

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

B Carroll
G Klintworth (Appointed 30 January 2018)
R Kugler
H Loyd (Appointed 20 September 2017)
H Lloyd
T O'Malley
R Woodhead

Charity number

1119353

Principal address

26 Gosfield Street
London
W1W 6HH

Auditor

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 (KNOWN AS KHULA EDUCATION)

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DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2017

The Trustees present their report and financial statements for the year ended 5 April 2017.

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 remote Umzinyathi district of rural KwaZulu-Natal, South Africa, which surrounds Fugitives' Drift, the home of the Rattray family, where we work with the David Rattray Foundation (DRF) in South Africa by making grants for specific projects and activities.

All of the trustees have visited KwaZulu-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). We receive subsequent progress reports on funded projects and activities.

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 (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

Achievements and performance

One of our key focuses this year was to ensure the long-term growth of the trust to be able to continue to support the vital education projects in KwaZulu-Natal.

Following on from the organisational review and professional advice we received the previous year we have appointed a consultant to lead our fundraising activities largely focused on securing grants for projects from UK-based trusts and foundations.

During the year we secured a significant grant of £116,000 restricted to the construction and operation of our KHULA EDUCATION RESOURCE CENTRE (KERC). In addition, we secured funding for an all-terrain vehicle for use by the David Rattray Foundation in South Africa. The value of these grants came to approximately £136,000 and are not reflected in our income for the year since the grants were made directly to the David Rattray Foundation in South Africa.

Our fundraising strategy is now three-tiered.

Tier 1 – Engaging with trusts and foundations to secure funding towards our projects.

Tier 2 – Planning for fundraising events to take place in 2018.

Tier 3 – Engaging with major donors and supporter groups.

KHULA

The David Rattray Memorial Trust works closely with the David Rattray Foundation, which is based in South Africa. The following paragraphs provide an overview of their work carried out in the year.

KHULA (an isiZulu word meaning to grow, develop and thrive) was adopted in 2015 as our new brand identity. We subsequently received suggestions that we needed to include the word education alongside our new name. Our branding has changed very slightly and we are now known as KHULA EDUCATION. This identity is shared by both the Trust and the David Rattray Foundation. We also have a search engine optimisation campaign to raise our online profile. Our website is now WWW.KHULA-EDUCATION.ORG

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

Progress with actions arising from our Operational and Strategic review

1. An essential issue for the trust was to be able to secure regular funding. After the first 6 months of activity and support from our fundraising consultant, we are now beginning to secure grants. We are confident that we can obtain a pipeline of fundraising income that will match the needs of our key projects for the future.
2. The lack of suitably qualified teachers in our deeply rural partner schools is still an on-going issue. We have implemented a teacher training programme to raise the levels of qualified teachers in the region. Adequately trained teachers are key to the success of the children in the schools. In addition, the Foundation has directly employed two full time English and Mathematics Teachers.
3. Our KHULA EDUCATION RESOURCE CENTRE is now operational in a refurbished local building. The Centre allows us to manage and implement teacher training in the region, provide additional lessons of English & Mathematics and provide guidance and advice for employment on leaving school or support in further education.
4. We continue to operate a pre-school that will allow children from the age of three to learn through education-led activities from qualified teachers. Our evaluation of the children through the pre-school clearly displayed that early education has the greatest impact on learning. It is for that reason we have decided to enlarge the pre-school to ensure we can provide this much needed early education to larger numbers of young children. Our fundraising consultant is working to raise the funds for the construction of the additional classrooms.
5. Our existing Isisekelo preschool has had another very successful year of operation with over 50 young children attending the pre-school during the year. All of our Monitoring & Evaluation demonstrates that the opportunity of an early education increases learning ability. The fact that our children learn in English alongside their home language, gives them the benefit of bilingualism from an early age. All school matrix exams are set in English so it is imperative that every child has the opportunity to become bilingual.
6. We continue to support the KHULA EDUCATION SUMMER CAMPS, residential camps for teenaged pupils from supported schools which foster community and personal development through music, dance and other group exercises. School success often depends on children's ability to interact positively with their peers and adults, and our summer camps make an important contribution to social development. Many of these children have been orphaned and face huge challenges in their lives. Approximately 150 children attended the 5-day camps. The focus is safety, fun, personal development and growth. Pre- and post-Camp surveys of the children's attitudes and abilities show clear improvements in key areas of behaviour which has a positive effect on their learning when they return to school.
7. During 2017, 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.

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 Department 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 satisfied these criteria and were in line with the Trust's Objects to advance education and promote sustainable development.

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

Financial review

In previous years we have relied upon regular and *ad hoc* donations for much of our income, supplemented by major fund-raising events. Following the strategic review in 2015/16, we have now adopted a more pro-active approach to fund-raising with the use of an experienced consultant to approach trusts and foundations for grants to support identified projects. There is inevitably a time lag to build a pipeline of income and the financial results for the year reflect this to an extent. The receipts for the year do not include a substantial grant of £116,000 received for the construction and operation of the KEREC and further grants in the form of a vehicle valued at £20,000 which were made direct to the David Rattray Foundation in South Africa but secured in the UK.

Balances include funds from 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 we 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 Rand deposit bank account, to hold a proportion of assets in South African Rand.

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 2017, the total reserves of the Trust stood at £262,486, of which £24,838 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.

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

Risk Policy

The trustees in 2015/16 carried out a very detailed operational and strategic review and the results of the actions from that review have been implemented over the last year. 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 Rand deposit bank account, to hold a proportion of assets in local currency. Transfers have been made from the UK sterling account to purchase South African Rand to smooth 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 Trust usually at least twice a year.

Currency risk – we have both a sterling and a rand deposit account. We maintain a rand account so that we have reserves in rand to cover expected grants over a 6-month period.

Financial risk - We operate a dual signature regime on all bank accounts, we meet formally at least three 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.

To improve the flow of new funds to continue to make grants and support our objectives, we appointed an experienced fundraiser on a consultancy basis from August 2016. That role is primarily to approach major foundations for grants for specific projects and to make the necessary operational changes that will support a regular flow of funds from individual and corporate 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 Trustees visits South Africa at least twice a year and has onsite inspections of all projects and meets with the Trustees and CEO of the Foundation. All of the Trustees 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

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.

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

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 ended 5th April 2017, the trustees met on three occasions. The Trust does not employ any staff and all activities are carried out either by the trustees who receive no salary or expenses or, particularly in the area of fund raising from trusts or foundations, by engaging on a consultancy basis suitable and experienced support.

Trustees who served during the year were:

T Boardman	(Resigned 4 April 2017)
B Carroll	
G Klintworth	(Appointed 30 January 2018)
R Kugler	
H Loyd	(Appointed 20 September 2017)
H Lloyd	
D Mayhew	(Resigned 4 April 2017)
S E Olivier	
T O'Malley	
R Woodhead	

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

T O'Malley

Trustee

Dated: 30 January 2018

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

We have audited the financial statements of David Rattray Memorial Trust (known as Khula Education) for the year ended 5 April 2017 set out on pages 10 to 16. 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 auditor

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 financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements 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 2017 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 (KNOWN AS KHULA EDUCATION)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

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 financial statements are not in agreement with the accounting records and returns; or
- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Cansdales

2 February 2018

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 (KNOWN AS KHULA EDUCATION)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies		38,654	20,132	58,786	96,321
Charitable activities		22,452	-	22,452	2,400
Investments		8,620	-	8,620	5,805
Total income		69,726	20,132	89,858	104,526
<u>Expenditure on:</u>					
Raising funds	2	41,167	-	41,167	41,208
Charitable activities	3	77,618	-	77,618	89,075
Total expenditure		118,785	-	118,785	130,283
Net (outgoing)/incoming resources		(49,059)	20,132	(28,927)	(25,757)
Other recognised gains and losses					
Profit/(loss) on foreign exchange		42,300	-	42,300	(32,096)
Net movement in funds		(6,759)	20,132	13,373	(57,853)
Fund balances at 6 April 2016		266,859	4,706	271,565	329,418
Fund balances at 5 April 2017		260,100	24,838	284,938	271,565

The fund balances as at 5 April 2016 includes £4,706 relating to restricted funds. There was £nil income and £5,239 restricted expenditure and during the year ended 5 April 2016.

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

BALANCE SHEET

AS AT 5 APRIL 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Debtors	7	22,452		-	
Cash at bank and in hand		286,186		310,130	
		<u>308,638</u>		<u>310,130</u>	
Creditors: amounts falling due within one year	8	<u>(23,700)</u>		<u>(38,565)</u>	
Net current assets			284,938		271,565
			<u><u>284,938</u></u>		<u><u>271,565</u></u>
Income funds					
Restricted funds	9		24,838		4,706
Unrestricted funds			260,100		266,859
			<u>284,938</u>		<u>271,565</u>
			<u><u>284,938</u></u>		<u><u>271,565</u></u>

The financial statements were approved by the Trustees on 30 January 2018

T O'Malley
Trustee

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2017

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 trust. 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.

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 financial statements.

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.

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.

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

1 Accounting policies

(Continued)

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.

2 Raising funds

	Total 2016 £	Total 2016 £
<u>Fundraising and publicity</u>		
Charity development	7,148	41,208
Consultancy fees	34,019	-
	<u>41,167</u>	<u>41,208</u>

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

2 Raising funds (Continued)

Included in consultancy fees are amounts totalling £22,452 which relate to work done on the David Rattray Foundation. The David Rattray Foundation will therefore reimburse the David Rattray Memorial Trust accordingly.

3 Charitable activities

	Total 2017 £	Total 2016 £
Charity expenditure	50,820	73,375
Just giving fees	418	216
Consultancy fees	21,685	9,369
Website costs	857	865
Audit fees	2,340	2,410
Accountancy fees	1,434	1,434
Bank charges	64	1,406
	<u>77,618</u>	<u>89,075</u>

Of the £50,820 included in charity expenditure above, £nil relates to restricted funds (2016: £5,239). This amount excludes the grant of £116,000 (2016: £Nil) that was paid directly from the donors to The David Rattray Foundation as well a gift in kind value of £20,000 (2016: £Nil) representing the all-terrain vehicle donated by Mazda to The David Rattray Foundation.

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 (2016: None).

Donations totalling £20 (2016: £550) were received from one trustee (2016: one).

5 Employees

There were no employees during the year (2016: None).

6 Other gains or losses

	2017 £	2016 £
Foreign exchange gains	(42,300)	32,096
	<u>(42,300)</u>	<u>32,096</u>

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

7 Debtors		2017	2016
		£	£
Amounts falling due within one year:			
David Rattray Foundation		22,452	-
		<u> </u>	<u> </u>
8 Creditors: amounts falling due within one year		2017	2016
		£	£
Other creditors		19,968	34,821
Accruals and deferred income		3,732	3,744
		<u> </u>	<u> </u>
		<u>23,700</u>	<u>38,565</u>

9 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:

	Balance at 6 April 2016	Movement in funds		Balance at 5 April 2017
	£	Income for the year	Expenditure for the year	£
		£	£	
Libraries	4,706	-	-	4,706
Drainage installation	-	2,480	-	2,480
IT education	-	15,652	-	15,652
Pre-school running costs	-	2,000	-	2,000
	<u>4,706</u>	<u>20,132</u>	<u>-</u>	<u>24,838</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.
- A donation of £2,480 was received in the year for drainage installation at Oscarberg Primary School.
- A donation of £15,652 was received in the year for the purpose of education of IT.
- A donation of £2,000 was received in the year for the purpose of running costs associated with the pre-school.

DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2017

10 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 5 April 2017 are represented by:			
Current assets/(liabilities)	260,100	24,838	284,938
	<u>260,100</u>	<u>24,838</u>	<u>284,938</u>
	<u><u>260,100</u></u>	<u><u>24,838</u></u>	<u><u>284,938</u></u>