

Registered Charity: registered in England and Wales No. 1120353

## **The Friends of Baale Mane, Gopalapura**

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
31 March 2017

# The Friends of Baale Mane, Gopalapura

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## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

Charity registration number:	1120353																
Registered office:	29 Stroatley Rise Haslemere Surrey GU27 1AG																
Trustees:	<table><tr><td>Chris Harrison</td><td>Chairman</td></tr><tr><td>Paula Patel</td><td>Treasurer</td></tr><tr><td>Sandeep Dwesar</td><td></td></tr><tr><td>Matt Clarke</td><td></td></tr><tr><td>Balraj Tandon</td><td></td></tr><tr><td>Mark Hodgkinson</td><td></td></tr><tr><td>Hannie Wilkinson</td><td></td></tr><tr><td>Eileen Peach (resigned 14<sup>th</sup> October, 2016)</td><td></td></tr></table>	Chris Harrison	Chairman	Paula Patel	Treasurer	Sandeep Dwesar		Matt Clarke		Balraj Tandon		Mark Hodgkinson		Hannie Wilkinson		Eileen Peach (resigned 14 <sup>th</sup> October, 2016)	
Chris Harrison	Chairman																
Paula Patel	Treasurer																
Sandeep Dwesar																	
Matt Clarke																	
Balraj Tandon																	
Mark Hodgkinson																	
Hannie Wilkinson																	
Eileen Peach (resigned 14 <sup>th</sup> October, 2016)																	
Secretary:	Mark Hodgkinson																
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4QJ																
Independent examiner:	Naresh Alimchandani																

# The Friends of Baale Mane, Gopalapura

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# The Friends of Baale Mane, Gopalapura

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## TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 March 2017

### Aims and Organisation

The Friends of Baale Mane (which means girls' hostel), Gopalapura ('The Friends') was established and formally registered as a charity in 2007 with the broad objectives of advancing education, relieving poverty, preserving and protecting the health of young people up to the age of 21, living in India.

Within these broad objectives, the charity focuses its activities on working with The Baale Mane Trust, a charity operating in Bangalore, India. Our combined focus is to operate The Baale Mane, a home for disadvantaged and abandoned girl children, located just outside of Bangalore, India. We provide girl children with a happy, healthy and secure home environment, aiming to enable them to lead self-sustaining adult lives. We do this through our care-planning programmes, a focus on teaching life skills, awareness about child and girls rights and a strong emphasis on both formal education and creative expression.

The Board of Trustees of The Friends of Baale Mane Gopalapura consists of the Chairman, Treasurer and at least one other Trustee. New Trustees are selected on the recommendation of all the trustees based on the expectation that they will bring additional skills to the Board and will be active in the promotion of the aims of the charity. They are appointed by a resolution at general meetings. Trustees serve for periods of three years before re-election. None of the trustees receive any remuneration for their services.

The Trustees make decisions in periodic meetings with regard to the application of funds in respect of the management of the Friends and grants payable. The trustees are also actively involved in decisions affecting the operating model for the Baale Mane, and members of the Board of Trustees participate annually in a strategy setting session, which is held at The Baale.

The organisation's governing document is a declaration of trust dated 12 July 2007. The financial statements comply with current statutory requirements and the Foundation's governing document.

### Review of Financial Activities and Affairs

We raised £84,060 from donations during the financial year. Funds come from a mixture of private individuals and charitable trusts. Since we began fundraising, in excess of 400 individuals have supported us and the generosity of our supporters continues to delight and inspire us.

We held a very successful dinner and charity auction at the Barbican in May which raised £20,852. The cost of this event was £3,806.

The total funds that we raised during the year were significantly more than the previous year. Unfortunately the movement in the Indian Rupee against the Pound has worked against us so that even when funding to Baale Mane remains the same, this now costs us almost 25% more than it did only one year ago.

Our long-term strategy is to focus on increasing funds raised within India. To support this objective, in 2015 we hired Tiggy Allen, a UK national based in Bangalore, to act as a full-time fundraiser. This was a new departure as we have never previously spent money to raise funds and we have always prided ourselves on the fact that our costs have been extremely low. We now recognise, that for our model to be sustainable, we must invest in generating income. As a social enterprise we need to drive our income in addition to managing our costs.

Tiggy arrived in the summer of 2015 and is already having a significant impact. Most significantly our participation in the annual TCS 10K Run in May 2016 raised Rs.12 Lakh (approximately £13,000) and we have also secured significant donations from two US Foundations, who have both renewed their support for 2017-18 and we hope will continue as long term supporters and partners. All of these funds are paid direct to The Baale Mane Trust, and do not appear in these accounts. We have also secured new corporate supporters who are donating time and materials to support our work.

## The Friends of Baale Mane, Gopalapura

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More information on these and other activities will be provided in our combined Annual Report (with The Baale Mane Trust) which will be published and available on our website soon.

In another important development we continue to invest significantly in our social media and also in creating platforms for online giving in India. This seems to be exploding in the country and we are striving to capitalise on the increased giving by India's highly digitally connected emerging middle class.

All of these developments are contributing to our long-term strategy to increase the proportion of funding for The Baale Mane that comes from local efforts on the ground in Bangalore, which only five years ago was an insignificant proportion of the total cost of operating the home.

In local currency, the operating budget of The Baale Mane for 2017-18 has risen 22%, year-on-year. This is a direct consequence of the increasing number of older girls that we are supporting, in particular girls who are transitioning to an independent life in the city. The costs of supporting these girls is higher than for younger girls. Given the deterioration in the exchange rate between the Pound and the Indian Rupee, the increase is 46% in real terms.

Against this background, we are committed to grants of £56,000 in 2017-18 representing approximately 46% of the total operating costs of the home. This is a modest decrease from 50% in 2016-17 and in addition, from July, the cost of our local fundraiser will be borne directly by the Baale Mane Trust rather than by ourselves.

A few years ago, we employed architects to develop plans for a significant expansion of our campus facilities. Fundraising for this project has proved difficult, both because of the challenges of the amounts needed, and because of the ambition of the project. Late in 2016 we re-evaluated our plans, and have now developed a more modest proposal with the objective of improving the facilities for the girls, increasing our capacity, improving staff facilities and also giving us the opportunity to increase outreach into the local community. These proposals have been costed at around £100,000, and at the time of writing, we have already exceeded 50% of this target in pledges and funds raised, some of which are held by The Friends, others by The Baale Mane Trust. A substantial proportion of our designated funds are held for this project.

It is our intention to commence construction later in the year. Together with the trustees of the Baale Mane Trust we are mindful of balancing this fundraising exercise with the need to continue to fund our increasing and ongoing operational costs.

In December 2016, as has become our annual practice, two of our trustees visited Bangalore to spend time with the local management team and the trustees of the Baale Mane Trust in continuing to develop the strategy for the home. The agenda ranged across many issues with a continuing focus both on the girls living in the home and the increasing number of older girls who now live and study in the city of Bangalore. The Chairman and the Treasurer also made additional visits at other times of the year. These visits by the trustees are a critical part of our governance of the Baale Mane and supplemented with regular communications by email and Skype.

Emily Parkes, our external relations manager, employed by The Friends has continued with us throughout the year and has agreed to stay with us for another year. Tiggy Allen will be leaving to study for a Master's degree in the summer although we are in discussions with her about continuing to support us in a part-time capacity. We are currently searching for a local person in Bangalore to succeed Tiggy.

We have also had support from a number of volunteers from around the world in the last 12 months and now have a well-structured volunteer programme. We also have a number of people in India who support us on a regular and voluntary basis.

We would like to thank Emily, Tiggy, our volunteers and all the staff for their dedicated work during the year.

### Risk Management

The Trustees have identified the major risks to which the Friends are exposed, and are satisfied that systems are in place to mitigate those risks. In particular, all cash funds are held in a separate bank account, with two signatories required for all payments. As funds are passed to the beneficiaries within a short period of time, no investments other than cash balances are held at present. Should sufficient funds become available, these will be held in low risk, accessible, interest bearing accounts.

# The Friends of Baale Mane, Gopalapura

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The Trustees consider the other major risk faced by The Friends to be that funds might be used by donees for non-designated purposes. The Trustees consider that this risk is mitigated by the trust that has been built up between themselves and the Trustees of The Baale Mane Trust, and the fact that certain of the Trustees visit the Baale on a regular basis, enabling them to report back on progress. We have also been actively involved in developing the financial processes at The Baale.

Funds for capital projects are only advanced to the beneficiaries, on receipt of detailed and costed project plans. Funds for operational expenditure are sent in advance against a budget which has been drawn up in close collaboration with The Friends, and actual expenditure is reported monthly. The accounts of the Baale Mane Trust are audited and the Chairman of The Friends meets with the auditors to discuss the accounts and ideas for process improvements together with the Treasurer of The Baale Mane Trust on at least an annual basis.

Another critical aspect of our risk assessment is the quality of the governance within The Baale Mane Trust. The trustees meet monthly, and we receive minutes of all of their meetings. On visits to India, trustees of The Friends also participate in their meetings and together form an advisory Council which has an agreed constitution.

The Trustees regularly review the charity's risk assessment.

## Reserves

Reserves are defined by the Charity Commission as unrestricted and freely available for the charity to spend in respect of its charitable purposes. Reserves are held to provide a capital sum from which income and/or capital will be applied for the charitable purposes.

We continue to review our reserves policy and consider that it is appropriate to hold reserves equivalent to at least 9 months' commitment to operating expenses, which at present amounts to around £42,000. It should be noted that, at the year-end, we were not in a position to comply with this reserves policy.

## Post Balance Sheet Events

There have been no significant events affecting the charity since the year end and none are anticipated. It is however worth noting that we had fallen behind in making Gift Aid claims, and that subsequent to the year end, we have received a total of £4,480 in respect of claims for 2016 and 2017. Procedures are now in place to make claims on a more timely basis.

## Investment Policy

The investment policy of the trustees is to hold any surplus funds in low risk, accessible, interest bearing accounts.

## Trustees

The trustees during the year were those listed on page 2 of the report and financial statements. We would like to thank Eileen Peach who resigned as a Trustee on 14th October, 2016 for her tremendous support over many years.

Paula Patel has become Treasurer following Eileen's resignation.

None of the trustees receives any remuneration for their services.

The trustees meet regularly. As all trustees are involved in the activities of The Friends, these meetings necessarily include discussions of operational issues. However, time is set aside at all meetings to consider governance issues and formal matters pertaining to the proper running of the charity.

## The Friends of Baale Mane, Gopalapura

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From time to time, the trustees will incur necessary expenses, in particular in visiting the Baale Mane in India. The costs of such visits are kept to a minimum, and wherever possible, visits are combined with other reasons to visit India. The trustees are individually and collectively committed to ensuring that any costs are exceeded by their own personal contributions to The Friends.

### Trustees' Responsibilities for the Financial Statements

Charity law in the United Kingdom requires the Trustees to prepare financial statements recording the results of the Foundation's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees should follow best practice and:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the accounting requirements of the Charities Act 2011;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Foundation and which enable them to ascertain the financial position of the Foundation and to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed for and on behalf of the Trustees on

Chris Harrison

5<sup>th</sup> June 2017



# The Friends of Baale Mane, Gopalapura

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## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the Financial Statements for the period ended 31 March 2017 which are set out on pages 9 to 13.

### Respective Responsibilities of Trustees and Examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act
- follow the procedures laid down in the general directions given by the commission under section 145(5)(b) of the 2011 Act
- state whether particular matters have come to my attention.

### Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

### Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 130 of the Act; and
  - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Naresh Alimchandani ACA

5th June 2017





# The Friends of Baale Mane, Gopalapura

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2017

	Note	Unrestricted General Fund £	Designated Funds £	2017 Total £	2016 Total £
<b>Incoming Resources</b>					
Voluntary income		57,660	5,548	63,208	45,005
Activities for generating funds	3	20,852	-	20,852	-
Investment income		-	-	-	28
<b>Total Incoming Resources</b>		<b>78,512</b>	<b>5,548</b>	<b>84,060</b>	<b>45,033</b>
<b>Resources Expended</b>					
<b>Costs of Generating Funds</b>		<b>5,237</b>	<b>-</b>	<b>5,237</b>	<b>1,164</b>
Costs of generating voluntary income					
Fundraising trading costs					
<b>Charitable Activities</b>					
Charitable donations	4	45,492	3,149	48,641	41,239
Aid worker costs		11,481	-	11,481	11,702
Other resources expended			-		763
<b>Governance Costs</b>	5				
Bank charges		1,021	82	1,103	642
Trustee expenses		792	-	792	1,727
<b>Total Resources Expended</b>		<b>64,023</b>	<b>3,231</b>	<b>67,254</b>	<b>56,737</b>
<b>Net incoming/(outgoing) resources</b>		<b>14,489</b>	<b>2,317</b>	<b>16,806</b>	<b>(11,704)</b>
<b>Before transfers</b>					
<b>Total funds carried forward</b>		<b>14,489</b>	<b>2,317</b>	<b>16,806</b>	<b>(11,704)</b>

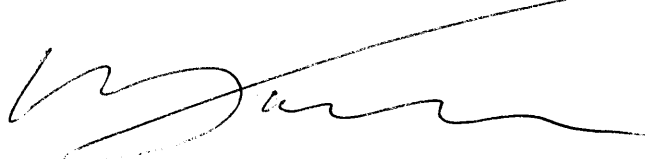
# The Friends of Baale Mane, Gopalapura

## BALANCE SHEET AS AT 31 MARCH 2017

	Notes	2017	2016
		£	£
<b>CURRENT ASSETS</b>			
Cash at bank		34,301	17,495
		<u>34,301</u>	<u>17,495</u>
<b>CURRENT LIABILITIES</b>		-	-
		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		34,301	17,495
		<u>34,301</u>	<u>17,495</u>
<b>TOTAL ASSETS</b>		<u>34,301</u>	<u>17,495</u>
<b>RESERVES</b>			
Unrestricted general fund	6	19,069	(520)
Designated funds	7	15,232	18,015
		<u>34,301</u>	<u>17,495</u>

The financial statements were approved by the Board of Trustees on 5th June 2017.

Chris Harrison



# The Friends of Baale Mane, Gopalapura

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## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016

### 1. Going Concern

The accounts are prepared on a going concern basis as, in the opinion of the trustees, regular donations received and receivable, together with funds that can reasonably be expected from our periodic fundraising initiatives will be sufficient to meet our pledges to The Baale Mane Trust for a period of at least twelve months from the date of signing these accounts.

### 2. Accounting Policies

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Charities Act 2011.

The principal accounting policies of the charity are set out below.

#### Incoming Resources

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

All donations received in response to notification of a fundraising event are included under 'Activities for Generating Funds', even if the individual does not participate in the event.

Tax credits associated with donations under Gift Aid are credited as income in the same category as the underlying donation.

#### Investment Income

Investment income, including associated income tax recoveries, is recognised when receivable.

#### Resources Expended

Resources expended are accounted for in the period in which the charity becomes obliged to make a transfer of value to a third party. The irrecoverable VAT element of VAT is included within the item of expense to which it relates.

Where an item of expenditure falls directly within one category it is attributed to that category only. Where expenditure involves more than one category it is apportioned on a reasonable and justifiable basis.

Charitable donations are payments the charity makes voluntarily to other institutions or individuals in order to further its objectives. They are charged in the Statement of Financial Activities in the year in which they are payable.

#### Fund Accounting

Unrestricted General Funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity at the discretion of the Trustees.

Designated Funds are funds set aside by the Trustees out of unrestricted general funds for specific purposes or projects.

# The Friends of Baale Mane, Gopalapura

## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2017

### 3. Activities for generating funds

	2017 £	2016 £
Charity dinner and gift auction	20,852	-
	<u>20,852</u>	<u>          </u>

### 4. Charitable Donations

	2017 £	2016 £
Donee:		
Donation to Nepal Fund	-	400
Baale Mane Trust	48,641	40,839
	<u>48,641</u>	<u>41,239</u>

### 5. Governance Costs

No trustee received any remuneration in the period. Trustee expenses represent costs of individual trustees travelling to India to meet with the Trustees of The Baale Mane Trust and review progress with the project in India.

The Independent examiner received no remuneration for his services.

### 6. Fund Movements

	At 31 March 2016 £	Income £	Expenses £	Transfers £	At 31 March 2017 £
Unrestricted General fund	(520)	78,512	64,023	5,100	19,069
Designated Funds	18,015	5,548	3,231	(5,100)	15,232

# The Friends of Baale Mane, Gopalapura

## 7. Analysis of Net Assets Between Funds

	Unrestricted Fund £	Designated Funds £	Total £
Cash at bank and in hand	19,069	15,232	34,301
	-	-	-
	-	-	-
	<u>19,069</u>	<u>15,232</u>	<u>34,301</u>

As reported in the 2016 – 2017 Accounts, we asked certain donors if we could utilise some of the designated funds for general purposes. As at the date of signing the accounts, donors of £5,100 of the designated funds had agreed. This amount has now been released from designated funds to general funds.

## 8. Related Party Transactions

Although donations to The Friends by the trustees are not required to be disclosed, the trustees choose to disclose their collective donations by reference to their commitment to ensuring that their collective donations exceed the cost of administering The Friends. The collective donations by the trustees and their related parties during the period amounted to £15,337 (2016 - £9,530).

There were no other related party transactions.