

The Charity Registration Number is :- 1079120

Ragalla Aid Project
Report and Accounts
31 July 2020

Ragalla Aid Project

Report and accounts for the year ended 31 July 2020

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RAGALLA AID PROJECT

ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

The Report of the Trustees

The trustees present their report and accounts for the year ended 31 July 2020.

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 with one of our local trusted contacts in 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 have continued to be received throughout this year 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.

To provide monetary gifts/ grants for the building or updating/ repairing of pre-school feeding centres which operate under local voluntary management committees and to support child care and child health facilities in areas of Sri Lanka selected by the committee.

Public benefit

The Trustees have complied with Section 4 of the 2006 Charities Act to give due regard to the public benefit. They have reviewed 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 2020 and consider that the charity is in a 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.

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 two students at university level, three at A-level, one youngster at college. Three others continue to attend special schools for the mentally impaired.
- assisting 13 families needing support (1. Father & breadwinner murdered. 2 Three orphans taken in by an aunt. 3. A diabetic amputee. 4. Widows with small children. 5. Wife injured in the Easter 2019 Church Bombings (family support and ongoing medical treatment).)
- 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.
- Supporting one baby (Ayush) with numerous and on-going physical difficulties.
- 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.
- In total we have built / re-built or partially funded 20 pre-schools over the years of which nine pre-schools for children continue to be funded for a nutrition food programmes with the provision of midday meals and some school equipment. Also we support teachers in 5 of the Centres by supplementing their very low wages.
- Providing support for a girls / young ladies empowerment centre in Koddamunai (near Batticaloa).
- 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. Girls aged between 11 - 16 live here with two carers and a cook. They attend the local school, returning daily to the home.
- Generous funding came in September 2019 from the Zoe Carss Educational Trust as Restricted Funds to specifically support educational projects. These totaled £ 12,000 and were disseminated during the year as follows
 - Methodist Church North & East Synod, Batticaloa for repairs / decoration of 12 pre-schools.
 - Ingiriya & Ratnapura Pre-Schools (Anglican) for school bags for all children leaving at Christmas to go to primary schools.
 - Ingiriya Pre-School for demolition of disgusting toilets and building new toilet block.
 - Nivitigala Pre-School funding provided for 2-year nutrition / feeding programme.
 - Colombo Centre for Special Education for repairs to roof and improvements in the grounds.
 - Koddamunai Girls Centre – 2-year funding to continue the Centre.
 - Mahiladithivu Home – as stated above.

The Charity has dispatched some £61,760 from Unrestricted Funds during the 2019/20 financial year and £12,000 from Restricted Funds.

Significant changes and developments and plans for the future.

2019/20 has been a further year of consolidation with support continuing to our numerous on-going smaller projects.

Following the sad death of our founder, Mrs Pene Gordon, in mid-2019 it has not proved possible for any of the other Trustees to undertake a fact finding trip during this financial year. However, two couples who are friends of some of the Trustees were able to take holidays in Sri Lanka and incorporated visits to a number of projects / people and returned with good reports.

Also, regular communications with our network of contacts in Sri Lanka has enabled us to keep tabs on beneficiaries and to identify new needs. Reports from these local 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.

Ragalla Aid Project has been running for 23 years undertaking all the on-going activities listed earlier in this report and making a huge difference to thousands of children's lives particularly through the 20 pre-schools now running. Brian Catlin has been Treasurer since the inception of the charity and, since Pene Gordon's death, he has shouldered the day to day running of the charity. He is, however, not getting any younger and none of the other Trustees feel able to take on further duties.

It was therefore decided at the December 2019 AGM that we would 'put a stake in the ground' with a view to closing the charity by the end of 2020 once all funds had been allocated to beneficiaries. The biggest concern was that we should not cease funding without due notice to all the projects / people who are currently supported. At the beginning of 2020 we had sufficient funds in hand to support beneficiaries for two years by providing each of them with a 'pot' on which they could draw monthly. Funds setting up these 'pots' were started to be sent to Sri Lanka in the Spring, are well advanced and will be finalized by the end of 2020. Once all funds have left the UK the Ragalla Aid Project charity will be closed down.

Letters giving comprehensive information of the situation were sent to all donors on our mailing list in March 2020 requesting the cancellation of standing orders. This has taken a number of months to filter through the system but is now reaching a conclusion.

The organizational 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 one trustee (consulting by telephone / e-mail as 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 22. 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 - £23,807 and net realized outgoing resources of a capital nature of £nil, making net overall realized outgoing resources of - £23,807. The total reserves at the year end after reserving for unrealized losses of £nil stand at £22,140.

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, where possible, sufficient for three months of anticipated normal operation. Our normal operations have historically been funded in the main by regular sponsors

The present investment policy is to keep funds in liquid form as projects often require to be undertaken at short notice. With overall funds having diminished in 2016 / 2017 the Trustees agreed at the 2017 A.G.M. to close the CAF Cash, CAF Gold and Lloyds Treasury Fixed Term Account in late 2017 and consolidate all funds in our Lloyds Bank Charity Current Account (as reflected in the accounts). In the past year further (and often unexpected) donations have been received (e.g. In Memoriam gifts and legacies).

The charity has no fixed assets.

Monitoring of investment policy and surplus funds is undertaken by the trustees at their periodic meetings 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.

Thus we have been able to continue supporting our existing on-going beneficiaries. During the year we have received a number of significant personal donations and one charitable trust lump sum donation. The Trustees wish to record their grateful thanks for the continued loyalty of donors.

Modest fund raising to meet UK administration costs (printing and postage and bank charges) donating specifically for this purpose (currently 3 pence in the £).

The Charity's Grant Making Policies

During 2019/20 gifts totaling £61,760 were given from **Unrestricted** funds to the charity's 'normal' on-going support to beneficiaries.

Restricted funds – The sum of £nil was in hand from 2018/19. Gifts totaling £12,000 were received during 2019/20, with donations given to beneficiaries amounting to £ 12,000. This leaves a balance in hand of £nil at the financial year end.

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 2020 and as at 28th November 2020 (the date of the AGM and the approval of the accounts) were:

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

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

The report of the Trustees for the year ended 31 July 2020

Statement of Trustees Responsibilities

Charity Law requires the Board 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 Board is required to :-

- select suitable accounting policies and then apply them consistently
- make judgments 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 trustees are also responsible for keeping proper 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 the regulations made under the Charities Act. They are also responsible for safe guarding 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 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 inconsistencies with the figures disclosed in the financial statements.

Signed:-

Mr. Graham Gordon
Chair of the Trustees
28 November 2020

Ragalla Aid Project

Report of the Independent Examiner to the Trustees of the charity on the accounts for the year ended 31 July 2020

I report on the financial statements of the charity on pages 9 to 22 for the year ended 31 July 2020 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016) adapted to meet the needs of unincorporated organisations, as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015 (as amended by the Bulletin issued in February 2016) published by the Charity Commission in England & Wales (CCEW), effective January 2015 (The SORP), under the historical cost convention and the accounting policies set out on page 14.

Respective responsibilities of the Trustees and the Independent 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 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) follow the procedures in the General Directions given by the Charity Commission under section 145(5)(b) of the Act and;
- c) state whether particular matters have come to my attention.

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

I conducted my examination in accordance with the General Directions given by the Charity Commission 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 charity 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 from the Trustees of all material matters.

Independent Examiner's Statement, Report and Opinion

Subject to the limitations upon the scope of my work as detailed above, in connection with my examination, I can confirm that :-

Ragalla Aid Project

This is a report in respect of an examination carried out under 145 of the Act and in accordance with General Directions given by the Charity Commission under section 145(5)(b) of the Act which may be 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 :-

to keep accounting records in accordance with with Section 130 of The Charities Act 2011;

when preparing accounts on an accruals basis, to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act and the Regulations setting out the form and content of charity accounts;

have been prepared in accordance with The Charities Act 2011. and with the methods and principles set out in the FRS102 Statement of Recommended Practice - Accounting and Reporting by Charities (effective January 2016)

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;

David Warren - Independent Examiner

Institute of Financial Accountants

Seven Oaks, Clewers Hill

Waltham Chase

Southampton

Hampshire

SO32 2LN

This report was signed on 28 November 2020

Ragalla Aid Project - Statement of Financial Activities for the year ended 31 July 2020

Statement of Financial Activities for the year ended 31 July 2020

	SORP Ref	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
		2020 £	2020 £	2020 £	2019 £
Income & Endowments from:					
Donations & Legacies	A1	38,778	12,000	50,778	49,345
Investments	A4	131	-	131	85
Total income	A	38,909	12,000	50,909	49,430
Expenditure on:					
Charitable activities	B2	62,716	12,000	74,716	36,610
Total expenditure	B	62,716	12,000	74,716	36,610
Net (expenditure)/income for the year		(23,807)	-	(23,807)	12,820
Net income after transfers	A-B-C	(23,807)	-	(23,807)	12,820
Net movement in funds		(23,807)	-	(23,807)	12,820
Reconciliation of funds:-					
Total funds brought forward	E	45,948	-	45,948	33,128
Total funds carried forward		22,141	-	22,141	45,948

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. 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 separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.

All activities derive from continuing operations

The notes attached on pages 14 to 22 form an integral part of these accounts.

Ragalla Aid Project - Statement of Financial Activities for the year ended 31 July 2020

Ragalla Aid Project - Analysis of prior year total funds, as required by paragraph 4.2 of the SORP

	SORP Ref	Prior Year		Prior Year
		Unrestricted Funds	Restricted Funds	Total Funds
		2019	2019	2019
		£	£	£
Income & Endowments from:				
Donations & Legacies	A1	47,577	5,000	49,345
Charitable activities	A2	-	-	-
Other trading activities	A3	-	-	-
Investments	A4	121	-	85
Other	A5	-	-	-
Total income	A	47,698	5,000	49,430
Expenditure on:				
Raising funds	B1	755	-	-
Charitable activities	B2	34,614	7,480	36,610
Other	B3	-	-	-
Tax on surplus on ordinary activit	B3	-	-	-
Total expenditure	B	35,369	7,480	36,610
Net gains on investments	B4	-	-	-
Net income for the year		12,329	(2,480)	12,820
Transfers between funds	C	-	-	-
Net income after transfers		12,329	(2,480)	12,820
Other recognised gains/(losses)		-	-	-
Net gains on revaluation of fixed assets	D1	-	-	-
Net actuarial gains on defined pension benefit schemes	D2	-	-	-
Costs of fundamental reorganisation or restructuring	D3	-	-	-
Extraordinary items	D3	-	-	-
Net movement in funds		12,329	(2,480)	12,820
Reconciliation of funds:-	E			
Total funds brought forward		28,128	5,000	33,128
Total funds carried forward		40,457	2,520	45,948

All activities derive from continuing operations

A separate Statement of Total Recognised Gains and Losses is not required as this statement includes all recognised gains and losses.'

The notes attached on pages 14 to 22 form an integral part of these accounts.

Ragalla Aid Project - Statement of Financial Activities for the year ended 31 July 2020

Ragalla Aid Project - Resources applied in the year ended 31 July 2020 towards fixed assets for Charity use:-

	2020 £	2019 £
Funds generated in the year as detailed in the SOFA	(23,807)	12,820
Net resources available to fund charitable activities	(23,807)	12,820

The notes attached on pages 14 to 22 form an integral part of these accounts.

Movements in revenue and capital funds for the year ended 31 July 2020

Revenue accumulated funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Last year Total Funds 2019 £
Accumulated funds brought forward	45,948	-	45,948	33,128
Recognised gains and losses before transfers	(23,807)	-	(23,807)	12,820
	22,141	-	22,141	45,948
Closing revenue funds	22,141	-	22,141	45,948

Summary of funds

	Unrestricted and Designated funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Last Year Total Funds 2019 £
Revenue accumulated funds	22,141	-	22,141	45,948

The notes attached on pages 14 to 22 form an integral part of these accounts.

Ragalla Aid Project - Statement of Financial Activities for the year ended 31 July 2020

Ragalla Aid Project Income and Expenditure Account for the year ended 31 July 2020 as required by the Companies Act 2006

	2020	2019
	£	£
Income		
Income from operations	50,778	49,345
Investment income		
Interest receivable	131	85
Gross income in the year before exceptional items	50,909	49,430
Gross income in the year including exceptional items	50,909	49,430
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	74,716	36,610
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	74,716	36,610
Net income before tax in the financial year	(23,807)	12,820
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(23,807)	12,820
Retained surplus for the financial year	(23,807)	12,820

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 14 to 22 form an integral part of these accounts.

Ragalla Aid Project - Balance Sheet as at 31 July 2020

	SORP		2020	2019
	Note	Ref	£	£
Current assets		B		
Cash at bank and in hand		B4	22,141	45,948
Net current assets			22,141	45,948
The total net assets of the charity			<u>22,141</u>	<u>45,948</u>

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

Restricted funds

Unrestricted Funds

Unrestricted Revenue Funds	8	D3	22,141	45,948
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Designated Funds

Total charity funds			<u>22,141</u>	<u>45,948</u>
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The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The Trustees acknowledge their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 8.

The Trustees are satisfied that, although the charity is not registered under the Companies Acts, if it were so registered, it would be eligible to prepare accounts in accordance with the provisions in Part 15 of the Companies Act 2006. applicable to companies subject to the small companies regime.

MR B CATLIN

Trustee

Approved by the board of trustees on 28 November 2020

The notes attached on pages 14 to 22 form an integral part of these accounts.

Ragalla Aid Project

Notes to the Accounts for the year ended 31 July 2020

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015 (as amended by the Bulletin issued in February 2016) published by the Charity Commission in England & Wales (CCEW) ,effective January 2016, (The SORP), 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 FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015 (as amended by the Bulletin issued in February 2016) 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.

Risks and future assumptions

The charity is a public benefit entity. There are no significant adjustments to the entries in these accounts arising from judgements or assumptions made by the Trustees and no entries which require adjustment in future periods.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

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.

Ragalla Aid Project

Notes to the Accounts for the year ended 31 July 2020

Donated goods, facilities and services

Donated fixed assets are recognised at the current fair 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 donated items.

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.

The carrying amount of any stock held for distribution is assessed for impairment at the reporting date. 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*'

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt. If the goods held are to be distributed freely or for a nominal consideration, then the carrying amount is subsequently adjusted to reflect the lower of deemed cost adjusted for any loss of service potential and replacement cost. Replacement cost is the economic cost incurred if the charity was to replace the service potential of the donated goods at its own expense in the most economic manner.

Donated services and facilities (including seconded staff and use of property) 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.

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

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.

Ragalla Aid Project

Notes to the Accounts for the year ended 31 July 2020

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 and this is described more fully in Note 4.

Policies relating to assets, liabilities and provisions and other matters.

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.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 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.

4 The contribution of volunteers

The charity depends on the support of its volunteers, which is much appreciated. The charity administration is undertaken by the trustees on a voluntary basis and other volunteers assist with the running of various fund raising events. Due to the difficulty of calculating a financial value of volunteer time and achievements this has not been recognised in the Statement of Financial Activities. The volunteers and the charity accept and agree that no contract of employment is created by these arrangements.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

5 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

Ragalla Aid Project

Notes to the Accounts for the year ended 31 July 2020

6 Income and Expenditure account summary	2020 £	2019 £
At 1 August 2019	45,948	33,128
(Loss)/surplus after tax for the year	(23,807)	12,820
At 31 July 2020	22,141	45,948

7 Particulars of how particular funds are represented by assets and liabilities

<i>At 31 July 2020</i>	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Investments at valuation:- Current Assets	22,141	-	-	22,141
	22,141	-	-	22,141
<i>At 1 August 2019</i>	Unrestricted funds £	Designated funds £	Restricted funds £	Total Funds £
Investments at valuation:- Current Assets	38,468	-	7,480	45,948
	38,468	-	7,480	45,948

8 Change in total funds over the year as shown in Note 7, analysed by individual funds

	Funds brought forward from 2019 £	Movement in funds in 2020 See Note 9 £	Transfers between funds in 2020 £	Funds carried forward to 2021 £
<i>Unrestricted and designated funds:-</i>				
Unrestricted Revenue Funds	45,949	(23,807)	-	22,142
Total unrestricted and designated funds	45,949	(23,807)	-	22,142
Total charity funds	45,949	(23,807)	-	22,142

Ragalla Aid Project

Notes to the Accounts for the year ended 31 July 2020

9 Analysis of movements in funds over the year as shown in Note 8

	Income	Expenditure	Other Gains & Losses	Movement in funds
	2020	2020	2020	2020
	£	£	£	£
<i>Unrestricted and designated funds:-</i>				
Unrestricted Revenue Funds	38,909	(62,716)	-	(23,807)
<i>Restricted funds:-</i>				
Restricted Educational Fund	12,000	(12,000)	-	-
	50,909	(74,716)	-	(23,807)

Gains and losses are detailed in notes 0,0, 0, 0 and 0

10 The purposes for which the funds as detailed in note 8 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted Revenue Funds

These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and, subject to charity legislation, are free from all restrictions on their use.

Restricted funds:-

Restricted Educational Fund

The purpose of this fund is to provide funds for building new schools and supporting the educational needs

11 Ultimate controlling party

The charity is under the control of its legal members.

Every member of the charity has unlimited joint and several liability for the debts of the charity.

Ragalla Aid Project

Detailed analysis of income and expenditure for the year ended 31 July 2020 as required by the SORP 2015

This analysis is classified by conventional nominal descriptions and not by activity.

12 Donations and Legacies

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts from individuals				
Small donations individually less than £1000	21,296	-	21,296	28,360
Gift Aid	7,289	-	7,289	5,826
Zoe Carss Educational Trust	-	12,000	12,000	6,000
Pene Gordon in Memorial	3,168	-	3,168	3,850
A Tanner	-	-	-	925
T Gordon	3,000	-	3,000	-
W Gordon	3,000	-	3,000	-
Roberta Neate Decd Legacy	-	-	-	1,000
Daphne Noyle Decd Legacy	-	-	-	1,000
Carolyn Collins	1,025	-	1,025	1,250
St Johns C of E Walham Green primary School	-	-	-	1,134
Total donations and gifts from individuals	38,778	12,000	50,778	49,345
Total Donations and Legacies A1	38,778	12,000	50,778	49,345

13 Investment income

	Current year Unrestricted Funds	Current year Restricted Funds	Current year Total Funds	Prior Year Total Funds
	2020	2020	2020	2019
	£	£	£	£
Bank Interest Receivable	131	-	131	85
Total investment income A4	131	-	131	85

Ragalla Aid Project

Detailed analysis of income and expenditure for the year ended 31 July 2020 as required by the SORP 2015

14 Expenditure on charitable activities- Grant funding of activities

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Grants made to individuals	32,227	2,586	34,813	13,431
Grants made to organisations	29,533	9,414	38,947	22,157
Total grantmaking costs	61,760	12,000	73,760	35,588

Ragalla Aid Project

Detailed analysis of income and expenditure for the year ended 31 July 2020 as required by the SORP 2015

Breakdown of Grants made to organisations

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Mahiladithivu Girls' Home	1,666	-	1,666	4,320
Methodist Church HQ Children's 2 year pot	12,686	282	12,968	-
Methodist Church Teachers Christmas Bonuses	325	-	325	-
Methodist Church Monthly Support Aug - Dec 2019	2,721	-	2,721	-
North & East Synod, Batticaloa - repairs to 12 pre-schools	-	5,450	5,450	-
Bandarawela Day Care Centre	4,250	-	4,250	1,680
Ingiriya and Buena Vista Centres	-	-	-	-
SU.R.O.L. - Christmas Hampers	160	-	160	159
Colombo Centre for Special Education	4,125	781	4,906	1,680
Kalunenkeny/Thawali - Teacher Support	300	-	300	336
Poonochimunal Feeding Centre - Teachers	400	-	400	445
5 Pre-Schools - bags for all children	260	-	260	302
Nivitigala Nutrition Programme - 2 year	-	1,318	1,318	-
Ingiriya Centre - Toilet block rebuild	-	1,056	1,056	-
Ingiriya/Nivitigala Christmas School Bags all children	640	527	1,167	-
Unnichai Feeding Centre - Teachers	400	-	400	445
Nediyamadu Feeding Centre - Teachers	400	-	400	445
Konavil Feeding Centre - new building	-	-	-	6,000
Karuverpenkeny Feeding Centre - new building	-	-	-	5,000
Rajadori Feeding Centre	400	-	400	445
Koddamunai Home	800	-	800	900
	29,533	9,414	38,947	22,157

Details of the purposes and benefits deriving from the grants listed above are disclosed in the Report of the Trustees.

Ragalla Aid Project

Detailed analysis of income and expenditure for the year ended 31 July 2020 as required by the SORP 2015

15 Support costs for charitable activities

	Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
<i>Administrative overheads</i>				
Stationery and printing	495	-	495	616
<i>Financial costs</i>				
Bank charges	461	-	461	406
Support costs before reallocation	956	-	956	1,022
Total support costs	956	-	956	1,022

The basis of allocation of costs between activities is described under accounting policies

16 Total Charitable expenditure

		Current year Unrestricted Funds 2020 £	Current year Restricted Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Total grantmaking costs	B2c	61,760	12,000	73,760	35,588
Total support costs	B2d	956	-	956	1,022
Total charitable expenditure	B2	62,716	12,000	74,716	36,610