

**DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2019**

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	B Carroll G Klintworth R Kugler H Loyd H Lloyd T O'Malley R Woodhead P Hollingum	(Appointed 4 December 2019)
<b>Charity number</b>	1119353	
<b>Principal address</b>	26 Gosfield Street London W1W 6HH	
<b>Auditor</b>	Cansdales Bourbon Court Nightingales Corner Little Chalfont Bucks HP7 9QS	
<b>Bankers</b>	HSBC Bank plc The Peak 333 Vauxhall Bridge Road London SW1V 1EJ	

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# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 15

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# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 5 APRIL 2019

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The Trustees present their report and financial statements for the year ended 5 April 2019.

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

##### Our Vision

That all children, regardless of their socio-economic, cultural background or location are able to reach their potential and make a difference to their families and communities.

##### Our Mission

Our mission is to enable children from underserved (rural) communities in South Africa to have the opportunity of a good education.

##### Our Goals

1. Give children the chance to lift themselves out of their extremely disadvantaged background by working to improve educational facilities, standards and care for children.
2. Support the education and development of children not just educated sufficiently to pass a set of exams, but also effectively prepared for their adult lives. We believe that through improving their educational attainment, each child is in a better position to improve their own life, achieve better standards of health, secure more satisfactory employment, contribute more meaningfully to the life of their family, village, society and country.

##### Our Approach

We achieve these goals by 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. Over time, our work and programmes have evolved into a Linked- Schools Education Model that makes a long-term investment in children's lives, supporting them throughout their school careers starting at the all-important pre-school age and going on until they graduate. Our current area of support is in the remote uMzinyathi district of rural KwaZulu-Natal, which surrounds Fugitives' Drift, where we work with our sister organisation David Rattray Foundation (DRF) under the shared identity of KHULA Education.

In total we are involved with 20 under-resourced, local schools to address key educational needs both infrastructural and academic to ensure a measurable uplift in education levels and post school employment.

##### Safeguarding

The Trust (and the Foundation in South Africa) have made safeguarding of children in the supported schools their highest priority. A Child Protection Policy has been implemented in all schools, and all staff have been accordingly trained. There have been no reportable incidents.

Within the next year, all staff will be required to obtain a Sexual Offenders Register Clearance Certificate. Further, all staff, volunteers and partners are required to sign a "*Personal Commitment to Child Protection*" Form.

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2019

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#### Our Strategy and Programmes

During 2018-19, the Trust worked, together with the DRF, to develop a new three-year strategic plan. The main objectives of this strategy are:

- that no child's education should be disadvantaged by the circumstances of their upbringing
- that we would work within the existing government education system and
- that we would continue to build on the work that had been developed and operated to date

The Trust invests funds raised to support education through a 'Linked Schools' model. The Trust currently supports two such clusters - one at Rorke's Drift, and another at Isandlwana. Each cluster consists of a KHULA Education pre-school situated within, and linked to, a government primary and high school. The priority is to ensure that young children attain a good command of English, above average analytical skills and more resilience for future learning and success.

The strategy has been distilled into 4 complementary programmes:

1. Early childhood development (ECD)
2. Supplementary teaching of English and Maths
3. Educator training and development
4. Life skills development and job readiness programmes

A significant part of funds raised has been invested in increasing school capacity and staffing. 110 young children are now enrolled in our ECD programme, compared with 70 children in 2018. The first ECD school at Rorke's Drift has been expanded to a capacity of 80 children (40 each in grades RRR and RR respectively). A second ECD school (Magaga Isisekelo Preschool) in the Isandlwana area opened in early 2019. The initial grade (RRR) has capacity for 30 children, with plans to open a second in 2020, and expand the capacity to 80. There had been no pre-school available to these children previously, but evidence shows that the earlier the children can be engaged, the better the outcome will be.

Funds have also been used to increase the investment in Maths and English teaching. Building on the success at Oscarsberg Primary and Shiyane Secondary School in Rorke's Drift, the supplementary Maths and English teaching programme has been extended to Mampunga Primary School and Siyanda Secondary School in the Isandlwana area. This has doubled the programme's reach, enabling more learners and educators to benefit from KHULA's intensive supplementary teaching programme.

In parallel with the investment in English and Maths, Trustees also determined that there should be a continued focus on the development of language skills in isiZulu, the local language within the ECD and Foundation Phases.

A "World of Work" training program (career guidance, tertiary Education, etc.) has been initiated for Grades 9, 10, 11, and 12 students at Mampunga Full-Service School, as well as Siyanda and Shiyane Secondary Schools.

This investment is starting to show an improvement in grades and pass marks. In English, the pass rate in grade 11 was 100%, and 92% for Maths. These improvements are reflected in more junior grades too.

For the second year running, schools that work closely with the Foundation in South Africa have achieved Matric scores above the national average (Siyanda secondary school 100% vs 79% national average; Shiyane secondary 80%).

To provide additional leadership for the expanded programme, the Trust agreed to finance the appointment of Debbie Heustice as Director of Strategy and Partnerships for the Foundation in South Africa, joining Ben Henderson who had operated alone as the senior executive since the Foundation's inception. Debbie has twenty years' experience of working in the not-for-profit arena in health and higher education. In addition, the DRF Board has been strengthened with the addition of one of South Africa's leading rural education specialists, who is also an advisor to the South African government.

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2019

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#### **Fundraising**

Increased resourcing and a more focused strategy have resulted in a threefold increase in fundraising. The revised strategy led to the DRF establishing the structure to enable support for a wider range of activities, with a renewed emphasis on pre-school education and supplementary teaching in Maths and English.

The increase in funds raised enabled a higher level of spending behind pre-schools: both for the running costs of the first school at Rorke's Drift, and for the building and running costs of the second pre-school at Isandlwana (Magaga Isisekelo) which opened during the year.

Funding has been secured for the pre-schools' running costs for up to three years, and the Trust is now working to secure funding for other areas, including supplementary teaching to support children and youth in higher school years with Maths and English.

Development of expanded fund-raising activities focused on private donors as well as Trusts and Foundations. These activities included the creation of a fund-raising committee, with experienced leadership. Events have been aimed at expanding the donor base supported by underlying donor management systems.

#### **Financial review**

Overall expenditure was used to further the Trust's mission as outlined above, as well as fundraising activity aimed at securing income for future programmes.

#### **Income:**

The income can be broken down as follows

- Income from trusts and foundations continued to provide the base of our programmes with income reaching £268,018 (2018: £71,954). Funders included Saga Charitable Trust, Allen and Nesta Charitable Trust, British and Foreign Schools Society and Burton Trust. Restricted funding made up £173,772 (2018: £61,494) of this total.
- Unrestricted donations from supporters totalled £94,246 (2018: £10,460).

#### **Expenditure:**

Expenditure in 2018/19 continued to be focused on our core programme work in South Africa and fundraising in the UK. Expenditure totalled £274,979 (2018: £92,667) which included 793,935 (2018: 772,970) South African Rand.

- Restricted expenditure stood at £198,183 (2018: £36,998).
- At the end of the year, the total funds balance stood at £249,382 (2018: £248,334) made up of restricted funds of £24,923 (2018: £49,334) and unrestricted funds of £224,459 (2018: £199,000). We believe that these allow the Trust to continue to maintain its current approach to meet our goals and provide the basis for funding future plans.

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

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### 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 to 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 2019, the total reserves of the Trust stood at £249,382 (2018: £248,334) of which £24,923 (2018: £49,334) relates to restricted funds. Total unrestricted funds of £224,459 are therefore 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 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.

**Governance** - The Trustees meet formally, between two to three times a year, to review financial and operational performance. 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. Significant efforts have been made to ensure GDPR compliance, and to mitigate any associated risks.

**Currency Risk** - 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.

**Financial Risk** - We operate a dual signature regime on all bank accounts, expenditure, future commitments and bank balances are reviewed at trustee meetings. Private donations are made either via an approved internet intermediary (Just Giving or Virgin Giving) or directly to the Trust's bank account. Despite being a small charity, our accounts are audited annually.

**Future Sustainability** - The Trustees have continued to invest in fundraising support to secure the long – term nature of the organisation. Support is primarily used to approach major foundations for grants for specific projects and to ensure all grants and investments are against defined projects which have discrete and measurable outcomes. There are very good relations with known donors. Records of donors have been formalised, and there is regular contact with past and current donors/funders to support continuing and regular flow of funds.

**Grants not applied to a specific project** - we work in a specific area and grants are made only to support the work and running of our sister South African Foundation, David Rattray Foundation, (DRF). The Chairman of the Trustees is also a trustee of DRF and visits South Africa at least twice a year. He has onsite inspections of all projects and meets with the other trustees and officers of the Foundation.

### 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 works closely with its "sister" charity, David Rattray Foundation, based in South Africa.

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# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2019**

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### **The Trusts' Objectives**

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 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.

### **Plans for the future**

The Trust will continue to make donations in line with its charitable activities.

### **Management**

During the year ended 5th April 2019, 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 and foundations, by engaging on a consultancy basis suitable and experienced support.

Trustees who served during the year and to date were:

B Carroll

G Klintworth

R Kugler

H Loyd

H Lloyd

T O'Malley

R Woodhead

P Hollingum

(Appointed 4 December 2019)

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2019**

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### 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:

- 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 29 January 2019 and signed on their behalf:

On behalf of the board of Trustees

**T O'Malley**

Trustee

Dated: 31 January 2020

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

We have audited the financial statements of David Rattray Memorial Trust (known as Khula Education) (the 'trust') for the year ended 5 April 2019 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2019 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Cansdales**  
**Chartered Accountants**  
**Statutory Auditor**

3 February 2020

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 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Donations and legacies		94,246	173,772	268,018	71,954
Charitable activities		13,312	-	13,312	(22,452)
Investments		4,776	-	4,776	7,518
<b>Total income</b>		<b>112,334</b>	<b>173,772</b>	<b>286,106</b>	<b>57,020</b>
<b><u>Expenditure on:</u></b>					
Raising funds	<b>2</b>	23,948	-	23,948	18,209
Charitable activities	<b>3</b>	52,848	198,183	251,031	74,458
<b>Total expenditure</b>		<b>76,796</b>	<b>198,183</b>	<b>274,979</b>	<b>92,667</b>
<b>Net incoming/(outgoing) resources</b>		<b>35,538</b>	<b>(24,411)</b>	<b>11,127</b>	<b>(35,647)</b>
<b><u>Other recognised gains and losses</u></b>					
Profit/(loss) on foreign exchange		(10,079)	-	(10,079)	(957)
<b>Net movement in funds</b>		<b>25,459</b>	<b>(24,411)</b>	<b>1,048</b>	<b>(36,604)</b>
Fund balances at 6 April 2018		199,000	49,334	248,334	284,938
<b>Fund balances at 5 April 2019</b>		<b>224,459</b>	<b>24,923</b>	<b>249,382</b>	<b>248,334</b>

The fund balances as at 5 April 2018 includes £49,334 relating to restricted funds. There was £61,494 restricted income and £36,998 restricted expenditure during the year ended 5 April 2018.

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## BALANCE SHEET

AS AT 5 APRIL 2019

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	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Cash at bank and in hand		302,810		271,586	
<b>Creditors: amounts falling due within one year</b>					
	7	(53,428)		(23,252)	
Net current assets			249,382		248,334
<b>Income funds</b>					
Restricted funds	8		24,923		49,334
Unrestricted funds			224,459		199,000
			249,382		248,334

The financial statements were approved by the Trustees on 31 January 2020

T O'Malley  
Trustee

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2019

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### 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 2019

### 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 at the balance sheet date. Transactions in foreign currencies are 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 2018 £	Total 2018 £
<u>Fundraising and publicity</u>		
Charity development	4,940	3,482
Consultancy fees	19,008	14,727
	<u>23,948</u>	<u>18,209</u>

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

### 3 Charitable activities

	<b>2019</b>	<b>2018</b>
	£	£
Charity expenditure	198,183	36,998
Just giving fees	288	360
David Rattray Foundation donations	38,016	28,588
Website costs	10,327	4,601
Audit fees	2,585	2,454
Accountancy fees	1,434	1,392
Bank charges	198	65
	<u>251,031</u>	<u>74,458</u>
	<u>251,031</u>	<u>74,458</u>
<b>Analysis by fund</b>		
Unrestricted funds	52,848	37,460
Restricted funds	198,183	36,998
	<u>251,031</u>	<u>74,458</u>
	<u>251,031</u>	<u>74,458</u>

### 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 (2018: None).

Unrestricted donations totalling £1,157 (2018: £3,565) were received from One trustee (2018: Two).

### 5 Employees

There were no employees during the year (2018: None).

### 6 Other gains or losses

	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2018</b>
	£	£
Foreign exchange gains/(losses)	(10,079)	(957)
	<u>(10,079)</u>	<u>(957)</u>
	<u>(10,079)</u>	<u>(957)</u>

# DAVID RATTRAY MEMORIAL TRUST (KNOWN AS KHULA EDUCATION)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2019

### 7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	3,732
Other creditors	49,468	15,674
Accruals and deferred income	3,960	3,846
	<u>53,428</u>	<u>23,252</u>

### 8 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 5 April 2019
	Balance at 6 April 2018	Income for the year	Expenditure for the year	
	£	£	£	£
IT education	1,144	-	-	1,144
Pre-school running costs	6,696	124,415	(108,237)	22,874
Pre-school capital costs	41,494	49,357	(89,946)	905
	<u>49,334</u>	<u>173,772</u>	<u>(198,183)</u>	<u>24,923</u>

The charity has the following restricted funds:

**IT Education:** For the purpose of costs associated with IT teachers and equipment.

**Pre-schools running costs:** For the purpose of the general running costs of the pre-schools.

**Pre-schools capital costs:** For the purpose of extending the pre-schools to accommodate the increase in pupil intake.

### 9 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Fund balances at 5 April 2019 are represented by:				
Current assets/(liabilities)	156,286	93,096	249,382	248,334
	<u>156,286</u>	<u>93,096</u>	<u>249,382</u>	<u>248,334</u>