

Company No: 04708800
Registered Charity No. 1099386

PRATHAM UK

A COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PRATHAM UK - (A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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PRATHAM UK - (A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

Company number : 04708800

Charity registration number : 1099386

Name of trustees : Sakate Khaitan – Chairman
Ravi Rajgopal
Alka Deol (resigned 28 October 2020)
Avinash Vazirani
Karthic Jayaraman
Ashok Vaswani
Charu Sarma
Dinyar Devitre
Dixit Joshi
Ritu Kapoor (resigned 13 May 2020)
Sam Tully
Sanjeev Dhuna (resigned 22 April 2021)
Saurav Chopra
Suresh Kanwar

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
1 Thomas More Square
Thomas More Street
London E1W 1YN

Independent auditor : Goldwins Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2 EG

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The trustees present their annual report together with the financial statements for the year ended 31 March 2021. 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 1.

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 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 a year when the Coronavirus pandemic reshaped the education landscape by forcing school closures, Pratham had to adapt to the new reality and contain the impact of school closures and disrupted lives by bringing engaging activities and new learning opportunities to children and youth.

Pratham's 2020 campaign was called ***"Karona Thodi Masti Thodi Padhai"***. For the past year, Pratham has worked effectively to reach children, families and communities; by combining our pre-existing community structures with our digital resources. Messages were sent via phone (SMS and WhatsApp), and phone calls were made to individuals and groups for feedback and follow up. Using digital technologies – old and new, over the last twelve months, we were able to build a robust network of participants and learners across more than 10,000 rural and urban communities and 600 partner organizations. Fourteen state governments used our digital content in different ways.

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Pratham's vocational training activities pivoted from in-person training models to remote and hybrid strategies, ensuring that youth continue to learn and grow even in the face of the pandemic. Through a variety of platforms and activities, Pratham reached out to youth who were just entering the workforce, as well as, to experienced workers in need of upskilling or certification. Pratham's "***Dekho-Seekho-Parkho***" training model not only utilized existing communication platforms such as YouTube, WhatsApp, and Facebook Workplace to engage with the learners, but also allowed for "human contact" and practical experience, to help ease learners into this new method of skilling. Over the past twelve months, Pratham trained 35,000+ youth through virtual courses and 20,000+ through practical sessions. Of those trained, over 12,000 were placed in jobs.

Through this period, Pratham also focused on building capacity of our teams to operate in this "new normal" and have learned a lot along the way to inform the strands of response to the current crisis.

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.

Continuing initiatives included:

- Database expansion and donor engagement through a series of virtual salons: we hosted Indian cricket coach Ravi Shastri, Hindustan Unilever Chairman and Managing Director Sanjiv Mehta, Bollywood Star Ranbir Kapoor and ace equity investor Rakesh Jhunjhunwala.
- Fundraising continued through applications to foundations and trusts as well as virtual engagement with HNWIs
- New partnership forged with University of Southampton India Centre. Partnership continued with London Business School and Indian Professionals Forum -their member base was invited to sign up for our salons.
- Cooperation with Pratham USA continued through shared hosting of virtual events, collaboration on the technical aspects of the new Pratham UK website and sharing of resources to achieve economies of scale
- Social media ads and boosted posts were used to engage younger donors; a young professional's group with over 300 members was created on Linked In

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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 UK brochure and other information

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

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

Fundraising

For the year ending 31 March 2021 Pratham UK had a gross income of £372,166 (2020-£568,498). These funds, both solicited and unsolicited, arose from a broad set of donors including Individuals, Trusts and Corporations. Activities included virtual events held during the year. The major categories of donations are shown below;

Income	Year ended 31-Mar-21 £
Donation Received - Unrestricted	
Donations and Legacies	136,862
Charitable activities	63,950
Other trading activities	49,038
Other income	18,092
Total Donation Received – Unrestricted	267,942
Donation Received -Restricted	
Second Chance and other programmes	104,224
Total Donation Received - Restricted	104,224
Total Income	372,166

The net deficit for year ended 31 March 2021 after charitable donations was £380,616 (2020 – surplus of £107,076).

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PRATHAM ACTIVITIES AND FUND UTILISATION

The charity has contributed £567,799 (2020 - £163,410) to Pratham led Trusts to deliver child education.

Restricted Funds	£
Pratham Education Foundation India	239,799
Unrestricted Funds	
Pratham Education Foundation India	328,000
Total	<u>567,799</u>

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 £177,094 (2019- £557,710). Of these reserves £177,094 (2020- £425,710) are available as general reserves and Nil (2020 - £132,000) 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 2021/22, a reserve fund of £150,000 will be adequate to meet the organisation's needs.

ACHIEVED GOALS FROM 2020-21

Despite a difficult environment with the pandemic, Pratham UK continued to steadily adapt and pivot to the new reality.

1. Virtual salons replaced in-person events to engage donors with highly successful ones being organized and attended. Monetisation of these salons provided a new income stream
2. We took part in the Twopointsixchallenge organised by British Charities to engage our donors early in the lockdown and raised almost £4000
3. The Big Give Christmas Challenge successfully raised £40000 in December 2020
4. Continued engagement with corporate donors such as Nordgreen led to larger donations while a new corporate tie-up with Mailzee was secured. They will donate a percentage of their sales of clothes collections from their newly launched brand 'This is Unfolded' through the year
5. A series of policies to further professionalise the Charity were adopted by the board
6. We continued to tell the story of the Pratham response to Covid 19 through the newsletter and social media posts

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PRINCIPAL GOALS FOR THE COMING YEAR

- As the world adapts to the new normal, seek ways to engage with donors in a safe environment
- Diversify income stream through donations from Foundations and Trusts
- Continue to strengthen the support infrastructure in the office including website development, social media and Salesforce, communications and PR
- Seek new ways to expand the database within the current regulatory framework
- Strengthen the Young Professionals model by recruiting more donors to the Club. Reach out to partner associations such as Indian Partnership Forum to offer our members more events and networking opportunities
- Hold a fundraising Gala in October 2021 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 underprivileged children. The activities we usually have throughout the year include social events, 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. This year the in-person events were replaced by virtual events. With more than 300 million learners in India being out of school due to the pandemic lockdown it is vital to ensure continuity in education. Many of these children are first-generation students from extremely poor households; which makes them particularly vulnerable to interruptions in their education. If the current situation continues, increase in inequality and less social mobility are the predicted long-term outcomes. This makes Pratham's digital interventions more important than ever. We are pleased to report that Pratham in India has used a variety of methods - conventional and innovative - to provide opportunities for engagement and learning. The challenges of working in a country where technology and digital literacy are not available in every household has not held Pratham back from reaching out to more than 12,000 beneficiary communities on a daily basis.

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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 enrolment 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.

FY 20-21 was particularly challenging because of the pandemic. Though temporary, school closures have a significant impact on students, even more so in vulnerable and underprivileged contexts. In these times, it is important to engage children in activities that bring down stress, take minds off the crisis and gradually create an environment where learning can continue...

We have partnered with state government education departments in developing technology solutions to engage children and teachers through online platforms.

Pratham digital resources provide children access to engaging learning content. Currently we have 3000+ videos, 400+ games, 200+ stories and 3 learning applications across 12 languages.

Pratham safety videos and educational content on handwashing and mask wearing has benefited 12000 communities.

- In the second wave starting April 21, Pratham has concentrated on building up the communities it serves through the following:
- Securing and delivering oxygen concentrators as well as rapid tests, vaccines, and personal protective equipment (PPE) to Indian hospitals and care centres.
- Exploring the conversion of Pratham vocational training centres and district offices into alternate facilities for Covid treatment.
- Coordinating field response teams to aid in the distribution of supplies and ensuring relevant and timely dissemination of accurate information.

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 brought about by the pandemic 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.

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AUDITOR

The auditor, GOLDWINS LTD 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.

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.

GBP200,000 of unrestricted funding was sent to fund Pratham's activities in India – this payment should have gone in the FY 2019-20 but was delayed because of banking difficulties at the start of the pandemic. On August 18, GBP102,000 was sent to India- being proceeds from a charity auction conducted by Cornerstone Sports Management at an event held at Lords Cricket Ground on May 21, 2019 in London. The funds were received by Pratham UK on August 10, 2020. On 14th December, 2020 a further GBP 100,000 was sent to Pratham in India and the final payment for this financial year was made on 22/23 March 2020 totalling GBP137,799 being restricted funding for Second Chance as well as other programmes. A further INR 862,850 was directly donated in India through Pratham UK affiliated donors and \$5000 through Pratham Australia. GBP 28000 which was donated by UK donors was paid through the corpus of the UBS Optimus Foundation grant.

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



Sakate Khaitan
Chairman

Date: 5 October 2021

Independent Auditor's Report To the member of Pratham UK

Opinion

We have audited the financial statements of Pratham UK for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, 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 (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of its 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 the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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 auditor's 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.

Independent Auditor's Report To the member of Pratham UK

We have nothing to report in this regard.

Opinion on other matter 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity 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 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 our 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 the 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Our 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Independent Auditor's Report To the member of Pratham UK

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

Date: 05/10/2021

Pratham UK**Statement of financial activities**

(incorporating an income and expenditure account)

For the year ended 31 March 2021

		Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	Notes	£	£	£	£
Income from:					
Donations and legacies	3	136,862	-	136,862	148,315
Charitable activities	4	63,950	104,224	168,174	361,800
Other trading activities	5	49,038	-	49,038	56,320
Investment income	6	-	-	-	2,063
Other income		18,092	-	18,092	-
Total income		267,942	104,224	372,166	568,498
Expenditure on:					
Raising funds		23,639	-	23,639	242,258
Charitable activities		492,919	236,224	729,143	219,164
Total expenditure	7	516,558	236,224	752,782	461,422
Net (expenditure) / income before net gains / (losses) on investments		(248,616)	(132,000)	(380,616)	107,076
Net gains / (losses) on investments		-	-	-	-
Net (expenditure) / income for the year	8	(248,616)	(132,000)	(380,616)	107,076
Transfers between funds		-	-	-	-
Net movement in funds		(248,616)	(132,000)	(380,616)	107,076
Reconciliation of funds:					
Total funds brought forward		425,710	132,000	557,710	450,634
Total funds carried forward	15	177,094	-	177,094	557,710

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Pratham UK
Balance sheet
As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Tangible assets	11		495		-
Current assets:					
Debtors	12	9,160		190,394	
Cash at bank and in hand		<u>178,173</u>		<u>416,730</u>	
		187,333		607,124	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(10,734)</u>		<u>(49,414)</u>	
Net current assets			<u>176,599</u>		<u>557,710</u>
Total net assets			<u><u>177,094</u></u>		<u><u>557,710</u></u>
Funds	15				
Restricted funds			-		132,000
Unrestricted funds			<u>177,094</u>		<u>425,710</u>
Total funds			<u><u>177,094</u></u>		<u><u>557,710</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 4 October 2021.....
and signed on their behalf by:



K Jayaraman
Trustee

Company registration no. 04708800

The attached notes form part of the financial statements.

Pratham UK
Statement of cash flows
For the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	a	(237,814)	133,789
Cash flows from investing activities:			
Sale/ (purchase) of fixed assets	<u>(743)</u>	<u>-</u>	
Cash provided by / (used in) investing activities		(743)	-
Change in cash and cash equivalents in the year		(238,557)	133,789
Cash and cash equivalents at the beginning of the year		416,730	282,941
Cash and cash equivalents at the end of the year	b	178,173	416,730

a) (expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(380,616)	107,076
Depreciation	248	-
Decrease / (Increase) in debtors	181,234	(7,473)
Increase / (decrease) in creditors	(38,680)	34,186
Net cash provided by / (used in) operating activities	(237,814)	133,789

b) Analysis of cash and cash equivalents

	At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash at bank and in hand	416,730	(238,557)	-	178,173
Total cash and cash equivalents	416,730	(238,557)	-	178,173

Pratham UK
Notes to the financial statements
For the year ended 31 March 2021

1 Accounting policies

a) Basis of preparation

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) and the Companies Act 2006.

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 or note.

The financial statements are prepared in sterling, which is the functional currency of the charity. Transactions in foreign currency are translated into Sterling at the rate applying on the date of transaction. Balances denominated in foreign currencies are translated into Sterling at the rate of exchange running at the balance sheet date. Monetary amounts in these financial statements are rounded to the nearest £. All exchange differences are dealt with in the statements of financial activities.

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

b) Going concern

The biggest challenge that charity faced towards the end of this financial year has been the COVID-19 crisis. The trustees consider due to the steps taken by charity to address the COVID-19 situation, there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

d) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Legacies and gift 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. Gift in kind are included in the accounts at an estimate of gross value.

1 Accounting policies (continued)

f) Charitable expenditure

Charitable expenditure comprises those costs incurred in pursuance of the charitable aim of the company. Grants payable to partner organisations for educational projects are included in the Statement of Financial Activities (SOFA) when approved by the trustee, and agreed with the other organisations. The value of such grants unpaid at the year end is accrued.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity and its activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

h) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

i) 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.

j) Tangible fixed assets

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

k) Debtors

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

l) 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.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pensions

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

Pratham UK
Notes to the financial statements
For the year ended 31 March 2021

2 Detailed comparatives for the statement of financial activities

	2020 Unrestricted funds	2020 Restricted funds	2020 Total funds
	£	£	£
Income from:			
Donations and legacies	148,315	-	148,315
Charitable activities	259,800	102,000	361,800
Other trading activities	56,320	-	56,320
Investment income	2,063	-	2,063
Total income	<u>466,498</u>	<u>102,000</u>	<u>568,498</u>
Expenditure on:			
Raising funds	324,332	-	324,332
Charitable activities:	-	137,090	137,090
Total expenditure	<u>324,332</u>	<u>137,090</u>	<u>461,422</u>
Net income before gains on investments	142,166	(35,090)	107,076
Net gains on investments	-	-	-
Net movement in funds	<u>142,166</u>	<u>(35,090)</u>	<u>107,076</u>
Total funds brought forward	283,544	167,090	450,634
Total funds carried forward	<u>425,710</u>	<u>132,000</u>	<u>557,710</u>

Pratham UK
Notes to the financial statements
For the year ended 31 March 2021

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Donations	136,862	-	136,862	148,315
	136,862	-	136,862	148,315

4 Income from charitable activities

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Donations- Events	63,950	-	63,950	259,800
Read India	-	28,687	28,687	102,000
Second Chance	-	69,424	69,424	-
Pratham Council for Vulnerable Children	-	6,113	6,113	-
	63,950	104,224	168,174	361,800

5 Income from other trading activities

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Online sales and auctions	49,038	-	49,038	56,320
	49,038	-	49,038	56,320

6 Income from investments

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Bank interest	-	-	-	2,063
	-	-	-	2,063

Pratham UK
Notes to the financial statements
For the year ended 31 March 2021

7 Analysis of expenditure

	Raising funds	Charitable activities	Support costs	2021 Total	2020 Total
	£	£	£	£	£
Staff costs	12,641	78,632	22,818	114,091	55,372
Direct costs staging events	1,370	-	-	1,370	126,981
Read India - Pratham India	-	567,799	-	567,799	137,090
Pratham - 14-18 year old skilling programme	-	-	-	-	26,320
Admin costs	-	-	9,783	9,783	17,390
Professional Fee	-	-	2,000	2,000	28,570
Printing, Postage & Supplies	-	-	426	426	1,608
Telephone & Internet	-	-	-	-	73
Rent and rates	-	-	9,028	9,028	29,593
Insurance	-	-	1,432	1,432	1,285
Advertising	-	-	1,697	1,697	4,478
Sundry	-	-	246	246	1,609
Dues and Subscriptions	-	-	1,598	1,598	939
Travel	-	-	667	667	1,123
Just Giving Expense	-	-	360	360	371
Bad debt expense	-	-	28,350	28,350	5,250
Bank Charges	-	-	3,277	3,277	2,985
Depreciation	-	-	248	248	-
Accountancy fees	-	-	3,910	3,910	13,135
Audit fees	-	-	6,500	6,500	7,250
	14,011	646,431	92,341	752,782	461,422
Support costs	9,629	82,711	(92,341)	-	
Total expenditure 2021	23,639	729,143	-	752,782	
Total expenditure 2020	242,258	219,164	-	461,422	

Of the total expenditure, £516,558 was unrestricted (2020: £324,332) and £236,224 was restricted (2020: £137,090).

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Notes to the financial statements
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8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021	2020
	£	£
Depreciation	248	-
Audit fees	6,500	7,250

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	102,951	51,235
Social security costs	7,783	2,880
Employer's contribution to defined contribution pension schemes	3,357	1,257
	114,091	55,372

The total employee benefits including pension contributions of the key management personnel were £62,799 (2020- £55,372).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Staff numbers

The average number of employees during the year was as follows:

	2021	2020
	No.	No.
Charitable activities	2	1
	2	1

No employee received emoluments in excess of £60,000 (2020: Nil).

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

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11 Tangible fixed assets

	Computers £	Total £
Cost		
At the start of the year	1,070	1,070
Additions in year	743	743
At the end of the year	<u>1,813</u>	<u>1,813</u>
Depreciation		
At the start of the year	1,070	1,070
Charge for the year	248	248
At the end of the year	<u>1,318</u>	<u>1,318</u>
Net book value		
At the end of the year	<u>495</u>	<u>495</u>
At the start of the year	<u>-</u>	<u>-</u>

All of the above assets are used for charitable purposes.

12 Debtors

	2021 £	2020 £
Other debtors	7,750	79,434
Prepayments	1,410	8,960
Accrued income	-	102,000
	<u>9,160</u>	<u>190,394</u>

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	(234)	7,471
Accruals	6,500	10,000
Taxation and social security	4,468	1,943
Deferred income	-	30,000
	<u>10,734</u>	<u>49,414</u>

Deferred income

	2021 £	2020 £
Balance at the beginning of the year	30,000	-
Amount released to income in the year	(30,000)	-
Amount deferred in the year	-	30,000
Balance at the end of the year	<u>-</u>	<u>30,000</u>

Deferred income comprises funds received for the next financial year.

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14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	495	-	495
Net current assets	176,599	-	176,599
Net assets at 31 March 2021	177,094	-	177,094

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Net current assets	425,710	132,000	557,710
Net assets at 31 March 2020	425,710	132,000	557,710

15 Movements in funds

	At 1 April 2020	Income	Expenses	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted funds:					
Foundation - Read India	30,000	28,687	(58,687)	-	-
Pratham Council for Vulnerable Children	102,000	6,113	(108,113)	-	-
Second Chance	-	69,424	(69,424)	-	-
Total restricted funds	132,000	104,224	(236,224)	-	-
Total unrestricted funds	425,710	267,942	(516,558)	-	177,094
Total funds	557,710	372,166	(752,782)	-	177,094

Movements in funds - prior year

	At 1 April 2019	Income	Expenses	Transfers	At 31 March 2020
	£	£	£	£	£
Restricted funds:					
Foundation - Read India	30,000	-	-	-	30,000
Pratham Council for Vulnerable Children	-	102,000	-	-	102,000
Effective Intervention - Read India	137,090	-	(137,090)	-	-
Total restricted funds	167,090	102,000	(137,090)	-	132,000
Total unrestricted funds	283,544	168,486	(26,320)	-	425,710
Total funds	450,634	270,486	(163,410)	-	557,710

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16 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Less than 1 year	-	21,420
	<u>-</u>	<u>21,420</u>

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. There are 11 members of the company, each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

Mrs Vinati Sukhdev, the company secretary, who is an ex-director and ex-trustee, received a gross salary of £54,951 (2020- £51,235). Trustee donated £131,635 (2020: £107,700).