

Project Mala Charitable Trust

(Charity Registration Number 801953)

Trustees' Annual Report & Financial Statements for the year ended

31st March 2021

outsourcing

Charity accounts preparation & independent examination
service

Project Mala Charitable Trust

(Charity Registration Number 801953)

Contents

Index	Page
Annual Report of the Trustees	1
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Statement of Cashflows	8
Notes to the Accounts	9

Trustees' Annual Report

For the year ended: **31/03/21**

Reference and administration details

Charity name Project Mala Charitable Trust
Other names the charity is known by None
Registered charity number (if any) 801953
Charity's principal address Model Farm
The Green, Upper Poppleton
York, YO26 6DP

Names of the charity trustees who manage the charity

Trustee Name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
Robin Garland	Chair		
David Hopton			
Patrick Scott			
Anne Gilmour			
Karen Brook		Resigned 15 July 2020	

Names of the trustees for the charity, if any

Name	Dates acted if not for whole year
None	

Reference and administration details (continued)

Names and addresses of advisers

Type of adviser	Name	Address
Investment Advisor	Hargreaves Lansdown	
Independent Examiner	Karen Wood ACMA,	Hiscox Building, Peasholme Green, York, YO1 7PR

Structure, governance and management

Description of the charity's trusts

Governing document: Trust Deed dated 7 August 1989

How the charity is constituted An unincorporated charity

Trustee selection methods New trustees are appointed as needs arise and to ensure that an appropriate range of skills and experience is brought to the management of the trust. Appointment is by existing trustees.

Additional governance issues

The charity is administered by a board of trustees supported by volunteers plus remunerated administrative support as required.

Objectives and activities

Summary of the objects of the charity set out in its governing document

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

The trust supports The Children Emancipation Society which operates Project Mala schools in India. Currently there are 5 pre-schools for girls, 6 primary, 3 middle, 2 secondary schools and 1 intermediate college in the state of Uttar Pradesh, 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 could have grown up illiterate without the benefit of our work. Nutrition and health care are provided for all pupils.

Summary of the main activities undertaken for the public benefit in relation to these objects

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 trustees consider that they have complied with their duties to have due regard to the public benefit guidance published by the Charity Commission.

Achievements and performance

Summary of the main achievements of the charity during the year

The year under review has been a strange one, as we have been unable to have face-to-face meetings because of the Covid 19 lockdown. Also, Karen Brook resigned due to family problems. Karen was part of our teaching advisory team and is a sad loss for us. She was instrumental in introducing the phonics programme in our primary schools.

In India, our schools have been closed for much of the year Whilst we still gave our children work to do at home, it was not as good as being in school. At the end of March we were starting to feel that things were gradually returning to normal and the senior schools started back in attendance. Then the second wave started in India and the virus went around like a forest fire.

The enrolled numbers of children at the end of the year were:

	Pre	Primary	Middle	Secondary	College	Total
Boys	0	360	251	84	46	741
Girls	120	330	172	44	31	697
Total	120	690	423	128	77	1,438

The main positive event this year has been the introduction of smart boards. We started to use them for a short time and found that they were making a huge difference and are very popular with the teachers.

In the early part of the year we enjoyed seeing so many of our children making decisions on their future. Some chose academia and continued to further education in university and others deciding to take a more practical career based course.

We are looking forward to India getting control of the virus so our children can get back to school with us.

Financial review

Review of the charity's financial position at the end of the period

A surplus of £6,886 before gains from exchange has been made this year, increasing reserves to £120,704. In the balance sheet investment assets have increased by £6,722 from £43,444 to £50,166, current assets have increased by £4,199 from £66,889 to £71,088 and current liabilities have decreased by £242 from £792 to £550.

Amount of reserves held

£120,704 of unrestricted reserve

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.

Funds materially in deficit

None

Funds held as a 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. 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.

Trustees' responsibilities in relation to the financial statements

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 charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
and
- 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act. 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.

Declaration

The trustees declare that they have approved the trustees' report above

Signed on behalf of the charity's trustees

Signature

Name

Position (e.g. Chair etc)

Date

Independent examiner's report to the trustees of Project Mala Charitable Trust

I report on the accounts of: **Project Mala Charitable Trust**
for the year ended: **31st March 2021** which are set out on pages 6 to 15.

Responsibilities and basis of report

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

I report in respect of my examination of the Charity's accounts 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 Trust as required by section 130 of the Act; or
- 2 the accounts do not accord with those records
- 3 the accounts 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.



Karen Wood (ACMA)

3/9/2021

Date:

Outsource independent examination service
The Hiscox Building
Peasholme Green
York YO1 7PR

Project Mala Charitable Trust
(Charity Registration Number 801953)

Statement of Financial Activities for the year ended: 31st March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and legacies	3.1	205,702	14,825	220,527	203,946
Charitable activities	3.2	725	-	725	10,250
Investments	3.3	2,462	-	2,462	2,971
Total income	3	208,889	14,825	223,714	217,167
Expenditure on:					
Raising funds	4.1	2,887	-	2,887	15,462
Charitable activities	4.2	191,021	21,525	212,546	222,837
Other expenses	4.3	1,395	-	1,395	
Total expenditure	4	195,303	21,525	216,828	238,299
Net incoming/ (outgoing)resources before other recognised gains/ (losses)		13,586	(6,700)	6,886	(21,132)
Transfers between funds	10	-	-	-	-
Gains/(losses) on investment assets	6	4,277	-	4,277	(11,245)
Net movement in funds		17,863	(6,700)	11,163	(32,377)
Total funds brought forward		102,841	6,700	109,541	141,918
Total funds carried forward		120,704	-	120,704	109,541

Project Mala Charitable Trust
(Charity Registration Number 801953)

Balance Sheet as at: 31st March 2021

	Note	2021 £	2020 £
Fixed Assets			
Investments	6	50,166	43,444
Total Fixed Assets		<u>50,166</u>	<u>43,444</u>
Current Assets			
Cash at bank and in hand	7	64,990	60,398
Debtors & prepayments	8	6,098	6,491
Total Current Assets		<u>71,088</u>	<u>66,889</u>
Current Liabilities: Amounts falling due within one year			
Creditors and accruals	9	(550)	(792)
Net Current Assets/(Liabilities)		<u>70,538</u>	<u>66,097</u>
Net Assets/(Liabilities)		<u><u>120,704</u></u>	<u><u>109,541</u></u>
Funds of the Charity	10		
Unrestricted Funds (General)		120,704	102,841
Restricted Funds		-	6,700
Total Funds Carried Forward		<u><u>120,704</u></u>	<u><u>109,541</u></u>

The financial statements were approved by the trustees and signed on their behalf by:

Signature

Name

Position (e.g. Chair etc)

Project Mala Charitable Trust

Statement of Cash Flows for the year ended:

31st March 2021

	Note	Total 2021 £	Total 2020 £
Cash flows from operating activities			
Net income/(expenditure) for the year		11,163	(32,377)
(Gains)/losses on investments		(4,277)	11,245
		6,886	(21,132)
Working capital changes			
(Increase)/decrease in debtors		393	(644)
Increase/(decrease) in creditors		(242)	18
		7,037	(21,758)
Cash flows used in investing activities			
Purchase of investments	6	(7,247)	(5,444)
Sale of investments	6	4,742	0
		(2,505)	(5,444)
Change in cash and cash equivalents in the year		4,532	(27,202)
Cash and cash equivalents at 1 April 2020		60,566	87,768
		65,098	60,566
Cash and cash equivalents at 31 March 2021		65,098	60,566
Cash at bank at 31 March 2021	7	64,990	60,398
Cash equivalents at 31 March 2021	6	108	168
		65,098	60,566
		65,098	60,566

Project Mala Charitable Trust

Notes to the accounts for the year ended:

31st March 2021

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and the Accounting and Reporting by Charities: 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 (Charities SORP (FRS 102)).

1.2 Change of basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 Change to previous accounts

No changes have been made to accounts for previous years.

2 Accounting policies

2.1 Income

Recognition of income

Income is recognised in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- receipt is probable; and
- the monetary value can be measured with sufficient reliability.

Incoming resources with related expenditure

Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations

Grants and donations are only included in the SoFA when the charity has evidence of entitlement to the resources and receipt is probable.

Investment income

This is included in the accounts when receivable.

2.2 Expenditure and Liabilities

Expenditure

Raising funds

Cost of raising funds comprises those costs associated with attracting voluntary income.

Charitable activities

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

2.3 Assets

Tangible fixed assets for use by the charity

These are capitalised if they can be used for more than one year and cost at least £5,000. They are valued at cost or, if gifted, at the value to the charity on receipt, less depreciation. Assets are depreciated at 25% per annum on a straight line basis.

Foreign currencies

Assets and liabilities in foreign currencies at the year end have been translated into UK Sterling at the rate of exchange applicable at the date of the Balance Sheet. Transactions in foreign currencies during the financial year have been translated into sterling using the exchange rate on the day of the transaction. Exchange rate differences are taken into account in arriving at the operating result.

The total value of assets and liabilities held in foreign currencies at the year-end was £35,346 (\$37,369 (US Dollars), \$14,943 (AUS Dollars) calculated using applicable exchanges as of 31st March 2021 (\$0.7225 to £1, \$0.55109 to £1).

2.4 Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor.

Project Mala Charitable Trust
(Charity Registration Number 801953)

Notes to the accounts for the year ended:

3 Income and endowments

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
3.1 Donations and legacies						
Donations and gifts	60,619	13,800	74,419	51,905	4,400	56,305
Individual child sponsorship	120,789	-	120,789	117,864	-	117,864
Gift aid	24,294	1,025	25,319	24,770	-	24,770
Legacies	-	-	-	5,007	-	5,007
	205,702	14,825	220,527	199,546	4,400	203,946
3.2 Charitable activities						-
Grants returned	-	-	-	-	10,250	10,250
Carpet sales	725	-	725	-	-	-
	725	-	725	-	10,250	10,250
3.3 Investments						
Bank interest	17	-	17	-	-	-
Dividends	2,445	-	2,445	2,971	-	2,971
	2,462	-	2,462	2,971	-	2,971
Total income	208,889	14,825	223,714	202,517	14,650	217,167

4 Expenditure

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds	Restricted funds	Total 2020 £
4.1 Raising funds						
Incurred seeking donations & sponsorship	<u>2,887</u>	-	<u>2,887</u>	<u>15,462</u>	-	<u>15,462</u>
4.2 Charitable activities						
Direct school funding costs	164,750	21,525	186,275	163,771	37,569	201,340
Bank transfer fees	18	-	18	-	-	-
Communications & IT	2,784	-	2,784	3,311	-	3,311
General office	2,441	-	2,441	1,560	-	1,560
Insurance	442	-	442	-	-	-
Travel & subsistence	(69)	-	(69)	376	-	376
Finance & administration costs	20,105	-	20,105	15,458	-	15,458
Independent examination	550	-	550	792	-	792
	<u>191,021</u>	<u>21,525</u>	<u>212,546</u>	<u>185,268</u>	<u>37,569</u>	<u>222,837</u>
4.3 Other expenditure						
Loss on exchange rates	<u>1,395</u>	-	<u>1,395</u>	-	-	-
Total expenditure	<u><u>195,303</u></u>	<u><u>21,525</u></u>	<u><u>216,828</u></u>	<u><u>200,730</u></u>	<u><u>37,569</u></u>	<u><u>238,299</u></u>

5 Expenses & fees

No trustees received a remuneration for services rendered during the year, nor were any trustees' out of pocket expenses reimbursed.

5.1 Fees for examination of the accounts

	2021	2020
	£	£
Independent Examiner's fees	<u>550</u>	<u>792</u>

6 Investment assets

	Cash & cash equivalents	Listed investments	Total
	At cost	At fair value	
	£	£	£
Carrying (fair) value at beginning of year	168	43,276	43,444
Sale of disposals	4,742	7,247	11,989
Purchase of additions	(7,247)	(4,742)	(11,989)
Dividends	2,445	-	2,445
Add/(deduct): net gain/(loss) on revaluation	-	4,277	4,277
Carrying (fair) value at end of year	<u>108</u>	<u>50,058</u>	<u>50,166</u>
Comprising:			
Cash at cost			108
Investments at fair value			<u>50,058</u>
			<u>50,166</u>

7 Cash at bank and in hand

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
RBS current	12,618	-	12,618	9,399
RBS deposit	15,317	-	15,317	25,303
Coop	1,341	-	1,341	2,788
PayPal	368	-	368	654
US dollars	27,111	-	27,111	18,406
AUS dollars	8,235	-	8,235	3,848
	<u>64,990</u>	<u>-</u>	<u>64,990</u>	<u>60,398</u>

8 Debtors and prepayments

	2021	2020
	£	£
Debtors and prepayments		
Gift aid	5,988	6,491
Bank charges to be refunded	110	-
	<u>6,098</u>	<u>6,491</u>

9 Creditors and accruals	2021	2020
Analysis of creditors falling due within one year		
Accruals & deferred income	£ 550	£ 792
	<u>550</u>	<u>792</u>

10 Movement of funds

10.1 Movement of major funds

2021

Fund name	Balance b/fwd £	Incoming resources £	Outgoing resources £	Transfers £	Gain/loss on invest £	Balance c/fwd £
Unrestricted funds	102,841	208,889	195,303	-	4,277	120,704
Restricted Funds						
Turkahan Building fund	4,200	-	4,200	-	-	-
Patehra building fund	2,500	-	2,500	-	-	-
Nutrition	-	14,825	3,780	-	-	11,045
Smartboards	-	11,045	11,045	-	-	-
	6,700	14,825	21,525	-	-	-
Total Funds	109,541	223,714	216,828	-	4,277	120,704

2020

Fund Name	Balance b/fwd £	Incoming resources £	Outgoing resources £	Transfers £	Gain/loss on invest £	Balance c/fwd £
Unrestricted Funds	112,299	202,517	200,730	-	(11,245)	102,841
Restricted Funds						
Turkahan Building fund	-	4,200	-	-	-	4,200
Patehra building fund	29,619	10,450	37,569	-	-	2,500
Nutrition	-	-	-	-	-	-
	29,619	14,650	37,569	-	-	6,700
Total Funds	141,918	217,167	238,299	-	(11,245)	109,541

10.2 Details of Funds Held

Unrestricted Funds (General)

The general fund is unrestricted and available for general purposes.

Restricted Funds

The restricted funds are only available for the purposes specified for each fund, which are:

Turkahan Building fund

A fund to build three more classrooms which will enable children to have full days schooling rather than the current shift system

Patehra building fund

A fund to extend the building with three rooms for a secondary school which will enable more children to stay in the education system.

Nutrition

A fund to enable the improvement in physical improvement through healthcare and nutrition.

Smartboards

Donations given and matched by The Big Give Christmas Challenge for smartboards in schools.

11 Net assets between funds

Balance at 31st March 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Fixed assets			
Current assets	50,166	-	50,166
Current liabilities	71,088 (550)	-	71,088 (550)
	120,704	-	120,704
Balance at 31st March 2020	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed assets	43,444		43,444
Current assets	60,189 (792)	6,700 -	66,889 792
	102,841	6,700	109,541