

**PRATHAM UK**

**TRUSTEES' REPORT  
AND  
FINANCIAL STATEMENTS**

**31 MARCH 2018**

**Company Number: 04708800**

**Charity Number: 1099386**

## PRATHAM UK

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## PRATHAM UK

### REFERENCE AND ADMINISTRATIVE DETAILS, TRUSTEES AND ADVISERS

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|                             |   |
|-----------------------------|---|
| Company number              | 04708800  |
| Charity registration number | 1099386   |
| Governing instrument        | Memorandum and Articles of Association<br>as amended by Special Resolution 3 July 2015<br>Incorporated 24 March 2003  |
| Name of trustees            | Avinash Vazirani (Chairman)<br>Roy Martins<br>Ravi Rajagopal<br>Sanjeev Dhuna<br>Ritu Kapoor<br>Vinati Sukhdev – resigned 28 November 2018<br>Alka Deol<br>Dixit Joshi<br>Rajeev Sibal<br>Adarsh Sarma – appointed 14 September 2017<br>Sakate Khaitan – appointed 26 March 2018<br>Karthic Jayaraman – appointed 26 June 2018<br>Ashok Vaswani – appointed 12 August 2018<br>Deepak (Dipi) Khilnani – resigned 24 October 2018 |
| Company secretary           | Vinati Sukhdev – resigned 28 November 2018<br>Rajeev Sibal – appointed 28 November 2018   |
| Registered office           | Suite 21<br>Vicarage House<br>58-60 Kensington Church Street<br>London<br>W8 4DB  |
| Bankers                     | HSBC<br>92 Kensington High Street<br>Kensington<br>London<br>W8 4SH<br>ICICI Bank UK<br>1 Thomas More Square<br>Thomas More Street<br>London<br>E1W 1YN   |
| Independent auditor         | SRLV Audit Limited<br>Chartered Accountants and Statutory Auditor<br>89 New Bond Street<br>London<br>W1S 1DA  |

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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The trustees present their annual report together with the financial statements for the year ended 31 March 2018. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective (1 January 2015) as amended by update Bulletin 1 (effective 1 January 2015).

Details of officers and professional advisers are set out on page 3.

**CONSTITUTION**

Pratham UK is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 24 March 2003 as amended by Special Resolution on 26 June 2006. It is registered as a charity with the Charity Commission.

**OBJECTIVES AND ACTIVITIES OF THE CHARITY**

The organisation is governed and overseen by its trustees who are also directors of the company.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. 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 NGOs 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 2017/18 Pratham worked in 23 of the 36 Indian states and Union Territories and reached over 4.5 million children through its direct programmes and via governmental partnerships across 27 cities.

Pratham also impacted more than 20,000 youth for vocational training and 4,000 school drop-outs, mainly girls, through the "Second Chance" programme.

**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.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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New initiatives included:

- A partnership with London School of Economics South Asia Centre wherein LSE agreed to publicize Pratham through material provided at events and Pratham offered LSE students internships and discounted membership to the young professionals networking group Vision India;
- New Universities and Colleges were reached to select Pratham UK as their charity of choice and The University of Leeds donated to us for the first time;
- Vision India events featured Hiten Thakrar of Syncona Ltd who spoke on the impact of Innovation and New Tech Funds on Life Sciences and Healthcare Industries as well as Thought Leader and Author Sarwant Singh of Frost & Sullivan on his new book 'Mega Trends';
- Social media ads and boosted posts were used to engage younger donors and following on social media went up considerably; and
- Corporate partnership outreach resulted in Star Tours donating £25,000.

**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.

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; and
- 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.

## PRATHAM UK

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

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#### ACHIEVEMENTS AND PERFORMANCE

##### REVIEW OF ACTIVITIES

###### Fundraising

For the year ending 31 March 2018 Pratham UK had a gross income of £584,453 (2017 - £645,839). 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

| Income  | Year ended<br>31 March 2018<br>£ |
|---|----------------------------------|
| <b>Donation Received - Unrestricted</b>       |                                  |
| Individual Donations                          | 147,202                          |
| Corporate Donations                           | 210,835                          |
| Gift Aid                                      | 27,075                           |
| <b>Total Donation Received - Unrestricted</b> | <b>385,112</b>                   |
| <b>Donation Received -Restricted</b>          |                                  |
| Foundation – Read India project               | 125,031                          |
| Pradigi – Pratham Digital learning            | 58,000                           |
| Second Chance programme                       | 15,000                           |
| <b>Total Donation Received -Restricted</b>    | <b>198,031</b>                   |
| Bank interest                                 | 1,310                            |
| <b>Total Income</b>                           | <b>584,453</b>                   |

The net surplus for year ended 31 March 2018 after charitable donations was £62,643 (2017 - £191,436).

## PRATHAM UK

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

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#### PRATHAM ACTIVITIES AND FUND UTILISATION

The charity has contributed £300,000 (2017 - £223,043) to Pratham led Trusts to deliver child education.

| <b>Restricted Funds</b>                       | <b>£</b>                   |
|---|----------------------------|
| Pratham India – Read India (from foundations) | 140,000                    |
| Pradigi – Pratham Digital learning            | 58,000                     |
| Second Chance programme                       | 15,000                     |
|   | <hr/>                      |
|   | 213,000                    |
| <b>Un-Restricted Funds</b>                    |                            |
| Pratham India – Pratham Education Foundation  | 87,000                     |
| <b>Total</b>                                  | <hr/> <b>300,000</b> <hr/> |

#### 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 £525,339 (2017 - £462,696). Of these reserves £400,308 (2017 - £322,696) are available as general reserves and £125,031 (2017 - £140,000) were 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 2018/2019, 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. Sakshi Jain continued to provide support to office administration work throughout the year before leaving the organisation on 31<sup>st</sup> March 2018. Roohani Singh took over that role from Sakshi Jain and commenced on 1<sup>st</sup> June 2018.

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

The charity's annual gala is dealt by the staff above. The cost of these staff members is now apportioned 60% towards direct costs and 40% towards overheads to reflect their event managerial duties.

## **PRATHAM UK**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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#### **ACHIEVED GOALS FROM 2017-18**

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

The trustees decided to hold a Gala at the prestigious venue, The Landmark London on 14 October 2017. This Gala was very successful in terms of awareness and funds raised. The theme of the Gala was Pradigi & Second Chance Girls' Education. A fashion show by Satya Paul followed by guest of honour, Neerja Birla delivered the key note address and brand ambassador, Bollywood actress Aditi Rao Hydari & singer & wellness entrepreneur, Raageshwari entertained through the night. Co-sponsored by UBS the event attracted over 300 attendees. A number of smaller events, both sporting and social, were also planned to keep the momentum going for awareness and fundraising.

#### **PRINCIPAL GOALS FOR THE COMING YEAR**

- Continue to strengthen the support infrastructure in the office including financial record keeping, website development, social media and contact management systems, communications and PR;
- Evaluate the impact of GDPR on our database and seek new ways to expand the database within the current regulatory framework;
- Strengthen the Vision India model by recruiting more donors to the Club. Reach out to partner associations such as Indian Young Professionals Network (IYPN) and Indian Professionals Forum (IPF) to offer our members more events and networking opportunities;
- Focus on outreach to Foundations and Corporations;
- Hold a fundraising Gala in late 2018 to raise funds for Pratham's programmes in India;
- Leverage on Pratham USA strengths and build a more active partnership with them; and
- Optimise the Google adwords grant of \$10,000 a month by engaging with Search Engine optimisation professionals (SEO).

#### **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 21 April 2017 – Pratham UK was represented by Yash Dubal who raised over £2,350 for Pratham UK.
- Gaylords Dinner 21 May 2017 - Over 70 people attended the dinner and raised over £2,300 - it was an evening of delicious Indian food and fun. Guests participated in a raffle and were entertained by a stand up comedian, George Court.



## **PRATHAM UK**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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- Vision India get-togethers were arranged every quarter and Pratham UK introduced an impressive line up of speakers including Puja Handa who gave the audience a meditation class as part of the Art of Living. Noted environmental economist Pavan Sukhdev spoke on corporates and their role in building a new economic order which would help the environment.
- Pratham UK Gala 14 October 2017 – The annual fundraiser was held at the Landmark Hotel. A fashion show by Satya Paul, the key note speech by Rajesh Agrawal, Deputy Mayor of London for Business and a talk by Neerja Birla, Guest of Honour and trustee of Pratham India were the highlights of the evening. Aditi Rao Hydari was the celebrity brand ambassador at the event and Raageshwari was the entertainer.
- The Annual Charity Gala was also used as a platform to raise funds for the Pratham Digital Learning programme and the Girls' Education programme. In addition to funds raised at the gala, an additional £75,000 was raised during the event which was donated directly to Pratham India by the Brady Dougan Foundation.

### **RECENT EVENTS**

- 29 April 2018 - Pratham UK held a Holi (festival of colours) party in the daytime and over 250 people attended and were entertained by singers and dancers by our charity partners, Magic of India and over £260 was pledged in donations.
- 15 June 2018 - Founders Pledge is a forum which brings together Europe's foremost network of digital and technological entrepreneurs whereby they agree to donate a percentage of their earnings to charities and Pratham was given an opportunity to present its work. This most prestigious event was held in Watford and co-founder of Pratham, Madhav Chavan presented Pratham's initiative in providing quality education to underprivileged children in India.
- 15 July 2018 - Over 8 runners supported Pratham UK and over £5,000 was raised for Pratham charities.
- 6 October 2018 – Annual Charity Gala under Gala Chair Charu Sarma was held with a fashion show by House of Masaba, key note speech by Alok Sharma, Minister of State for Employment, speech by Madhav Chavan, co-founder of Pratham India followed by an auction. Swara Bhaskar was the celebrity ambassador at the event and Sagarika Da Costa & Pradeep Menon were the entertainers.
- 4 November 2018 - A Diwali (festival of lights) party was held at Swiss Cottage Leisure Centre from 3pm to 7pm where over 200 people attended entertained by our charity partners, Magic of India and £300 was pledged in donations.
- Pratham UK was fortunate to be left a legacy of £30,000 in the estate of a generous donor to be utilised for Pratham led programmes.

## PRATHAM UK

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

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#### BUDGET FOR 2018-19

The Pratham UK budget looks to raise net income of £515,000 from a wide range of funding activities.

| <u>Fundraising</u>        | 2018/2019<br>£ | Remarks            |
|---------------------------|----------------|--------------------|
| Individual Donations      | 130,000        | Including legacies |
| Corporates/Foundations    | 150,000        | Including grants   |
| Gala                      | 285,000        | Net of expenses    |
| Vision India              | 2,250          |                    |
| Gift Aid + Interest       | 30,000         |                    |
| Sports Events             | 7,750          |                    |
| <b>Income generated</b>   | <b>605,000</b> |                    |
| Less: Administrative Cost | (90,000)       |                    |
| <b>Net Realisation</b>    | <b>515,000</b> |                    |

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

#### PUBLIC BENEFIT STATEMENT

The trustees of Pratham UK confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and 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.

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 2017/18 over 4.5 million children were reached through the Pratham led programmes in 23 states.

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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Pratham's Vocational Skills Training Programme has 7 centres across Maharashtra. Over 15,000 youth have been trained. Pratham has partnered with Larsen & Toubro 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 organisation 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 realise 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 organisation 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 programmes 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 mobilising 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. This is done through simple intervention procedures such as Learning Camps where children are grouped according to ability rather than age or grade.

**RISK MANAGEMENT**

The trustees have undertaken a risk assessment for the charity encompassing all potential areas of risk and review this periodically. In light of Brexit and 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 in place to mitigate our exposure to the major risks.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**AUDITOR**

The auditor, SRLV Audit Limited has indicated its willingness to continue in office. The designated trustees will propose a motion re-appointing the auditor at a meeting of the trustees.

PRATHAM UK

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

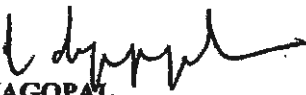
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**PLANS FOR FUTURE PERIODS**

The funding of the charity will continue to be reviewed. The trustees expect to make further donations to their partner organisations to achieve their goals of providing quality education to underprivileged children and help make a difference through educating children.

In accordance with a grant agreement between the charity and UBS Optimus Foundation UK, the foundation will provide financial support to meet the objectives of the Read India project (the aim of which is to assist children in India to read, write and do basic maths). An amount of £457,671 in total will be received, provided the charity is able to reach a target of 200,000 children with the Read India programme. The charity is currently meeting the performance objectives set out in the grant agreement, and has received £298,730 in this regard up to 31 March 2018. A further £33,910 was received in November 2018 and a final tranche of £125,031 is due before the end of December 2018.

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

  
**R RAJAGOPAL**  
Trustee  
Date: 19 December 2018

## **PRATHAM UK**

### **TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

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The trustees, who are the directors of Pratham UK for the purposes of company law, are responsible for preparing the trustee's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. The trustees have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.' 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 incoming resources and application of resources, including the income and expenditure, of the charitable company 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its trustees in writing about the disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Opinion**

We have audited the financial statements of Pratham UK for the year ended 31 March 2018 which comprises the statement of financial activities (incorporating income and expenditure account), the charitable company balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 2018 and of the charitable company's net movement in funds, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Respective responsibilities of trustees and auditor**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which 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;

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

PRATHAM UK

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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**Use of our report**

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.

*SRLV Audit Limited*

Richard Gilbert (Senior Statutory Auditor)

For and on behalf of:

**SRLV Audit Limited**

Chartered Accountants

Statutory Auditor

89 New Bond Street

London

W1S 1DA

*19 December 2018*



**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2018**

| Year ended 31 March 2018                        |       |                                  |                                    |                             |                             |
|---|-------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
|   | Notes | Restricted<br>funds<br>2018<br>£ | Unrestricted<br>funds<br>2018<br>£ | Total<br>funds<br>2018<br>£ | Total<br>funds<br>2017<br>£ |
| <b>Incoming resources:</b>                      |       |                                  |                                    |                             |                             |
| <i>Incoming resources from generated funds:</i> |       |                                  |                                    |                             |                             |
| Voluntary income                                | 2     | 125,031                          | 100,916                            | 225,947                     | 206,186                     |
| Incoming resources from fundraising activities  | 3     | 73,000                           | 189,756                            | 262,756                     | 274,113                     |
| Incoming resources from auctions                | 3     |                                  | 94,440                             | 94,440                      | 165,255                     |
| Investment income                               |       | -                                | 1,310                              | 1,310                       | 285                         |
| <b>Total incoming resources</b>                 |       | <u>198,031</u>                   | <u>386,422</u>                     | <u>584,453</u>              | <u>645,839</u>              |
| <b>Resources expended:</b>                      |       |                                  |                                    |                             |                             |
| <i>Costs of generating funds:</i>               |       |                                  |                                    |                             |                             |
| Costs of generating voluntary income            | 4     | -                                | 12,718                             | 12,718                      | 10,540                      |
| Fundraising costs                               | 5     | -                                | 162,512                            | 162,512                     | 150,823                     |
| Auction costs                                   | 5     |                                  | 23,744                             | 23,744                      | 49,410                      |
| Charitable activities                           | 7     | 213,000                          | 87,000                             | 300,000                     | 223,043                     |
| Governance costs                                | 6     | -                                | 22,836                             | 22,836                      | 20,587                      |
| <b>Total resources expended</b>                 |       | <u>213,000</u>                   | <u>308,810</u>                     | <u>521,810</u>              | <u>454,403</u>              |
| <b>Net income /(deficit) for the year</b>       |       | (14,969)                         | 77,612                             | 62,643                      | 191,436                     |
| Total funds brought forward                     |       | 140,000                          | 322,696                            | 462,696                     | 271,260                     |
| <b>Total funds carried forward</b>              |       | <u>125,031</u>                   | <u>400,308</u>                     | <u>525,339</u>              | <u>462,696</u>              |

Movements in funds are shown in note 17 to the financial statements.

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

The notes on pages 20 to 27 form part of these financial statements.

PRATHAM UK

BALANCE SHEET  
AS AT 31 MARCH 2018

|   | Notes | £              | 2018<br>£      | £              | 2017<br>£ |
|---|-------|----------------|----------------|----------------|-----------|
| <b>FIXED ASSETS</b>                                   |       |                |                |                |           |
| Tangible assets                                       | 11    |                |                |                |           |
| <b>CURRENT ASSETS</b>                                 |       |                |                |                |           |
| Debtors   | 12    | 247,456        |                | 229,423        |           |
| Cash at bank and in hand                              | 13    | 313,389        |                | 243,608        |           |
|   |       | <u>560,845</u> |                | <u>473,031</u> |           |
| <b>CREDITORS: Amounts falling due within one year</b> | 14    | 35,506         |                | 10,335         |           |
| <b>NET CURRENT ASSETS</b>                             |       |                | <u>525,339</u> | <u>462,696</u> |           |
| <b>NET ASSETS</b>                                     |       |                | <u>525,339</u> | <u>462,696</u> |           |
| <b>FUNDS</b>  |       |                |                |                |           |
| Unrestricted funds                                    | 17    | 400,308        |                | 322,696        |           |
| Restricted funds                                      | 17    | 125,031        |                | 140,000        |           |
|   |       |                | <u>525,339</u> | <u>462,696</u> |           |
| <b>TOTAL FUNDS</b>                                    | 16    |                | <u>525,339</u> | <u>462,696</u> |           |

The financial statements were approved and authorised for issue by the board of trustees and were signed on its behalf on *19 December 2018*



**R RAJAGOPAL**  
Trustee

The notes on pages 20 to 27 form part of these financial statements.

Company registration number: 04708800

PRATHAM UK

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018

|   | 2018           | 2017           |
|---|----------------|----------------|
|   | £              | £              |
| <b>Cash flows from operating activities:</b>                    |                |                |
| Net income for the financial year                               | 62,643         | 191,436        |
| <b>Adjustments for</b>  |                |                |
| Interest receivable   | (1,310)        | (285)          |
| Increase in debtors   | (18,033)       | (9,158)        |
| Increase/(decrease) in creditors                                | 25,171         | (186,154)      |
| <b>Net cash generated from / (used in) operating activities</b> | <u>68,471</u>  | <u>(4,161)</u> |
| <b>Cash flows from investing activities:</b>                    |                |                |
| Interest received   | 1,310          | 285            |
| <b>Net cash generated from investing activities</b>             | <u>1,310</u>   | <u>285</u>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | 69,781         | (3,876)        |
| Cash and cash equivalents at the beginning of year              | 243,608        | 247,484        |
| <b>Cash and cash equivalents at the end of year</b>             | <u>313,389</u> | <u>243,608</u> |
| <b>Cash and cash equivalents at end of year comprise:</b>       |                |                |
| Cash at bank and in hand  | 313,389        | 243,608        |
|   | <u>313,389</u> | <u>243,608</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements have been prepared in accordance with 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 (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Pratham UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The company is registered in England and Wales and the address of its registered office is Suite 21, Vicarage House, 58-60 Kensington Church Street, London, W8 4DB.

**Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity 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 incoming resources. These 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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**1. ACCOUNTING POLICIES (continued)**

**(g) Governance costs**

Governance costs are those costs incurred in the management of the charity's assets, organisation and compliance functions. The allocation policy is to include 25% of the trustee's salary costs as part of governance costs. This allocation is considered a reasonable approximation of the time spent on governance activities.

**(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.

**(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**

The company's functional and presentational currency is pound sterling. 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**

Computer equipment acquired during the year is depreciated in the first year of purchase over three years on a straight line basis and carried at cost, net of depreciation and any provision for impairment.

**(m) Debtors**

Other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(n) Cash at bank and in hand**

Cash at bank and in hand is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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**1. ACCOUNTING POLICIES (continued)**

**(o) Creditors**

Short term creditors are measured at the transaction price.

**(p) Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**(q) 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.

**(r) 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.

**(s) Operating lease**

Rentals paid under operating leases are charged to the statement of financial activity on a straight-line basis over the lease term..

**(t) Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**(u) Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**2. VOLUNTARY INCOME**

|   | <b>2018</b>    | <b>2017</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Donations from individual supporters and businesses | 100,916        | 60,186         |
| Grants from charitable foundations and legacies     | 125,031        | 146,000        |
|   | <u>225,947</u> | <u>206,186</u> |

**3. INCOMING RESOURCES FROM FUNDRAISING ACTIVITIES AND AUCTIONS**

|                      | <b>2018</b>    | <b>2017</b>    |
|----------------------|----------------|----------------|
|                      | <b>£</b>       | <b>£</b>       |
| Income from events   | 262,756        | 274,113        |
| Income from auctions | 94,440         | 165,255        |
|                      | <u>357,196</u> | <u>439,368</u> |

**4. COST OF GENERATING VOLUNTARY INCOME**

|                                  | <b>2018</b>   | <b>2017</b>   |
|----------------------------------|---------------|---------------|
|                                  | <b>£</b>      | <b>£</b>      |
| Support costs allocated (note 8) | 12,718        | 10,540        |
|                                  | <u>12,718</u> | <u>10,540</u> |

**5. FUNDRAISING COSTS OF EVENTS AND AUCTIONS**

|                                   | <b>2018</b>    | <b>2017</b>    |
|-----------------------------------|----------------|----------------|
|                                   | <b>£</b>       | <b>£</b>       |
| Direct costs of staging of events | 111,641        | 108,663        |
| Support costs allocated (note 8)  | 50,871         | 42,160         |
|                                   | <u>162,512</u> | <u>150,823</u> |
| Auction costs                     | <u>23,744</u>  | <u>49,410</u>  |

**6. GOVERNANCE COSTS**

|                        | <b>2018</b>   | <b>2017</b>   |
|------------------------|---------------|---------------|
|                        | <b>£</b>      | <b>£</b>      |
| Statutory audit fees   | 6,600         | 6,000         |
| Accountancy fees       | 2,625         | 2,625         |
| Trustee's salary costs | 13,611        | 11,962        |
|                        | <u>22,836</u> | <u>20,587</u> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**7. CHARITABLE ACTIVITIES**

|                                     | <b>2018</b>    | <b>2017</b>    |
|-------------------------------------|----------------|----------------|
|                                     | <b>£</b>       | <b>£</b>       |
| Read India – Pratham India          | 227,000        | 217,043        |
| Pradigi – Pratham Digital           | 58,000         | –              |
| Second Chance Programme             | 15,000         | –              |
| Read India – Pratham Learning Camps | –              | 6,000          |
|                                     | <u>300,000</u> | <u>223,043</u> |

During the year, all grants were paid to institutions (2017 – all institutions).

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 trustee’s report.

**8. SUPPORT COSTS (OVERHEADS)**

|                        | <b>Office cost</b> | <b>Human resources</b> | <b>Total</b>  | <b>Total</b>  |
|------------------------|--------------------|------------------------|---------------|---------------|
|                        | <b>2018</b>        | <b>2018</b>            | <b>2018</b>   | <b>2017</b>   |
|                        | <b>£</b>           | <b>£</b>               | <b>£</b>      | <b>£</b>      |
| Voluntary income       | 6,819              | 5,899                  | 12,718        | 10,540        |
| Fundraising activities | 27,274             | 23,597                 | 50,871        | 42,160        |
| Total costs allocated  | <u>34,093</u>      | <u>29,496</u>          | <u>63,589</u> | <u>52,700</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 trustees’ remuneration were as follows:

|                              | <b>2018</b>   | <b>2017</b>   |
|------------------------------|---------------|---------------|
|                              | <b>£</b>      | <b>£</b>      |
| Wages and salaries (note 18) | 51,125        | 45,500        |
| Social security costs        | 2,929         | 2,160         |
| Pension contributions        | 389           | 186           |
|                              | <u>54,444</u> | <u>47,846</u> |

The charity had one employee during the year and prior year.

During the year, no trustee received any benefits in kind (2017 - £NIL), nor any reimbursement of expenses (2017 - £NIL).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**10. INTEREST RECEIVABLE AND SIMILAR INCOME**

|                          | <b>2018</b> | <b>2017</b> |
|--------------------------|-------------|-------------|
|                          | <b>£</b>    | <b>£</b>    |
| Bank interest receivable | 1,310       | 285         |

**11. TANGIBLE FIXED ASSETS**

|                       | <b>Computers</b> | <b>Total</b> |
|-----------------------|------------------|--------------|
|                       | <b>£</b>         | <b>£</b>     |
| <b>Cost</b>           |                  |              |
| At 1 April 2017       | 1,070            | 1,070        |
| Additions             | -                | -            |
| Disposals             | -                | -            |
| At 31 March 2018      | 1,070            | 1,070        |
| <b>Depreciation</b>   |                  |              |
| At 1 April 2017       | 1,070            | 1,070        |
| Charge for the year   | -                | -            |
| Disposals             | -                | -            |
| At 31 March 2018      | 1,070            | 1,070        |
| <b>Net Book Value</b> |                  |              |
| At 31 March 2018      | -                | -            |
| At 1 April 2017       | -                | -            |

**12. DEBTORS**

|                                | <b>2018</b> | <b>2017</b> |
|--------------------------------|-------------|-------------|
|                                | <b>£</b>    | <b>£</b>    |
| Other debtors                  | 82,785      | 77,608      |
| Prepayments and accrued income | 164,671     | 151,815     |
|                                | 247,456     | 229,423     |

Included within debtors is an amount of £125,031 (2017 - £140,000) in respect of accrued income from a charitable foundation, as disclosed in the trustee's report.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**13. CASH**

|                          | <b>2018</b> | <b>2017</b> |
|--------------------------|-------------|-------------|
|                          | <b>£</b>    | <b>£</b>    |
| Cash at bank and in hand | 313,389     | 243,608     |

**14. CREDITORS**

|                 | <b>2018</b>   | <b>2017</b>   |
|-----------------|---------------|---------------|
|                 | <b>£</b>      | <b>£</b>      |
| Other creditors | 28,786        | 3,935         |
| Accruals        | 6,720         | 6,400         |
|                 | <u>35,506</u> | <u>10,335</u> |

**15. CAPITAL**

The company has no share capital, being limited by guarantee. There are 12 members of the company, each of whom has undertaken to contribute £1 in the event of the company being wound up.

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                     | <b>Restricted<br/>funds<br/>£</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>Total<br/>funds<br/>£</b> |
|---------------------|-----------------------------------|-------------------------------------|------------------------------|
| Fixed assets        | -                                 | -                                   | -                            |
| Bank                | -                                 | 313,389                             | 313,389                      |
| Debtors             | 125,031                           | 122,425                             | 247,456                      |
| Current liabilities | -                                 | (35,506)                            | (35,506)                     |
|                     | <u>125,031</u>                    | <u>400,308</u>                      | <u>525,339</u>               |

**17. STATEMENT OF FUNDS**

|                                     | <b>Brought<br/>forward<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Outgoing<br/>resources<br/>£</b> | <b>Carried<br/>forward<br/>£</b> |
|-------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| <i>Restricted funds:</i>            |                                  |                                     |                                     |                                  |
| Foundation – Read India             | 140,000                          | 125,031                             | (140,000)                           | 125,031                          |
| Pradigi – Pratham Digital programme | -                                | 58,000                              | (58,000)                            | -                                |
| Second Chance Programme             | -                                | 15,000                              | (15,000)                            | -                                |
| <b>Total restricted funds</b>       | <u>140,000</u>                   | <u>198,031</u>                      | <u>(213,000)</u>                    | <u>125,031</u>                   |
| <b>Total unrestricted funds</b>     | 322,696                          | 164,612                             | (87,000)                            | 400,308                          |
| <b>Total funds</b>                  | <u>462,696</u>                   | <u>362,643</u>                      | <u>(300,000)</u>                    | <u>525,339</u>                   |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

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**18. RELATED PARTY TRANSACTIONS**

Mrs Vinati Sukhdev, one of the directors and who is also a trustee, received an annual gross salary of £51,125 (2017 - £45,500). The cost of employing the trustee during the year amounted to £54,444 (2017 - £47,846). 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.

**19. COMMITMENTS UNDER OPERATING LEASE**

At the year end, the company had future minimum lease payments under a non-cancellable operating lease as follows:

|                       | <b>2018</b> | <b>2017</b> |
|-----------------------|-------------|-------------|
|                       | <b>£</b>    | <b>£</b>    |
| Not later than 1 year | 21,780      | 21,120      |

**20. CONTROLLING PARTY**

The charity has no ultimate controlling party.