

PRATHAM UK

FINANCIAL STATEMENTS

31 MARCH 2016

Company Number: 04708800

Charity Number: 1099386

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LEGAL AND ADMINISTRATIVE DETAILS

Legal Status	:	Company limited by guarantee
Company Number	:	04708800
Charity Registration number	:	1099386
Governing instrument	:	Memorandum and Articles of Association as amended by Special Resolution 1 August 2003 Incorporated 24 March 2003
Name of Trustees	:	Roy Martins (Chairman) Deepak (Dipi) Khilnani (Treasurer) Sanjeev Dhuna Ritu Kapoor Vinati Sukhdev Alka Deol – appointed 31 st August 2015 Dixit Joshi – appointed 31 st August 2015 Ravi Rajagopal – appointed 14 th December 2015 Avinash Vazirani – appointed 14 th December 2015 Rajeev Sibal – appointed 14 th September 2016 Chandrika Pathak – resigned 14 th September 2016 Bipin Desai – resigned 29 th April 2016 Ashwin Kumar – resigned 10 th September 2015 Vilas Gadkari – resigned 10 th September 2015
Company Secretary	:	Vinati Sukhdev
Registered Office	:	Suite 21 Vicarage House 58-60 Kensington Church Street London W8 4DB
Bankers	:	HSBC 92 Kensington High Street Kensington London W8 4SH ICICI Bank UK 21 Knightsbridge London SW1X 7LY
Auditors	:	SRLV 89 New Bond Street, London W1S 1DA

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Trustees have pleasure in presenting their report and the financial statements of the Charity for the year ended 31 March 2016.

Details of officers and professional advisers are set out on page 3. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and The Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005)

OBJECTS OF THE CHARITY

The organisation is overseen by its Trustees who are also directors of the Company.

The objectives of the Charity as stated in its constitution, as amended by special resolution on 3 July 2015, are to advance education amongst persons living in developing countries, especially but not exclusively working with children within slum communities in India.

Pratham is one of India's largest NGO's providing quality education to underprivileged children in India through low cost, scalable methods and works in collaboration with the government, local communities, parents, teachers and volunteers across the country. In 2015/16 Pratham worked in 23 of the 36 Indian states and Union Territories and reached 5 million children through its direct programmes and via governmental partnerships.

ORGANISATION AND POLICIES TO ACHIEVE OBJECTIVES

The Trustees meet regularly to manage and review the activity and direction of the Charity.

The Charity's main resources are currently directed at fundraising within the United Kingdom and using partner organisations to fulfil its charitable objectives as this makes efficient use of the partner organisation's local knowledge.

During the period under review, the trustees of Pratham UK cemented the position of pre-eminence the Charity enjoys amongst the Indian community and extended awareness to other communities within the UK. The volunteer base was energised by the appointment of a new Executive Committee head Navpreet Mann and efforts were made to engage more actively with a diverse group of potential donors across multiple business sectors.

New initiatives included:

- The Articles of Association were re-drafted to include clearly defined roles for patrons, trustee, Executive Committee and the general body of members.
- Partnership with the UBS Optimus Foundation was announced wherein the Foundation would add to donations to Pratham made through UBS accounts.
- We had a series of small events to raise awareness including a Jumpathon Contest in Iverna Montessori School Kensington in June 2015 and a photography exhibition by Carola Syz at the Baglioni Hotel in December 2015. The Christmas season also saw a Bankers' networking event at the Millennium Hotel London in conjunction with Cass Business School.
- Pratham UK continued to receive payments from Every Click and Give as You Live – in order to fundraise through money committed to shopping by our donor base.
- Dine Out for Education – a new restaurant initiative launched in the festive season added £1 to food bills at top London restaurants was continued this year.
- Universities and Colleges continued to select Pratham UK as their charity of choice and £ 15,365 was raised in 2015 through contributions by Oxford Hindu Society, UCL and Bath University.

TRUSTEE SELECTION, INDUCTION AND TRAINING

Trustees of Pratham UK are elected by a majority vote by the existing body of trustees after being nominated by an existing trustee or any volunteer of Pratham UK and (if required) after conducting informal or formal meetings with candidates to assess their interest and suitability. We often promote volunteers internally to the post of trustees.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

Upon induction, new trustees are given a standard pack on Pratham UK which includes:-

- Articles of Association
- Latest audited accounts including the trustees' report which has outline plans for next year
- Pratham brochure
- Pratham India's brochures and other relevant information

New Trustees are familiarised with the various functions performed by the Pratham UK Board by attending one or two meetings and are then assigned specific roles and responsibilities.

RESULTS AND FINANCIAL REVIEW

Fundraising

For the year ending 31 March 2016 Pratham UK had a gross income of £487,914 (2015 - £456,403). These funds, both solicited and unsolicited, arose from a broad set of donors including Individuals, Trusts and Corporations. Activities included parties and sporting events held during the year. The major categories of donations are shown below

Apr 2015 - Mar 2016

£

Income

Donation Received -Unrestricted

Individual Donations	82,201
Corporate Donations	218,945
Gift Aid	4,793
Total Donation Received –Unrestricted	305,939

Donation Received -Restricted

Legacy monies	175,000
Urban Learning Centres	5,000
Total Donation Received -Restricted	180,000

Bank Interest	1,975
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Total Income **487,914**

The net surplus for year ended 31 March 2016 was £50,109 (2015: net surplus £18,156).

PRATHAM ACTIVITIES AND FUND UTILISATION

The charity has contributed £218,159 (2015: £116,256) to Pratham led Trusts to deliver child education programmes.

Restricted Funds

Urban Learning Centres	5,000
Mussahar Community Children	175,000

Un-Restricted Funds

Pratham India - Read India	38,159
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Total **218,159**

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

RESERVES POLICY

Pratham agreed that its free reserves should cover twelve months of support costs. In respect of the current year this would mean there should be set aside reserves of around £150k.

At the year end Pratham UK held reserves of £271,260 (2015 - £221,151). All of these reserves are available as general reserves and there were no restricted reserves as at the year end.

Apart from this, it is the current view of the Trustees that reserves at the end of the year are adequate to cover deposits and outlay for the following year's expenses as well as incidental expenses for at least a twelve-month period. It is the view of the Trustees that in the context along with proposals for 2016/2017, a reserve fund of £150,000 will be adequate to meet the organisation's needs.

ORGANISATIONAL DEVELOPMENTS

Since its launch in May 2003, Pratham UK has raised over £5 million to help bring literacy to underprivileged children in India through various direct and catalytic programmes undertaken by Pratham in India.

Vinati Sukhdev continued in her role as Executive Director. Anupama Rai and Udetanshu helped with administration work through the year supported by Avishek Roy and Sakshi Jain who volunteered their services.

Blue Dot Consultants continued to handle payroll and accounting on a part-time basis.

The charity has dispensed with the external event managers in holding the annual gala and staff above now deal with this aspect of the gala. The cost of this staff is now apportioned 60% towards direct costs and 40% towards overheads to reflect their event managerial duties.

ACHIEVED GOALS FROM 2015-16

The Pratham UK office continues to streamline procedures and professionalize the structure while working hard to raise funds in an efficient and economical fashion.

The trustees decided to hold a Gala at an exquisite riverside venue, Shakespeare's Underglobe, on October 3rd 2015. This Gala was very successful in terms of awareness and funds raised. The theme of the Gala was the tree of learning and having a large tree in the middle of the hall lent atmosphere to the evening. A number of smaller events – sporting and social - were also planned to keep the momentum going for awareness and fundraising. The Pratham UK team did an incredible job to raise funds and awareness across multiple events such as the Triathlon, the London Marathon, and the British 10K run.

PRINCIPAL GOALS FOR THE COMING YEAR

- Continue to strengthen the support infrastructure in the office including financial record keeping, website development, contact management systems, communications and PR.
- Strengthen the Vision India model by recruiting more donors to the Club. Look to diversify the event content of Vision India ie have a few activity-oriented evenings such as wine appreciation and art appreciation instead of only talks. Look to diversify speaker base as well to broaden the engagement from young people.
- Strengthen social media outreach by gaining presence on Facebook and Twitter.
- Focus on outreach to Foundations and Corporations.
- Hold a fundraising Gala or a large event in late 2016 to raise funds for Pratham's programmes in India.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

VOLUNTEERS

Pratham is reliant on a very large number of individuals who are committed volunteers and who are absolutely vital for the whole range of operations Pratham undertakes. The trustees wish to thank all people who have volunteered, contributed or supported Pratham UK in any way during the year.

SIGNIFICANT ACTIVITIES

Key activities undertaken during the year were as follows:

- London Marathon April 26th 2015– Pratham UK was represented by Mahima Sukhdev and Arjun Khanal who did impressive times and raised a healthy £4,730 for Pratham UK through their Justgiving pages.
- Vision India get-togethers were arranged every quarter and Pratham UK introduced a London guided walk in June 2015 which was a big hit with the donor club. There was also a social evening at a top London nightclub Mahiki.
- Jaideep Prabhu – author of Jugaad spoke in December 2015 while entrepreneurs Ravi Deol and Amanda Hamilton shared their experiences with Vision India members in February 2016.
- Dav Dau represented Pratham at the Lidl Bananaman Triathlon on July 11th 2015 – he has consistently raised money for Pratham through participation in this grueling race.
- The British 10K Run July 12th 2015 - Over 30 runners supported Pratham UK through this race which took place in Central London's historic sights and over £4,000 was raised.
- Pratham UK Gala October 3rd 2015 – Held at the Shakespeare Underglobe and catered by Sriram Aylur Executive Chef of the Taj group of hotels, the event attracted 350 guests. Speaking at the event, Nicholas Perryman of UBS announced that Optimus Foundation would add to the funds raised. Another highlight was the announcement of a large legacy worth £175,000 being donated to Pratham. The evening ended with guests dancing to the live music of Sophie Chowdhry who had come from Mumbai especially for the occasion.
- On December 4th 2015 Carola Syz exhibited and sold her photographic prints at the Baglioni hotel in aid of Pratham. Over 100 people gathered to admire the works which were based on Indian dance mudras.
- On December 4th 2015, a networking hotel for business school students from the Cass Business School and bankers was held at the central London venue Millennium Hotel. Over £1,000 was raised.

RECENT EVENTS

- April 24th 2016 London Marathon. Kevin Thibout of Deutsche Bank ran the marathon under the Pratham banner and raised £2,063.
- July 10th 2016- the British 10k Run. Pratham enlisted 20 runners to take part in the London 10k run. Each of them was asked to raise over £200 and Pratham branded t-shirts were worn as participants ran the course. A useful £2,591 was raised.
- August 18th 2016 – Bicester Village shopping trip. A group of ladies went to Bicester Village and were treated to a VIP Day experience by Retail Value. This was part of a relationship building exercise which resulted in Value Retail buying a table at the Pratham UK Gala 2016.
- October 15th 2016 – Annual Charity Gala under Gala Chair Ms Ritu Kapoor was held with entertainer Sukhbir, key note speaker Dinyar Devitre from Pratham USA, a fashion show and an auction.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015 (Continued)**

RECENT EVENTS (Continued)

- 6th November 2016 - Diwali Storytelling with Seema Anand raising over £1,000. Over 70 children and their parents listened as Seema recounted the events leading up to Diwali at the London Business School. The response was enthusiastic and there was a demand for such children-oriented events to be held every year.

BUDGET FOR 2016-17

The Pratham UK budget looks to raise net income of £484,000 from a wide range of funding activities.

<u>Fundraising</u>	<u>2016/2017</u>	<u>Remarks</u>
Individual Donations	90,000	
Corporates/Foundations	170,000	
Gala	300,000	Net of expenses
Vision India	6,000	
Gift Aid + Interest	10,000	
Sports Events	13,000	
Income generated	589,000	
Less Administrative Cost	(105,000)	
Net Realisation	484,000	

The trustees are careful not to commit to projects in India for more funds than they have already secured.

PUBLIC BENEFIT

The trustees of Pratham UK confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission’s general guidance on public benefit.

How our activities deliver public benefit

Pratham’s mission is “Every Child in School and Learning Well” All our charitable activities focus on a goal of erasing illiteracy and teaching basic writing and arithmetic skills to India’s 100 million under-privileged children.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

The activities we had throughout the year include parties, smaller dinners and sporting events to raise awareness and bring in much needed funds. Please refer to Significant Activities section of the Trustees Report for the significant activities undertaken during the year in order to carry out the charity's aims for the public benefit, as well as their aims and strategies.

After events-related costs and support costs incurred are deducted, all money raised at Pratham UK goes directly to the programmes in India and makes a difference to millions of children all across India.

Who has benefited from our services?

Since 2007, Pratham has reached millions of children through its "Read India" programme with a goal to reach all of the 100 million illiterate children. In 2014/15 5 million children were reached through the Pratham led programmes in 23 states.

Pratham's Vocational Skills Training Programme has 7 centers across Maharashtra. Over 15,000 youth have been trained. Pratham has partnered with Larsen & Turbo to provide training in the construction industry, with Taj Hotels to provide training in the hospitality industry, with Godrej Agrovet to provide training in Agriculture, with Deutsche Bank to provide training in Banking and Financial Services and is about to start a partnership with Landmark Group to provide Retail Training.

The organization is founded on the firm belief that education is the fundamental right of every child and no child should be deprived of this basic right simply because he/she does not have access to it or does not have the resources to realize his/her dreams. Therefore all our programmes are designed to ensure that enrollment in schools increase, learning in schools and communities increase, the education net reaches children who are unable to attend school and models are replicated and scaled up to serve large numbers of children to achieve a large scale impact.

Over the years, the organization has grown both in scope and geographical coverage to reach out to millions of children living in both rural and urban areas through a range of interventions. Central to this massive expansion of Pratham's work has been a whole new way of approaching the education problem in India and a new way of implementing programs to create a national impact. Pratham strongly believes in working with the government to bring about large scale change and therefore our programmes are aimed at supplementing all governmental efforts. Our principle is based on a triangular partnership between the government, the corporate sector and the citizens. We also work with the school systems and communities to plan and implement our programmes by mobilizing thousands of volunteers especially women at the grass root level. Empowerment of women, especially from economically weaker sections of society and minority religious groups is often cited as one of Pratham's most significant contributions to the communities in which it intervenes.

In most states where the Read India campaign has been implemented, there has been a significant improvement in the learning levels of the children.

RISK ANALYSIS

The Trustees have undertaken a risk assessment for the charity encompassing all potential areas of risk and review this periodically. In light of the recent economic situation the officers of the charity have re-evaluated matters and will ask the trustees to formally adopt a revised risk policy to reflect the current circumstances, matters will be kept under close review so that the charity can respond appropriately at all times. Generally the trustees are satisfied that the operating systems and procedures are sufficient to meet those risks.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the results of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for maintenance and integrity of the corporate and financial information included on the charitable company's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DISCLOSURE TO THE AUDITOR

The Trustees, who are directors for the purposes of company law, and who served during the year, are set out on page 3 in accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

AUDITORS

The auditors, SRLV have indicated their willingness to continue in office and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

PRATHAM UK

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2016 (Continued)**

SMALL COMPANY PROVISIONS

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board of trustees and signed on its behalf.

D KHILNANI – TRUSTEE

Dated:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Pratham UK for the year ended 31 March 2016 which comprise the Statement of Financial Activities (incorporating Income and Expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body for the audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 10, the trustees, who are the directors of Pratham UK for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the charitable company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- the charitable company's financial statements have been prepared in accordance with the requirements of Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for the audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Trustees' report.

Richard Gilbert (Senior Statutory Auditor)

For and on behalf of SRLV

Chartered Accountants
Statutory Auditor
89 New Bond Street
London W1S 1DA

Dated:

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Year ended 31 March 2016			Year ended
		Restricted Funds	Unrestricted Funds	Total	31 March 2015
		£	£	£	£
Incoming resources:					
Incoming resources from generated funds:					
Voluntary income	2	180,000	41,722	221,722	118,819
Incoming resources from fundraising activities	3	-	264,217	264,217	335,633
Investment income		-	1,975	1,975	1,951
Total incoming resources		180,000	307,914	487,914	456,403
Resources expended:					
Costs of generating funds					
Costs of generating voluntary income	4	-	12,031	12,031	14,076
Fundraising trading costs	5	-	198,435	198,435	298,735
Charitable activities	7	180,000	38,159	218,159	116,256
Governance costs	6	-	9,180	9,180	9,180
Total resources expended		180,000	257,805	437,805	438,247
Net income for the year		-	50,109	50,109	18,156
Total funds brought forward		-	221,151	221,151	202,995
Total funds carried forward		-	271,260	230,699	221,151

Movements in funds are shown in note 15 to the accounts

All results for the year and the prior year are attributable to continuing activities.

The notes on pages 16 to 21 form part of these accounts.

**BALANCE SHEET
AS AT 31 MARCH 2016**

	Notes	2016 £	2015 £
FIXED ASSETS	11	-	-
CURRENT ASSETS			
Debtors	12	220,265	6,552
Cash at bank and in hand		247,484	225,470
		<u>467,749</u>	<u>232,022</u>
CREDITORS: Amounts falling due within one year	13	196,489	10,871
NET CURRENT ASSET		<u>271,260</u>	<u>221,151</u>
NET ASSETS		<u>271,260</u>	<u>221,151</u>
CAPITAL AND RESERVES			
Unrestricted Funds	16	271,260	221,151
Restricted Funds	16	-	-
	15	<u>271,260</u>	<u>221,151</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015)

The financial statements were approved and authorised for issue by the board of trustees and were signed on its behalf on

D KHILNANI - TRUSTEE

Charitable company registration number: 04708800

The notes on pages 16 to 21 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost accounting convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Companies Act 2006 and are in accordance with the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005.

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements

(b) Voluntary income

Voluntary income includes donations, legacies, grants from foundations and similar income resources. There are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

(c) Donated goods and services

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the value to the charity of the service or facility received. This will be the price the charity estimates it would pay in the open market for a service or facility of equivalent utility.

(d) Charitable expenditure

Charitable expenditure comprises those costs incurred in pursuance of the charitable aims of the company.

Grants payable to partner organisations for educational projects are included in the Statement of Financial Activities (SOFA) when approved by the Trustees and agreed with the other organisations. The value of such grants unpaid at the year end is accrued.

(e) Costs of generating voluntary income

Costs of generating voluntary income incorporate the costs incurred in attracting voluntary grants and donations not connected to a specific event.

(f) Fundraising trading costs

Fundraising trading costs incorporate direct and indirect costs incurred in organising fundraising activities. 60% of all human resources costs are allocated to direct fundraising trading costs.

(g) Governance costs

Governance costs are those costs incurred in the management of the charity's assets, organisation and compliance functions.

(h) Support costs

Support costs include central functions of the charity and have been allocated to activity cost categories based on the proportion of time spent by the staff on fundraising and other charitable activities for human resources cost, and for the office cost based on proportion of income derived from fundraising events and other voluntary income. 40% of all human resources costs are allocated to support costs.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016 (continued)

1. ACCOUNTING POLICIES (continued)

(i) Expenditure and its allocation

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered as the charity is not registered for VAT.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Costs which may be attributable to more than one activity are apportioned across cost categories

(j) Foreign Currency

Transactions in foreign currency are translated into Sterling at the rate applying on the date of the transaction. Balances denominated in foreign currencies are translated into Sterling at the rate of exchange running at the balance sheet date. All exchange differences are dealt with in the Statement of Financial Activities.

(k) Auctions

Where the charity owns the asset being auctioned then proceeds from auction are shown as the amount at which the lot was sold to the buyer. When the charity runs an auction at which the asset being auctioned still belongs to the original owner, the amount shown as income is that proportion of the amount at which the lot was sold that the original owner agreed should be taken by Pratham as a donation.

(l) Fixed Assets

Website development costs

Website planning costs are charged to the Statement of Financial Activities (SOFA) as incurred.

Computers

Computer equipment acquired during the year is depreciated in the first year of purchase over three years.

(m) Fund accounting

Funds held by the charity are either:-

- (i) Unrestricted general funds – these are funds without specified purpose and are available as general funds.
- (ii) Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- (iii) Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

(n) Legacies and gifts in kind

Legacies, donations and gifts are recognised when receivable or it becomes probable that they will be received and the value can be measured with sufficient reliability.

Gifts in kind are included in the accounts at an estimate of their gross value.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

2. VOLUNTARY INCOME

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
Donations from individual supporters and businesses	41,722	118,819
Grants from charitable foundations and legacies	180,000	-
	<u>221,722</u>	<u>118,819</u>

3. INCOMING RESOURCES FROM FUNDRAISING ACTIVITIES

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
Income from events	<u>264,217</u>	<u>335,633</u>

4. COST OF VOLUNTARY INCOME

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
Support costs allocated (see note 8)	<u>12,031</u>	<u>14,076</u>

5. FUNDRAISING TRADING COSTS

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
Direct costs of staging of events	150,310	242,425
Support costs allocated (see note 8)	48,125	56,310
	<u>198,435</u>	<u>298,735</u>

6. GOVERNANCE COSTS

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
Statutory audit fees	6,000	6,000
Accountancy fees	3,180	3,180
	<u>9,180</u>	<u>9,180</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

7. GRANTS PAYABLE

	<u>Year ended</u> <u>31 March 2016</u>	<u>Year ended</u> <u>31 March 2015</u>
	£	£
Read India – Pratham India	38,159	110,256
Urban Learning Centres	5,000	-
Mussahar Community Children	175,000	-
Celebrate India – Street to School	-	6,000
	<u>218,159</u>	<u>116,256</u>

The charity has provided grants listed above to Pratham led Trusts in India to deliver child education programmes. Further grants will be proposed at the next board of trustees meeting.

An indication of the initiatives supported by the partner organisations can be found in the Trustees Annual Report.

8. SUPPORT COSTS (OVERHEADS)

	Office cost	Human Resources	<u>Year ended</u> <u>31 March 2016</u>	<u>Year ended</u> <u>31 March 2015</u>
	£	£	£	£
Voluntary income	6,894	5,137	12,031	14,076
Fundraising activities	27,578	20,547	48,125	56,310
Total costs allocated	<u>34,472</u>	<u>25,684</u>	<u>60,156</u>	<u>70,386</u>

The human resources support costs above have been apportioned across the work of the charity based on the estimated time spent by the staff on fundraising and other voluntary activities, which for the year was in the proportion of 80:20. Office cost has been allocated based on the same proportion of income derived from fundraising and other voluntary income. These costs represent 40% of the overheads expenditure during the year.

9. STAFF COSTS

Staff costs, including directors' remuneration were as follows:

	<u>Year ended</u> <u>31 March 2016</u>	<u>Year ended</u> <u>31 March 2015</u>
	£	£
Wages and salaries	45,500	45,500
Social security costs	3,160	5,551
	<u>48,660</u>	<u>51,051</u>

There was only one employee during the year and prior year.

10. TAXATION

The company is a registered charity and it is considered that its activities are such that no taxation liability will arise.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

11. TANGIBLE FIXED ASSETS

	Computers £	Total £
Cost		
At 1 April 2015	1,070	1,070
Additions	-	-
Disposals	-	-
At 31 March 2016	<u>1,070</u>	<u>1,070</u>
Depreciation		
At 1 April 2015	1,070	1,070
Charge for the year	-	-
Disposals	-	-
At 31 March 2016	<u>1,070</u>	<u>1,070</u>
Net Book Value		
At 31 March 2016	<u>-</u>	<u>-</u>
At 1 April 2015	<u>-</u>	<u>-</u>

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
12. DEBTORS		
Other debtors	214,846	-
Prepayments and accrued income	5,419	6,552
	<u>220,265</u>	<u>6,552</u>

13. CREDITORS: Amounts falling due within one year

	<u>Year ended</u> <u>31 March 2016</u> £	<u>Year ended</u> <u>31 March 2015</u> £
Other creditors	180,328	4,871
Accruals and deferred income	16,161	6,000
	<u>196,489</u>	<u>10,871</u>

14. CAPITAL

The Company has no share capital, being limited by guarantee. There are 11 members of the company, each of whom has undertaken to contribute £1 in the event of the company being wound up.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
	£	£	£
Fixed Assets	-	-	-
Bank	-	247,484	247,484
Debtors	-	45,265	45,265
Current Liabilities		(21,489)	(21,489)
	-	271,260	271,260

16. MOVEMENT IN FUNDS

	<u>At 1 April 2015</u>	<u>Incoming Resources</u>	<u>Outgoing Resources</u>	<u>At 31 March 2016</u>
	£			
Restricted Funds:				
Legacy monies	-	175,000	(175,000)	-
Urban Learning Centres	-	5,000	(5,000)	-
Total Restricted Funds	-	180,000	(180,000)	-
Total Unrestricted Funds	221,151	307,914	(257,805)	271,260
Total Funds	221,151	487,914	(437,805)	271,260

17. RELATED PARTY TRANSACTIONS

Mrs Vinati Sukhdev, one of the directors, who is also a trustee received an annual gross salary of £45,500 (2015 - £45,500). The cost of employing the trustee during the year amounted to £48,660 (2015 - £51,051). None of the other trustees were remunerated. No employee received remuneration amounting to more than £60,000 in either year.

No other related party transactions were entered into during the year, or in the prior year.

18. COMMITMENTS AT YEAR END

The charity had not entered into any commitments in the current financial year.

19. CONTROLLING PARTY

The charity has no ultimate controlling party.