

Company No: 04708800

Registered Charity No. 1099386



**Pratham UK**

Every Child in School & Learning Well

**PRATHAM UK**

**A COMPANY LIMITED BY GUARANTEE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

# Pratham UK

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# Pratham UK

## Company Information

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Company number	04708800
Charity registration number	1099386
Name of trustees	Sakate Khaitan – Chairman Suresh Kanwar – Treasurer Alpona Banerji Ashok Vaswani (resigned 8 October 2022) Avinash Vazirani Charu Sarma (resigned 24 June 2022) Dixit Joshi Kalpesh Solanki Kanesh Balasubramaniam (appointed 28 July 2022) Karthic Jayaraman Manish Gupta (appointed 10 January 2023) Manisha Bharti Saurav Chopra (resigned 14 June 2022) Shailesh Solanki Sunayna Sethi William Samuel Tully
Company Secretary	Nicholas Sankey
Registered office	483 Green Lanes London N13 4BS
Bankers	HSBC 92 Kensington High Street London W8 4SH  ICICI Bank UK 1 Thomas More Square Thomas More Street London E1W 1YN
Independent auditor	Goldwins Chartered Accountants 75 Maygrove Road London NW6 2 EG

# **Pratham UK - (A Company Limited by Guarantee)**

## **Annual Report & Accounts for the year ended 31 March 2023**

The trustees present their annual report together with the financial statements for the year ended 31 March 2023. 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.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **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 was registered as a charity with the Charity Commission on 11 September 2003.

The organisation is governed and overseen by its trustees, who are also directors of the company. The trustees meet regularly to manage and review the activity and direction of the Charity.

### **TRUSTEE SELECTION, INDUCTION AND TRAINING**

Trustees of Pratham UK are elected by a majority vote by the existing body of trustees after meeting the Chairman and having their nomination approved by the Nomination and Governance Committee. Most will attend a board meeting as an observer prior to their election.

Newly elected trustees must sign a copy of our code of conduct. They all meet senior staff as part of their induction who outline the work of the charity and our future plans. They are also given relevant literature to read.

### **PUBLIC BENEFIT**

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 a 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.

As the report below outlines, we have been able to work with our Indian partner organisations to increase the number of children and young people whose lives we have been able to change through various learning opportunities. Whilst many charities agree that the sector should #ShiftThePower in favour of our southern partners, we are very proud that our programming is led to such a degree by our southern-based partners, the Pratham Education Foundation and Pratham Mumbai Educational Initiatives.

# **Pratham UK - (A Company Limited by Guarantee)**

## **Annual Report & Accounts for the year ended 31 March 2023**

### **OBJECTIVES AND ACTIVITIES**

The purpose of Pratham UK, which we share with the Pratham Education Foundation is to Enable learning for school, work and life. We meet these objectives by partnering with other Pratham entities to deliver the programmes in India. We give both restricted and unrestricted grants that support this work. The key programmes we are involved in are:

Hamara Gaon – a village-wide learning programme incorporating the Teaching at the Right Level methodology and other programmes to create an environment of learning within the community.

Second Chance – a programme that supports women who have previously dropped out of school to prepare for their class 10 exams.

Vocational training – Typically three month courses that allow young people from disadvantaged backgrounds to train for careers in sectors where India has skills shortages, many are the first in their families to have formal employment rather than being daily wage earners.

Recognition of Prior Learning (RPL) – short courses that support mid-career workers, generally tradesmen, to develop additional skills that allow them to access higher levels of minimum wage and other entitlements.

Early Childhood Development – preparing young children for school and life.

Madhya Pradesh – A programme that ran from Nov 2019 to July 2022 that included both direct instructional work with children and efforts to create an environment to support children’s education, focusing on classes 1&2, there was also an RCT included in the project design.

ASER – The annual ASER Report, measures enrolment and learning outcomes across rural India and which has driven change in educational policy to focus on learning outcomes, not inputs.

Digital Work – Developing and distributing ed tech for low-tech environments and creating free to access digital content in multiple Indian languages. Whilst we have developed Apps in house to assist students to engage in learning for school, work, and life while allowing teachers to evaluate students using our comprehensive question bank and templates.

### **VOLUNTEERS**

Whilst there are thousands of volunteers in India enabling the programmes we are supporting, there are also many wonderful volunteers in the UK, in particular, supporting our events, and the trustees themselves are committed volunteers. We wish to thank all our volunteered who have supported Pratham across the world in any way during the year.

### **ACHIEVEMENTS AND PERFORMANCE**

2022/3 marked a continued return to something much more like normal after the pandemic, but its legacy still impacts our programmes, the first ASER survey in four years built a new picture of the state of foundational learning in rural India post-pandemic. Whilst there was much lost learning amongst the 699,597 children we surveyed in 19,060 villages, there were many positives in what we found. Overall enrolment in the 6-14 age group has increased from 97.2% in 2018 to 98.4% in 2022. The proportion of girls (aged 11-14) who are not currently enrolled, which stood at 10.3% in 2006 has continued falling to 4.1% in 2018 and 2% in 2022.

Across rural India, the proportion of 3-year-olds enrolled in some form of early childhood education stands at 78.3% in 2022, an increase of 7.1% over 2018 levels.

## **Pratham UK - (A Company Limited by Guarantee)**

### **Annual Report & Accounts for the year ended 31 March 2023**

Nationally, during the pandemic period, children's basic reading ability has dropped to pre-2012 levels, reversing the slow improvement achieved in the intervening years. Drops are visible in both government and private schools in most states and for both boys and girls. The percentage of children in Std III in government or private schools who can read at Std II level dropped from 27.3% in 2018 to 20.5% in 2022, and for children in standard 5 the percentage able to read the text fell from 50.5% in 2018 to 42.8% in 2022.

Learning is vital for ensuring children benefit from their school years. Our holiday camps were an extension of the programmes we ran in communities during the pandemic school closures. This year 59,000 volunteers supported 520,000 children in their own communities to make up for learning loss through fun learning activities that strengthened their foundational skills in reading, writing and maths.

We are also working with the Pratham Education Foundation to deliver support for foundational skills in term time. Our partnership with the AKO Foundation is helping us reach 250 villages in Odisha, where we are implementing the Hamara Gaon model which includes the Teaching at the Right Level methodology and various other programmes to engage the community in learning. With the help of another group of supporters, we are able to support a similar programme in 50 villages around Khandala in Maharashtra. Our partnership with This is Unfolded allows a similar programme in an urban setting where we support young children, many of whom are the children of migrant labourers who have never been to school, to prepare to catch up with lost schooling so they can join an age-appropriate class in the next school year.

Pratham focuses on learning not just for school but also for work and for life. Pratham UK are delighted that with the support of an anonymous foundation we have been able to support the development of the Recognition of Prior Learning model in Madhya Pradesh and Chhattisgarh. For this daily wage earners are able to undertake a short, commonly 10-day, course that gives them the skills and certification needed for higher-paid jobs, they are also supported to secure any government and industry entitlements they may have the right to, which they are often not aware of.

With the support of The Randal Charitable Foundation, we have also worked with the Pratham Council for Vulnerable Children to support 200 families in Bahraich district to set up small businesses that would generate enough income to reduce the likelihood of child trafficking from families that already have a risk factor, such as a disabled parent or where they are female-headed families.

In the Autumn, we held a spectacular gala at the Dorchester Hotel, where we raised almost double what we had raised the previous year. We also launched our patrons scheme and welcomed six people as our first cohort of patrons, they are amongst our closest friends and we are indebted to them for their support.

As we grow our income, we are also growing our team. Tijana Milosevic, Deepti Tamhane and Shaefali Sakharkar all joined us and formed a new Philanthropy and Special Events Team. Melissa Jones was appointed as our first Digital Marketing Manager shortly after the year-end and we are looking forward to engaging more with our community in the years ahead. Nick, Tijana and Deepti all had the opportunity to visit the programmes and see our work in India first-hand this year. Shaefali and Melissa look forward to similar trips this year. We are grateful to Christina Sanko, who was seconded to us from Pratham USA for the first nine months of the year whilst we built out our new team.

In 2023/4 we hope to see the benefits of this year's recruitment as the team deepens their relationships with more of our supporters so that they can work with us to transform the lives of more children in India.

# Pratham UK - (A Company Limited by Guarantee)

## Annual Report & Accounts for the year ended 31 March 2023

### FINANCIAL REVIEW

It continues to be an exciting period of growth for Pratham UK and we are hugely grateful to all the supporters new and old who are placing their faith in us and our mission. Over the past three years, we have sent more funds to India for project work than we had in the previous nine.

For the year ending 31 March 2022 Pratham UK had a gross income of £1,590,755 (2022-£1,186,229). The growth was driven by two main areas, the gala and grant income. With a new team leading the gala the income raised from the event near enough doubled and we are excited to see it continue to grow. We also welcomed significant new foundation support even though it is a particularly difficult time to grow support in this area. Throughout the year we have put on a number of small cultivation events where existing trustees and supporters have been able to introduce new people to the charity and the team will take forward many of those relationships into the new year.

	£	£	£
<b>INCOME FROM</b>			
Donations and legacies	239,375	10,011	<b>249,386</b>
Charitable activities	504,590	819,975	<b>1,324,565</b>
Other trading activities	16,804	-	<b>16,804</b>
	<u>760,769</u>	<u>829,986</u>	<b>1,590,755</b>

All staff who have worked for the charity for more than three months are automatically opted into a defined contribution workplace pension scheme managed by NEST.

### RESERVES POLICY

Given that the majority of Pratham UK's unrestricted income comes from one event, the annual gala, the trustees of Pratham UK agreed that its free reserves should cover twelve months of UK support costs. Programme-related reserves are not held in the UK.

At the year-end, Pratham UK held reserves of £447,656 (2022- £370,618). Of these reserves, £442,156 (2022-£370,618) are available as general reserves and 5,500 (2022 - £84,374) 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 2023/24, a reserve fund of £250,000 will be adequate to meet the organisation's needs.

### 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.

# **Pratham UK - (A Company Limited by Guarantee)**

## **Annual Report & Accounts for the year ended 31 March 2023**

### **PLANS FOR FUTURE PERIODS;**

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

Pratham UK aims to continue its growth in 2023/4 and beyond. As income grows we will in parallel grow the fundraising team so that we can deepen the engagement of our supporters and grow existing income streams and open up new ones. The trustees are aware that there will be a lag of 18 months or so before investment in new posts sees income rise but are confident that this is the best way to balance prudence and the desire to help many more children in India in the shortest possible time frame. Of particular note, this year's gala will be held at the brand new Raffles at The OWO and we look forward to our first appeal being broadcast on Radio 4 in November whilst we are working to grow our support from corporations.

Our growth will allow us to continue to work with other Pratham entities to reach many more young people in India in line with the programmes outlined earlier in this report.

#### **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 trustees will consider re-appointing the auditor at a meeting of the trustees.

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

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**Sakate Khaitan**

**Chairman**

Date:



# Pratham UK

## Independent Auditor's report for the year ended 31 March 2023

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### Opinion

We have audited the financial statements of Pratham UK for the year ended 31 March 2023 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 2023 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.

# Pratham UK

## Independent Auditor's report for the year ended 31 March 2023

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### 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.

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.

# Pratham UK

## Independent Auditor's report for the year ended 31 March 2023

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### 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.

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.

## Pratham UK

### Independent Auditor's report for the year ended 31 March 2023

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- 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](http://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.

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

**Pratham UK**  
**Statement of Financial Activities (incorporating income and expenditure) for the year ended 31 March 2023**

		Unrestricted funds	Restricted funds	2023 Total	2022 Total
	Notes	£	£	£	£
<b>INCOME FROM</b>					
Donations and legacies	3	239,375	10,011	<b>249,386</b>	303,045
Charitable activities	4	504,590	819,975	<b>1,324,565</b>	862,720
Other trading activities	5	16,804	-	<b>16,804</b>	12,401
Other income		-	-	-	8,063
		760,769	829,986	<b>1,590,755</b>	1,186,229
<b>EXPENDITURE ON</b>					
Raising funds	6	(121,539)	-	<b>(121,539)</b>	(90,230)
Charitable activities	6	(483,318)	(908,860)	<b>(1,392,178)</b>	(902,475)
		(604,857)	(908,860)	<b>(1,513,717)</b>	(992,705)
<b>Net (outgoing)/incoming resources before transfers</b>					
		155,912	(78,874)	<b>77,038</b>	193,524
Transfers between funds					
		-	-	-	-
<b>Net (expenditure)/income for the period/ Net movements in funds</b>					
		155,912	(78,874)	<b>77,038</b>	193,524
Total funds brought forward					
	14	286,244	84,374	<b>370,618</b>	177,094
<b>Balances carried forward</b>					
		442,156	5,500	<b>447,656</b>	370,618

All recognised gains and losses are included in the above Statement of Financial Activities. All income and expenditure derive from continuing activities.

# Pratham UK

## Balance Sheet as at 31 March 2023

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	Notes	31-Mar-23	31-Mar-22
		£	£
<b>Fixed assets:</b>			
Tangible assets	10	-	247
<b>Current assets:</b>			
Debtors	11	346,947	1,410
Cash at bank and in hand		468,645	379,165
		<b>815,592</b>	380,575
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	12	(367,936)	(10,204)
<b>Net current assets</b>		<b>1,183,528</b>	370,371
<b>Total net assets</b>		<b>447,656</b>	370,618
<b>Funds</b>			
Restricted funds	14	5,500	84,374
Unrestricted funds	14	442,156	286,244
		<b>447,656</b>	370,618

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 applicable to companies' subject to the small companies' regime. They were approved, and authorised for issue, by the trustees and signed on their behalf by:

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**Sakate Khaitan**

**Chairman**

**Date:**

**Company registration no. 04708800**

The notes on pages 16 - 24 form part of these financial statements.

# Pratham UK

## Statement of Cash Flow as at 31 March 2023

	31-Mar-23	31-Mar-22
	£	£
<b>Cash flow from operating activities</b>		
Net cash provided by operating activities	89,480	200,992
<b>Cash flow from investing activities</b>		
Sale / (purchase) of fixed assets	-	-
<b>Net cash flow from investing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	89,480	200,992
Cash and cash equivalents at the beginning of the year	379,165	178,173
<b>Cash and cash equivalents at the end of the year</b>	<b>468,645</b>	<b>379,165</b>
<b>Cash and cash equivalents consists of:</b>		
Cash and cash equivalents at 31 March 2023	468,645	379,165
	<b>468,645</b>	<b>379,165</b>

### Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023	2022
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	77,038	193,524
Depreciation	247	248
(Increase) / decrease in debtors	(345,537)	7,750
Increase / (decrease) in creditors	357,732	(530)
<b>Net cash flow from operating activities</b>	<b>89,480</b>	<b>200,992</b>

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

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### 1) Accounting Policies

#### (a) Basis of preparation of financial statements

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 applied on the date of the transaction. Balances are denominated in foreign currencies translated into Sterling at the rate of exchange 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,

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.

#### (c) Income

Income is recognised when the charity has an 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, are recognised when the charity has an 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 or equivalent economic benefit on the open market: a corresponding amount is then recognised in expenditure in the period of receipt.

#### (e) 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 gross value.

#### (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.



# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

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### **(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 the 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 that 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 the 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 as at 31 March 2023

### 2) Detailed comparatives for the statement of financial activities

	Unrestricted funds	Restricted funds	2022 Total
	£	£	£
<b>INCOME FROM</b>			
Donations and legacies	303,045	-	<b>303,045</b>
Charitable activities	283,867	578,853	<b>862,720</b>
Other trading activities	12,401	-	<b>12,401</b>
Other income	8,063	-	<b>8,063</b>
	<b>607,376</b>	<b>578,853</b>	<b>1,186,229</b>
<b>EXPENDITURE ON</b>			
Raising funds	90,230	-	<b>90,230</b>
Charitable activities	407,996	494,479	<b>902,475</b>
	<b>498,226</b>	<b>494,479</b>	<b>992,705</b>
<b>Net (outgoing)/incoming resources before transfers</b>	<b>109,150</b>	<b>84,374</b>	<b>193,524</b>
Transfers between funds	-	-	-
<b>Net (expenditure)/income for the period/ Net movements in funds</b>	<b>109,150</b>	<b>84,374</b>	<b>193,524</b>
Total funds brought forward	177,094	-	<b>177,094</b>
<b>Balances carried forward</b>	<b>286,244</b>	<b>84,374</b>	<b>370,618</b>

### 3) Income from donations and legacies

	Unrestricted funds	Restricted funds	2023 Total	2022 Total
	£	£	£	£
Donations	178,008	10,011	<b>188,019</b>	303,045
Gifts in Kind	61,367	-	<b>61,367</b>	-
	<b>239,375</b>	<b>10,011</b>	<b>249,386</b>	303,045

Incoming resources from donations and legacies were all attributable to unrestricted funds for the prior year.

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

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### 4) Income from charitable activities

	Unrestricted funds	Restricted funds	2023 Total	2022 Total
	£	£	£	£
Donations - Events	504,590	-	<b>504,590</b>	275,278
Foundation - Hamara Gaon	-	263,198	<b>263,198</b>	189,142
Second Chance	-	141,573	<b>141,573</b>	37,150
Pratham Council for Vulnerable Children	-	85,763	<b>85,763</b>	55,705
Madhya Pradesh	-	301,390	<b>301,390</b>	200,507
Covid Relief	-	-	-	8,082
Recognition of Prior Learning (RPL)	-	28,051	<b>28,051</b>	96,856
	<b>504,590</b>	<b>819,975</b>	<b>1,324,565</b>	<b>862,720</b>

Income from charitable activities was £1,324,565 (2022: £862,720) of which £819,975 (2022: £578,853) was attributable to restricted and £504,590 (2022: £283,867) was attributable to unrestricted funds.

### 5) Income from other trading activities

	2023 Total	2022 Total
	£	£
Online sales and auctions	<b>16,804</b>	12,401
	<b>16,804</b>	12,401

Incoming resources from trading activities was all attributable to unrestricted funds for the current and prior year.

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

### 6) Analysis of expenditure

	Raising funds £	Charitable activities	Support costs £	2023 Total £	2022 Total £
Staff costs	-	-	140,586	140,586	128,930
Direct costs staging events	121,539	-	-	121,539	90,230
Hamara Gaon	-	292,699	-	292,699	237,483
Second Chance	-	141,573	-	141,573	37,150
Pratham Council for Vulnerable Children	-	85,763	-	85,763	157,705
Madhya Pradesh	-	301,390	-	301,390	200,000
Covid Relief	-	-	-	-	30,000
Recognition of Prior Learning (RPL)	-	357,033	-	357,033	68,745
Other	-	10,010	-	10,010	-
Admin costs	-	-	527	527	9,155
Professional Fee	-	-	11,520	11,520	-
Printing, postage and supplies	-	-	2,125	2,125	1,791
Telephone and internet	-	-	1,949	1,949	1,333
Rent and rates	-	-	596	596	3,244
Insurance	-	-	888	888	1,405
Advertising	-	-	2,893	2,893	8,421
Sundry	-	-	815	815	1,173
Dues and subscriptions	-	-	2,827	2,827	2,211
Travel	-	-	3,949	3,949	673
Just Giving costs	-	-	361	361	418
Bank charges	-	-	1,708	1,708	973
Depreciation	-	-	247	247	247
Accountancy fees	-	-	26,219	26,219	4,918
Audit fees	-	-	6,500	6,500	6,500
	<b>121,539</b>	<b>1,188,468</b>	<b>203,710</b>	<b>1,513,717</b>	<b>992,705</b>
Support costs		203,710	(203,710)	-	
	<b>121,539</b>	<b>1,392,178</b>	<b>-</b>	<b>1,513,717</b>	
Total expenditure 2023					
Total expenditure 2022	90,230	902,475	-	992,705	

### 7) Net income / (expenditure) for the year

This is stated after charging/(crediting):

	2023 Total £	2022 Total £
Depreciation	247	247
Audit fees	6,500	6,500
	<b>6,747</b>	<b>6,747</b>

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

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

Staff costs were as follows:	2023 Total	2022 Total
	£	£
Salaries and wages	124,914	115,417
Social security costs	9,560	9,487
Employer's contribution to defined contribution pension schemes	3,796	4,026
Other staff costs	2,316	-
	<b>140,586</b>	<b>128,930</b>
	<b>140,586</b>	<b>128,930</b>

The total employee benefits including pension contributions of the key management personnel were £72,344 (2022: £66,765)

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2022: £Nil) neither were they reimbursed expenses during the year (2022: Nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £Nil).

Staff numbers:	2023	2022
The average number of employees during the year was as follows:	No.	No.
Charitable activities	3	2
	<b>3</b>	<b>2</b>
	<b>3</b>	<b>2</b>

One employee received emoluments in excess of £60,000 (2022: Nil).

### 9) Taxation

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

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

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### 10) Tangible fixed assets

	Computer Equipment	Total
	£	£
<b>Cost</b>		
At the start of the year	1,813	1,813
Disposals in the year	<u>(1,813)</u>	<u>(1,813)</u>
At the end of the year	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>		
At the start of the year	1,566	1,566
Depreciation for the year	247	247
Disposals in the year	<u>(1,813)</u>	<u>(1,813)</u>
At the end of the year	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At the end of the year	<u>-</u>	<u>-</u>
At the start of the year	<u>247</u>	<u>247</u>

All of the above assets are used for charitable purposes.

### 11) Debtors

	31-Mar-23	31-Mar-22
	£	£
Prepayments	884	1,410
Accrued income	<u>346,063</u>	<u>-</u>
	<u>346,947</u>	<u>1,410</u>

### 12) Creditors: amounts falling due within one year

	31-Mar-23	31-Mar-22
	£	£
Trade creditors	2,980	434
Accruals	310,890	6,979
Taxation and social security	4,566	2,479
Pension	-	312
Deferred income	<u>49,500</u>	<u>-</u>
	<u>367,936</u>	<u>10,204</u>

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

Deferred Income	31-Mar-23	31-Mar-22
	£	£
Balance at the beginning of the year	-	-
Amount released to income in the year	-	-
Balance at the end of the year	<b>49,500</b>	-
	<b>49,500</b>	-

### 13) Analysis of net assets between funds

Current year:	Unrestricted funds	Restricted funds	Total
	£	£	£
<b>Fund balances at 31 March 2023 are represented by:</b>			
Tangible fixed assets	-	-	-
Net current assets	442,156	5,500	<b>447,656</b>
	<b>442,156</b>	<b>5,500</b>	<b>447,656</b>

Prior year:	Unrestricted funds	Restricted funds	Total
	£	£	£
<b>Fund balances at 31 March 2022 are represented by:</b>			
Tangible fixed assets	247	-	247
Net current assets	285,997	84,374	370,371
	<b>286,244</b>	<b>84,374</b>	<b>370,618</b>

### 14) Movement in funds

Current year	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
<b>Restricted funds:</b>					
Hamara Gaon	35,000	263,198	(292,698)	-	<b>5,500</b>
Recognition of Prior Learning (RPL)	49,374	28,051	(77,425)	-	-
Second Chance	-	141,573	(141,573)	-	-
Madhya Pradesh	-	301,390	(301,390)	-	-
Pratham Council for Vulnerable Children	-	85,763	(85,763)	-	-
Gujarat	-	10,011	(10,011)	-	-
	<b>84,374</b>	<b>829,986</b>	<b>(908,860)</b>	-	<b>5,500</b>
<b>Unrestricted funds:</b>					
General Fund	286,244	760,769	(604,857)	-	<b>442,156</b>
	<b>286,244</b>	<b>760,769</b>	<b>(604,857)</b>	-	<b>442,156</b>
<b>Total Funds</b>	<b>370,618</b>	<b>1,590,755</b>	<b>(1,513,717)</b>	-	<b>447,656</b>

# Pratham UK

## Notes to the Financial Statements as at 31 March 2023

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### Purpose of Restricted Funds

**Hamara Gaon** is a village-wide learning programme incorporating the Teaching at the Right Level methodology – the successor programme to Read India

**Recognition of Prior Learning (RPL)** is short courses that support mid-career workers, generally tradesmen, to develop additional skills that allow them to access higher levels of minimum wage and other entitlements.

**Second Chance** is a programme that supports women who have previously dropped out of school to prepare for their class 10 exams.

**Madhya Pradesh** is a programme that ran from Nov 2019 to July 2022 that included both direct instructional work with children and efforts to create an environment to support children’s education, focusing on classes 1&2, there was also an RCT included in the project design.

**Pratham Council for Vulnerable Children** is programmes that focus on preventing child exploitation and that support their rehabilitation.

**Gujarat** is a fund for donations that are to be used on any Pratham project in the state of Gujarat, including, but not limited to, Hamara Gaon, Second Chance and vocational training

Prior year	At 1 April 2021	Incoming resources	Resources expended	Transfers	At 31 March 2022
	£	£	£	£	£
<b>Restricted funds:</b>					
Hamara Gaon	-	189,142	(154,142)	-	<b>35,000</b>
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)	-	<b>49,374</b>
	-	578,853	(494,479)	-	<b>84,374</b>
<b>Unrestricted funds:</b>					
General Fund	177,094	607,376	(498,226)	-	<b>286,244</b>
	177,094	607,376	(498,226)	-	<b>286,244</b>
<b>Total Funds</b>	<b>177,094</b>	<b>1,186,229</b>	<b>(992,705)</b>	<b>-</b>	<b>370,618</b>

### **15) Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. There are 21 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 £84,647 (2022: £174,855).