner	Brett Davis FCA Townends Accountants LLP Fulford Lodge 1 Heslington Lane Fulford York YO10 4HW
Bankers	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 2016

The trustees present their report and the unaudited Annual Report of the charity for the year ended 31 March 2016.

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 MBE (Chairman)
Peter Scopes MA (Cantab)
David Hopton MD FRCS
Patrick Scott MA PGCE
George Robinson BA (Treasurer)
Anne Bate BA PGCE DIP SPLD
Karen Brook

Karen Brook was appointed as a trustee on 22 October 2015.

Peter Scopes MA (Cantab) retired as a trustee on 26 July 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 six 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 2016

Investment policy

Due to low interest rates, the Trustees decided to invest part of the reserves in gilts and equities. The Trustees decide on the investments and these are managed by Redmayne Bentley. The Trustees consider the returns to be satisfactory.

ACHIEVEMENTS AND PERFORMANCE

This has been a memorable year for Project Mala with many achievements to highlight the progress of Project Mala Schools.

We had our first child accepted to Benares Hindu University. This is a massive achievement for us and a good example of the value of our schools to this rural community. Another boy was accepted to attend Foremarke Hall, the Preparatory School of the prestigious Repton School, for one year.

As we anticipated in our accounts last year, we built and opened an extension to our Secondary School which will allow us to take children through to grade 12 to complete their formal education. We have also received registration for our Guria Middle and Secondary Schools with the UP Board of Education.

In February this year we had a group of sponsors visit the schools. Their verdict was encouraging:

- The children were so enthusiastic and eager to show us everything their school was providing for them which puts our schools to shame!
- The children have great enthusiasm and it was a real pleasure to see the work that the teachers do and how much it is appreciated by the pupils.
- I have talked to several friends about the trip and the work of Project Mala.
- Wonderful company and insight into how future project functions on the ground
- The tour of rural India and seeing the schools, working and living facilities in the villages, eating lunch and talking to the kids is worth the sponsorship money for the experience.

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.

THE PROJECT MALA CHARITABLE TRUST

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW

- Income of £196,624 included £107,133 from sponsors and donors in the UK, Australia and several other countries and £52,468 in the U.S.A.
- Charitable Trusts provided a further £14,000.
- Gift Aid relief from UK sponsors provided £20,199.
- The Building Fund totalling £21,525 at the start of the year was remitted to India and has now allowed the project to be completed at Guria.
- The reserves held in our share portfolio produced a loss of £6,551 due to adverse market conditions, but offset by £2,334 in dividend income. The portfolio is regularly revised to seek the best returns.
- Funds spent on our charitable activities totalled £196,652 of which £178,259 was sent to support our schools in India, compared to £161,279 in the previous year.
- The Balance Sheet value at 31 March 2016 was £144,789 (2015: £166,528).

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 plans to make good use of our new facilities at our Guria School are paramount to our future progress. We hope to build upon the success so far and get more children to university.

On a more practical basis, we hope to complete installing solar panels at all our schools so that we can have lighting and fans in all our classrooms. We also aim to complete the installation of biometric attendance register in all our schools.

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

10 June 2016

THE PROJECT MALA CHARITABLE TRUST

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

YEAR ENDED 31 MARCH 2016

I report on the accounts of the charity for the year ended 31 March 2016 which are set out on pages 6 to 11.

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.

Brett Davis FCA
Townends Accountants LLP
Independent examiner
Fulford Lodge
1 Heslington Lane
Fulford
York
YO10 4HW

10 June 2016

THE PROJECT MALA CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS					
Donations and legacies	2	173,587	20,213	193,800	200,517
Other trading activities	3	490	-	490	1,572
Investment income	4	2,334	-	2,334	2,580
TOTAL INCOME		<u>176,411</u>	<u>20,213</u>	<u>196,624</u>	<u>204,669</u>
EXPENDITURE					
Expenditure on raising funds:					
Costs of raising					
donations and legacies	5	(15,160)	-	(15,160)	(16,661)
Expenditure on charitable activities	6	(154,914)	(41,738)	(196,652)	(184,882)
TOTAL EXPENDITURE		<u>(170,074)</u>	<u>(41,738)</u>	<u>(211,812)</u>	<u>(201,543)</u>
NET (OUTGOING)/INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES					
	7	6,337	(21,525)	(15,188)	3,126
OTHER RECOGNISED GAINS AND LOSSES					
Losses on investment assets		(1,170)	-	(1,170)	-
Gains on investments		(5,381)	-	(5,381)	5,642
NET MOVEMENT IN FUNDS		<u>(214)</u>	<u>(21,525)</u>	<u>(21,739)</u>	<u>8,768</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		145,003	21,525	166,528	157,760
TOTAL FUNDS CARRIED FORWARD		<u>144,789</u>	<u>-</u>	<u>144,789</u>	<u>166,528</u>

The Statement of financial activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 8 to 11 form part of these Unaudited Annual Report.

THE PROJECT MALA CHARITABLE TRUST

BALANCE SHEET

31 MARCH 2016

		2016		2015	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		-		-
Investments	10		<u>63,453</u>		<u>67,684</u>
			63,453		67,684
CURRENT ASSETS					
Debtors	11	5,358		4,560	
Cash at bank		<u>76,673</u>		<u>94,968</u>	
		82,031		99,528	
CREDITORS: Amounts falling due within one year					
	12	<u>(695)</u>		<u>(684)</u>	
NET CURRENT ASSETS			81,336		98,844
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>144,789</u>		<u>166,528</u>
NET ASSETS			<u>144,789</u>		<u>166,528</u>
FUNDS OF THE CHARITY					
Restricted income funds	13		-		21,525
Unrestricted income funds	14		<u>144,789</u>		<u>145,003</u>
TOTAL CHARITY FUNDS			<u>144,789</u>		<u>166,528</u>

Approved by the Trustees and authorised for issue on the 10 June 2016 and are signed on their behalf by:

R Garland
Trustee

G Robinson
Trustee

The notes on pages 8 to 11 form part of these Unaudited Annual Report.

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE UNAUDITED ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of accounting

The Unaudited Annual Report have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and investments measured at market value. The unaudited annual report have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) published on 16 July 2014 and the Charities Act 2011 and applicable regulations.

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 2016

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations and similar incoming resources	63,097	10,113	73,210
Individual child sponsorship	86,391	–	86,391
Tax refunds from Gift Aid	20,199	–	20,199
Grants receivable			
Grants from Charitable Trusts	3,900	10,100	14,000
	<u>173,587</u>	<u>20,213</u>	<u>193,800</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Donations			
Donations and similar incoming resources	74,650	6,375	81,025
Individual child sponsorship	89,042	–	89,042
Tax refunds from Gift Aid	18,000	–	18,000
Grants receivable			
Grants from Charitable Trusts	9,800	2,650	12,450
	<u>191,492</u>	<u>9,025</u>	<u>200,517</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Carpet sales	10	10	773	773
Fundraising events	118	118	403	403
Miscellaneous income	362	362	396	396
	<u>490</u>	<u>490</u>	<u>1,572</u>	<u>1,572</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Bank interest and dividends receivable	2,334	2,334	2,580	2,580
	<u>2,334</u>	<u>2,334</u>	<u>2,580</u>	<u>2,580</u>

5. COSTS OF RAISING DONATIONS AND LEGACIES

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Donations and sponsorship	15,160	15,160	16,661	16,661
	<u>15,160</u>	<u>15,160</u>	<u>16,661</u>	<u>16,661</u>

THE PROJECT MALA CHARITABLE TRUST
NOTES TO THE UNAUDITED ANNUAL REPORT
YEAR ENDED 31 MARCH 2016

6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Funding to India £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
Distribution to overseas programme	<u>178,259</u>	<u>18,393</u>	<u>196,652</u>	<u>184,882</u>

7. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration:		
- audit of the financial statements	-	<u>(120)</u>

8. STAFF COSTS AND EMOLUMENTS PARTICULARS OF EMPLOYEES

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

9. TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1 April 2015 and 31 March 2016	<u>6,918</u>
DEPRECIATION	
At 1 April 2015 and 31 March 2016	<u>6,918</u>
NET BOOK VALUE	
At 31 March 2016	<u>-</u>
At 31 March 2015	<u>-</u>

10. INVESTMENTS

Movement in market value

	2016 £	2015 £
Market value at 1 April 2015	<u>67,684</u>	60,075
Acquisitions at cost	<u>21,865</u>	10,571
Disposals at opening book value	<u>(20,715)</u>	(7,738)
Net gains on revaluations in the year ended 31 March 2016	<u>(5,381)</u>	4,776
Market value at 31 March 2016	<u>63,453</u>	<u>67,684</u>
Historical cost at 31 March 2016	<u>52,475</u>	<u>51,780</u>

THE PROJECT MALA CHARITABLE TRUST
NOTES TO THE UNAUDITED ANNUAL REPORT
YEAR ENDED 31 MARCH 2016

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS *(continued)*

Analysis of investments at 31 March 2016 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Listed investments				
UK Quoted Shares	62,682	-	62,682	67,290
Other investments				
UK Cash held as part of Portfolio	771	-	771	394
	<u>63,453</u>	<u>-</u>	<u>63,453</u>	<u>67,684</u>

11. DEBTORS

	2016 £	2015 £
Other debtors	<u>5,358</u>	<u>4,560</u>

12. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	<u>695</u>	<u>684</u>

13. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015 £	Income £	Expenditure £	Balance at 31 Mar 2016 £
Building Fund	<u>21,525</u>	<u>20,213</u>	<u>(41,738)</u>	<u>-</u>

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

14. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015 £	Income £	Expenditure £	Gains and losses £	Balance at 31 Mar 2016 £
General Funds	<u>145,003</u>	<u>176,411</u>	<u>(170,074)</u>	<u>(6,551)</u>	<u>144,789</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £	Net current assets £	Total £
Unrestricted Income Funds	<u>63,453</u>	<u>81,336</u>	<u>144,789</u>
Total Funds	<u>63,453</u>	<u>81,336</u>	<u>144,789</u>