

CHARITY REGISTRATION NUMBER: 801953

**THE PROJECT MALA CHARITABLE TRUST
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**

THE PROJECT MALA CHARITABLE TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

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THE PROJECT MALA CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2020

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Project Mala Charitable Trust
Charity registration number	801953
Principal office	Model Farm The Green Upper Poppleton York YO26 6DP

THE TRUSTEES

Robin Garland (Chairman)
David Hopton MD FRCS
Patrick Scott MA PGCE
Anne Bate BA PGCE DIP SPLD
Karen Brook BSc (Hons) PGCE

Independent examiner	Miss T J Maer of Townends Accountants LLP Fulford Lodge 1 Heslington Lane Fulford York YO10 4HW
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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 five 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 2020

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 two secondary schools and one intermediate college in the State of Uttar Pradesh in Northern India, supporting over 1,350 underprivileged children in full time education. The education covers up to 10 years and grades 1-12 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

I am proud to report that the performance of the students in our schools continues to exceed our expectations. This is being mainly achieved by the addition of a secondary school at our Patehra complex. We now have five pre-schools for girls only, six mixed primary schools, four middle schools, two secondary level schools and an intermediate college. I am particularly proud of the standards being achieved in our schools, which is due to the excellent staff we have in India and a tribute to the work of our Teaching Advisors, Anne Gilmour and Karen Brook, who have made a number of innovations to improve the teaching ability of the teachers and helped the children learn more easily.

In the final month of the year under review, India, like so many other countries, went into lockdown. All schools throughout the country were ordered to close. This has been very bad for the people and children in the 80 villages we serve, as communications in these remote areas is not as modern as in many towns. The longer lockdown continues, the more anxious staff and pupils are becoming about completing the curriculum for those all important board exams next year, particularly in classes 10 and 12. We are all trying to think of ways to help the senior pupils study and learn so that they do not fall behind.

Another problem we encountered this year was a freak hurricane strength wind that blew the whole roof off our new extension at Turkahan school, which sits high up on the Kymori hills. We were so grateful when our sponsors and supporters delved into their pockets and sent us donations to restore the roof, the work for which is of course delayed because of the lockdown.

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 2020

FINANCIAL REVIEW

- Voluntary income of £179,176 including £128,708 from sponsors and donors in the U.K, Australia and several other countries and £50,468 in the U.S.A.
- Generous support from Charitable Trusts mainly for our nutrition projects totalled an exceptional £10,250 (2019: £59,700).
- Gift Aid relief from UK sponsors provided £24,770.
- Funds spent on our charitable activities totalled £222,837 of which £201,340 was sent to support our schools in India, compared with £240,152 in the previous year.
- The reserves held in our share portfolio produced a loss of £11,245 due to deteriorated market conditions, in addition to £2,906 in dividend income. The portfolio is regularly revised to seek the best returns. The trustees expect that the portfolio will recover as the current worldwide situation improves.
- The Balance Sheet value at 31 March 2020 was £109,541 (2019: £141,918).

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

Now the school building programme is complete, we 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 are now 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 The Children Emancipation Society which is a society registered in India. The society has its own trustees, one of which is our chairman. 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 continue to be 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 2020

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 19 June 2020 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 2020

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 2020.

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

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.



Miss T J Maer of Townends Accountants LLP
Independent Examiner

Fulford Lodge
1 Heslington Lane
Fulford
York
YO10 4HW

19 June 2020

THE PROJECT MALA CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2020

		2020		2019	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total Funds £
Income and endowments					
Donations and legacies	4	199,546	14,650	214,196	262,461
Investment income	5	2,971	–	2,971	3,255
Total income		<u>202,517</u>	<u>14,650</u>	<u>217,167</u>	<u>265,716</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	6	15,462	–	15,462	22,611
Expenditure on charitable activities	7	185,268	37,569	222,837	262,652
Total expenditure		<u>200,730</u>	<u>37,569</u>	<u>238,299</u>	<u>285,263</u>
Net gains/(losses) on investments	10	(11,245)	–	(11,245)	4,334
Net expenditure and net movement in funds		<u>(9,458)</u>	<u>(22,919)</u>	<u>(32,377)</u>	<u>(15,213)</u>
Reconciliation of funds					
Total funds brought forward		112,299	29,619	141,918	157,131
Total funds carried forward		<u>102,841</u>	<u>6,700</u>	<u>109,541</u>	<u>141,918</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 pages 8 to 14 form part of these financial statements.

THE PROJECT MALA CHARITABLE TRUST

STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

	Note	2020 £	£	2019 £	£
FIXED ASSETS					
Investments	13		43,444		51,781
CURRENT ASSETS					
Debtors	14	6,491		5,847	
Cash at bank and in hand		60,398		85,064	
		<u>66,889</u>		<u>90,911</u>	
CREDITORS: Amounts falling due within one year	15	<u>792</u>		<u>774</u>	
NET CURRENT ASSETS			<u>66,097</u>		<u>90,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>109,541</u>		<u>141,918</u>
NET ASSETS			<u>109,541</u>		<u>141,918</u>
FUNDS OF THE CHARITY					
Restricted funds			6,700		29,619
Unrestricted funds			102,841		112,299
Total charity funds	16		<u>109,541</u>		<u>141,918</u>

These financial statements were approved by the board of trustees and authorised for issue on 19 June 2020, and are signed on behalf of the board by:

Robin Garland (Chairman)
Trustee

Patrick Scott MA PGCE
Trustee

The notes on pages 8 to 14 form part of these financial statements.

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

1. GENERAL INFORMATION

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Model Farm, The Green, Upper Poppleton, York, YO26 6DP.

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 2020

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 2020

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
DONATIONS			
Donations and similar incoming resources	51,905	4,400	56,305
Individual child sponsorship	117,864	–	117,864
Tax refunds from Gift Aid	24,770	–	24,770
LEGACIES			
Legacies	5,007	–	5,007
GRANTS			
Grants from Charitable Trusts	–	10,250	10,250
	<u>199,546</u>	<u>14,650</u>	<u>214,196</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
DONATIONS			
Donations and similar incoming resources	64,745	120	64,865
Individual child sponsorship	113,678	–	113,678
Tax refunds from Gift Aid	24,218	–	24,218
LEGACIES			
Legacies	–	–	–
GRANTS			
Grants from Charitable Trusts	12,200	47,500	59,700
	<u>214,841</u>	<u>47,620</u>	<u>262,461</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest and dividends	<u>2,971</u>	<u>2,971</u>	<u>3,255</u>	<u>3,255</u>

6. COSTS OF RAISING DONATIONS AND LEGACIES

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Costs of generating income - Donations and sponsorship	<u>15,462</u>	<u>15,462</u>	<u>22,611</u>	<u>22,611</u>

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
School funding	<u>201,340</u>	<u>21,497</u>	<u>222,837</u>	<u>262,652</u>

8. ANALYSIS OF SUPPORT COSTS

	Analysis of support costs £	Total 2020 £	Total 2019 £
Communications and IT	3,311	3,311	3,146
General office	1,560	1,560	2,478
Human resources	376	376	346
Finance costs	–	–	12
Governance costs	<u>16,250</u>	<u>16,250</u>	<u>16,518</u>
	<u>21,497</u>	<u>21,497</u>	<u>22,500</u>

9. 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.

10. NET GAINS/(LOSSES) ON INVESTMENTS

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on listed investments	<u>(11,245)</u>	<u>(11,245)</u>	<u>4,334</u>	<u>4,334</u>

11. INDEPENDENT EXAMINATION FEES

	2020 £	2019 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>792</u>	<u>774</u>

12. TRUSTEE REMUNERATION AND EXPENSES

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

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

13. INVESTMENTS

	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 1 April 2019	2,703	49,078	51,781
Additions	2,909	5,444	8,353
Disposals	(5,444)	–	(5,444)
Other movements	–	(11,246)	(11,246)
At 31 March 2020	<u>168</u>	<u>43,276</u>	<u>43,444</u>
Impairment			
At 1 April 2019 and 31 March 2020			<u>–</u>
Carrying amount			
At 31 March 2020	<u>168</u>	<u>43,276</u>	<u>43,444</u>
At 31 March 2019	<u>2,703</u>	<u>49,078</u>	<u>51,781</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.

14. DEBTORS

	2020 £	2019 £
Other debtors	<u>6,491</u>	<u>5,847</u>

15. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	<u>792</u>	<u>774</u>

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

16. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
Unrestricted Fund	<u>112,299</u>	<u>202,517</u>	<u>(200,730)</u>	<u>-</u>	<u>(11,245)</u>	<u>102,841</u>

	At 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2019 £
Unrestricted Fund	<u>89,584</u>	<u>218,096</u>	<u>(196,715)</u>	<u>(3,000)</u>	<u>4,334</u>	<u>112,299</u>

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

Restricted funds

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
Turkahan Building Fund	-	4,200	-	-	-	4,200
Patehra Building Fund	-	-	-	-	-	-
Nutrition	<u>29,619</u>	<u>10,450</u>	<u>(37,569)</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
	<u>29,619</u>	<u>14,650</u>	<u>(37,569)</u>	<u>-</u>	<u>-</u>	<u>6,700</u>

	At 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2019 £
Turkahan Building Fund	-	-	-	-	-	-
Patehra Building Fund	42,236	28,000	(73,236)	3,000	-	-
Nutrition	<u>25,311</u>	<u>19,620</u>	<u>(15,312)</u>	<u>-</u>	<u>-</u>	<u>29,619</u>
	<u>67,547</u>	<u>47,620</u>	<u>(88,548)</u>	<u>3,000</u>	<u>-</u>	<u>29,619</u>

THE PROJECT MALA CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

16. ANALYSIS OF CHARITABLE FUNDS *(continued)*

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.

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Investments	43,444	–	43,444
Current assets	60,189	6,700	66,889
Creditors less than 1 year	(792)	–	(792)
Net assets	<u>102,841</u>	<u>6,700</u>	<u>109,541</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Investments	51,781	–	51,781
Current assets	61,292	29,619	90,911
Creditors less than 1 year	(774)	–	(774)
Net assets	<u>112,299</u>	<u>29,619</u>	<u>141,918</u>