

Charity Registration No. 1119353

DAVID RATTRAY MEMORIAL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016

DAVID RATTRAY MEMORIAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees R Woodhead
T O'Malley
B Carroll
R Kugler
H Lloyd
D Mayhew
T Boardman (Appointed 17 May 2015)
S E Olivier

Charity number 1119353

Principal address 26 Gosfield Street
London
W1W 6HH

Auditors Cansdales
Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Bankers HSBC Bank plc
The Peak
333 Vauxhall Bridge Road
London
SW1V 1EJ

DAVID RATTRAY MEMORIAL TRUST

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DAVID RATTRAY MEMORIAL TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2016

The Trustees present their report and financial statements for the year ended 5 April 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011 and "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)"

Objectives and activities

We believe that our mission is to help provide education and care for children in the poorest areas of rural southern Africa. The Trust's goal is to give these children the chance to lift themselves out of their extremely disadvantaged background by working to improve educational facilities, standards and care for children. The trustees have adopted a policy of concentrating on a limited area and a small number of schools believing in that way it can make a significant difference and give the local community the capacity to bring about sustainable social transformation. The current area of support is in the Umzinyathi district of rural Kwa-Zulu Natal, South Africa, which surrounds Fugitives Drift, the home of the Rattray family.

The trustees have decided that the best way to achieve this focus is to educate and care for children in a defined area of remote rural Kwa-Zulu Natal by working with and supporting the David Rattray Foundation (DRF) in South Africa by making grants for specific projects and activities.

Most of the trustees have visited Kwa-Zulu Natal and spent time with the Chief Executive Officer (CEO) of DRF and visited the supported schools. The trustees' policy is to make awards of grants to DRF to support specific projects and activities. Requests for a grant from DRF are sent by the CEO of DRF to the trustees with full backing information, estimated costs and timetable for implementation. These are then reviewed at a meeting of the trustees and approved if they fall fully within the Trust's objects and also meet the Trust's values of economic regeneration, sustainable improvements and involvement of the local community (see below).

Values

- To acknowledge that one of the most effective means of encouraging economic regeneration in deprived rural communities is through the education, care and support of children.
- To give priority to improvements that are sustainable, and which respect the environment as well as the traditional culture of the Zulu peoples.
- To ensure that the Trust's work is undertaken in co-operation with local communities, acknowledging that shared commitment is the most effective way to encourage progress.

DAVID RATTRAY MEMORIAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

Achievements and performance

The Trust continued to make grants from monies raised at the major fund-raising event of 2011 and donations received from private individuals who have visited Fugitives' Drift or otherwise been affected by David Rattray and the legacy of his work. However, in order to ensure the long term growth of the Trust and to be able to give a commitment to continued support to the sustainability of existing projects, the trustees decided in mid-2014 there was a need to focus on the means of ensuring sustained growth for the long term.

As a result, an independent consultant, who had played a significant part in the growth and development of Afrikids, was commissioned to support and give advice on a full organisational review as to how best to achieve long term growth and stability of funding. As part of this work the Trust funded a strategic review of the work of DRF to assess the achievements of the past eight years to help determine future areas of focus and the actions that would be necessary to secure this growth in funding. The accounts for this financial year show a total investment of just over £41,000 in costs associated with the reviews and professional costs to implement rebranding, design and build of a new website and associated legal costs to protect the new identity of the Trust.

New Identity

The trustees decided to use a Zulu word, KHULA, to bring together under one identity and one website, www.Khula.org.uk the UK Trust and the South African Foundation. 'KHULA' is an isiZulu word meaning 'to grow, develop and thrive', and fits well with our work with the rural schools of Umzinyathi, where we bring new opportunities to the children, opportunities which would otherwise have been unreachable, enabling them to grow and thrive with success.

Results of Operational and Strategic reviews

The results of these reviews can be summarised as follows:

1. An essential problem of deeply rural schools in the area is the lack of professionally qualified teachers with adequate experience in vital subjects such as mathematics, English language, science and IT.
2. While the final Matric examinations are in English, most of the lessons at the rural schools are given in isiZulu and many of the teachers have very poor skills in both spoken and written English.
3. An effective way to meet the problem of a lack of suitably qualified teachers in our partner schools is to seek to directly employ qualified teachers and to base them in a centralised hub that can then provide a resource for the local schools with access to dedicated Science, Mathematics, IT and English teachers with a new IT suite and a careers guidance service.
4. A need to provide accommodation to aid recruitment and retention of qualified teachers.
5. To explore securing agreement from the local community to the repair and remodeling of the Community Centre at Rorke's Drift to use as the educational hub that will provide the centralised resource for the local schools.
6. To take steps to better promote the work of the Trust and DRF by rebranding the Trust and DRF
7. To develop and launch a new web site, to improve communication with donors and to support the generation of new donations and grants.
8. To look to appoint a permanent member of staff to support fund raising activities in the UK.
9. To continue to support our partner schools through vital capital infrastructure such as new classrooms and equipment, libraries, water storage solutions, sanitation facilities and school security but also to focus on innovation in service areas – IT training, language lessons, summer camps, teaching of art and life skills, pupil mentoring schemes and teacher training across a broad range of subject and practical skills.
10. To establish a preschool that will allow children from the age of 3 to learn through education led activities by qualified teachers. The intention being that children will play and learn in English alongside their home language, giving them the advantage of bilingualism from an early age so that on entering schooling they can make immediate progress.

DAVID RATTRAY MEMORIAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

Progress with Reviews and Achievements

1. Substantial progress was made in establishing the new educational hub. Agreement was reached on the availability of the Community Centre at Rorke's Drift for use as the educational hub. The Trust has funded essential refurbishment and remodelling to ensure the centre is a safe educational environment for the children we support.
2. As part of our early intervention policy, we opened a new preschool in January 2015, called Isisekelo, which was built in the grounds of an existing partner school, "Oscarberg Primary School". This had a very successful first year of operation with some 30 young children attending the preschool during the year. At the end of 2015, the children graduated to the associated primary school alongside other children who had not attended our preschool. The fact that our children learn in English alongside their home language, gives them the benefit of bilingualism from an early age. This was evident in a base line assessment that was carried of all the children in the reception class of the primary school early in 2016. The children from our preschool were higher achievers than children who had come from other preschools or who had come directly from their homes.
3. For a fifth year, we supported a residential Summer camp for teenaged pupils from supported schools which fostered community and personal development through music, dance and other group exercises. Since their inception in 2012, these Camps have become a major feature in the lives of the school children from our supported schools. Approximately 150 children attended the 5-day camps. The focus is safety, fun, personal development and growth. Teachers from their schools come to assist and an artistic group from Durban provided the course content. Pre- and post-Camp surveys of the children's attitudes and abilities show clear improvements in key areas of behaviour and the Trust is pleased to be able to continue support for these Summer camps.
4. The Trust continued to support the Lalela Arts programme, which is an arts-based self-development programme that aims to ignite imagination and teach children how to map and manifest their dreams and goals, launching the possibility of a different future for themselves and their communities.

Method of Operation

The Trust's preferred method of operation is to identify projects that supplement local education provision and do not take responsibility away from the local South African Departments of Education, have the support of the local community, and which we believe are sustainable in the long term. We also want to ensure that projects are actively and successfully managed. Projects approved for funding during the year, described on the previous page, satisfied these criteria and were in line with the Trust's Objects to advance education and promote sustainable development.

Financial review

Funds from the Zulu film Gala represented the bulk of our income in the year. We continue to rely upon regular and ad hoc donations for much of our income. The strategic review may result in a more pro-active approach to fund-raising. A final tranche in funding for the new building at Oscarsberg School represented around half of approved payments, with support for pre-school development and libraries refurbishment comprising the bulk of the remainder. Governance costs included the organisational review.

Balances include funds raised at the major fund-raising event in 2011. We believe that these allow the Trust to continue to maintain its current approach to meet our Objects and provide the basis for funding future plans. The balances held by the Trust will vary from time to time dependent on the flows of money collected and also on the number of projects that DRF can manage and implement.

Reserves policy

The trustees have decided to adopt a low risk approach and hold surplus funds in short term UK deposit accounts and in order to minimise currency risk also have a South African deposit bank account, to hold a proportion of assets in South African Rand.

DAVID RATTRAY MEMORIAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At 5 April 2016, the total reserves of the Trust stood at £271,565, of which £4,706 relates to restricted funds. This is above the Trustees requirement however, as future donations cannot be predicted, the Trustees' do not consider it necessary to amend the total reserves or revise the policy at this stage.

Risk Policy

The trustees over the last year carried out a very detailed operational and strategic review and the results of the actions from that review are detailed in this annual report. The review was initiated to ensure the long term sustained growth of the trust but it also addressed the actions that should be taken to address potential areas of risk to the Trust. The Trustees have given consideration to the main risks to which the Trust is exposed and have satisfied themselves that systems, actions and procedures are in place to manage and mitigate those risks.

The Trustees meet formally, at least three times a year, to review financial and operational performance. The trustees have decided to adopt a low risk approach and hold surplus funds in short term UK deposit accounts and in order to minimise currency risk also have a South African deposit bank account, to hold a proportion of assets in South African Rand. Transfers are made from the UK sterling account quarterly to purchase South African Rands to average the exchange rate over a period.

Detailed progress on projects that have received grants are reviewed at each Trustee meeting and one or more of the UK trustees visits the supported schools and has on site visits to projects funded by the UK Trusts at least twice a year.

Currency risk - we have both a sterling and a rand deposit account. We make regular quarterly purchases of rand of a set amount so that we have reserves in rand to cover expected grants over a 12 month period.

Financial risk - We operate a dual signature regime on all bank accounts, we meet formally at least 3 times a year and review expenditure, commitments and bank balances at these trustee meetings, despite being a small charity we have decided to have our accounts audited annually.

That being said, as a small charity we find it difficult to find donors and a flow of new funds to continue to make grants to support our objectives. During the last year we have carried out a detailed strategic review and the following actions have being taken: a new identity and website to assist collection of new funds and the appointment on a consultancy basis from August 2016 of an experienced fundraiser to approach major foundations for grants for specific projects and generally to make necessary operational changes that will support a regular flow of funds from individual and corporate donors. This has already resulted in a major donation of £120,000 for an educational project in Zululand and improvements in the flow of donations from individual donors.

Grants not being applied to the project - we work in a specific area and grants are made only to our sister South African Foundation, the Chairman of the Tustees visits South Africa at least twice a year and has on site inspections of all projects and meets with the Tustees and CEO of the Foundation. All of the Tustees have made visits to the schools we support and inspected improvements, new class rooms, equipment etc that has been the subject of our grants.

Structure, governance and management

DAVID RATTRAY MEMORIAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

The Trust was established in March 2007 to commemorate the life and work of David Rattray, a world renowned historian of the Anglo-Zulu Wars, who was tragically killed on 26th January 2007. He devoted much of his life to the reconciliation of the peoples of South Africa and had a life-long passion for the promotion and caring of the Zulu people around the world. The Trust is constituted under a trust deed dated 23rd March 2007.

The Trust's Objects

To advance education and raise awareness about different racial groups in order to promote good relations between persons of different racial groups by promoting knowledge and mutual understanding with particular reference to South Africa and its historical context; To advance the education of young people in the United Kingdom in the subject of racial reconciliation with particular reference to South Africa and its historical context; To promote sustainable development for the benefit of the public by

(a) the preservation, conservation and protection of the environment and the prudent use of resources in southern Africa and

(b) the relief of poverty and the improvement of the conditions of life of socially disadvantaged communities in southern Africa particularly in the areas of education and health.

Trustee Selection & Training

The Trust benefits from having highly qualified and experienced trustees. The trustees are appointed by resolution of the remaining trustees for a term of three years. Trustees can serve for additional periods, each period being for three years. New trustees are nominated by members of the board of trustees who appoint the new trustee if they have the necessary skills to contribute to the Trust's management and development. Where new trustees are appointed they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

Public Benefit

The objects and purpose of the Trust are set out above. The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting grant making policy for the year.

Management

The trustees meet formally at least three times a year. During the year ending 5th April 2016, the trustees met on four occasions. The Trust does not employ any staff and all activities are carried out by the trustees who receive no salary or expenses.

Trustees who served during the year were:

R Woodhead

T O'Malley

B Carroll

R Kugler

H Lloyd

D Mayhew

L van der Post

(Resigned 24 February 2016)

T Boardman

(Appointed 17 May 2015)

S E Olivier

DAVID RATTRAY MEMORIAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- | |
|---|
| <ul style="list-style-type: none">• select suitable accounting policies and then apply them consistently;• observe the methods and principles in the Charities SORP 2015 (FRS 102)• make judgements and estimates that are reasonable and prudent;• state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation. |
|---|

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on and signed on their behalf:

On behalf of the board of Trustees

.....
R Woodhead
Trustee
Dated:

DAVID RATTRAY MEMORIAL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DAVID RATTRAY MEMORIAL TRUST

We have audited the financial statements of David Rattray Memorial Trust for the year ended 5 April 2016 set out on pages 9 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2016 and of its incoming resources and application of resources, 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 Charities Act 2011.

DAVID RATTRAY MEMORIAL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF DAVID RATTRAY MEMORIAL TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Cansdales

**Chartered Accountants
Statutory Auditor**

Bourbon Court
Nightingales Corner
Little Chalfont
Bucks
HP7 9QS

Cansdales is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

DAVID RATTRAY MEMORIAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2016

		Unrestricted funds	Restricted funds	Total 2016	Total 2015
	Notes	£	£	£	£
<u>Income from:</u>					
Donations and legacies		96,321	-	96,321	45,120
Charitable activities		2,400	-	2,400	2,350
Investments		5,805	-	5,805	3,466
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		104,526	-	104,526	50,936
		<hr/>	<hr/>	<hr/>	<hr/>
<u>Expenditure on:</u>					
Raising funds	2	41,208	-	41,208	3,285
		<hr/>	<hr/>	<hr/>	<hr/>
Charitable activities	3	115,932	5,239	121,171	54,932
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		157,140	5,239	162,379	58,217
		<hr/>	<hr/>	<hr/>	<hr/>
Net expenditure for the year/ Net movement in funds		(52,614)	(5,239)	(57,853)	(7,281)
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 6 April 2015		319,473	9,945	329,418	336,699
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 5 April 2016		266,859	4,706	271,565	329,418
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The fund balances as at 5 April 2015 include £9,945 relating to restricted funds. There was no restricted income or expenditure during the year ended 5 April 2015.

DAVID RATTRAY MEMORIAL TRUST

BALANCE SHEET

AS AT 5 APRIL 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Cash at bank and in hand		310,130		378,187	
Creditors: amounts falling due within one year	6	38,565		48,769	
		<u> </u>		<u> </u>	
Net current assets			271,565		329,418
			<u> </u>		<u> </u>
Income funds					
Restricted funds			4,706		9,945
Unrestricted funds			266,859		319,473
			<u> </u>		<u> </u>
			271,565		329,418
			<u> </u>		<u> </u>

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

.....
R Woodhead
Trustee

.....
T O'Malley
Trustee

DAVID RATTRAY MEMORIAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2016

1 Accounting policies

Company information

David Rattray Memorial Trust is a Trust registered in England and Wales. The principal address of the Trust is given on the charity information page. The nature of the charity's operations and principal activities are set out in the Trustees' Report.

1.1 Accounting convention

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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charity adopted SORP (FRS 102) in the current year. The transition to SORP (FRS 102) has not affected the reported financial position and performance.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is more likely than not that income will be received.

DAVID RATTRAY MEMORIAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is more likely than not. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is accounted for on an accruals basis, inclusive of VAT which cannot be recovered. Costs of Charitable Activities include those costs which meet the objectives of the Trust. Governance costs are those incurred in meeting the statutory requirements of running the Trust and are included in costs of charitable activities.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange of the most recent transfer from the sterling bank accounts. Transactions in foreign currencies are also translated into sterling at the rate of exchange of the most recent transfer from the sterling bank accounts. Exchange differences are taken into account in arriving at the surplus or deficit.

1.8 Grants

Grants are treated as expenditure when authorised by the Trustees and communicated to beneficiaries, not when the grants are paid.

1.9 Tax status

The Trust is a registered charity and therefore is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

1.10 Funds accounting

Funds held by the charitable company are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds – these are funds which can only be used for particular purposes within the objectives of the charitable company. Restrictions arise when specified by the donor or when funds raised for particular restricted purposes.

DAVID RATTRAY MEMORIAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

2 Raising funds

	Total 2016 £	Total 2015 £
<u>Fundraising and publicity</u>		
Staging fundraising events	-	3,285
Charity development	41,208	-
	<hr/>	<hr/>
	41,208	3,285
	<hr/> <hr/>	<hr/> <hr/>

3 Charitable activities

	Total 2016 £	Total 2015 £
Charity expenditure	73,375	40,188
Just giving fees	216	216
Foreign exchange difference	32,096	2,040
Consultancy fees	9,369	8,190
Website costs	865	671
Audit fees	2,410	2,239
Accountancy fees	1,434	720
Bank charges	1,406	668
	<hr/>	<hr/>
	121,171	54,932
	<hr/> <hr/>	<hr/> <hr/>

Of the £73,375 included in charity expenditure above, £5,239 relates to restricted funds (2015: £nil).

4 Trustees

The Trustees are considered key management of the charity. None of the Trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

5 Employees

There were no employees during the year (2015: none).

DAVID RATTRAY MEMORIAL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

6 Creditors: amounts falling due within one year

	2016	2015
	£	£
Other creditors	34,821	45,841
Accruals and deferred income	3,744	2,928
	<u>38,565</u>	<u>48,769</u>

7 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 6 April 2015	Income for the year	Expenditure for the year	Balance at 5 April 2016
	£	£	£	£
Libraries	9,945	-	(5,239)	4,706
	<u>9,945</u>	<u>-</u>	<u>(5,239)</u>	<u>4,706</u>

The charity has the following restricted funds:

- Two donations of £20,000 each were received in prior years to be used for libraries in South Africa. This work is underway as appropriate for different schools.