

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 2020

The Friends of Baale Mane, Gopalapura

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

Charity registration number:	1120353	
Registered office:	29 Stootley Rise Haslemere Surrey GU27 1AG	
Trustees:	Chris Harrison Paula Patel Sandeep Dwesar Matt Clarke Balraj Tandon Mark Hodgkinson Philipp Lotter Victoria Chenery	Chairman Treasurer
Secretary:	Mark Hodgkinson	
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4QJ	
Independent examiner:	Naresh Alimchandani	

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TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31 March 2020

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 ("BMT"), 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 and job readiness 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 regarding 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 £69,173 from donations and fundraising activities during the financial year. Funds come from a mixture of private individuals and charitable trusts. This year we received support from more than 70 donors resident in several different countries, as well as 10 institutions and trusts.

Our commitment to the local operating budget in India was forecast to be around 32% this year. This was a small decrease from the previous year, but nevertheless it was in line with our continuing plans to increase funding locally. Cash donations to BMT in India are slowly increasing. In addition, BMT had a huge response for in-kind donations this year through Daan Utsav (Joy of Giving Week) which takes place across India in October each year. Companies, charitable groups and individuals donated large supplies of dry goods such as flour, rice and lentils along with cleaning products. There were also lots of clothes for the girls. This partly accounts for the drop in our actual funding for general operations this year.

We have been able to leverage the corporate connections that the UK Trustees have in Bangalore, and this is already adding immense value to our education and development programmes for the girls. Securing funding in addition to programme support from such companies takes a lot of time and effort, but we are hopeful this will also help to increase local funding in the longer term. We continue to invest significantly in our social media and also in creating platforms for online giving in India. 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.

The operating budgets for Baale Mane have been increasing by more than 20% in the past few years. There are very good reasons for this: local inflation in excess of 5%; more girls in fee paying English medium schools; the increasing number of older girls that we are supporting, in particular girls who are transitioning to an independent life in the city; the investment in more programmes to support the girls' development. That said, through effective cost management, and no

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compromise on our overall strategy and plans, the budget for the coming year shows only a modest increase of less than 5%. Against this background, we are committed to grants of £54,000 in 2020 – 2021.

In last year's report we explained the steps taken to significantly strengthen our leadership team with the appointment of three senior staff by BMT and Jemima McLean as External Relations Manager, seconded by The Friends. We also noted the need to strengthen our care team, and I am delighted to report that in November we were joined by Radha Venkatesh as Independence Coordinator (providing support to the young women who live in the city) and in January we were joined by Bharathi Krishna as Head of Care. Both Radha and Bharathi have made excellent starts with us and all of the leadership team are working well together. We now have a stronger team than at any time in our history.

The major construction and refurbishment project reported on in the last two years, was essentially completed by the end of 2019 and we are all delighted with the considerable improvement to the campus, providing improved facilities for both girls and staff. There remains a need to provide additional equipment for our new sports ground.

BMT have recently secured a grant for solar panels which, when installed will improve our environmental footprint and lower operating costs. We are also looking at methods to improve rainwater harvesting and wastewater management, which will bring further sustainability benefits. Designated funding of £17,589 during the year all related to this project and to emergency roof repairs and improvements following wind damage. We have further funds that will be used to support an improved maintenance programme going forward.

It is ten years since Baale Mane moved to its permanent home, which The Friends was originally set up to fund. In January we held a day of celebration which Chris Harrison and Matt Clarke were able to attend. We were joined by around 100 guests, including Kim Burnett, President and CEO of our funding partner Shadhika, international supporters, local supporters and many alumni girls, their husbands and children. It was a very special day.

At the time of writing, Baale Mane is in lockdown on account of the COVID-19 pandemic. The girls and young women in our care are all safe and I would like to express particular thanks to our residential staff who are providing full time support. We are doing all that we can to continue with our extracurricular programme and recent improvements in our IT infrastructure are allowing us to run a number of virtual sessions.

How the pandemic will impact operations (and therefore funding) is very difficult to assess. We are fortunate to have cash reserves, both within BMT and The Friends, but it is almost impossible to forecast the impact on donations for the current year. We are however beginning to formulate plans for a fundraising campaign in the autumn to replace a fundraising dinner which we had started to plan before the onset of the crisis, drawing on the goodwill of those who have supported us in the past.

In addition, to expand our capacity to attract funding we have recently registered with the UK Fundraising Regulator. Compliance with the regulator's Code of Fundraising Practice is both a good internal discipline and a hallmark of good governance which we hope will help to attract funding from new sources.

Strengthening the Organisation

Aside from the strengthening of the leadership team referred to above, we believe we have identified a strong treasurer to support the trustees in India. We are also delighted to have entered into a partnership with Revolent Group, part of their 'Revs for Good' programme which will involve Revolent supporting us in the implementation of Salesforce as our ERP system. This will significantly enhance our information systems, help us with reporting to donors and to measure our impact over the long term. We are also grateful to Salesforce.org for our ability to participate in their generous non-profit programme.

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.

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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 £39,000. We are pleased to report that at the year-end, we did comply with this policy.

Post Balance Sheet Events

There have been no significant events affecting the charity since the year end and none are anticipated.

Investment Policy

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

Trustees

We are delighted to have been joined by Vicky Chenery as a trustee in December, 2019. Vicky was our second secondee to Baale Mane, serving as External Relations Manager between 2011 and 2013. Since then she has furthered her career, working in support of young people and she is currently Head of Partnerships and Philanthropy at UK Youth.

All of the other trustees served throughout the year.

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.

None of the trustees receives any remuneration for their services. 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.

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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



Chris Harrison
12th June, 2020

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report to the Trustees on my examination of the Financial Statements of The Friends of Baale Mane, Gopalapura (the Trust) for the year ended 31 March 2020 which are set out on pages 9 to 13.

Responsibilities and Basis of Report

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Naresh Alimchandani ACA
12th June, 2020

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2020

	Note	Unrestricted General Fund £	Designated Funds £	2020 Total £	2019 Total £
Incoming Resources					
Voluntary income		67,650	1,523	69,173	93,051
Activities for generating funds	3	-	-	-	
Investment income		-	-	-	
		-----	-----	-----	-----
Total Incoming Resources		67,650	1,523	69,173	93,051
		=====	=====	=====	=====
Resources Expended					
Costs of Generating Funds					
Costs of generating voluntary income		1,611	-	1,611	5,821
Fundraising trading costs					
Charitable Activities					
Charitable donations	4	39,512	17,589	57,101	73,945
Aid worker costs		7,407	-	7,407	10,868
Other resources expended		891	-	891	460
Governance Costs					
Bank charges	5	609	51	660	840
Trustee expenses		3,924	-	3,924	7,253
		-----	-----	-----	-----
Total Resources Expended		53,954	17,640	71,594	99,187
		=====	=====	=====	=====
Net incoming/(outgoing) resources Before transfers		13,696	(16,117)	(2,421)	(6,136)
Transfers		1,661	(1,661)	-	-
		-----	-----	-----	-----
Total funds carried forward		15,357	(17,778)	(2,421)	(6,136)
		=====	=====	=====	=====

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BALANCE SHEET AS AT 31 MARCH 2020

	Notes	2020	2019
		£	£
FIXED ASSETS			
Computer Equipment	6	229	457
CURRENT ASSETS			
Cash at bank		70,357	72,550
		—	—
		70,586	73,007
		=====	=====
CURRENT LIABILITIES		-	-
		=====	=====
NET CURRENT ASSETS		70,586	73,007
		=====	=====
TOTAL ASSETS		70,586	73,007
		=====	=====
RESERVES			
Unrestricted general fund	7	46,852	31,495
Designated funds	8	23,734	41,512
		—	—
		70,586	73,007
		=====	=====

The financial statements were approved by the Board of Trustees on 12th June, 2020.



Chris Harrison

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NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2019

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 Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and 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.

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Depreciation

Computer equipment is depreciated on a straight-line basis over a three-year period with a full year's charge in the year of acquisition.

3. Activities for generating funds

	2020 £	2019 £
Charity dinner and gift auction	-	29,260
	<u>-</u>	<u>29,260</u>

4. Charitable Donations

	2020 £	2019 £
Donee:		
Baale Mane Trust	57,081	73,945
Mr K. C. Venkatesh	20	
	<u>57,101</u>	<u>73,945</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. Fixed Assets

Computer Equipment	£
Cost:	
At 1 April 2018	685
Additions	-
At 31 March 2020	<u>685</u>
Depreciation	
At 31 March 2019	228
Charge for the year	228
At 31 March 2020	<u>456</u>
Net Book Value	<u>229</u>

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7. Fund Movements

	At 31 March 2019	Income	Expenses	Transfers	At 31 March 2020
	£	£	£	£	£
Unrestricted General fund	31,495	67,650	53,954	1,661	46,852
Designated Funds	41,512	1,523	17,640	(1,661)	23,734

8. Analysis of Net Assets between Funds

	Unrestricted Fund £	Designated Funds £	Total £
Cash at bank and in hand	46,623	23,734	70,357

9. 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 £24,311.63 (2019 - £18,656.95).

There were no other related party transactions.