

Registered Charity Number  
1079120

Ragalla Aid Project  
Report and Accounts  
For The Year Ended  
31 July 2016

**Ragalla Aid Project**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Trustee's Report	1 - 5
Statement of trustees' responsibilities	6
Independent Examiner's report	7 - 8
Statement of Financial Activities	9
Statement of total recognised gains and losses	10
Recognised Gains and Losses	10
Movements in Accumulated Funds	10
Balance sheet	11
Notes to the accounts	12 - 16
Detailed Statement of Financial Activities	17 - 19

# **RAGALLA AID PROJECT**

## **ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2016**

### **The Report of the Trustees**

The trustees present their report and accounts for the year ended 31 July 2016.

### **Name, Registered Office and Constitution of the Charity**

The full name of the charity is **Ragalla Aid Project**. The charity was formed as an unincorporated charity in January 2000. Its registered charity number is **1079120**.

The registered address of the charity has been amended to – Wayside, Winchester Road, Waltham Chase, Southampton, SO32 2LG. The telephone number is 01489 890162.

### **The Objects of the Charity and how it is attempting to achieve the objectives.**

The charity is governed by a trust deed in which the objects are set out as follows:

1. To relieve the need, hardship and distress of persons resident on the island of Sri Lanka. This object is achieved by the provision of monetary gifts/ grants to individual beneficiaries. The beneficiaries will be selected by the Executive Committee and personal financial circumstances and needs will be examined thoroughly, generally including a personal interview during a visit by an Executive Committee member to Sri Lanka.

Generally gifts/ grants will be distributed as regular payments (e.g. monthly) to assist recipients with money management. The list of recipients will be reviewed regularly by the Executive Committee and discussed with the members of the charity at each A.G.M.

Generous donations continue to be received for on-going general projects. Needs are identified through local contacts and gifts/ grants disseminated and the end results monitored to ensure correct usage.

2. To promote the education, welfare and health of children on the island of Sri Lanka. This object is achieved by supplying school requisites, educational materials and uniforms to schools selected by the Executive Committee. Also by providing monetary gifts/ grants to support child care and child health facilities in areas of Sri Lanka selected by the committee.

Also by giving talks and distributing publicity materials in the United Kingdom to increase awareness for example amongst UK school children and also adult groups of the situation of children in poor areas of Sri Lanka.

### **Public benefit**

The Trustees give due regard to the public benefit guidance set out by the Charity Commission and believe that the Charity meets its obligation in this respect because its purpose is the relief of people of all ages and gender who are in need, hardship and distress, and the promotion of children's education, welfare and health on the island of Sri Lanka. The Trustees will continue to review the activities of the Charity to ensure that these are consistent with the legal objects set out in its constitution.

## **Objects achieved in the year, a review of activities and significant changes and developments and plans for the future.**

The board of trustees are satisfied with the performance of the charity during the year and the position as at 31 July 2016 and consider that the charity is in a strong position to continue its activities during the coming year and that the charity's assets are adequate to fulfill its obligations.

The particular ways in which objectives have been achieved are described below:

Contributions from volunteers - the day to day affairs of the charity are attended to by the trustees on a voluntary basis. Voluntary individuals also assist with the running of sales/ cake and preserve stalls, etc. as required.

Intangible income - the charity has no intangible income.

Achievement of objectives - on an on-going basis the charity continues to support:

- funding of education for six students at university level, three at A-level, one youngster at college. Three others continue to attend special schools for the mentally impaired.
- funding support of young man training to be a doctor.
- funding of two double cataract operations – one elderly man and one lady.
- funding of a training course for a working woman to enable her to improve her future prospects.
- assisting 16 families needing support (1. Father & breadwinner murdered. 2 Three orphans taken in by an aunt. 3. A diabetic amputee. 4. Widows with small children.)
- supporting five pensioners to enable them to live more comfortably.
- also six special cases are being supported – four girls and two boys who are either physically or mentally handicapped or both.
- helping The Bethlehem Centre in Hatton which looks after young children by supporting teachers and providing meals. This is expanding rapidly and now covers two areas.
- providing three crèches with milk and biscuits on a regular basis.
- providing the main source of support for a Day Care Centre in Bandarawela for 30 under-privileged four year olds. Uniforms, including socks and shoes are provided. The children are given breakfast and lunch each day plus vitamin tablets and healthchecks.. The two teachers and the warden have their salaries paid by us. School books and craft materials are also provided and children are also given school bags, books and anoraks when they leave the DCC and start at their primary schools.
- the project is continuing to support The Colombo Centre for Special Education, which gives respite and educational care for mentally handicapped men, aged 18+ (no upper age limit). Giving lessons in reading, writing, maths, money, cooking, dance, exercise, playacting and sports.
- fourteen feeding centres / pre-schools for children are funded for a nutrition food programmed with the provision of midday meals and some school equipment. Also we support teachers in 7 of the Centres by supplementing their very low wages.
- three homes for elderly destitutes are assisted and one of these receives a grant for protein nourishment for the elders (one for ladies and two for men and women).
- two convents where mentally & physically handicapped or unwanted babies are cared for are helped with foodstuffs and cleaning resources.
- Provision of toilets and equipment at Kannagaipuram Pre-School.
- food parcels have been given to families during this year's visit.
- the girl's home for semi-orphan at Mahiladithivu on the east coast (originally built by Ragalla after the tsunami) has again been running well for the past year. The on-going running costs for this home are funded by Ragalla Aid Project on a monthly basis. 16 girls aged between 11 - 16 live here with two carers and a cook. They attend the local school, returning daily to the home.
- assisting in the provision of Christmas boxes via S.U.R.O.L., a Sri Lankan charity supporting leprosy sufferers.

- two new Pre-School / Feeding Centre buildings have been funded during the year at Akkariayan and Kaanakipuram in the Vanni District in the north of the island. Both already had children and teachers but no buildings in which to meet. Funding came from two most generous donors for which we are very grateful.

The Charity has dispatched some £47,764 from Unrestricted Funds during the 2015/16 financial year and £7,432 from Restricted Funds.

#### Significant changes and developments and plans for the future.

2015/16 has been a further year of consolidation with support continuing to our numerous on-going smaller projects. Any request for funding for larger projects will only be considered if the required funds are offered by donors prior to any final commitment.

To check on progress of some projects and identify new relief needs, two fact finding trips were undertaken at the participant's own expense during the year. This proved invaluable in finding further needs, consolidating our network of local contacts and disseminating aid to those in need. We record our grateful thanks to Pene Gordon who visited families and centres in March and June 2016.

Reports from our local network of helpers in Sri Lanka indicate that the various children's homes and feeding centres supported by Ragalla were continuing to function well and doing a wonderful job for the local people.

#### **The organisational structure and how decisions are made**

The board of trustees meets at least twice a year as a full board to discuss future plans and to ratify actions taken since their last meeting. The day to day outworking of the plans is undertaken by two trustees (consulting by telephone / e-mail where necessary with other trustees).

#### **Method of election of the members of the board of trustees**

The trustees are elected by the members annually at the AGM with the existing trustees standing down but offering themselves for re-election where appropriate. The number of trustees shall not be less than two and not more than six in total. Individuals will be invited to become new trustees when required, after considering the skills and expertise they can offer.

#### **Trustee induction and training**

New trustees will be provided with copies of the trust deed, recent accounts and minutes of previous trustee meetings to enable them to ascertain the financial, legal, organization and charitable objectives of the trust. They will also be provided with a copy of Charity Commission publication CC3 and made aware of the other information and advice available from the Charity Commission.

#### **Relationships with other groups, charities and individuals**

The charity has no relationships with other groups, charities and individuals within the terms of SORP.

#### **Details of related parties and transactions with related parties**

The charity has no related parties within the terms of SORP.

## **Transactions and Financial Position**

The financial accounts are set out on pages 9 to 20. The financial statements have been prepared implementing the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective October 2000) and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The trustees consider the financial performance by the charity during the year has been satisfactory.

The Statement of Financial Activities show net outgoing resources for the year of a revenue nature of £13,009 and net realised outgoing resources of a capital nature of £nil, making net overall realised outgoing resources of £13,009. The total reserves at the year end after reserving for unrealised losses of £nil stand at £38,241.

A majority of the expenditure is spent on direct charitable purposes.

The charity holds no fixed assets.

## **Availability and adequacy of assets**

The board of trustees is satisfied that the charity's assets are available and adequate to fulfill its obligations.

## **Policy on Reserves, Investment Policies and Investment Performance**

The trustees have resolved to maintain reserves sufficient for six months of anticipated normal operation. Our normal operations have historically been funded in the main by regular sponsors and it is expected that this policy will continue for the foreseeable future.

The present investment policy is to keep funds in liquid form as projects often require to be undertaken at short notice. Some liquid funds have presently been placed in a CAF Gold Account and a CAF Cash Account with the Charities Aid Foundation to maximize interest receivable with minimum investment risk. However, in June 2008 a new Lloyds TSB Treasury Fixed Term Account was opened (3 months on a rollover basis) to avail ourselves of : a) a reasonable rate of interest, b) easy availability of funds if required and c) free banking – our increased level of turnover would have given rise to bank charges in the order of £700 p.a. as Lloyds TSB would switch us to a business tariff. We currently hold £20,000 in this account.

The charity has no fixed assets.

Monitoring of investment policy and surplus funds is undertaken by the trustees at their periodic meeting and by the treasurer on a day to day basis.

## **Effectiveness of Fund Raising Policies**

The charity relies on gifts from donors, both regular sponsors of Sri Lankan children / families and general giving from the wider public who have heard of our work through friends and supporters. In spite of the recent financial recession, the level of giving to Ragalla Aid Project has again remained very resilient with only a small number of monthly standing orders being cancelled. During the year we have received a number of significant personal donations and one charitable trust lump sum donation. Some of these donations were utilized to build two new Pre-Schools during the year (for

which purpose they were specifically given). Hence the reduction shown in the balance in hand. The Trustees wish to record their grateful thanks for the loyalty of donors.

Sponsors are secured and maintained through information meetings given voluntarily by various trustees from time to time at the request of groups, clubs, etc. and by the production of periodic newsletters which are mailed to all sponsors.

Modest fund raising to meet UK administration costs comes from trustees and friends running sales. These are operated on a voluntary basis.

### **The Charity's Grant Making Policies**

During 2015/16 gifts totaling £49,082 were given from **Unrestricted** funds to the charity's 'normal' on-going support to beneficiaries.

**Restricted funds** – The sum of £5,591 was in hand from 2014/15. Gifts totaling £7,000 were received during 2015/16, with donations given to beneficiaries amounting to £7,431. This leaves a balance in hand of £5,159 at the financial year end (of which £4,000 is earmarked for the building of two further new pre-schools in the next financial year) with the balance of funding to be received in August 2016.

**Designated funds** – there are none presently held.

### **Legal Status**

The charity is an unincorporated charity governed by a trust deed adopted by its members. The only restriction in the governing document is that aid must be given solely to person's resident on the island of Sri Lanka.

There are no other restrictions on the operation of the charity or on its investment powers, other than those imposed by general charity law.

The members of the Board of Trustees of the Charity during the year ended 31 July 2016 and as at 20th November 2016 (the date of the AGM and the approval of the accounts) were:

Chair	Mrs. Pene Gordon
Secretary	Miss Wendy Gordon
Treasurer	Mr. Brian Catlin
Other Members	Mrs. Sally Awdry
	Mr. Graham Gordon

### **Bankers**

The charity's main bankers are: Lloyds TSB, The Square, Bishops Waltham, Southampton, Hampshire, SO32 1GS Account number 0869418 Sort Code 30-90-85

### **Independent Examiners under the Charities Act and details of their qualifications**

An independent examination of the accounts was carried out free of charge for which the trustees would like to record their most grateful thanks. The examination was carried out by:

David Warren  
Accountant  
Seven Oaks  
Clewers Hill  
Waltham Chase  
Southampton SO32 2LN

## Ragalla Aid Project

### Statement of Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRSSE SORP 2015.

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-

- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.
- state whether applicable accounting standards and statements of recommended practice have been followed , subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with regulations made under the charity legislation. 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 also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that , on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

Signed:- .....

Mrs Pene Gordon  
Chair of the Trustees  
20 November 2016

**Ragalla Aid Project**  
**Independent Examiner's Report to the trustees of the charity**  
**Report of the Independent Examiner to the trustees**  
**on the accounts of the Charity for the year ended 31 July 2016**

I report on the financial statements of the Charity on **pages 9 to 19** for the year ended 31 July 2016 which have been prepared in accordance with the Charities Act 2011 and with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2015, adapted to meet the needs of unincorporated organisations, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective January 2015 (The SORP), under the historical cost convention and the accounting policies set out **on page 12**.

**Respective responsibilities of trustees and examiner**

As described on **page 6**, the Charity's trustees are responsible for the preparation of the accounts. The trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the governing document of the Charity for the conducting of an audit. As a consequence, the trustees have elected that the financial statements be subject to independent examination.

Having satisfied myself that the charity is not subject to audit under any legal provision, or otherwise, and is eligible for independent examination, it is my responsibility to:-

- a) examine the accounts under section 145 of the Act;
- b) to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and;

**Basis of Examiner's Statement and scope of work undertaken**

I conducted my examination in accordance with the General Directions issued by the Charity Commissioners for England & Wales under section 145(5)(b) of the Act, setting out the duties of an Independent Examiner in relation to the conducting of an Independent Examination. An Independent Examination includes a review of the accounting records kept by the Charity and of the accounting systems employed by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charities legislation and that the financial statements comply with the SORP, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the trustees in the course of the examination is not subjected to audit tests or enquiries, and consequently I do not express an audit opinion on the view given by the financial statements and, in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the Independent Examination are achieved and before finalising the report I obtained written assurances

### **Independent Examiner's Statement, report and opinion**

This is a report in respect of an examination carried out under section 145 of the Act and in accordance with any directions given by the Commission under subsection (5)(b) of that section which are applicable; and that no matter has come to my attention in connection with my examination which gives me reasonable cause to believe that in any material respect the requirements

(i) to keep accounting records in accordance with section 130 of the Charities Act 2011;

(ii) when preparing accounts on an accruals basis under s132 of the Charities Act 2011, to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act and the 2015 Regulations setting out the form and content of charity accounts;

(iii) that the financial statements be prepared in accordance with the methods and principles set out in the Statement of Recommended Practice - Accounting and Reporting by Charities (effective January 2015)

have not been met; or

to which, in my opinion, attention should be drawn in my report in order to enable a proper understanding of the accounts to be reached;

D J Warren  
Accountant

Seven Oaks  
Clewers Hill  
Waltham Chase  
Southampton  
SO32 2LN

The date upon which my opinion is expressed is :-  
20 November 2016

**Ragalla Aid Project  
Income and Expenditure Account  
for the year ended 31 July 2016**

	Funds	Funds	Funds	Total Funds
Notes	2016 £	2016 £	2016 £	2015 £
<b>Income and Endowments</b>				
Donations and Legacies	36,152	7,000	43,152	42,283
Investment Income	353	-	353	443
<b>Total income</b>	<b>36,505</b>	<b>7,000</b>	<b>43,505</b>	<b>42,726</b>
<b>Expenditure</b>				
Costs of raising funds	615	-	615	677
Expenditure on charitable activities	48,467	7,432	55,899	59,098
<b>Total expenditure</b>	<b>49,082</b>	<b>7,432</b>	<b>56,514</b>	<b>59,775</b>
<b>Net expenditure for the year</b>	<b>(12,577)</b>	<b>(432)</b>	<b>(13,009)</b>	<b>(17,049)</b>
<b>Net income after transfers</b>	<b>(12,577)</b>	<b>(432)</b>	<b>(13,009)</b>	<b>(17,049)</b>
<b>Net movement in funds</b>	<b>(12,577)</b>	<b>(432)</b>	<b>(13,009)</b>	<b>(17,049)</b>
<b>Reconciliation of funds</b>				
<b>Total funds brought forward</b>	45,660	5,591	51,251	68,300
<b>Total Funds carried forward</b>	<b>33,083</b>	<b>5,159</b>	<b>38,242</b>	<b>51,251</b>

As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A statement of Total Recognised Gains and Losses is included in these accounts as a separate primary statement.  
All activities derive from continuing operations

**The notes on pages 12 to 19 form an integral part of these accounts.**

**Ragalla Aid Project  
Income and Expenditure Account  
for the year ended 31 July 2016**

**Statement of Total Recognised Gains and Losses  
for the year ended 31 July 2016**

	<b>2016</b>	<b>2015</b>
Net excess of expenditure over income from operations before tax	(13,009)	(17,049)
<b>Surplus/(deficit) as shown in the Income and Expenditure account</b>	<u>(13,009)</u>	<u>(17,049)</u>
<b>Net Movement in funds before taxation</b>	<u>(13,009)</u>	<u>(17,049)</u>
<b>Funds generated in the year as shown on the Statement of Financial Activities</b>	<u><b>(13,009)</b></u>	<u><b>(17,049)</b></u>

**Movements in revenue and capital funds  
for the year ended 31 July 2016**

Revenue accumulated funds	Unrestricted Funds	Restricted Funds	Total Funds	Last year Total Funds
	<b>2016</b> £	<b>2016</b> £	<b>2016</b> £	<b>2015</b> £
Accumulated funds brought forward	45,660	5,591	51,251	68,300
Recognised gains and losses before transfers	(12,577)	(432)	(13,009)	(17,049)
	<u>33,083</u>	<u>5,159</u>	<u>38,242</u>	<u>51,251</u>
<b>Closing revenue funds</b>	<u>33,083</u>	<u>5,159</u>	<u>38,242</u>	<u>51,251</u>

The purposes for which the designated funds have been established are described in the notes to the accounts

**Summary of funds**

	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
Revenue accumulated funds	<u>33,083</u>	<u>5,159</u>	<u>38,242</u>	<u>51,251</u>

**The statement of changes in resources applied for fixed assets for Charity use is shown in the notes to the accounts.**

**The notes on pages 12 to 19 form an integral part of these accounts.**

**Ragalla Aid Project  
Balance Sheet  
as at 31 July 2016**

Notes	2016 £	2015 £
<b>The assets and liabilities of the charity :</b>		
<b>Current assets</b>		
Cash at bank and in hand	38,242	51,251
<b>Net current assets</b>	38,242	51,251
<b>The total net assets of the charity</b>	38,242	51,251

**The total net assets of the charity are funded by the funds of the charity, as follows:-**

<b>Unrestricted Funds</b>		
Unrestricted revenue funds	33,083	45,660
<b>Total unrestricted funds</b>	33,083	45,660
<b>Restricted income funds</b>		
Restricted revenue funds	5,159	5,591
<b>Total restricted funds</b>	5,159	5,591
<b>Total charity funds</b>	38,242	51,251

As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA.

**Mrs Pene Gordon**  
Trustee

**Approved by the board of trustees on 20 November 2016**

**The notes on pages 12 to 19 form an integral part of these accounts.**

**Ragalla Aid Project**  
**Notes to the Accounts**  
**for the year ended 31 July 2016**

**1 Accounting policies**

***Basis of preparation of the accounts***

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), **effective January 2015** and 'The FRSSE Statement of Recommended Accounting Practice 2015'. (The SORP 2015) and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRSSE SORP 2015 in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, **(revised June 2008)** requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

The charity has taken advantage of the exemption in the FRSSE from the requirement to produce a cash flow statement.

The particular accounting policies adopted are set out below.

***Following accounting policies in place prior to the SORP 2015***

Under the SORP 2015, where there is no specific requirement to adopt a particular accounting requirement, a charity may follow their existing accounting policies provided that the policy and related disclosures made are consistent with accepted accounting practice. This charity has decided that the accounting policies set out below, which it followed prior to the SORP 2015, shall continue to be followed.

***Accounting convention***

The financial statements are prepared, on a going concern basis, under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments.

The charity is dependent on donation income and fund raising. As a consequence the going concern basis is also dependent on donation income and fund raising continuing.

***Policies relating to categories of income and income recognition***

***Nature of income***

Incoming resources are accounted for on a receivable basis.

***Income recognition***

Income, whether from exchange or non exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Bank interest is included in the income and expenditure account on a receivable basis.

**Ragalla Aid Project**  
**Notes to the Accounts**  
**for the year ended 31 July 2016**

***Accounting for deferred income and income received in advance***

Where terms and conditions relating to income have not been met or uncertainty exists as to whether the charity can meet any terms or conditions otherwise within its control, income is not recognised but is deferred as a liability until it is probable that the terms or conditions imposed can be met.

Any grant that is subject to performance-related conditions received in advance of delivering the goods and services required by that condition, or is subject to unmet conditions wholly outside the control of the recipient charity, is accounted for as a liability and shown on the balance sheet as deferred income. Deferred income is released to income in the reporting period in which the performance-related or other conditions that limit recognition are met.

When income from a grant or donation has not been recognised due to the conditions applying to the gift not being wholly within the control of the recipient charity, it is disclosed as a contingent asset if receipt of the grant or donation is probable once those conditions are met.

Where time related conditions are imposed or implied by a funder, then the income is apportioned to the time periods concerned, and, where applicable, is accounted for as a liability and shown on the balance sheet as deferred income. When grants are received in advance of the expenditure on the activity funded by them, but there are no specific time related conditions, then the income is not deferred.

Any condition that allows for the recovery by the donor of any unexpended part of a grant does not prevent recognition of the income concerned, but a liability to any repayment is recognised when repayment becomes probable.

***Deferred income***

In accordance with the Statement of Recommended Practice for Accounting and Reporting (**revised June 2008**), issued by the Charity Commissioners for England & Wales grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

***Donated goods, facilities and services***

***Donated fixed assets*** are recognised at their current market value. All such donations are recognised as donation income, and debited to fixed assets.

***Donated goods that are not fixed assets*** are accounted for at a fair value, unless it is impractical to reliably measure the value of the donation.

In the absence of any direct evidence of fair value of donated goods, then a value is derived from the cost of the item to the donor or, in the case of goods that are expected to be sold, the estimated resale value after deducting any anticipated costs of sales.

If it is impracticable to measure the fair value of goods donated for resale, or the costs of valuation outweigh the benefits, the donated goods are recognised as income when sold, with an equivalent amount being recognised as an expense.

The costs of goods donated for distribution to beneficiaries is deemed to be the fair value of those goods upon receipt. When the goods are distributed freely or for a nominal consideration, then the carrying amount is adjusted at the time of sale, to the value at the point of distribution and the adjustment is shown as a cost of donations made.

All donated goods are recognised as donation income, and debited to trading stock. When trading stock is subsequently sold, or appropriated to meet an expense, then the carrying value of the stock is recognised as an expense. In accordance with the SORP, goods donated for distribution to beneficiaries, or for consumption by the charity are included in '*legacies and donations*'. Goods donated for resale are included in '*Income from other trading activities*'

***Donated services and facilities*** are included in the accounts on the basis of the value of the gift to the charity.

All donated services and facilities are recognised as donation income when received, (provided the value of the gift can be measured reliably) and recognised as an expense with an equivalent value.

**Ragalla Aid Project  
Notes to the Accounts  
for the year ended 31 July 2016**

**Policies relating to expenditure on goods and services provided to the charity.**

***Recognition of liabilities***

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (**revised June 2008**), issued by the Charity Commissioners for England & Wales .

***Recognition of liabilities and expenditure***

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated..

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

***Allocating costs***

The policy for including items within the relevant activity categories of resources expended is to allocate costs to the most appropriate activity.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is:-

**Costs of generating funds**

The costs of raising and generating funds includes the incidental costs of staging various fund raising events.

**Charitable activities**

Charitable expenditure includes all expenditure directly related to the objects of the charity including the recruitment, training and travel costs of volunteers.

**Governance costs**

Governance costs include all expenditure directly related to the administration of the charity including expenditure incurred in the management of the charity's assets, organisational administration and compliance with charitable and statutory requirements.

***Volunteers***

In accordance with the SORP, and in recognition of the difficulties in placing a monetary value on the contribution from volunteers, the contribution of volunteers is not included within the income of the charity.

However, the trustees value the significant contribution made to the activities of the charity by unpaid volunteers

***Cash and bank balances***

Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

***Taxation***

As a registered charity, the organisation is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities

**Ragalla Aid Project  
Notes to the Accounts  
for the year ended 31 July 2016**

***Funds structure policy***

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above.

Any other proposed transfer between funds would be considered on the particular circumstances.

***Recognition of foreign exchange gains and losses***

The accounts are prepared using the exchange rate at the time of spending the funds in Sri Lanka.

**2 Winding up or dissolution of the charity**

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

<b>3 Net Deficit before tax in the financial year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>

**This is stated after crediting :-**

<b>Revenue Turnover from ordinary activities</b>	43,152	42,283
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**and after charging:-**

Independent Examiner's Fees	-	-
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No funds belonging to the charity have been used for the purchase of insurance to protect the charity from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part.

**4 Statement that no expenses were paid to trustees or connected persons**

No expenses were paid to trustees or persons connected with them.

<b>5 Investment Income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>

Other bank deposit interest received	353	443
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**6 Analysis of grants payable in furtherance of the charity's objects**

The Charity receives grant applications from a number of individuals and organisations, and every application is considered by the board of trustees in relation to pre agreed parameters. The board may accept or reject the application or accept the application subject to conditions.

Although there is no legal liability to pay any grant to any organisation, and after approval, it is open to the board to withdraw an approval already granted, either before or after payment of a grant, the accounting treatment is to create a creditor for grants relating specifically to the client's activities in the current financial year of the trustees immediately upon approval, and to include grants relating to activities in subsequent financial years as financial commitments shown in the balance sheet.

At 31 July 2016 there were £nil of such grants approved and unpaid. The comparative figure for 2015 was £nil.

An analysis of grants by activity is included in the detailed schedule to the Statement of Financial Activities.

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year.

**Ragalla Aid Project**  
**Notes to the Accounts**  
**for the year ended 31 July 2016**

<b>7 Analysis of the Net Movement in Funds</b>	<b>2016</b>	<b>2015</b>
	£	£
Net movement in funds from Statement of Financial Activities	<u>(13,009)</u>	<u>(17,049)</u>

<b>8 Particulars of Individual Funds and analysis of assets and liabilities representing funds</b>				
<b>At 31 July 2016</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total Funds</b>
	£	£	£	£
Current Assets	33,083	-	5,159	38,242
	<u>33,083</u>	<u>-</u>	<u>5,159</u>	<u>38,242</u>
<b>At 1 August 2015</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total Funds</b>
	£	£	£	£
Current Assets	45,660	-	5,591	51,251
	<u>45,660</u>	<u>-</u>	<u>5,591</u>	<u>51,251</u>

The individual funds included above are :-

	<b>Funds at 2015</b>	<b>Movements in Funds as below</b>	<b>Transfers Between funds</b>	<b>Funds at 2016</b>
	£	£	£	£
General unrestricted fund	45,660	(12,577)	-	33,083
Restricted funds - Mahildythivu and Maxi Mudali	289	(289)	-	-
Restricted funds - Tawali school rebuild	22	(22)	-	-
Restricted funds - Educational	5,280	(121)	-	5,159
	<u>51,251</u>	<u>(13,009)</u>	<u>-</u>	<u>38,242</u>

Analysis of movements in funds as shown in the table above

	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Gains &amp; Losses</b>	<b>Movement in funds</b>
	£	£	£	£
General unrestricted fund	36,505	49,082	-	(12,577)
Restricted funds - Mahildythivu and Maxi Mudali	-	289	-	(289)
Restricted funds - Tawali school rebuild	-	22	-	(22)
Restricted funds - Educational	7,000	7,121	-	(121)
	<u>43,505</u>	<u>56,514</u>	<u>-</u>	<u>(13,009)</u>

The charity maintains one general unrestricted fund and three restricted funds.

**9 Endowment Funds**

The charity had no endowment funds in the year ended 31 July 2016 or in the year ended **31 July 2015**.

**Ragalla Aid Project**  
**Schedule to the Statement of Financial Activities**  
**for the year ended 31 July 2016**

**Status of this schedule to the Statement of Financial Activities**

The schedules is an intrinsic part of the accounts required to comply with the FRSSE Statement of Recommended Accounting Practice 2015 issued by the Charity Commissioners for England and Wales, effective January 2015.

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Prior Period Total Funds</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
<b>Donations and Legacies</b>				
<b>Donations and Gifts from Individuals and Trusts</b>				
Public donations	31,456	4,000	<b>35,456</b>	36,479
Gift Aid	4,696	-	<b>4,696</b>	5,804
Zoe Carss Educational Trust	-	3,000	<b>3,000</b>	-
<b>Total Grants, Legacies and Donations</b>	<b>36,152</b>	<b>7,000</b>	<b>43,152</b>	<b>42,283</b>
<b>Investment Income</b>				
Other bank deposit interest received	353	-	353	443
<b>Total Investment Income</b>	<b>353</b>	<b>-</b>	<b>353</b>	<b>443</b>
<b>Total Income</b>	<b>36,505</b>	<b>7,000</b>	<b>43,505</b>	<b>42,726</b>

**Ragalla Aid Project**  
**Schedule to the Statement of Financial Activities**  
**for the year ended 31 July 2016**

**Status of this schedule to the Statement of Financial Activities**

The schedule is an intrinsic part of the accounts required to comply with the FRSSE Statement of Recommended Accounting Practice 2015 issued by the Charity Commissioners for England and Wales, effective January 2015.

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2016	2016	2016	2015
	£	£	£	£
<b>Charitable expenditure</b>				
<i>Costs of generating voluntary income</i>				
Cost of fundraising activities	615	-	615	677
<b>Total costs of generating voluntary income</b>	<b>615</b>	<b>-</b>	<b>615</b>	<b>677</b>
<i>Support costs for charitable activities</i>				
Stationery and printing	443	-	443	628
Bank charges	260	-	260	210
<b>Total Support costs</b>	<b>703</b>	<b>-</b>	<b>703</b>	<b>838</b>
<i>Charitable grants paid</i>				
Grants paid as shown in the detailed schedule below	47,764	7,432	55,196	58,260
<b>Total Expended on Charitable Activities</b>	<b>48,467</b>	<b>7,432</b>	<b>55,899</b>	<b>59,098</b>

The basis for the allocation of costs as shown above is explained in the accounting policies and the notes to the accounts.

**Ragalla Aid Project**  
**Schedule to the Statement of Financial Activities**  
**for the year ended 31 July 2016**

**Status of this schedule to the Statement of Financial Activities**

The schedules is an intrinsic part of the accounts required to comply with the FRSSE Statement of Recommended Accounting Practice 2015 issued by the Charity Commissioners for England and Wales, effective January 2015.

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2016	2016	2016	2015
	£	£	£	£
<b>A Detailed schedule of grants paid to achieve the objects of the charity</b>				
			<b>2016</b>	<b>2015</b>
			<b>£</b>	<b>£</b>
<b>Grants to Institutions</b>				
Mahiladithivu Girls' Home	4,718	-	4,718	4,683
Silver Bells	-	-	-	927
Day Care Centre - Bandarawela	2,684	-	2,684	2,488
Ingiriya and Buena Vista Centres	2,270	-	2,270	2,575
Surol - Christmas Hampers	162	-	162	175
Methodist Elders' Home - Uppeveli	568	-	568	527
Colombo Centre for Special Education	2,020	-	2,020	1,873
Methodist Trinco Feeding Centres and Care Home	8,936	-	8,936	8,048
Kandy Girls' Home	540	-	540	527
Kandy Convents	1,136	-	1,136	1,054
Kalunenkernelny/Thawali - Teacher Support	126	-	126	-
Poonochimunal Feeding Centre - Teachers	480	-	480	468
Akkaraiyan Feeding Centre - New Building	-	2,923	2,923	-
Kaanakipuram Feeding Centre - New Building	378	2,923	3,301	-
Bethlehem House/ M Mudali	505	720	1,225	936
Unnichai Preschool - Teachers	480	-	480	468
Mahi/Talawai - Educational Support Adjustment	-	566	566	-
Ratnapura Feeding Centre	1,136	-	1,136	1,080
St Thomas' College, Bandarawela	-	-	-	610
Kegalle Elders Convent	505	-	505	527
Nediyamadu Feeding Centre - Teachers	505	-	505	468
Rajadori Feeding Centre - Teachers	505	-	505	468
Sparkes Home Sri Lanka Charity (donation returned)	-	-	-	500
<b>Total Institutional grants</b>	<b>27,654</b>	<b>7,132</b>	<b>34,786</b>	<b>28,402</b>
Grants to individuals	18,874	-	18,874	29,858
Leslie da Silva - family support & hospital costs	1,236	-	1,236	-
Pubudu - educational support	-	300	300	-
<b>Total of all grants paid</b>	<b>47,764</b>	<b>7,432</b>	<b>55,196</b>	<b>58,260</b>