

PRATHAM UK

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 MARCH 2019

Company Number: 04708800

Charity Number: 1099386

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisors	3 - 4
Trustees' report	5 – 11
Trustees' responsibilities statement	12
Independent auditors' report	13 – 15
Statement of financial activities (incorporating income and expenditure account)	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 – 26

PRATHAM UK

REFERENCE AND ADMINISTRATIVE DETAILS, TRUSTEES AND ADVISERS

Company number	04708800
Charity registration number	1099386
Governing instrument	Memorandum and Articles of Association as amended by Special Resolution 21 June 2019 Incorporated 24 March 2003
Name of trustees	Avinash Vazirani (Chairman) Ravi Rajagopal Sanjeev Dhuna Ritu Kapoor Alka Deol Dixit Joshi Rajeev Sibal Adarsh Sarma Sakate Khaitan Karthic Jayaraman – appointed 26 June 2018 Ashok Vaswani – appointed 12 August 2018 Sam Tully – appointed 13 September 2019 Suresh Kanwar – appointed 13 September 2019 Roy Martins – resigned 5 December 2019 Deepak (Dipi) Khilnani – resigned 24 October 2018 Vinati Sukhdev – resigned 28 November 2018
Company secretary	Rajeev Sibal – appointed 28 November 2018, resigned 13 September 2019 Vinati Sukhdev – resigned 28 November 2018 Sarah George Kotak – Appointed 13 September 2019
Registered office	Suite 21 Vicarage House 58-60 Kensington Church Street London W8 4DB

REFERENCE AND ADMINISTRATIVE DETAILS, TRUSTEES AND ADVISERS

Bankers	HSBC 92 Kensington High Street Kensington London W8 4SH	ICICI Bank UK 1 Thomas More Square Thomas More Street London E1W 1YN
Independent auditor	SRLV Audit Limited Chartered Accountants and Statutory Auditor Elsley Court 20-22 Great Titchfield Street London W1W 8BE	

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The trustees present their annual report together with the financial statements for the year ended 31 March 2019. 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 21 June 2019. 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 21 June 2019, 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 2018/19 Pratham worked in 21 Indian states and 2 Union Territories and reached over 6 million children and youths through its direct programmes and via governmental partnerships across India.

Pratham also impacted more than 24,000 youth for training and placed in their first jobs and close to 4,000 young women who had dropped out of school were helped to finish their high school examinations 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 2019 (continued)**

Continuing 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 targeting young professionals featured leading speakers from Academia, Healthcare and Life Sciences; and
- Social media ads and boosted posts were used to engage younger donors.

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 and are then assigned specific roles and responsibilities.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

Fundraising

For the year ending 31 March 2019 Pratham UK had a gross income of £591,701 (2018 - £584,453). 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 31 March 2019
	£
Donation Received - Unrestricted	
Individual Donations	180,147
Corporate Donations	219,449
Gift Aid	24,203
Total Donation Received - Unrestricted	423,799
Donation Received - Restricted	
Foundation – Read India project	30,000
Pratham – Effective intervention	137,090
Total Donation Received - Restricted	167,090
Bank interest	812
Total Income	591,701

The net deficit for year ended 31 March 2019 after charitable donations was £74,705 (2018 – surplus of £62,643).

PRATHAM UK

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

PRATHAM ACTIVITIES AND FUND UTILISATION

The charity has contributed £433,941 (2018 - £300,000) to Pratham led Trusts to deliver child education.

Restricted Funds	£
Pratham India – Read India (from foundations)	125,031
Pratham – Effective intervention	-
	<hr/>
	125,031
Unrestricted Funds	
Pratham India – Pratham Education Foundation	308,910
	<hr/>
Total	433,941
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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 £150,000.

At the year end Pratham UK held reserves of £450,634 (2018 - £525,339). Of these reserves £283,544 (2018 - £400,308) are available as general reserves and £167,090 (2018 - £125,031) 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 2019/2020, a reserve fund of £150,000 will be adequate to meet the organisation's needs.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

ACHIEVED GOALS FROM 2018-19

The trustees held a Gala at a prestigious venue in London on 6 October 2018. The Gala was very successful in terms of raising awareness and funds. Alok Sharma, the Minister of State for Employment was the guest of honour, who delivered the keynote address. The event attracted over 300 attendees. A number of smaller events, both sporting and social, were held for awareness and fundraising.

PRINCIPAL GOALS FOR THE COMING YEAR

- Continue to strengthen the support infrastructure in the office including website development, social media and contact management systems, communications and PR;
- 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 to offer our members more events and networking opportunities;
- Focus on outreach to Foundations and Corporations;
- Hold a fundraising Gala in September 2019 to raise funds for Pratham's programmes in India;

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.

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. 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.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

Who has benefited from our services?

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 which is currently at 97% results in better learning and Pratham intervention models are replicated and scaled up to serve large numbers of children to achieve a large scale impact.

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 India.

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 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.

Pratham's Vocational Skilling Training Programme has provided training in the construction, the hospitality, agriculture and financial services industries to many thousands of young people.

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.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

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 Effective Intervention, Centre for Economic Performance, London School of Economics, dated 1st December 2018, the charity will be provided financial support to meet the objectives of the Read India project. An amount of £137,090 was paid on the acceptance of the agreement by both parties, with a further £262,127 to be paid in 2019/2020 and £282,670 to be paid in 2020/2021. The charity must submit semi-annual progress reports to Effective Intervention and the funds received by the charity must be forwarded to Pratham Education Foundation in India to achieve its objectives.

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

K Jayaraman

Trustee

Date:

**TRUSTEES' RESPONSIBILITIES
STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

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 2019**

Opinion

We have audited the financial statements of Pratham UK for the year ended 31 March 2019 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 2019 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 2019 (continued)**

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. This description forms part of our auditors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

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.

Richard Gilbert (Senior Statutory Auditor)

For and on behalf of:

SRLV Audit Limited

Chartered Accountants

Statutory Auditor

Elsley Court

20-22 Great Titchfield Street

London

W1W 8BE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Year ended 31 March 2019			
		Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Incoming resources:					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	167,090	50,273	217,363	225,947
Incoming resources from fundraising activities	3	-	308,878	308,878	262,756
Incoming resources from auctions	3	-	64,648	64,648	94,440
Investment income		-	812	812	1,310
Total incoming resources		167,090	424,611	591,701	584,453
Resources expended:					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income	4	-	12,141	12,141	12,718
Fundraising costs	5	-	176,929	176,929	162,512
Auction costs	5	-	17,204	17,204	23,744
Charitable activities	7	125,031	308,910	433,941	300,000
Governance costs	6	-	26,191	26,191	22,836
Total resources expended		125,031	541,375	666,406	521,810
Net income /(deficit) for the year		42,059	(116,764)	(74,705)	62,643
Total funds brought forward		125,031	400,308	525,339	462,696
Total funds carried forward		167,090	283,544	450,634	525,339

Movements in funds are shown in note 18 to the financial statements.

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

The notes on pages 19 to 26 form part of these financial statements.

PRATHAM UK

**BALANCE SHEET
AS AT 31 MARCH 2019**

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		-		-
CURRENT ASSETS					
Debtors	12	182,921	247,456		
Cash at bank and in hand	13	282,941	313,389		
		<u>465,862</u>	<u>560,845</u>		
CREDITORS: Amounts falling due within one year	14	15,228	35,506		
NET CURRENT ASSETS		<u>450,634</u>	<u>525,339</u>		
NET ASSETS		<u>450,634</u>	<u>525,339</u>		
FUNDS					
Unrestricted funds	17	283,544	400,308		
Restricted funds	17	167,090	125,031		
		<u>450,634</u>	<u>525,339</u>		
TOTAL FUNDS	16	<u>450,634</u>	<u>525,339</u>		

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

K Jayaraman
Trustee

The notes on pages 19 to 26 form part of these financial statements.

Company registration number: 04708800

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Cash flows from operating activities:		
Net income / (deficit) for the financial year	(74,705)	62,643
Adjustments for		
Interest receivable	(812)	(1,310)
Decrease/(increase) in debtors	64,535	(18,033)
Increase/(decrease) in creditors	(20,278)	25,171
Net cash generated from / (used in) operating activities	<u>(31,260)</u>	<u>68,471</u>
Cash flows from investing activities:		
Interest received	812	1,310
Net cash generated from investing activities	<u>812</u>	<u>1,310</u>
Net increase/(decrease) in cash and cash equivalents	(30,448)	69,781
Cash and cash equivalents at the beginning of year	313,389	243,608
Cash and cash equivalents at the end of year	<u>282,941</u>	<u>313,389</u>
Cash and cash equivalents at end of year comprise:		
Cash at bank and in hand	282,941	313,389
	<u>282,941</u>	<u>313,389</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

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 2019 (continued)**

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 2019 (continued)**

2. VOLUNTARY INCOME

	2019	2018
	£	£
Donations from individual supporters and businesses	50,273	100,916
Grants from charitable foundations and legacies	167,090	125,031
	<u>217,363</u>	<u>225,947</u>

3. INCOMING RESOURCES FROM FUNDRAISING ACTIVITIES AND AUCTIONS

	2019	2018
	£	£
Income from events	308,878	262,756
	<u>64,648</u>	<u>94,440</u>

4. COST OF GENERATING VOLUNTARY INCOME

	2019	2018
	£	£
Support costs allocated (note 8)	12,141	12,718

5. FUNDRAISING COSTS OF EVENTS AND AUCTIONS

	2019	2018
	£	£
Direct costs of staging of events	128,363	111,641
Support costs allocated (note 8)	48,566	50,871
	<u>176,929</u>	<u>162,512</u>
Auction costs	<u>17,204</u>	<u>23,744</u>

6. GOVERNANCE COSTS

	2019	2018
	£	£
Statutory audit fees	7,250	6,600
Accountancy fees	5,213	2,625
Trustees' salary costs	13,728	13,611
	<u>26,191</u>	<u>22,836</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

7. CHARITABLE ACTIVITIES

	2019	2018
	£	£
Read India – Pratham India	433,941	227,000
Pradigi – Pratham Digital	-	58,000
Second Chance Programme	-	15,000
	<u>433,941</u>	<u>300,000</u>

During the year, all grants were paid to institutions (2018 – 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 trustees' report.

8. SUPPORT COSTS (OVERHEADS)

	Office cost	Human resources	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Voluntary income	6,753	5,388	12,141	12,718
Fundraising activities	27,012	21,554	48,566	50,871
Total costs allocated	<u>33,765</u>	<u>26,942</u>	<u>60,707</u>	<u>63,589</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:

	2019	2018
	£	£
Wages and salaries (note 18)	51,205	51,125
Social security costs	2,904	2,929
Pension contributions	804	389
	<u>54,913</u>	<u>54,444</u>

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

During the year, no trustee received any benefits in kind (2018 - £NIL), nor any reimbursement of expenses (2018 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Bank interest receivable	812	1,310

11. TANGIBLE FIXED ASSETS

	Computers	Total
	£	£
Cost		
At 1 April 2018	1,070	1,070
Additions	-	-
Disposals	-	-
At 31 March 2019	1,070	1,070
Depreciation		
At 1 April 2018	1,070	1,070
Charge for the year	-	-
Disposals	-	-
At 31 March 2019	1,070	1,070
Net Book Value		
At 31 March 2019	-	-
At 1 April 2018	-	-

12. DEBTORS

	2019	2018
	£	£
Other debtors	34,478	82,785
Prepayments and accrued income	148,443	164,671
	182,921	247,456

Included within debtors is an amount of £137,090 (2018 - £125,031) in respect of accrued income from a charitable foundation, as disclosed in the trustees' report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

13. CASH

	2019	2018
	£	£
Cash at bank and in hand	282,941	313,389

14. CREDITORS

	2019	2018
	£	£
Other creditors	5,228	28,786
Accruals	10,000	6,720
	<u>15,228</u>	<u>35,506</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

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Fixed assets	-	-	-
Bank	30,000	252,941	282,941
Debtors	137,090	45,831	182,921
Current liabilities	-	(15,228)	(15,228)
	<u>167,090</u>	<u>283,544</u>	<u>450,634</u>

17. STATEMENT OF FUNDS

	Brought forward	Incoming resources	Outgoing resources	Carried forward
	£	£	£	£
<i>Restricted funds:</i>				
Foundation – Read India	125,031	30,000	(125,031)	30,000
Effective Intervention – Read India	-	137,090	-	137,090
Total restricted funds	<u>125,031</u>	<u>167,090</u>	<u>(125,031)</u>	<u>167,090</u>
Total unrestricted funds	400,308	424,611	(541,375)	283,544
Total funds	<u>525,339</u>	<u>591,701</u>	<u>(666,406)</u>	<u>450,634</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019 (continued)**

18. RELATED PARTY TRANSACTIONS

Mrs Vinati Sukhdev, one of the directors and a trustee, received a gross salary of £35,205 until she resigned on 28th November 2018. Her annual gross salary for the entire year was £51,205 (2018 - £51,125). The cost of employing the trustee during the year amounted to £54,913 (2018 - £54,444). 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:

	2019	2018
	£	£
Not later than 1 year	<u>24,480</u>	<u>21,780</u>

20. CONTROLLING PARTY

The charity has no ultimate controlling party.