

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 2018

The Friends of Baale Mane, Gopalapura

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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 Hannie Wilkinson Philipp Lotter	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 2018

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 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 £69,074 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 and a number of trusts have supported us and the generosity of our supporters continues to delight and inspire us.

The general funds that we raised during the year were slightly less than in the previous year as we did not have a fundraising event. Nevertheless, excluding the £20,852 raised in 2017 from the fundraising event in that year, general funds raised increased from £63,208 to £69,074. In addition to this we were delighted to raise £46,936 in designated funds, primarily to help fund a new building on the Baale campus. Adverse exchange rate movements in the prior year were largely reversed such that the average value of our donations in local currency was broadly comparable. However, local cost inflation has been in excess of 5%.

Our commitment to the local operating budget reduced from 50% to 46%. We however continue to support local fundraising efforts, partially funding a local fundraiser. We are particularly pleased that our strategic partnerships with Shadhika Foundation and the Kiran Anjali Project have continued to thrive and develop. Both are US foundations.

We continue to invest significantly in our social media and also in creating platforms for online giving in India. 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 six years ago was an insignificant proportion of the total cost of operating the home.

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In local currency, the operating budget of The Baale Mane for 2017-18 rose 26%, year-on-year, which in turn was an increase of 22% over the previous year. This is a consequence of a number of factors: local inflation in excess of 5%; more girls in fee paying English medium skills; 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. We participate in the setting and monitoring of the local budget and are always mindful of balancing the control of cost with the care and development of the girls and young women in our care.

Against this background, we are committed to grants of £50,000 in 2018-19 representing approximately 37% of the total operating costs of the home. This is a decrease from 44% in 2017-18.

For several years, we have been planning a significant building project to construct a new building for daytime activities including a new kitchen and dining room, and to re-purpose and refurbish our existing buildings. Funds raised through The Friends (the bulk of our designated funds of £46,936), pledges received, and local funds raised were sufficient to enable us to start the project shortly before the end of the financial year. At the time of writing, the new building has been completed to a very pleasing standard, and we are currently awaiting a full costing for the next stage of the project.

In December 2017, as has become our annual practice, three 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. Our Treasurer and Chairman also made visits on other occasions. The agenda of these meetings range 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. 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.

Recent Developments

The last 6 months have been among the most challenging in the history of Baale Mane. In August, the President of Baale Mane Trust, Rajan Narayanan died following a heart operation. Rajan had been a huge force at Baale Mane.

Mary Chinnappan, our founding manager and mother to the girls at Baale Mane for the last 17 years has moved on. Mary has given so much of her life to Baale in those years, and we thank her for her huge and central contribution over that time.

Emily Parkes, our External Relations Manager, and Tiggy Allen, who until a year ago led our fundraising and communications efforts, have both returned to the UK. Both made a significant contribution to moving our capacity forward and we wish them both well in their future careers.

This level of change in the leadership of any organisation creates huge challenges but also presents opportunities. We have taken the opportunity to restructure roles, recruiting Vinay GS as Head of Operations and Education Policy, a non-residential role, Rathy Shetty as a senior care worker, Nidhi Mukundan as Fundraising and Communications Manager and Jemima Mclean as External Relations Manager. All are currently onboarding.

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 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.

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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. A fundraising dinner held at The Barbican Centre in London in May exceeded our fundraising expectations.

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.

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.

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:

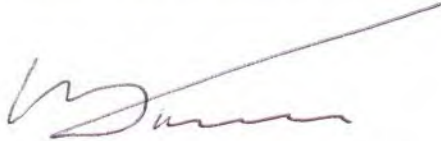
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

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- 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
14 December 2018

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the Financial Statements for the period ended 31 March 2018 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:

- i. 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
- ii. 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

14 December 2018

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 MARCH 2018

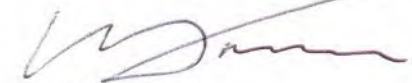
	Note	Unrestricted General Fund £	Designated Funds £	2018 Total £	2017 Total £
Incoming Resources					
Voluntary income		69,074	46,936	116,010	63,208
Activities for generating funds	3	-	-	-	20,852
Investment income		-	-	-	
Total Incoming Resources		<u>69,074</u>	<u>46,936</u>	<u>116,010</u>	<u>84,060</u>
Resources Expended					
Costs of Generating Funds		1,649	-	1,649	5,237
Costs of generating voluntary income					
Fundraising trading costs					
Charitable Activities					
Charitable donations	4	57,115	-	57,115	48,641
Aid worker costs		10,311	-	10,311	11,481
Other resources expended			-		
Governance Costs					
Bank charges	5	744	171	915	1,103
Trustee expenses		1,178	-	1,178	792
Total Resources Expended		<u>70,997</u>	<u>171</u>	<u>71,168</u>	<u>67,254</u>
Net incoming/(outgoing) resources Before transfers		(1,923)	46,765	44,842	16,806
Transfers		2,925	(2,925)		
Total funds carried forward		<u>1,002</u>	<u>43,840</u>	<u>44,842</u>	<u>16,806</u>

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BALANCE SHEET AS AT 31 MARCH 2018

	Notes	2018	2017
		£	£
CURRENT ASSETS			
Cash at bank		79,143	34,301
		<u>79,143</u>	<u>34,301</u>
CURRENT LIABILITIES			
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>79,143</u>	<u>34,301</u>
TOTAL ASSETS		<u>79,143</u>	<u>34,301</u>
RESERVES			
Unrestricted general fund	6	20,071	19,069
Designated funds	7	59,072	15,232
		<u>79,143</u>	<u>34,301</u>

The financial statements were approved by the Board of Trustees on 14 December 2018.



Chris Harrison

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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.

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NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2018

3. Activities for generating funds

	2018 £	2017 £
Charity dinner and gift auction	-	20,852
	-	20,852

4. Charitable Donations

	2018 £	2017 £
Donee:		
Baale Mane Trust	57,115	48,641
	57,115	48,641

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 2017 £	Income £	Expenses £	Transfers £	At 31 March 2018 £
Unrestricted General fund	19,069	69,074	70,997	2,925	20,071
Designated Funds	15,232	46,936	171	(2,925)	59,072

7. Analysis of Net Assets Between Funds

	Unrestricted Fund £	Designated Funds £	Total £
Cash at bank and in hand	20,071	59,072	79,143
	-	-	-

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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 £20,785.83 (2017 - £15,337).

There were no other related party transactions.