

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 2022

PRATHAM UK - (A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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Company number	:	04708800
Charity registration number	:	1099386
Name of trustees	:	Sakate Khaitan – Chairman Ravi Rajgopal (resigned 22 July 2021) Avinash Vazirani Karthic Jayaraman Ashok Vaswani Charu Sarma (resigned 24 June 2022) Dinyar Devitre (resigned 27 October 2021) Dixit Joshi William Samuel Tully Sanjeev Dhuna (resigned 22 April 2021) Saurav Chopra (resigned 14 June 2022) Suresh Kanwar Alpona Banerji (appointed 28 April 2022) Manisha Bharti (appointed 27 October 2021) Sunayna Sethi (appointed 9 June 2022) Kalpesh Solanki (appointed 22 July 2021) Shailesh Solanki (appointed 22 July 2021)
Company Secretary 2022)	:	Nicholas David Sankey (appointed 1 March 2022) Vinati Sukhdev (resigned 28 February 2022)
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 2022. 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 2.

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 the largest education NGOs in India. - In the words of Nobel Laureate Abhijit Banerjee, *"Pratham's impact on the lives of millions of kids has been tremendous; it is quite simply an exceptional, best-in-class organisation that has managed to scale across India."* We have won many prizes, including the Kravis Prize, the Skoll Award, the WISE Prize, the LUI Che Woo Prize, and the Yidan Prize.

We conduct high-quality, low-cost, replicable interventions to address gaps in the education system. India's schools remained closed for the best part of two years due to the pandemic. During the period covered by this report, restrictions eased. At that point we recruited students from almost 20,000 villages in 22 states and union territories to provide TaRL-based learning to younger children in their own communities. TaRL, or Teaching at the Right Level is a methodology that Pratham pioneered that can teach basic reading, writing and maths in 30 days. Central to the model is the idea of grouping children with those working at a similar level and using simple, locally available learning resources. It is ideal for catch up and has been recognised as such by the World Bank and UNICEF. Now that schools have reopened, we are again delivering TaRL in schools, but have continued to support volunteers to offer it in their own communities to reach more children.

Our model for delivering vocational training also evolved considerably during the pandemic. Previously the course was fully residential. Now that tools like Zoom and WhatsApp are well understood, we offer online taster sessions into various trades. The main course is split into two modules; one delivered digitally before those that show aptitude and desire are invited to a residential centre for the final six weeks, we were delighted that 12,000 students were placed into jobs, around 90% are the first in their

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families to secure salaried employment. Due to support secured by Pratham UK, a Recognition of Prior Learning course was launched that allows daily wage earners to develop and accredit their skills through short courses making them eligible for higher levels of minimum wages.

Our Second Chance programme adapted well to the pandemic and another cohort of over 4,000 women were able to prepare for their Class 10 exams with 92% passing, opening up new employment opportunities or further study for many.

The pandemic also brought educational technology further into the mainstream in India. We were fortunate to have already developed Pratham Open School, which has thousands of digital learning resources in 11 Indian languages available for free to children across India to support their learning. We continued to develop more innovative resources that could be accessed on any digital device already in the child's home throughout the year. In parallel, we are developing AI-based assessment tools for use in rural India, better moderating outcomes and making assessment more accessible for various hard-to-reach groups.

State-level ASER surveys in Karnataka, Chhattisgarh and West Bengal showed the impact the pandemic has had on foundational learning skills across rural India, with the highest impact seen for children in early primary grades. The proportion of children assessed as 'beginner' level (unable to recognise even letters) in primary classes is roughly double the corresponding level in 2018 in grades 2,3 & 4.

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. For the first time we raised over £1 million pounds in the UK.

Continuing initiatives included:

- Having not been able to hold a Gala in 2020 we were delighted to be able to host the 2021 Gala at the Dorchester. We received several generous donations on the night and subsequently.
- We are helping greater numbers of individual philanthropists to make a difference in India, connecting them to children and communities across India to improve access to education.
- We continued to build partnerships with Trusts and Foundations, which are now emerging as an additional income stream for the Charity.
- We were delighted to be selected as the beneficiary charity as the State Bank of India celebrated their centenary in the UK at Mansion House. We are also benefiting from the continued growth of 'This is Unfolded', who continue to support us generously.
- We are now working much more closely with Pratham USA, who are providing increasing support to the UK team, particularly around communications, events and

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technology support.

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 2022 Pratham UK had a gross income of £1,186,229 (2021-£372,166). 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-22 £
Donation Received - Unrestricted	
Donations and Legacies	303,045
Charitable activities	283,867
Other trading activities	12,401
Other income	8,063
Total Donation Received – Unrestricted	607,376
Donation Received -Restricted	
Programmes	578,853
Total Donation Received - Restricted	578,853
Total Income	1,186,229

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The net surplus for year ended 31 March 2022 after charitable donations was £193,524 (2021 – deficit of £380,616).

PRATHAM ACTIVITIES AND FUND UTILISATION

The Charity has contributed £731,083 (2021 - £567,799) to Pratham led Trusts to deliver child education.

Restricted Funds	£
Pratham Education Foundation India	494,479
Unrestricted Funds	
Pratham Education Foundation India	236,604
Total	<u>731,083</u>

RESERVES POLICY

Given that the majority of Pratham's reserves come from one event, the annual gala, Pratham agreed that its free reserves should cover twelve months of support costs.

At the year-end Pratham UK held reserves of £370,618 (2021- £177,094). Of these reserves £286,244 (2021- £177,094) are available as general reserves and £84,374 (2021 - £0) 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 2022/23, a reserve fund of £250,000 will be adequate to meet the organisation's needs.

PRINCIPAL GOALS FOR THE COMING YEAR

Surveys that our teams in India have been carried out since schools reopened have shown that the current foundational reading level in classes 1-7 are lower than at any time in the last decade. Similar drops have been visible in children's mathematical abilities over the period of the pandemic. The pandemic also taught Pratham new ways of working. As tools such as Zoom and WhatsApp became mainstream, we found new ways of working with mothers and community volunteers, allowing us to reach more children than ever before.

India's New Education Policy (NEP 2020) was also launched during the pandemic. The key recommendations of the policy are very aligned with Pratham's priorities & past efforts, especially in terms of foundational literacy and numeracy & early childhood education, providing new prospects for partnerships with national and state governments and others.

The Global Education Evidence Advisory Panel convened by The World Bank, UNICEF, and the FCDO recommends programmes based on the Teaching at the Right Level (TaRL) methodology, developed by Pratham, as the most appropriate intervention to help children catch up.

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Within this broader context, in 2022 The Pratham Education Foundation has launched a new strategy that will build on lessons learned from the pandemic and help us to reach many more children and young people with learning and vocational training opportunities.

We aim to expand tried and tested programmes, demonstrate and test evolving models and explore and experiment in new areas of potential importance in the future.

We currently reach circa 500,000 children in 5,000 communities with TaRL work. Over the next five years, we aim to increase this to 625,000 in 6,250 communities, but critically, through volunteers reach an additional 3.5 million in 25,000 'catchment communities' that neighbour the communities we are active in. Critically these partnerships act as demonstration models that encourage state governments to adopt the TaRL approach. We hope to double the number of state partnerships from five early childhood development and five TaRL programmes to ten of each over five years.

We also aim to double our reach for vocational training from 25,000 youth in 100 centres to 50,000 in 200 centres with significant growth in community partnerships too. Stronger digital elements will be built into every level of Pratham programming.

In the UK we seek to grow awareness of the incredible work of Pratham and raise more funds to support the implementation of the new strategy.

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'.

RISK MANAGEMENT

The trustees have undertaken a risk assessment for the Charity encompassing all potential areas of risk and review this periodically. Generally, the trustees are satisfied that the operating systems and procedures are in place to mitigate our exposure to the major risks.

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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, 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.

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



Sakate Khaitan
Chairman

Date: 13/09/2022

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 2022 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 2022 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

**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: 23/09/2022

Pratham UK**Statement of financial activities**

(incorporating an income and expenditure account)

For the year ended 31 March 2022

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Notes	£	£	£	£
Income from:					
Donations and legacies	3	303,045	-	303,045	136,862
Charitable activities	4	283,867	578,853	862,720	168,174
Other trading activities	5	12,401	-	12,401	49,038
Other income		8,063	-	8,063	18,092
Total income		607,376	578,853	1,186,229	372,166
Expenditure on:					
Raising funds		90,230	-	90,230	23,639
Charitable activities		407,996	494,479	902,475	729,143
Total expenditure	6	498,226	494,479	992,705	752,782
Net (expenditure) / income before net gains / (losses) on investments		109,150	84,374	193,524	(380,616)
Net gains / (losses) on investments		-	-	-	-
Net (expenditure) / income for the year	7	109,150	84,374	193,524	(380,616)
Transfers between funds		-	-	-	-
Net movement in funds		109,150	84,374	193,524	(380,616)
Reconciliation of funds:					
Total funds brought forward		177,094	-	177,094	557,710
Total funds carried forward	14	286,244	84,374	370,618	177,094

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 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets:					
Tangible assets	10		247		495
Current assets:					
Debtors	11	1,410		9,160	
Cash at bank and in hand		<u>379,165</u>		<u>178,173</u>	
		380,575		187,333	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(10,204)</u>		<u>(10,734)</u>	
Net current assets			<u>370,371</u>		<u>176,599</u>
Total net assets			<u>370,618</u>		<u>177,094</u>
Funds	14				
Restricted funds			84,374		-
Unrestricted funds			<u>286,244</u>		<u>177,094</u>
Total funds			<u>370,618</u>		<u>177,094</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 13 September 2022.....
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 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	a	200,992	(237,814)
Cash flows from investing activities:			
Sale/ (purchase) of fixed assets		-	(743)
Cash provided by / (used in) investing activities		-	(743)
Change in cash and cash equivalents in the year		200,992	(238,557)
Cash and cash equivalents at the beginning of the year		178,173	416,730
Cash and cash equivalents at the end of the year	b	379,165	178,173

a) (expenditure) to net cash flow from operating activities	2022 £	2021 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	193,524	(380,616)
Depreciation	248	248
Decrease / (Increase) in debtors	7,750	181,234
Increase / (decrease) in creditors	(530)	(38,680)
Net cash provided by / (used in) operating activities	200,992	(237,814)

b) Analysis of cash and cash equivalents	At 1 April 2021 £	Cash flows £	Other changes £	At 31 March 2022 £
Cash at bank and in hand	178,173	200,992	-	379,165
Total cash and cash equivalents	178,173	200,992	-	379,165

Pratham UK
Notes to the financial statements
For the year ended 31 March 2022

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.

Pratham UK
Notes to the financial statements
For the year ended 31 March 2022

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 6.

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 2022

2 Detailed comparatives for the statement of financial activities

	2021 Unrestricted funds	2021 Restricted funds	2021 Total funds
	£	£	£
Income from:			
Donations and legacies	136,862	-	136,862
Charitable activities	63,950	104,224	168,174
Other trading activities	49,038	-	49,038
Other income	18,092	-	18,092
Investment income	-	-	-
Total income	267,942	104,224	372,166
Expenditure on:			
Raising funds	23,639	-	23,639
Charitable activities:	492,919	236,224	729,143
Total expenditure	516,558	236,224	752,782
Net income before gains on investments	(248,616)	(132,000)	(380,616)
Net gains on investments	-	-	-
Net movement in funds	(248,616)	(132,000)	(380,616)
Total funds brought forward	425,710	132,000	557,710
Total funds carried forward	177,094	-	177,094

Pratham UK
Notes to the financial statements
For the year ended 31 March 2022

3 Income from donations and legacies

			2022	2021
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Donations	303,045	-	303,045	136,862
	303,045	-	303,045	136,862

4 Income from charitable activities

			2022	2021
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Donations- Events	275,278	-	275,278	63,950
Foundation - Hamara Gaon	-	171,042	171,042	28,687
Second Chance	-	37,150	37,150	69,424
Pratham Council for Vulnerable Children	-	55,705	55,705	6,113
Madhya Pradesh	507	200,000	200,507	-
Covid Relief	8,082	-	8,082	-
Recognition of Prior Learning (RPL)	-	96,856	96,856	-
East Delhi		18,100	-	-
	283,867	578,853	844,620	168,174

5 Income from other trading activities

			2022	2021
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Online sales and auctions	12,401	-	12,401	49,038
	12,401	-	12,401	49,038

Pratham UK
Notes to the financial statements
For the year ended 31 March 2022

6 Analysis of expenditure

	Raising funds	Charitable activities	Support costs	2022 Total	2021 Total
	£	£	£	£	£
Staff costs	-	-	128,930	128,930	114,091
Direct costs staging events	90,230	-	-	90,230	1,370
Read India - Pratham India	-	208,746	-	208,746	567,799
Second Chance	-	37,150	-	37,150	-
Pratham Council for Vulnerable Children	-	157,705	-	157,705	-
Madhya Pradesh	-	200,000	-	200,000	-
Covid Relief	-	30,000	-	30,000	-
Recognition of Prior Learning (RPL)	-	68,745	-	68,745	-
Vidyambaram	-	28,737	-	28,737	-
Admin costs	-	-	9,155	9,155	9,783
Professional Fee	-	-	-	-	2,000
Printing, Postage & Supplies	-	-	1,791	1,791	426
Telephone & Internet	-	-	1,333	1,333	-
Rent and rates	-	-	3,244	3,244	9,028
Insurance	-	-	1,405	1,405	1,432
Advertising	-	-	8,421	8,421	1,697
Sundry	-	-	1,173	1,173	246
Dues and Subscriptions	-	-	2,211	2,211	1,598
Travel	-	-	673	673	667
Just Giving Expense	-	-	418	418	360
Bad debt expense	-	-	-	-	28,350
Bank Charges	-	-	972	972	3,277
Depreciation	-	-	248	248	248
Accountancy fees	-	-	4,918	4,918	3,910
Audit fees	-	-	6,500	6,500	6,500
	90,230	731,083	171,392	992,705	752,782
Support costs		171,392	(171,392)	-	
Total expenditure 2022	90,230	902,475	-	992,705	
Total expenditure 2021	23,639	729,143	-	752,782	

Of the total expenditure, £498,226 was unrestricted (2021: £516,558) and £494,479 was restricted (2021: £236,224).

Pratham UK
Notes to the financial statements
For the year ended 31 March 2022

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation	248	248
Audit fees	6,500	6,500

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

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	115,417	102,951
Social security costs	9,487	7,783
Employer's contribution to defined contribution pension schemes	4,026	3,357
	128,930	114,091

The total employee benefits including pension contributions of the key management personnel were £66,765 (2021- £62,799).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Staff numbers

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

	2022	2021
	No.	No.
Charitable activities	2	1
	2	1

No employee received emoluments in excess of £60,000 (2021: Nil).

9 Taxation

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

10 Tangible fixed assets

	Computers	Total
	£	£
Cost		
At the start of the year	1,813	1,813
Additions in year		-
At the end of the year	1,813	1,813
Depreciation		
At the start of the year	1,318	1,318
Charge for the year	248	248
At the end of the year	1,566	1,566
Net book value		
At the end of the year	247	247
At the start of the year	495	495

All of the above assets are used for charitable purposes.

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11 Debtors

	2022	2021
	£	£
Other debtors	-	7,750
Prepayments	1,410	1,410
	<u>1,410</u>	<u>9,160</u>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other creditors	434	(234)
Accruals	6,979	6,500
Taxation and social security	2,479	3,288
Pension	312	1,181
Deferred income	-	-
	<u>10,204</u>	<u>10,734</u>

Deferred Income

	2022	2021
	£	£
Balance at the beginning of the year	-	30,000
Amount released to income in the year	-	(30,000)
Balance at the end of the year	<u>-</u>	<u>-</u>

Deferred income comprises funds received for the next financial year.

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	247	-	247
Net current assets	285,997	84,374	370,371
Net assets at 31 March 2022	<u>286,244</u>	<u>84,374</u>	<u>370,618</u>

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	495	-	495
Net current assets	176,599	-	176,599
Net assets at 31 March 2020	<u>177,094</u>	<u>-</u>	<u>177,094</u>

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14 Movements in funds

	At 1 April 2021 £	Income £	Expenses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Foundation - Read India	-	171,042	(136,042)	-	35,000
Pratham Council for Vulnerable Children	-	55,705	(55,705)	-	-
Second Chance	-	37,150	(37,150)	-	-
Madhya Pradesh	-	200,000	(200,000)	-	-
Recognition of Prior Learning (RPL)	-	96,856	(47,482)	-	49,374
East Delhi	-	18,100	(18,100)	-	-
Total restricted funds	-	578,853	(494,479)	-	84,374
Total unrestricted funds	177,094	607,376	(498,226)	-	286,244
Total funds	177,094	1,186,229	(992,705)	-	370,618

Movements in funds - prior year

	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)	-	-
Effective Intervention - Read India	-	-	-	-	-
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

15 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. There are 13 members of the company, each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

16 Related party transactions

Trustees donated £174,855 (2021: £131,635).