

PRATHAM UK

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 MARCH 2017

Company Number: 04708800

Charity Number: 1099386

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REFERENCE AND ADMINISTRATIVE DETAILS, TRUSTEES AND ADVISERS

Company Number	4708800	
Charity Registration number	1099386	
Governing instrument	Memorandum and Articles of Association as amended by Special Resolution 3 July 2015 Incorporated 24 March 2003	
Name of Trustees	Roy Martins (Chairman) Deepak (Dipi) Khilnani Sanjeev Dhuna Ritu Kapoor Vinati Sukhdev Alka Deol Dixit Joshi Ravi Rajagopal Avinash Vazirani Rajeev Sibal – appointed 14 th September 2016 Bipin Desai – resigned 29 th April 2016 Chandrika Pathak – resigned 14 th September 2016	
Company Secretary	Vinati Sukhdev	
Registered Office	Suite 21 Vicarage House 58-60 Kensington Church Street London W8 4DB	
Bankers	HSBC 92 Kensington High Street Kensington London W8 4SH	ICICI Bank UK 21 Knightsbridge London SW1X 7LY
Auditors	SRLV Audit Limited Chartered Accountants and Statutory Auditor 89 New Bond Street, London W1S 1DA	

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The trustees present their annual report together with the financial statements for the year ended 31 March 2017. 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.

OBJECTIVES AND ACTIVITIES OF THE CHARITY

The organisation is 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 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 2016/17 Pratham worked in 23 of the 36 Indian states and Union Territories and reached over 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. The volunteer base was energised by the efforts of the Executive Committee which engaged more actively with a diverse group of potential donors across multiple business sectors through different events.

New initiatives included:

- A partnership with London Business School wherein we got the venue for Vision India events and their students got to attend the events for free
- A Diwali party for children at London Business School which was well attended and enjoyed by all. Well known story teller, Seema Anand, told the story of Diwali in her inimitable style and the children were enthralled
- New Universities and Colleges were reached to select Pratham UK as their charity of choice and The University of Manchester and Kings College London donated to us
- Art events at Grosvenor Gallery where paintings with an Indian theme by London-based artist Angeli Sowani raised over £2,300 and a further £845 was raised from sale of paintings by new artists at the Nehru Centre, and
- 2017 started with a new Vision India programme which featured well known environmental economist Pavan Sukhdev speaking on corporations and what they should focus on.

TRUSTEE SELECTION, INDUCTION AND TRAINING

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

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

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

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

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

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

Fundraising

For the year ending 31 March 2017 Pratham UK had a gross income of £645,839 (2016 - £487,914). 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 2017 £
Donation Received - Unrestricted	
Individual Donations	90,266
Corporate Donations	378,781
Gift Aid	30,507
Total Donation Received –Unrestricted	499,554
Donation Received -Restricted	
Foundation – Read India project	140,000
Read India - Pratham Learning Camps	6,000
Total Donation Received -Restricted	146,000
Bank Interest	285
Total Income	645,839

The net surplus for year ended 31 March 2017 was £191,436 (2016 - £50,109).

PRATHAM UK

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2017 (Continued)

PRATHAM ACTIVITIES AND FUND UTILISATION

The charity has contributed £223,043 (2016 - £218,159) to Pratham led Trusts to deliver child education.

Restricted Funds	£
Pratham Learning Camps	6,000
Un-Restricted Funds	
Pratham India - Read India	217,043
Total	223,043

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 £462,696 (2016 - £271,260). Of these reserves £322,696 (2016 - £271,260) are available as general reserves and £140,000 (2016 - £NIL) 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 2017/2018, 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.

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

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

ACHIEVED GOALS FROM 2016-17

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, 8 Northumberland Avenue on 15th October 2016. This Gala was very successful in terms of awareness and funds raised. The theme of the Gala was Girls' Education. Dinyar DeVitre, chairman of Pratham USA delivered the key note address and Sukhbir, Prince of Bhangra, entertained attendees through the night. Co-sponsored by UBS and Reckitte Benckiser, the event attracted the cream of the London Asian Society and some of the top corporates. A number of smaller events, both sporting and social, were also planned to keep the momentum going for awareness and fundraising included the London Marathon, London 10K run, Vision India and Dine Out for Education. Pratham UK continued to receive funds from Every Click and Give as You Live.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

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.
- Strengthen the Vision India model by recruiting more donors to the Club. Look to diversify the event content of Vision India i.e. have a few activity-oriented evenings such as wine appreciation and art appreciation instead of only talks. Look to diversify speaker base as well to broaden the engagement from young people.
- Focus on outreach to Foundations and Corporations.
- Hold a fundraising Gala or a large event in late 2017 to raise funds for Pratham's programs in India.
- Expand the size of the Board by recruiting new trustees.
- Leverage on Pratham USA strengths and build a more active partnership with them.
- Refresh the website of Pratham UK to make it more in line with Pratham USA and make it more user friendly by making it optimized for mobile viewing.

VOLUNTEERS

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

SIGNIFICANT ACTIVITIES

Key activities undertaken during the year were as follows:

- London Marathon April 2016 – Pratham UK was represented by Kevin Thibout who raised £2,348 for Pratham UK charity.
- Vision India get-togethers were arranged every quarter and Pratham UK introduced an impressive line up of speakers including Ashish Goyal, who spoke about being vision-impaired in the world of banking and Puja Handa who gave the audience a meditation class as part of the Art of Living. Pavan Sukhdev spoke on corporate and their role in building a new economic order which would help the environment.
- The British 10K Run July 2016 - Over 12 runners supported Pratham UK through this race which took place in Central London's historic sights and over £2,772 was raised.
- Pratham UK Gala October 2016 – Held at 8 Northumberland Avenue, the event attracted 300 guests and led to over £300,000 being raised for the charity. Speaking at the event, Dinyar DeVitre unveiled a new film called Nancy's Footsteps which showed how remedial reading could help learning levels amongst children. The evening ended with guests dancing to the live music of Sukhbir, Prince of Bhangra.
- On 6th December 2016 Grosvenor Gallery hosted an evening especially for Pratham where London-based artist Angeli Sowani showed her works of art. Featuring ceremonial Hindu threads, these multi-media works sold well and a sum of £2,300 was raised for charity.
- On 16th March 2017, the Pratham Art Show featuring new artists was held. Works by Shinjini Thakur, Sunita Khedekar, Taran Mathur and Vania Kostova were sold. Established artist and art professor Atul Vohora spoke.

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

RECENT EVENTS

- 21st April 2017, London Marathon, Yash Dubal ran the marathon under the Pratham banner and raised £2,383.
- 21st May 2017, Pratham UK held the Gaylords dinner. Over 70 people attended the dinner and raised £2,345 including a matching donation from Barclays Bank. It was an evening of delicious Indian food, fun and family guests participated in a raffle and entertained by a stand up comedian, George Court.
- 14th October 2017 – Annual Charity Gala under Gala Chair Alka Deol was held with a fashion show by Satya Paul, key note speech by Rajesh Agrawal, Deputy Mayor of London for Business, speech by Neerja Birla, Trustee of Pratham India followed by an auction. Aditi Rao Hydari was the celebrity ambassador at the event and Raageshwari was the entertainer.

BUDGET FOR 2017-18

The Pratham UK budget looks to raise net income of £518,000 from a wide range of funding activities.

<u>Fundraising</u>	2017/2018 £	Remarks
Individual Donations	90,000	
Corporates/Foundations	150,000	Including grants
Gala	350,000	Net of expenses
Vision India	4,000	
Gift Aid + Interest	15,000	
Sports Events	7,000	
Income generated	616,000	
Less Administrative Cost	(98,000)	
Net Realisation	518,000	

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

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

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 programs 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 2016/17 over 5 million children were reached through the Pratham led programmes in 23 states.

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

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

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

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

**TRUSTEES ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

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 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

The Trustees, who are directors for the purposes of company law, and who served during the year, are set out on page 3 in accordance with company law, have confirmed that:

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

AUDITORS

After the year end, SRLV Audit Limited was appointed as auditor. Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been appointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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 £423,761 in total will be received, provided the charity is able to reach a target of 200,000 children with the Read India program. The charity is currently meeting the performance objectives set out in the grant agreement, and have received £298,730 in this regard, to date.

SMALL COMPANIES NOTE

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

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



D KHILNANI – TRUSTEE

Date 11th December 2017

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2017**

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 2017**

We have audited the financial statements of Pratham UK for the year ended 31 March 2017 which comprises the Statement of Financial Activities (incorporating Income and Expenditure account), the Charitable Company Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of Pratham UK for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRATHAM UK
FOR THE YEAR ENDED 31 MARCH 2017 (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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

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.

Matters on which we are required to report by exception

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

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

SRLV Audit Limited

Richard Gilbert (Senior Statutory Auditor)

For and on behalf of

SRLV Audit Limited

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

14 December 2017

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Year ended 31 March 2017			
		Restricted	Unrestricted	Total	Total
		Funds	Funds	Funds	Funds
		2017	2017	2017	2016
		£	£	£	£
Incoming resources:					
Incoming resources from generated funds:					
Voluntary income	2	146,000	60,186	206,186	221,722
Incoming resources from fundraising activities	3	-	274,113	274,113	177,954
Incoming resources from auctions	3		165,255	165,255	86,263
Investment income		-	285	285	1,975
Total incoming resources		146,000	499,839	645,839	487,914
Resources expended:					
Costs of generating funds					
Costs of generating voluntary income	4	-	10,540	10,540	12,031
Fundraising costs	5	-	150,823	150,823	158,833
Auction costs	5		49,410	49,410	39,602
Charitable activities	7	6,000	217,043	223,043	218,159
Governance costs	6	-	20,587	20,587	9,180
Total resources expended		6,000	448,403	454,403	437,805
Net income for the year		140,000	51,436	191,436	50,109
Total funds brought forward		-	271,260	271,260	221,151
Total funds carried forward		140,000	322,696	462,696	271,260

Movements in funds are shown in note 15 to the accounts.

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

The notes on pages 16 to 23 form part of these accounts.

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Notes	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	10		-		-
CURRENT ASSETS					
Debtors	11	229,423		220,265	
Cash at bank and in hand		243,608		247,484	
		<u>473,031</u>		<u>467,749</u>	
CREDITORS: Amounts falling due within one year	12	10,335		196,489	
NET CURRENT ASSETS			<u>462,696</u>		<u>271,260</u>
NET ASSETS			<u>462,696</u>		<u>271,260</u>
FUNDS					
Unrestricted Funds	15	322,696		271,260	
Restricted Funds	15	140,000		-	
			<u>462,696</u>		<u>271,260</u>
TOTAL FUNDS	14		<u>462,696</u>		<u>271,260</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102.

The financial statements were approved and authorised for issue by the board of trustees and were signed on its behalf on *11th December 2017*.



**D KHILNANI
TRUSTEE**

The notes on pages 16 to 23 form part of these accounts.

Charitable company registration number: 04708800

**NOTES TO THE ACCOUNTS
FOR THE YEAR
ENDED 31 MARCH 2017**

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 ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (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 was amended in the current year 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

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

Computers

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 ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (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) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

(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 ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

2. VOLUNTARY INCOME

	2017	2016
	£	£
Donations from individual supporters and businesses	60,186	41,722
Grants from charitable foundations and legacies	146,000	180,000
	<u>206,186</u>	<u>221,722</u>

3. INCOMING RESOURCES FROM FUNDRAISING ACTIVITIES AND AUCTIONS

	2017	2016
	£	£
Income from events	274,113	177,954
Income from auctions	165,255	86,263
	<u>165,255</u>	<u>86,263</u>

4. COST OF GENERATING VOLUNTARY INCOME

	2017	2016
	£	£
Support costs allocated (note 8)	10,540	12,031
	<u>10,540</u>	<u>12,031</u>

5. FUNDRAISING COSTS OF EVENTS AND AUCTIONS

	2017	2016
	£	£
Direct costs of staging of events	108,663	150,310
Support costs allocated (note 8)	42,160	48,125
	<u>150,823</u>	<u>158,833</u>
Auction costs	<u>49,410</u>	<u>39,602</u>

6. GOVERNANCE COSTS

	2017	2016
	£	£
Statutory audit fees	6,000	6,000
Accountancy fees	2,625	3,180
Trustee's salary costs	11,962	-
	<u>20,587</u>	<u>9,180</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

7. CHARITABLE ACTIVITIES

	2017	2016
	£	£
Read India – Pratham India	217,043	38,159
Urban Learning Centres	-	5,000
Mussahar Community Children	-	175,000
Read India – Pratham Learning Camps	6,000	-
	<u>223,043</u>	<u>218,159</u>

During the year all grants were paid to institutions (2016 – 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 Annual Report.

8. SUPPORT COSTS (OVERHEADS)

	Office cost	Human resources	Total	Total
	2017	2017	2017	2016
	£	£	£	£
Voluntary income	5,368	5,172	10,540	12,031
Fundraising activities	21,473	20,687	42,160	48,125
Total costs allocated	<u>26,841</u>	<u>25,859</u>	<u>52,700</u>	<u>60,156</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:

	2017	2016
	£	£
Wages and salaries (note 16)	45,500	45,500
Social security costs	2,346	3,160
	<u>47,846</u>	<u>48,660</u>

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

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

10. TANGIBLE FIXED ASSETS

	Computers £	Total £
Cost		
At 1 April 2016	1,070	1,070
Additions	-	-
Disposals	-	-
At 31 March 2017	<u>1,070</u>	<u>1,070</u>
Depreciation		
At 1 April 2016	1,070	1,070
Charge for the year	-	-
Disposals	-	-
At 31 March 2017	<u>1,070</u>	<u>1,070</u>
Net Book Value		
At 31 March 2017	<u>-</u>	<u>-</u>
At 1 April 2016	<u>-</u>	<u>-</u>

11. DEBTORS

	2017 £	2016 £
Other debtors	77,608	39,846
Prepayments and accrued income	151,815	180,419
	<u>229,423</u>	<u>220,265</u>

Included within debtors is an amount of £140,000 in respect of accrued income from a charitable foundation, as disclosed in the Trustee's report.

12. CREDITORS

	2017 £	2016 £
Other creditors	3,935	180,328
Accruals	6,400	16,161
	<u>10,335</u>	<u>196,489</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

13. CAPITAL

The Company has no share capital, being limited by guarantee. There are 10 members of the company, each of whom has undertaken to contribute £1 in the event of the company being wound up.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed Assets	-	-	-
Bank	-	243,608	243,608
Debtors	140,000	89,423	229,423
Current Liabilities		(10,335)	(10,335)
	<u>140,000</u>	<u>322,696</u>	<u>462,696</u>

15. STATEMENT OF FUNDS

	Brought forward £	Incoming Resources £	Outgoing Resources £	Carried forward £
Restricted Funds:				
Foundation – Read India	-	140,000	-	140,000
Pratham Learning Camps	-	6,000	(6,000)	-
Total Restricted Funds	<u>-</u>	<u>146,000</u>	<u>(6,000)</u>	<u>140,000</u>
Total Unrestricted Funds	<u>271,260</u>	<u>268,479</u>	<u>(217,043)</u>	<u>322,696</u>
Total Funds	<u>271,260</u>	<u>414,479</u>	<u>(223,043)</u>	<u>462,696</u>

16. RELATED PARTY TRANSACTIONS

Mrs Vinati Sukhdev, one of the directors, who is also a trustee received an annual gross salary of £45,500 (2016 - £45,500). The cost of employing the trustee during the year amounted to £47,846 (2016 - £48,660). 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.

17. COMMITMENTS AT YEAR END

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

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

18. CONTROLLING PARTY

The charity has no ultimate controlling party.

20. FIRST TIME ADOPTION OF FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102.

The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charity's previous reporting framework are not materially different from the recognition and measurement principles set out under FRS 102. As a result, the transition to the new reporting regime has not impacted on funds or profit or net income/expenditure and therefore no reconciliation between previously reported results and the 2016 comparative information has been presented.