

CHARITY REGISTRATION NUMBER: 801953

THE PROJECT MALA CHARITABLE TRUST
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

THE PROJECT MALA CHARITABLE TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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THE PROJECT MALA CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2018.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Project Mala Charitable Trust
Charity registration number	801953
Principal office	25 Church Lane Nether Poppleton York YO26 6LF

THE TRUSTEES

Robin Garland (Chairman)
David Hopton MD FRCS
Patrick Scott MA PGCE
George Robinson BA (Treasurer)
Anne Bate BA PGCE DIP SPLD
Karen Brook BSc (Hons) PGCE
John Graham (Retired 7 August 2017)

Accountants B B Davis FCA of Townends Accountants LLP
Chartered accountant
Fulford Lodge
1 Heslington Lane
Fulford
York
YO10 4HW

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.

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.

THE PROJECT MALA CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

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.

Investment policy

The Trustees decide on investments within the parameters of an adopted Investment Policy and these are managed by Hargreaves Lansdown.

OBJECTIVES AND ACTIVITIES

Principal Activities

The Trust supports the operation of five pre-schools for girls, six primary, three middle and one secondary school in the State of Uttar Pradesh in Northern India, supporting over 1,200 underprivileged 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.

ACHIEVEMENTS AND PERFORMANCE

Our main achievement this year has been the success of the Big Give matched funding where our supporters match the funds being offered by Reed Foundation, resulting in a gross funding income of £24,264. This money is being used to build a new secondary school wing at our Patehra School. We have commenced the building work and the official opening is scheduled for 25 October 2018.

We are pleased that the academic performance of our schools in India has continued this year. We are confident that the results for our children in the UP Board exams for 2018 will match the excellent results achieved in 2017.

This year we also acquired a 42 seater bus. This is proving to be a great asset as we can now take a whole class in comfort and safety on school trips.

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 2018

FINANCIAL REVIEW

- Voluntary income of £168,428 including £120,648 from sponsors and donors in the U.K, Australia and several other countries and £47,780 in the U.S.A.
- Generous support from Charitable Trusts mainly for our school extensions, school bus and nutrition projects totalled an exceptional £121,535 (2017: £63,150).
- Gift Aid relief from UK sponsors provided £22,330.
- Funds spent on our charitable activities totalled £282,239 of which £257,746 was sent to support our schools in India, compared with £221,862 in the previous year.
- The reserves held in our share portfolio produced a loss of £4,917 due to adverse market conditions, but offset by £3,339 in dividend income. The portfolio is regularly revised to seek the best returns.
- The Balance Sheet value at 31 March 2018 was £157,131 (2017: £145,040).

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 7 months' reserve for our current level of charitable expenditure.

PLANS FOR FUTURE PERIODS

When the current school building programme is complete, we will have accomplished our ideal structure with five pre-schools for girls, six primary schools, three middle schools, two secondary schools and one intermediate college. We will then be able to offer all the bright children in the remote region of our catchment area a great opportunity to reach their full potential

FUNDS HELD AS CUSTODIAN TRUSTEE

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.

THE PROJECT MALA CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

The trustees' annual report was approved on 21 June 2018 and signed on behalf of the board of trustees by:

Robin Garland (Chairman)
Trustee

THE PROJECT MALA CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PROJECT MALA CHARITABLE TRUST

YEAR ENDED 31 MARCH 2018

I report to the trustees on my examination of the financial statements of The Project Mala Charitable Trust ('the charity') for the year ended 31 March 2018.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

B B DAVIS FCA OF TOWNENDS ACCOUNTANTS LLP
Chartered accountant

Fulford Lodge
1 Heslington Lane
Fulford
York
YO10 4HW

21 June 2018

THE PROJECT MALA CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

31 MARCH 2018

		2018		2017	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	185,107	127,186	312,293	247,673
Other trading activities	5	35	–	35	–
Investment income	6	3,348	–	3,348	3,025
Total income		<u>188,490</u>	<u>127,186</u>	<u>315,676</u>	<u>250,698</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	7	16,429	–	16,429	16,103
Expenditure on charitable activities	8	222,600	59,639	282,239	243,984
Total expenditure		<u>239,029</u>	<u>59,639</u>	<u>298,668</u>	<u>260,087</u>
Net (losses)/gains on investments	11	(4,917)	–	(4,917)	9,640
Net income and net movement in funds		<u>(55,456)</u>	<u>67,547</u>	<u>12,091</u>	<u>251</u>
Reconciliation of funds					
Total funds brought forward		145,040	–	145,040	144,789
Total funds carried forward		<u>89,584</u>	<u>67,547</u>	<u>157,131</u>	<u>145,040</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on page 6 form part of these financial statements.

THE PROJECT MALA CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

		2018		2017
		£	£	£
FIXED ASSETS				
Investments	14		74,283	76,101
CURRENT ASSETS				
Debtors	15	5,272		5,501
Cash at bank and in hand		78,331		64,164
		<u>83,603</u>		<u>69,665</u>
CREDITORS: Amounts falling due within one year	16	<u>755</u>		<u>726</u>
NET CURRENT ASSETS			82,848	68,939
TOTAL ASSETS LESS CURRENT LIABILITIES			157,131	145,040
NET ASSETS			157,131	145,040
FUNDS OF THE CHARITY				
Restricted funds			67,547	–
Unrestricted funds			89,584	145,040
Total charity funds	17		157,131	145,040

These financial statements were approved by the board of trustees and authorised for issue on 21 June 2018, and are signed on behalf of the board by:

Robin Garland (Chairman)
Trustee

George Robinson BA (Treasurer)
Trustee

The notes on page 7 form part of these financial statements.

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. GENERAL INFORMATION

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is 25 Church Lane, Nether Poppleton, York, YO26 6LF.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

3. ACCOUNTING POLICIES *(continued)*

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the statement of financial activity.

Debtors and prepayments

Prepayments are valued at the amount prepaid net of any trade discounts due

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitudes of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

Fixed assets

The level at which fixed assets are capitalised has been set at £5,000. All assets over the limit are depreciated at 25% p.a. on a straight line basis.

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
DONATIONS			
Donations and similar incoming resources	44,402	10,916	55,318
Individual child sponsorship	113,110	–	113,110
Tax refunds from Gift Aid	19,895	2,435	22,330
GRANTS			
Grants from Charitable Trusts	7,700	113,835	121,535
	<u>185,107</u>	<u>127,186</u>	<u>312,293</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
DONATIONS			
Donations and similar incoming resources	72,289	–	72,289
Individual child sponsorship	91,245	–	91,245
Tax refunds from Gift Aid	20,989	–	20,989
GRANTS			
Grants from Charitable Trusts	63,150	–	63,150
	<u>247,673</u>	<u>–</u>	<u>247,673</u>

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Miscellaneous income	<u>35</u>	<u>35</u>	<u>–</u>	<u>–</u>

6. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest and dividends	<u>3,348</u>	<u>3,348</u>	<u>3,025</u>	<u>3,025</u>

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

7. COSTS OF RAISING DONATIONS AND LEGACIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Donations - sponsor administration	8,820	8,820	8,460	8,460
Donations - collection fees	2,331	2,331	2,262	2,262
Donations - website costs	2,908	2,908	2,786	2,786
Donations - fundraising costs	2,370	2,370	2,595	2,595
	<u>16,429</u>	<u>16,429</u>	<u>16,103</u>	<u>16,103</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
School funding	<u>258,838</u>	<u>23,401</u>	<u>282,239</u>	<u>243,984</u>

9. ANALYSIS OF SUPPORT COSTS

	Analysis of support costs £	Total 2018 £	Total 2017 £
Communications and IT	3,402	3,402	2,248
General office	3,492	3,492	2,385
Human resources	305	305	300
Finance costs	239	239	-
Governance costs	15,963	15,963	16,424
	<u>23,401</u>	<u>23,401</u>	<u>21,357</u>

10. TAXATION

No taxation is provided for in the accounts because, as a Registered Charity, the charity is within the exemptions granted by H M Revenue and Customs.

11. NET (LOSSES)/GAINS ON INVESTMENTS

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Gains/(losses) on listed investments	<u>(4,917)</u>	<u>(4,917)</u>	<u>9,640</u>	<u>9,640</u>

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

12. INDEPENDENT EXAMINATION FEES

	2018 £	2017 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>761</u>	<u>745</u>

13. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees

14. INVESTMENTS

	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 1 April 2017	1,148	74,953	76,101
Additions	3,339	18,264	21,603
Disposals	(1,683)	(16,820)	(18,503)
Other movements	–	(4,918)	(4,918)
At 31 March 2018	<u>2,804</u>	<u>71,479</u>	<u>74,283</u>
Impairment			
At 1 April 2017 and 31 March 2018			<u>–</u>
Carrying amount			
At 31 March 2018	<u>2,804</u>	<u>71,479</u>	<u>74,283</u>
At 31 March 2017	<u>1,148</u>	<u>74,953</u>	<u>76,101</u>

All investments shown above are held at valuation.

Financial assets held at fair value

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded on quoted public markets, primarily the London Stock Exchange.

15. DEBTORS

	2018 £	2017 £
Other debtors	<u>5,272</u>	<u>5,501</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other creditors	<u>755</u>	<u>726</u>

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

17. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Gains and losses £	At 31 March 2018 £
Unrestricted Fund	110,040	188,490	(204,029)	(4,917)	89,584
Designated Fund - School Guesthouse	35,000	-	(35,000)	-	-
	<u>145,040</u>	<u>188,490</u>	<u>(239,029)</u>	<u>(4,917)</u>	<u>89,584</u>

Unrestricted funds are available to be spent for any of the purposes of the charity.

Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Gains and losses £	At 31 March 2018 £
Turkahan Building Fund	-	31,000	(31,000)	-	-
School Bus	-	22,450	(22,450)	-	-
Patehra Building Fund	-	42,236	-	-	42,236
Nutrition	-	31,500	(6,189)	-	25,311
	<u>-</u>	<u>127,186</u>	<u>(59,639)</u>	<u>-</u>	<u>67,547</u>

Turkahan Building Fund

The Turkahan Building Fund is to build three more classrooms which will enable children to have full days schooling rather than the current shift system.

School Bus

The School Bus Fund has been to purchase a 42 seater bus which will enable the children to be transported to and from school and also educational visits

Patehra Building Fund

The Patehra Building Fund is to extend the building with three rooms for a secondary school which will enable more children to stay in the education system

Nutrition Fund

The Nutrition Fund is to enable the improvement in physical improvement through healthcare and nutrition

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Investments	74,283	–	74,283	76,101
Current assets	16,056	67,547	83,603	69,665
Creditors less than 1 year	(755)	–	(755)	(726)
Net assets	<u>89,584</u>	<u>67,547</u>	<u>157,131</u>	<u>145,040</u>