

2021 Annual Report



Annual report and financial statements for Reaching the Unreached
For the year ended March 2021

Charity No 1091295
Company Registration No 04217700

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Administrative details

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RTU-India



Registered Office	16 Glasshouse Studios, Fryern Court Road, Fordingbridge, Hants, SP6 1QX
Independent Examiner	Jeremy Kitson, Prime Accountants, Corner Oak, 1 Homer Road, Solihull, B91 3QG
Bankers	Unity Trust Bank, 9 Brindley Place, Birmingham, B1 2HB

Directors and officers

Reaching the Unreached (RTU) is a company limited by guarantee (Company No 4217700) and has adopted the Memorandum and Articles of Association Model of the Charity Law Foundation. It was incorporated on 16th May 2001 and obtained charitable status on 21st March 2002 (Charity No 1091295). In 2002 it took over all of the operations of the unincorporated Charity of the same name established in 1983. The directors of the Charitable Company (the Charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees who served the Charity during the year and since the year end were as follows:

Amy Anderson	
Ian Brady	Chair and Executive Group Member
Kenneth Brackenridge	Appointed 10 October 2020
Margaret Davies	Executive Group Member
John Deeney	
Andrew Moore	
Max Philbrick	Treasurer and Executive Group Member
James Playfair	Executive Group Member
Scott Preston	Safeguarding Lead and Executive Group Member
Thomas Williams	Vice Chair and Executive Group Member

Chair's introduction

Since 1974, Reaching the Unreached in India (RTU-I) has served the poorest rural communities in Theni and Dindigul Districts, north-west of the city of Madurai, in Tamil Nadu, South India.

During the recent Covid-19 pandemic and subsequent lockdowns, which dominated the whole of the financial year, many vulnerable people found themselves, almost overnight, unable to earn money or access their usual support systems, placing them at immediate risk of hunger and greater destitution. RTU-I's flexible structure helped them quickly to shift many of their resources to urgent relief work. Often working alongside government agencies and other NGOs, they distributed food parcels, made one-off financial payments to some of the most vulnerable people and families, and provided practical assistance to their local rural village communities, helping to limit the spread of infection.

The lockdowns temporarily restricted the range of long-term programme-based work RTU-I was able to carry out. However, they adapted the health programme to meet changing demands, increasing the volume and scope of their mobile health clinics, and were able to find new, innovative ways to deliver their education programme.

We know education, in particular regular school attendance, is vital for children and young people to build the skills, confidence, and resilience they need to fulfil their potential and escape poverty. During the prolonged school closures forced by the lockdowns they worked tirelessly to keep students engaged, only too aware that any children who drifted away from regular school attendance at this uncertain time risked becoming a lost generation, destined to repeat the cycle of poverty that RTU-I strives so hard to break. The RTU teachers and school staff responded wonderfully, with innovative and agile solutions including online lessons and, for those living in remote areas or lacking an internet connection or a signal, home visits and worksheet-based learning.

Prompted by the challenges of the pandemic, last year we helped RTU-I take stock of their strategic direction, carrying out a comprehensive organisational review and commissioning a major piece of impact research amongst their beneficiaries and a vulnerability needs assessment of people in their target villages. As a result, they are re-focusing and identifying ways to work more effectively, both alone and with partner organisations, to deliver their future plans.

The trustees would like to record here our sincere thanks to the Director of RTU in India, Father Antony Paulsamy, as well as all the staff and at other partner NGOs. Their energy and resourcefulness are an example to us all.

We must also thank our supporters, especially the UK-based individuals, church groups and organisations we rely on for donations, as well as the growing number of other benefactors and advocates we have in India and around the world. Without their generosity and steadfast support, RTU-I would simply not exist.

All of us connected to RTU around the world continue to draw strength and inspiration from our founder, friend and guide, Brother James Kimpton, whose humility and love live on in all our hearts. RTU-I has emerged from the pandemic with even greater determination to transform his vision into action and lasting change.

Finally, I would like to take the opportunity to thank you, for reading this report and being part of RTU's past, present - and future.

Ian Brady
Chair

The trustees are pleased to present their report for the year ended 31st March 2021.

Aims and objectives

Charitable Aims

The purpose of the Charity, as laid out in the Memorandum and Articles of Association, is to relieve poverty, advance education and protect health amongst persons living in under-developed countries (particularly in respect of refugees and those living in rural areas).

The key objectives of the Charity are:

- to provide funding and other practical support to relieve poverty through working with NGOs in South India where the trustees have confidence in the ethos and capabilities of the local management team, and where structures, policies and procedures are in place to ensure a high standard of service to beneficiaries
- to raise funds, and maximise the funds available for beneficiaries by ensuring that fundraising, management and administration costs are kept under control and provide value for money
- to stimulate continuing, secure and long-term support for poverty relief through channels in South India, the international community and from UK supporters and institutions.

How we achieve our objectives

The Charity achieves its objectives primarily through the funding and support of a wide range of services at Reaching the Unreached in India (RTU-I), a fully independent sister organisation located under the Palani Hills in the state of Tamil Nadu, South India, registered as a Society in 1978. We also provide support to other organisations undertaking similar work in South India in consultation with RTU-I, namely Jeevan Jyothi Hospice and the Rural Area Development Trust (RUADT).

RTU in India is a highly successful and far-reaching, grassroots organisation offering a range of services to empower some of the most marginalised and disadvantaged people in rural South India from scheduled castes, particularly focusing its services on children. It is a secular charity founded on Christian principles and it is fully inclusive, providing support to people in need of all backgrounds and all faiths. It obtains direct funding from international grant-making organisations to cover some of its activities, and donations from individuals, foundations and corporates in India and overseas. It uses the funds raised by RTU-UK to fund new initiatives and the ongoing provision of services to beneficiaries not covered by other funding sources. The trustees work closely with RTU in India and have an in-depth knowledge of its work.

Achieving public benefit is a fundamental driver of the way the trustees approach their work. The trustees have due regard to guidance published by the Charity Commission on this and recognise that, as the actions to improve the lives of beneficiaries takes place in India, it requires us to adopt a particular approach to ensure that the funds we devote to achieving our objectives are used effectively.

Structure, governance and management

Organisational Structure

The trustees have appointed an Executive Group responsible for the management of the Charity, approval of unbudgeted expenditure up to an agreed limit and overseeing communication with Reaching the Unreached and our partner charities in India. The Executive Group holds meetings several times a year and reports to the trustees. Full Trustees' Meetings are held three times a year. The day-to-day work is subcontracted to the UK Co-ordinator, Mo Houlden, and other consultants as and when needed.

Recruitment, Appointment, Induction of Trustees

The trustees regularly look at existing skills and experience and new trustees are recruited to ensure the trustee board has a broad range of management experience to meet the needs of RTU and its strategic aims. The induction process for new trustees includes an information pack, and meetings covering the history, finances, longer term strategies and governance arrangements of the Charity, as well as the roles and responsibilities of trustees. New trustees are encouraged to make a visit to RTU in India within a year of appointment if they have not recently been there.

Trustees serve for an initial 10-year term on first appointment, and then for 5-year terms on any subsequent re-appointment. The Chair and other office-bearers are appointed for 5-year terms, which take precedence over (i.e. allow an extension of) a term as trustee. Following the retirement of a trustee in the year, the trustees have subsequently recruited new trustees to join the Board in the 2020/21 financial year.

Risk Review

Each year the trustees review and update the risk register which identifies all key perceived risks to the organisation and agrees actions to mitigate those risks. This last took place in June 2021. Generally, the trustees are satisfied that the Charity addresses the major risks faced and that adequate operating systems and procedures are in place, both within RTU-UK and RTU-I and the other 'partner' NGO's we fund, to mitigate those risks to an acceptable standard. The trustees are confident that the financial procedures and accountancy standards of our partners are of the highest standard, and that anti-fraud and corruption measures are strictly adhered to.

The Treasurer reports on invested reserves, cashflow and exchange rate movements at each Trustees' Meeting, with recommendations when appropriate. Other risks are mitigated by matching our own vision and objectives to those of RTU in India and the need of the people it serves; reviewing our governance and structure to keep the Board of Trustees effective; and maintaining our focus on fundraising as a core objective of the Charity in the UK. Trustees also regularly review our own safeguarding and bribery policies and procedures, and those of the organisations we fund in India. The risks associated with exchange rate fluctuations are also considered and more information on this is provided below.

Coronavirus response

This year, in the light of the coronavirus pandemic, the trustees reviewed the financial risks to the Charity and believe that the Charity has sufficient funds to operate as normal. Trustees have been flexible in allowing RTU-I and other partner NGOs to use unrestricted funds to adapt their services to meet the needs of beneficiaries at this time, particularly those affected by the lockdowns in India which left many families destitute. The trustees are very grateful to supporters for their generosity which has meant that funds could be sent over for RTU-I's emergency response work. Some of the programmes, particularly the house-building and well-drilling activities, had to be put on hold and the Charity has kept funds in restricted reserves to use when these services are allowed to operate.

The trustees have maintained their contact with RTU in India and the Director, Fr Antony Paulsamy, has been involved in online trustees' meetings to update the trustees about changes in operations, future planning for the redesign of services, budget monitoring and funding implications. The last visit by a trustee to our partner organisations in India was in January 2020.

Related Parties

Other than reported in Notes 5 and 14, there are no transactions with related parties that are required to be disclosed in these accounts.

Review of developments, activities and achievements

The work in India

RTU in India has an enormous impact on the lives of many people from scheduled castes and tribal communities living in impoverished rural areas of South India. It provides a safety net in the form of a family home for orphaned or destitute children in four Children's Villages - in small family houses with 'foster' mothers for the younger children and hostel-style accommodation for older teenagers.

The children are educated at RTU-I's eight balwadies (pre-schools), three primary and middle schools and a higher secondary school (which all also offer schooling to over 750 local children from disadvantaged families). The education is of a high standard and the schools enrich the children's lives by having elected school parliaments, trips out, sports days, various school exhibitions and competitions, and participating in district and state sports and dance competitions. After completing the State 10th, 11th and 12th standard exams, the children are supported through college and various professional qualifications until they are able to live independently. A scholarship scheme is in place for local children to enable them to continue their studies at college. Approximately a fifth of the children are affected by HIV/AIDS in their families and 6% are HIV+ themselves.

In March 2020, all the children in the Children's Villages had to be sent back to any relatives they had in their native villages during the lockdown by order of the Tamil Nadu government. Only the children who had no contact with any family members were allowed to stay in the Children's Villages and hostels. RTU-I has kept in touch with all the children on a regular basis providing funds so their relatives could afford to care for them, emergency food supplies and medicines.

The older children were allowed to return to RTU at the beginning of September 2021 when schools for the four oldest year groups opened in Tamil Nadu, but the younger children have not yet been allowed to return. The team in India are already seeing an increase in referrals to the Children's Villages as a direct result of the pandemic although most cannot be admitted until restrictions are lifted.

All the schools in Tamil Nadu were ordered to close in March 2020 and, apart from a few short weeks at the beginning of 2021, they have only reopened again for the four oldest year groups since September 2021. Throughout the closure, RTU teachers have been providing lessons via YouTube and WhatsApp for those that have online access and paper-based learning kits for others to keep the children engaged in learning. The teachers have been meeting the local children who attend RTU's schools on an individual basis every fortnight to go through the worksheets and have also been monitoring their mental health. Teachers have also been going out to the local villages when the lockdowns have eased to provide Home School. There is still no news (at September 2021) about when the schools will reopen for the younger children in 8th standard and below.

Other programmes that RTU-I runs are focused on outreach work and community development, supporting children and their families at home and in their communities and includes:

- a **house-building** programme to help families build village houses in place of inadequate and unsafe shelters constructed largely of coconut thatch panels on bare earth, prone to vermin, fires and easily damaged in the monsoon rains. RTU-I makes all the cement blocks, windows and doors in-house and last year constructed 68 houses in 11 villages, each with two rooms, a toilet/washroom, electricity and a verandah. Nearly 9,000 houses have been built since the programme started in 1976.

During the height of the lockdowns, the house construction work had to be put on hold. It was able to start again in October 2020 when the lockdown eased until April 2021 and RTU-I are only now able to catch up with the backlog in recent months since India's second wave.

- **bore wells** and **water facilities** to provide clean, safe water to people living in rural villages. New bore wells are drilled to provide water facilities in schools and rural villages and for other NGOs, fitting submersible electric pumps and water tanks. 2,478 water facilities have been provided to date.

Likewise, along with the house-building programme, the bore well drilling also had to be put on hold during the various lockdowns.

- a **home-support** scheme for families where monetary assistance is given in the form of a monthly payment to help them provide nutritious food and clothes, and to enable them to send their children to school. Staff normally visit families to support them with a range of issues and help them to access healthcare, widows' pensions and medical expenses if they are HIV+ etc. As at year end, there were 100 children from 82 families in 52 local villages on the home support scheme. Over 60% of the children are either HIV+ themselves or have family members who are or who have died from AIDS-related illnesses.
- a **medical clinic** catering for around 125 outpatients a day from surrounding villages, staffed by nurses with a visiting doctor and physiotherapist twice a week. Originally set up to work with leprosy patients, the health centre would normally have around 25,000 appointments a year and seriously ill people would be referred to hospital at RTU-I's expense. There is also a **physiotherapy centre** which would normally provide around 10,000 treatments each year. The medical clinic also cares for all the children in the Children's Villages and schools, providing regular vaccinations, health, eye and dental checks, and there are three full-time counsellors working in the Children's Villages to support the young people's emotional health and wellbeing.

Throughout the pandemic, the clinic has played a major role in distributing vital medicines and vitamins to rural villages and raising awareness about keeping safe in RTU-I's mobile ambulances which were able to go out during the lockdowns. However, clinic appointments were severely limited for other than emergency treatment for the first six months of the year.

- a **women's empowerment** programme providing services and resources so that women in rural villages can take out loans for emergency needs, to set up their own income generating initiatives and collectively work on issues of concern in their communities. Members of these groups also help to identify beneficiaries for RTU-I's other programmes. At year end, 121 **self-help groups** and micro-credit savings schemes were running in 29 villages with 1,876 women members with more planned for the future. An independent body of all the self-help groups, Vidiyal Women's Federation, has been formed and has an executive committee which meets monthly to deal with loan processing, and other issues affecting women. RTU-I also provides regular training on issues such as health awareness, enterprise, domestic violence and access to Government schemes; and runs free legal aid 'camps' and vaccination programmes for milking animals in villages. The Self-Help Group members saved over 2 crore rupees (c. £210,000) between them and received income totalling 4.25 crore rupees (c. £425,000) from interest, loan repayments and grants from RTU.

During the pandemic, the self-help groups have played a key role and RTU-I organised 30 Covid awareness camps to educate people in rural villages on how to protect themselves and their families. The women group members became the ears and eyes of their villages to identify vulnerable families who needed emergency food supplies. The women were able to continue to meet during the lockdowns to process loans and collect contributions. More recently, they have played an important role in raising awareness about the vaccine and encouraging vaccine take-up which is particularly low in Tamil Nadu.

- three **mobile tailoring training** centres visit rural villages to provide a six-month accredited training programme for rural women so that they can earn additional income and set up their own businesses. In normal years, the training centres visit 6 villages with around 200 women benefitting from the courses. Due to the various lockdowns, only three of these courses could be run instead of the usual six, including one on the RTU campus for young women in RTU's care while their various colleges were closed.
- **study centres** are run for two hours in the evenings in rural villages to lift the educational attainment of the most disadvantaged children attending poor rural Government schools. The study centres have been unable to open during the various lockdowns but the teachers have played an important role in keeping the children in rural villages engaged in education.
- **mobile science laboratories** to give children in rural schools hands-on experience of science and technical experiments and modern teaching materials, so that they can follow the science stream in the Tamil Nadu curriculum. There are three science labs with six RTU teachers who usually visit 101 Government schools in rural villages three times a year, with around 7,000 children benefitting from the sessions last year. Due to the various lockdowns, these are now only just starting up again for the four oldest year groups who are now back at school.

- support for **elderly** and destitute people living in rural villages who are chronically ill with TB, HIV-related infections or are cured leprosy patients who are rejected by their communities. RTU-I provides food, clothing and financial assistance. 350kg of sathumavu (nutritious flour) is distributed every month to them and to local malnourished children.

During the pandemic, support to elderly people has been stepped up considerably. As well as emergency dry rations such as rice, pulses, spices etc. provided, RTU-I distributed nutritious hot meals daily from the central school kitchens to elderly and other vulnerable people. Elderly people also made up the majority of the beneficiaries of the mobile health clinics in rural villages mentioned above.

At the beginning of the financial year in April 2020, the revenue budget to provide all the above services at RTU in India was just INR 907 lakhs which, at year end exchange rates, is approximately equal to £907,000. The budget had to be revised mid-year as RTU-I were unable to run some of their programmes due to the lockdowns and had to adapt others quickly to help with the pandemic.

RTU-I responded quickly to respond to the challenges people faced in rural villages due to the pandemic, some of which is mentioned above. Their response involved providing:

- information leaflets about the virus distributed to rural villages in the earliest days of the pandemic
- housing/shelter to migrant workers stranded in the first days of the lockdown
- meals to local authority street cleaning workers
- over 6,500 dry ration food packs – enough to feed a family for a month
- disinfectant and street cleansing equipment in local villages
- the local primary healthcare centre with a covid testing booth
- vitamins, medicines etc. to people in local villages
- daily hot lunchtime meals to vulnerable people in the immediate villages

Further information on the work and the RTU-I Annual Review and Financial Statements are available on the website, www.rtuindia.org.

We are also delighted to have provided funding to two 'partner' NGO's who have close links with RTU in India with grants in the year. Jeevan Jyothi Hospice looks after children in RTU-I's care who are HIV+ if they become ill or face a negative reaction to ART drug therapy. It is 25km from RTU and has 40 bed spaces. Children stay at Jeevan Jyothi until they are well enough to return to their home in the Children's Villages. As well as providing a service for children and adults at the hospice, Jeevan Jyothi meets the needs of people with HIV in the surrounding villages and has an extensive outreach programme, ensuring that people with HIV/AIDS maintain the drug therapy they need and receive good nutrition. It also runs an outreach programme for vulnerable children and provides the national 'Childline' service in the Theni District of Tamil Nadu where it is based, mainly dealing with issues of child marriage, drug addiction and children who have dropped out of school.

The other NGO we supported in the year is the Rural Area Development Trust (RUADT) which supports differently abled children and young people, and their families, providing a range of services including special schools and rehabilitation centres. We have provided the funding required to run their vocational training programme to give young adults with learning difficulties skills to enable them to earn a living, and two of their village rehabilitation programmes providing physiotherapy and support to people of all ages. Again, RUADT's services were significantly disrupted during the year.

Working with RTU in India

The trustees are keen to ensure sufficient funding and support for the work of RTU in India. Although it is an independent organisation and our procedures ensure that we have formal arrangements in place with RTU-I, particularly over funding requests and their evaluation, our long historical links and the personal involvement of trustees over the years have led us to be proactive. There is frequent communication and liaison between RTU-UK and RTU-I online and through visits made to India by trustees, funded at their own expense, and timed to coincide with the RTU-I Board Meetings and the AGM, where RTU-UK attends as an observer. The last time a visit was made to India by a trustee was in January 2020, so we have been liaising regularly online. This style of co-operation works well and ensures the trustees here remain well-informed of developments and issues at RTU-I, whilst ensuring that our funding achieves the public benefit we seek.

The relationship between the two organisations is formalised in a Memorandum of Understanding which sets out the framework of the working relationship between RTU-UK and RTU-I and ensures clarity of roles and responsibilities on both sides.

We also provide management and strategic support where appropriate and have been involved in developing policies associated with safeguarding, discrimination in the workplace etc. A Home Management Committee operates at RTU-I involving senior RTU-I staff, the District Children Protection Officer, the President of the District Child Welfare Committee, the Government Medical Officer and other local officials to oversee safeguarding issues in the Children's Villages and schools. This committee meets quarterly.

Another way in which both RTU-UK and RTU-I have been working together for some years is on building fundraising capacity at RTU-I and implementing a fundraising strategy to increase in-country donations. We have been working with a Tamil-speaking consultant based in Chennai to enable RTU-I to take advantage of resource mobilisation opportunities in India. Following a successful pilot scheme, we have just come to the end of a two-year project, funded by RTU-UK, which we have extended to target Indian foundations and corporate social responsibility (CSR) opportunities. New grants have been made for capital projects, and revenue funding for RTU-I's schools to improve the educational outcomes of the most disadvantaged rural children has been obtained for the last three financial years.

We have also been working with the consultant on a strategic review to look at the changing external environment and this year enabled a major research project to be undertaken in 120 rural villages to assess the vulnerability and needs of people belonging to the lowest scheduled castes. A beneficiary impact assessment was also carried out in focus groups of current beneficiaries of RTU-I. This will inform the shape of RTU-I's strategic plan as services and programmes are adapted in light of the pandemic to rebuild livelihoods and economic security.

Building Support in the UK

The majority of income received is thanks to the generosity of our individual supporters and local church and community groups, many of whom make regular donations or support our child/student sponsorship schemes. Regular income received in this way has continued to grow and accounts for half of our income (excluding large gifts such as legacies) at the year end. Supporters like the very strong links we have with RTU-I and know the difference their contribution is making on the ground to the lives of their sponsored children, and many of the most disadvantaged people in rural South India. In addition to sponsorship, many supporters help the house-building and well-drilling programmes through *in memoriam* gifts for individual houses and wells.

The trustees are particularly pleased with the way that our supporters have dug deep into their pockets and have helped with the emergency relief work that RTU-I has been providing. Our income was lower than usual, mainly due to a decrease in large donations and the inability for our community and church groups to operate as they normally would. We give thanks to all our committed supporters – individuals, churches, schools, grant-making trusts and other organisations – who have given so much. We are hugely grateful for all you do to help. We are also very grateful to those who have organised fundraising events in their area, and to those who act as our ambassadors in their church, school and community to keep the work of RTU on the agenda.

Plans for the future

Although there has been economic growth in India over the last few years and greater investment in infrastructure, health and education by the Tamil Nadu State Government, there is little evidence of this in the remote rural villages where RTU in India works and there are vast numbers of a rapidly increasing population living in severe poverty. The economic impact of the pandemic in India is likely to be enormous. Many people rely on seasonal daily wage labouring work and receive no money to live on if work is unavailable. Families are particularly vulnerable if one member becomes ill and is unable to work, and often children need to work to supplement the family income. Families in this normal situation rarely have enough to buy sufficient nutritious food, let alone the means to cover the costs of bus fares, uniforms and school materials so that their children can attend school. They can easily get into debt, relying on moneylenders who charge large rates of interest to meet emergency needs such as medical care. In the immediate aftermath of the first lockdown in March 2020, families were unable to do any daily wage labouring work and had no means to buy necessary food. Although a government ration scheme came into place, some did not have the necessary documents to access the schemes. RTU-I is the largest and most wide-reaching registered NGO in the area, and there are few of the well-recognised larger development agencies or overseas agencies on the ground to help.

The need is clearly evident and many of the children and families accessing the support services of RTU-I now come via the self-help groups that RTU-I supports in remote rural villages. It has formed links with smaller

NGOs in the area, and there is huge potential, not only to have a greater impact in collaboration with other organisations but also to replicate this very effective model of grassroots community development further afield.

The main priorities for RTU-UK in the forthcoming year are:

- To continue to make progress in developing fundraising in the UK so that the work with the beneficiaries can continue and develop. An individual giving strategy is now being rolled out and reviewed regularly, and the website continues to increase engagement and online giving. We have started working in partnership with some of the smaller grant-making trusts whose objectives fit with our own. Looking to the future, we also wish to increase our presence on social media.
- As part of the commitment to generate further resources for the beneficiaries, we will continue our work with RTU in India to enable them to continue to build their own fundraising capacity to fundraise locally to support and develop the work and become less reliant on income from overseas.
- We will continue to maintain and develop our working relations with RTU-I and other NGOs we fund in India and to offer our support in any other ways that add value to their work. The services in India are of a very high standard. We continue to look at opportunities to enhance this.

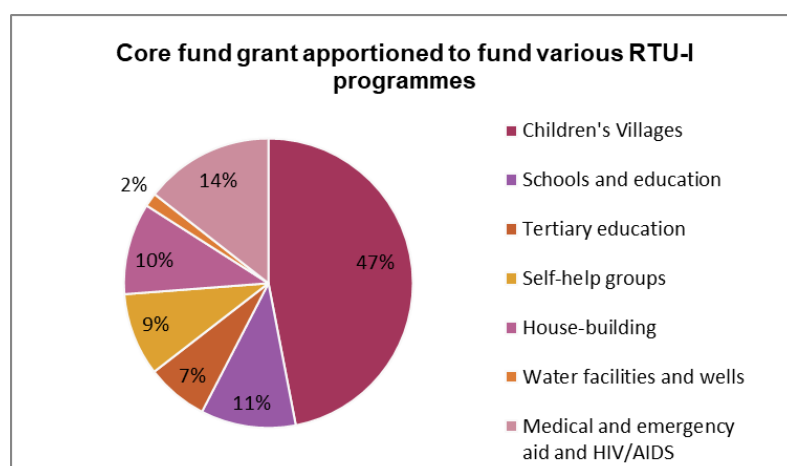
Finances, investment and reserves policies

Results for the Year

Day to day donations and regular giving from our supporters have decreased by 6.7% (£36,381) compared with the previous financial year and totalled over £500,000. Given there was a lot of financial insecurity at the start of the pandemic and many of our church groups were unable to meet, this continuing generosity is a testament to the very effective work in India and how this inspires such impressive giving amongst our many loyal supporters.

We have previously created a Legacy Fund and adopted a policy whereby, on receipt, a legacy is placed in the Fund with a planned but flexible drawdown depending on the nature and size of the legacy. Legacies arising this year were £29,104 (2020: £10,303). The Legacy Fund brought forward was £49,447, and the carried forward balance is £114,468.

A total of £253,165 (2020: £470,104) was transferred to RTU-I in the year. Due to the pandemic and lockdowns, many of RTU-I's programmes were unable to operate and it was agreed that the funds for these programmes should remain with RTU-UK until such time as the programmes were able to resume. The amount transferred represented 35% of their total expenditure. Of the grant to RTU-I released in the year for core revenue funding, 11% (2020: 31%) was spent on schools and education; 47% (2020: 34%) on childcare and the Children's Villages; 7% (2020: 13%) on tertiary education to support children through college; 14% (2020: 3%) on medical aid and HIV/AIDS prevention and support; 9% on community development and women's self-help groups (2020: 8%); and 12% (2020: 11%) on house building and water facilities.



In addition to the funding for RTU-I, a further £30,470 (2020: £33,617) was sent to India including £24,861 (2020: £21,332) to Jeevan Jyothi Hospice and £5,609 (2020: £12,285) to RUADT whose services were also unable to run for some of the year due to the lockdowns.

The Statement of Financial Activities shows the operating results of the Charity for the year and the Balance Sheet shows its state of affairs at 31 March 2021. The trustees consider this to be satisfactory and in a position to meet our commitments for the foreseeable future.

Currency fluctuations

The trustees follow the policy of committing funds each year to RTU-I (and the other NGOs we support) in Indian rupees (INR). This has simplified financial planning for our partners but has meant we take the full exchange rate risk involved. As the strength of both sterling and INR has fluctuated, in some years our commitments have cost us less than anticipated at the start of the year; and other years our expenditure has been higher than planned. The continuing fluctuation in the value of sterling in recent years which has cost the Charity considerably more to meet our INR commitments improved during the year. The trustees mitigate the impact of the fluctuations by transferring funds at the best exchange rates, forward purchasing currency, and taking regular advice. The trustees wish to maintain the practice of committing in INR to our partners, and do not currently see the need for any change.

Reserves Policy

Our Reserves Policy is set to ensure that the work in India is protected from the risk of disruption at short notice due to a lack of funds, whilst at the same time ensuring that we do not retain income for longer than required. The Reserves Policy is reviewed on a regular basis and adjusted as risk perceptions and other factors change. Central to the trustees' considerations in setting the Reserves Policy is the responsibility to ensure that when a child enters one of the Children's Villages at RTU in India there is a safe, supportive and stable environment that will allow that child to grow to maturity and lead an independent life. The trustees also want to maintain sufficient reserves to meet any emergency need in India and to invest in capacity building.

As a result, the RTU-UK trustees consider it appropriate to designate reserves of between 6 and 12 months of our annual commitments in India for the forthcoming year such that together with RTU in India we may commit to maintain the current level of support for the children in their care for the indefinite future. This will provide the security and knowledge that the UK charity has adequate resources to ensure that any child currently brought into RTU is supported for the full period of their dependency until they are ready to live independently. We also wish to protect the beneficiaries of services provided by our other partner NGOs.

The setting of an appropriate size of reserve has taken account of future plans, and other information on reserves held in India. We also project outcomes of various 'disaster' scenarios based on a review of our risks.

Based on the above policy, the trustees calculate that a desirable level of unrestricted reserves at 31 March 2021 was £583,183. The actual level of unrestricted reserves was £589,604. During the year, the trustees agreed, with the uncertainty and disruption brought about by the pandemic, that some funds should be set aside in a designated Covid Recovery Fund to be utilised in the short-term to support our partner NGOs as they look at meeting go through the post-covid phase over the next two years and to mitigate the effects of any drop in the Charity's income in the UK.

Free reserves at 31 March 2021 were £48,078 (2020: £47,423). The total funds held by the Charity were £722,904 (2020: £543,691), £75,685 or nearly 50% of the increase was due to the recovery in the value of investments in our portfolio at year end which had fallen at the end of the previous financial year during the first weeks of the pandemic.

Investment Powers

Under the Memorandum and Articles of Association, the trustees have the power to make any investment they see fit subject to taking advice from a specialist in the field. Our reserves are invested with a view to maintaining their capital value in real terms and, if possible, to generate a return. Funds are invested in interest yielding accounts pending their being sent to India or put into special reserve. In April 2010, trustees placed £200,000 with Brewin Dolphin for investment in bonds and equities. The portfolio is managed on a diversified risk basis and this year its value increased from £192,896 at 31 March 2020 to £268,581 at 31 March 2021. In addition, it generated income of £4,355 (2020: £7,839). As these investments are held against long-term needs, fluctuations are to be expected and the trustees do not intend to vary their policy in light of short-term fluctuations.

Responsibilities of the trustees

The trustees (who are also directors of Reaching the Unreached for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:

16 Glasshouse Studios
Fryern Court Road
Fordingbridge
Hampshire
SP6 1QX

Signed on behalf of the trustees:



Ian Brady - Chair

Approved by the trustees on 9th October 2021

Independent examiners report to the trustees

I report on the accounts for the year ended 31st March 2021, which are set out on pages 14 to 27.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jeremy Kitson FCA
Prime Chartered Accountants
Corner Oak
1 Homer Road
Solihull
West Midlands
B91 3QG

Date 12/10/2021

Statement of financial activities (incorporating the income and expenditure account) for the year ended 31 March 2021

	Note	Year to 31.03.2021			Year to 31.03.2020		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds		Funds	Funds	
		£	£	£	£	£	£
Income from:							
Donations		282,350	221,951	504,301	176,852	363,830	540,682
Legacies		29,104	-	29,104	10,303	-	10,303
Income from trading activities		5,893	-	5,893	19,625	-	19,625
Investments:							
Interest receivable	2	1,855	-	1,855	1,930	-	1,930
Investment income	2	4,355	-	4,355	7,839	-	7,839
Total income		<u>323,557</u>	<u>221,951</u>	<u>545,508</u>	<u>216,549</u>	<u>363,830</u>	<u>580,379</u>
Expenditure on:	3						
Raising funds							
Raising donations and legacies		5,700	-	5,700	11,538	-	11,538
Costs of trading activities		2,929	-	2,929	16,151	-	16,151
Investment management costs		2,268	-	2,268	2,404	-	2,404
Charitable activities		156,895	262,470	419,365	94,123	502,105	596,228
Total expenditure		<u>167,792</u>	<u>262,470</u>	<u>430,262</u>	<u>124,216</u>	<u>502,105</u>	<u>626,321</u>
Net (losses)/gains on investment assets		63,967	-	63,967	(40,749)	-	(40,749)
Net (expenditure)/income for the year	4	219,732	(40,519)	179,213	51,584	(138,275)	(86,691)
Transfers between funds		(44,056)	44,056	-	(154,510)	154,510	-
Net movement in funds		175,676	3,537	179,213	(102,926)	16,235	(86,691)
Reconciliation of funds							
Funds brought forward		413,928	129,763	543,691	516,854	113,528	630,382
Funds carried forward		<u>589,604</u>	<u>133,300</u>	<u>722,904</u>	<u>413,928</u>	<u>129,763</u>	<u>543,691</u>

All activities are of a continuing nature.

The statement of financial activities includes all gains and losses recognised in the year.

Balance sheet at 31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	7	-	88
Investments	8	268,581	192,896
		<u>268,581</u>	<u>192,984</u>
CURRENT ASSETS			
Debtors	9	19,366	41,603
Cash at bank and in hand		453,477	321,539
		<u>472,843</u>	<u>363,142</u>
CREDITORS: Amounts falling due within one year	10	(18,520)	(12,435)
Net Current Assets		<u>454,323</u>	<u>350,707</u>
NET ASSETS		<u>722,904</u>	<u>543,691</u>
CHARITY FUNDS	12 & 13		
Restricted Funds		133,300	129,763
Unrestricted Funds			
Designated			
Brother James Tribute Fund		17,058	17,058
Contingency and Capacity Building Fund		300,000	300,000
Covid Recovery Fund		110,000	-
Legacy Fund		114,468	49,447
General		<u>48,078</u>	<u>47,423</u>
TOTAL CHARITY FUNDS		<u>722,904</u>	<u>543,691</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies, subject to the small companies' regime.

This report was approved and authorised for issue by the Trustees on 9th October 2021 and signed on their behalf by:

Max Philbrick - Treasurer



Ian Brady - Chair



The notes on pages 17 to 27 form part of these financial statements.

Statement of cash flows for the year ended 31 March 2021

	<u>2021</u> £	<u>2020</u> £
Cash flow from operating activities	139,684 =====	(73,210) =====
Cash flow from investing activities		
Interest received	1,945	1,610
Investment income received	4,295	7,557
Purchase of investments	(76,888)	-
Sale of investments	65,170	18,059
Investment management fees	(2,268)	(2,404)
Fixed asset additions	-	-
Net cash flow from investing activities	(7,746) =====	24,822 =====
Net increase in cash and cash equivalents in the year	131,938	(48,388)
Cash and cash equivalents at the beginning of the year	321,539	369,927
Total cash equivalents at the end of the year	453,477 =====	321,539 =====
Cash and cash equivalents consist of:		
Cash at bank and in hand	453,477 =====	321,539 =====
Reconciliation of net income to net cash flow from operating activities		
Net movement in funds	179,213	(86,691)
Interest receivable	(1,855)	(1,930)
Investment income	(4,355)	(7,465)
Investment management fees	2,268	2,404
Losses/(gains) on investment assets	(63,967)	40,749
Decrease/(increase) in debtors	22,207	(26,348)
(Decrease)/increase in creditors	6,085	5,984
Depreciation	88	87
Net cash from operating activities	139,684 =====	(73,210) =====

Notes to the accounts to 31 March 2021

1 ACCOUNTING POLICIES

(a) Basis of Accounting

Reaching the Unreached (RTU) is a registered charity in the United Kingdom, limited by guarantee and registered in England and Wales. The address of its principal office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are given on pages 4 to 12 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The accounts have been prepared in sterling (£) which is also the functional currency of the entity.

(b) Going Concern

These financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(c) Incoming Resources

Income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled in the reporting period.
- Legacy gifts are recognised on a case-by-case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.
- Donated facilities and donated professional services are recognised as income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.
- Investment income is earned through holding assets for investment purposes such as shares and term deposit accounts. It includes interest income which is recognised as it accrues, and dividend income which is recognised as the charity's right to receive payment is established.

- Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under activities that aggregate all costs related to any particular activity. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties; it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise costs incurred by the charity in the generation of donation and fundraising income.
- Expenditure on charitable activities include those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Other expenditure represents those items not falling into the categories above.
- All categories of costs include both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include premises costs, office costs, governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular activities, they have been allocated to expenditure on a basis which may be based on activity as represented by direct costs expended on that activity or based on a proportion of staff costs. The analysis of these costs is included in Note 3.

(f) Fund accounting

Funds held by the Charity are either:

- (i) Unrestricted general funds – these are funds without specified purpose and are available as general funds.
- (ii) Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- (iii) Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Transfers between funds are made to cover deficits on individual restricted funds and to recognise fixed assets acquired with restricted income, but with no further restriction on use, within unrestricted funds

(g) Legacy Fund

The trustees have established a Legacy Fund into which any legacy received by the Charity will be placed on receipt. Transfers out of the fund to general funds are at the discretion of the trustees and will be made having regard to the charity's general policy on reserves.

(h) Investment Income

Material amounts of income arising from investments earmarked against any particular fund are added to that fund. Otherwise, income from investments is allocated to the general fund.

(i) Depreciation

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment - 33% straight line basis

Fixed assets are not capitalised unless their cost is more than £200.

(j) Foreign exchange

Transactions denominated in foreign currencies are initially translated into sterling at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at the year end. Foreign exchange differences are dealt with in the income and expenditure account and allocated directly to activities where appropriate to do so.

(k) Fixed Asset Investments

Fixed asset investments are recognised initially at fair value which is normally the transaction price including transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses) on investments' in the SOFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

(l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity from the date of acquisition or opening of the deposit or similar account.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(o) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(p) Financial Instruments

The charity has only financial assets and liabilities of a kind that qualify as basic financial instruments. These basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 INVESTMENT INCOME

	<u>2021</u> £	<u>2020</u> £
Income from investments listed on a recognised stock exchange	4,355	7,839
Interest receivable	1,855	1,930
	-----	-----
	6,210	9,769
	=====	=====

3 TOTAL RESOURCES EXPENDED

See appendix A

4 NET INCOME/(EXPENDITURE) FOR THE YEAR

	<u>2021</u> £	<u>2020</u> £
This is stated after charging:		
Depreciation of tangible fixed assets	88	87
Independent examiner's remuneration	2,050	2,000
	=====	=====

5 TRUSTEES REMUNERATION AND EXPENSES

There were no employees during the year, nor the previous year.

The constitution forbids any trustee to be remunerated.

In 2021 no trustees (2020: 1) had travel expenses (2020: £97) paid to them.

6 TAXATION

The company is a registered Charity and it is considered that its operations are conducted such that no taxation liability will arise.

7 TANGIBLE FIXED ASSETSOffice Equipment

	£
<u>Cost</u>	
At 1 April 2020 and 31 March 2021	263
	=====
<u>Depreciation</u>	
At 1 April 2020	(175)
Charge for the year	(88)

At 31 March 2021	(263)
	=====
<u>Net Book Value</u>	
At 31 March 2021	-
	=====
At 31 March 2020	88
	=====

8 FIXED ASSET INVESTMENTS

	£
Listed investments:	
Market value at 1 April 2020	192,896
Sales in year at market value	(65,170)
Additions in year at cost	76,888
Net increase on valuation at 31 March 2021	63,967

Carrying value (market value) at 31 March 2021	268,581
	=====
 Listed in the UK	 84,446
Listed outside the UK	184,135

	268,581
	=====

These investments are held primarily for an investment return.

9 DEBTORS

	<u>2021</u>	<u>2020</u>
	£	£
Gift aid recoverable	13,273	41,128
Currency purchased	5,000	-
Prepayments	648	-
Accrued income	445	475
	-----	-----
	19,366	41,603
	=====	=====

10 CREDITORS: Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Trade creditors	2,117	5,310
Accruals	16,403	7,125
	-----	-----
	18,520	12,435
	=====	=====

11 CAPITAL

The company has no share capital being limited by guarantee. There are 10 members of the company each of whom has committed to contribute £1 in the event of the company being wound up. There is no one controlling party of the Charity.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDSFor the year ended 31 March 2021

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
	£	£	£
Tangible fixed assets	-	-	-
Investments	268,581	-	268,581
Debtors	19,366	-	19,366
Bank balances	320,177	133,300	453,477
Creditors	(18,520)	-	(18,520)
	-----	-----	-----
	589,604	133,300	722,904
	=====	=====	=====

Comparative for the year ended 31 March 2020

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>
	£	£	£
Tangible fixed assets	88	-	88
Investments	192,896	-	192,896
Debtors	41,603	-	41,603
Bank balances	191,776	129,763	321,539
Creditors	(12,435)	-	(12,435)
	-----	-----	-----
	413,928	129,763	543,691
	=====	=====	=====

13 MOVEMENT IN FUNDS

Movement in Funds – for the year ended 31 March 2021

	<u>At 1 Apr</u> <u>2020</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Outgoing</u> <u>Resources</u> £	<u>Transfers</u> £	<u>At 31 Mar</u> <u>2021</u> £
Restricted funds					
Administration	-	1,438	-	(1,438)	-
Childcare	-	109,409	(118,889)	9,480	-
Community buildings	3,277	-	-	-	3,277
Community Outreach & Self-Help Groups	-	7,637	(23,455)	15,818	-
Disability	-	75	(5,609)	5,534	-
Education	-	7,808	(26,965)	19,157	-
Henry Legacy	35,917	-	-	(35,917)	-
Housing	51,957	34,949	(25,891)	-	61,015
Medical	-	8,851	(40,273)	31,422	-
Tertiary education	13,374	48,839	(17,504)	-	44,709
Water resources	25,238	2,945	(3,884)	-	24,299
Total restricted funds	129,763	221,951	(262,470)	44,056	133,300
Unrestricted funds					
Designated funds					
Brother James Tribute Fund	17,058	-	-	-	17,058
Capacity and Contingency Fund	300,000	-	-	-	300,000
Covid Recovery Fund	-	-	-	110,000	110,000
Legacy Fund	49,447	29,104	-	35,917	114,468
Total designated funds	366,505	29,104	-	145,917	541,526
General funds	47,423	294,453	(103,825)	(189,973)	48,078
Total unrestricted funds	413,928	323,557	(103,825)	(44,056)	589,604
Total funds	543,691	545,508	(366,295)	-	722,904

In the trustees' opinion, there were sufficient resources held to enable each fund to be applied in accordance with the restrictions imposed by donors.

Transfers of £79,973 (2020: £154,510) were made between unrestricted and restricted funds to cover deficits on restricted funds that cannot be recovered through future income on the projects concerned. No further transfers (2020: £70,000) from the designated Legacy Fund were made to the General Fund to support projects in India.

In the year ended 31 March 2021, the balance of the Henry Legacy was transferred to the designated Legacy Fund with the permission of the Henry family.

Additionally, this year the trustees set up a new designated fund for Covid Recovery to ensure that there were sufficient reserves set aside to assist with any additional needs required by our partner NGOs in India as they deliver and develop services in the aftermath of the pandemic or to make up any decrease in income in the UK. At the year end, £110,000 was transferred from unrestricted reserves to this new designated fund.

13 MOVEMENT IN FUNDS (continued)Movement in Funds – comparative for the year ended 31 March 2020

	<u>At 1 Apr</u> <u>2019</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Outgoing</u> <u>Resources</u> £	<u>Transfers</u> £	<u>At 31 Mar</u> <u>2020</u> £
Restricted funds					
Administration	-	1,438	-	(1,438)	-
Childcare	174	131,150	(141,989)	10,665	-
Community buildings	740	54,237	(51,700)	-	3,277
Community Outreach & Self Help Groups	-	6,725	(33,451)	26,726	-
Disability	-	1,307	(12,285)	10,978	-
Education	-	8,744	(127,432)	118,688	-
Henry Legacy	35,917	-	-	-	35,917
Housing	76,442	56,864	(41,349)	(40,000)	51,957
Medical	-	6,246	(35,137)	28,891	-
Tertiary education	-	66,471	(53,097)	-	13,374
Water resources	255	30,648	(5,665)	-	25,238
Total restricted funds	<u>113,528</u>	<u>363,830</u>	<u>(502,105)</u>	<u>154,510</u>	<u>129,763</u>
Unrestricted funds					
Designated funds					
Brother James Tribute Fund	36,654	512	-	(20,108)	17,058
Capacity and Contingency Fund	300,000	-	-	-	300,000
Legacy Fund	121,644	(2,197)	-	(70,000)	49,447
Total designated funds	<u>458,298</u>	<u>(1,685)</u>	<u>-</u>	<u>(90,108)</u>	<u>366,505</u>
General funds	<u>58,556</u>	<u>218,234</u>	<u>(164,965)</u>	<u>(64,402)</u>	<u>47,423</u>
Total unrestricted funds	<u>516,854</u>	<u>216,549</u>	<u>(164,965)</u>	<u>(154,510)</u>	<u>413,928</u>
Total funds	<u>630,382</u>	<u>580,379</u>	<u>(667,070)</u>	<u>-</u>	<u>543,691</u>

Purposes of Restricted Funds

Administration	To provide income to meet the Charity's UK running costs.
Childcare	To provide for orphaned and destitute children and young people in the Children's Villages.
Community buildings	To support the construction of school classrooms, nursery schools, hostels and other facilities.
Community Outreach	To provide assistance to destitute elderly or infirm people; to provide support for children in need in their home environment.
Self Help Groups	To support micro finance schemes to enable women to set up their own income generating initiatives.
Disability	To support services for disabled beneficiaries.
Education	To support the education of the poorest children and villagers, through the provision of schools and evening study centres including meeting the costs of teachers' salaries.

13 MOVEMENT IN FUNDS (continued)

Henry Legacy	A legacy to support hostel and other provision for destitute boys, and scholarships for students, subject to agreement with the Henry family.
Housing	To support the construction of low-cost village houses for homeless families.
Medical	To provide a medical clinic, including work with people who are HIV+ or have AIDS-related illnesses.
Tertiary education	To support young people through tertiary education or vocational training after completing school.
Water resources	To provide essential water supplies, especially through the drilling of bore wells.

Purpose of Designated Funds:

Brother James Tribute Fund	This fund was previously called the Brother Lionel Fund and was established to provide a special fund available to James Kimpton, the founder of RTU in India, so he could exercise his discretion within the Objects of the charity to support initiatives of his choosing within RTU in India. On his death in October 2017, the trustees launched a Tribute Fund in his memory and transferred the existing funds from the Brother Lionel Fund into this new fund to help ensure his work, especially with the children in RTU's care, can continue for the full period of their dependency.
Contingency and Capacity Building Fund	The Contingency and Capacity Building Fund (previously called the New Generation Fund) and other designated funds have been established in order to be able to commit to support any child brought into RTU's care for the full period of their dependency. The Fund has also been established to meet any emergency need in India and to invest in capacity building in our partner agencies and in the UK. That limit has currently been set at £300,000 by the trustees.
Covid Recovery Fund	This designated fund was agreed by the trustees during the year to earmark some funds over and above the usual designated funds to allow for the development of RTU's programmes in the aftermath of the pandemic or to allow a quick response to ongoing challenges in India and in our ability to raise funds in the UK.
Legacy Fund	The Legacy Fund has been established for legacies received to allow a controlled release of funds to RTU in India.

14 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year to 31 March 2021 nor during the year to 31 March 2020 requiring disclosure in these financial statements.

APPENDIX A (NOTE 3) TOTAL RESOURCES EXPENDED FOR THE YEAR ENDED 31 MARCH 2021

	<u>Basis of Allocation</u>	<u>Fundraising Costs</u> £	<u>Support for India</u> £	<u>Governance</u> £	<u>Total</u> £	<u>Year to 31.03.2020</u> £
Costs directly allocated to activities:						
Payments to project partners:						
(A) Reaching the Unreached of Village India (RTU-I):						
Core funding	Direct	-	21,165	-	21,165	1,616
Children	Direct	-	118,889	-	118,889	141,989
Community outreach	Direct	-	23,455	-	23,455	33,451
Educational programme	Direct	-	26,965	-	26,965	127,432
Housing and community buildings	Direct	-	25,891	-	25,891	93,049
Medical programme	Direct	-	15,412	-	15,412	13,805
Tertiary education	Direct	-	17,504	-	17,504	53,097
Water resources	Direct	-	3,884	-	3,884	5,665
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Total Gifts to Reaching the Unreached		-	253,165	-	253,165	470,104
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(B) Payment to Project Partner Jeevan Jyothi	Direct	-	24,861	-	24,861	21,332
(C) Payment to Project Partner RUADT	Direct	-	5,609	-	5,609	12,285
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Total Grants Payable		-	283,635	-	283,635	503,721
		=====	=====	=====	=====	=====
Outgoing resources:						
Costs met for RTU India	Direct	-	59,641	-	59,641	20,108
Cost of raising funds	Direct	5,700	-	-	5,700	11,538
Costs of goods sold	Direct	2,929	-	-	2,929	3,106
Costs of supporter trips to India	Direct	-	-	-	-	13,045
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Total Outgoing Resources		8,629	59,641	-	68,270	47,797
Support costs:						
Salaries and administration fees	Staff time	7,520	28,429	9,795	45,744	45,661
Premises costs	Staff time	1,003	972	689	2,664	1,980
Office costs	Staff time/Direct	5,305	3,424	214	8,943	10,655
Miscellaneous costs	Direct	13	13	9	35	-
Professional costs	Staff time/Direct	34	33	778	845	839
Communications costs	Direct	9,030	5,103	-	14,133	8,340
Travel costs	Staff time/Direct	5	5	3	13	617
Finance costs	Staff time/Direct	478	254	179	911	867
Governance costs	Staff time/Direct	-	-	2,801	2,801	3,440
Investment management costs	Direct	2,268	-	-	2,268	2,404
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Total Support Costs		25,656	38,233	14,468	78,357	74,803
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Total Costs before Governance cost allocation		34,285	381,509	14,468	430,262	626,321
Governance cost allocation	Usage	5,810	8,658	(14,468)	-	-
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Total Costs		40,095	390,167	-	430,262	626,321
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APPENDIX A (NOTE 3) TOTAL RESOURCES EXPENDED – COMPARATIVE FOR THE YEAR ENDED 31 MARCH 2020

	<u>Basis of Allocation</u>	<u>Fundraising Costs</u> £	<u>Support for India</u> £	<u>Governance</u> £	<u>Total</u> £	<u>Year to 31.03.2019</u> £
Costs directly allocated to activities:						
Payments to project partners:						
(A) Reaching the Unreached of Village India (RTU-I):						
Core funding	Direct	-	1,616	-	1,616	-
Br James Tribute Fund	Direct	-	-	-	-	12,778
Children	Direct	-	141,989	-	141,989	75,710
Community outreach	Direct	-	33,451	-	33,451	19,158
Educational programme	Direct	-	127,432	-	127,432	188,812
Housing and community buildings	Direct	-	93,049	-	93,049	68,729
Medical programme	Direct	-	13,805	-	13,805	24,005
Tertiary education	Direct	-	53,097	-	53,097	33,238
Water resources	Direct	-	5,665	-	5,665	4,895
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Total Gifts to Reaching the Unreached		-	470,104	-	470,104	427,325
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(B) Payment to Project Partner Jeevan Jyothi	Direct	-	21,332	-	21,332	18,110
(C) Payment to Project Partner RUADT	Direct	-	12,285	-	12,285	16,625
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Total Grants Payable		-	503,721	-	503,721	462,060
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Outgoing resources:						
Costs met for RTU India	Direct	-	20,108	-	20,108	1,414
Cost of raising funds	Direct	11,538	-	-	11,538	2,723
Costs of goods sold	Direct	3,106	-	-	3,106	1,806
Costs of supporter trips to India	Direct	13,045	-	-	13,045	18,124
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Total Outgoing Resources		27,689	20,108	-	47,797	24,067
Support costs:						
Salaries and administration fees	Staff time	8,173	25,690	11,798	45,661	44,700
Premises costs	Staff time	745	723	512	1,980	1,692
Office costs	Staff time/Direct	9,270	956	429	10,655	10,863
Professional costs	Staff time/Direct	36	35	768	839	1,014
Communications costs	Direct	8,092	248	-	8,340	12,274
Travel costs	Staff time/Direct	233	186	198	617	555
Finance costs	Staff time/Direct	418	263	186	867	986
Governance costs	Staff time/Direct	-	-	3,440	3,440	4,148
Investment management costs	Direct	2,404	-	-	2,404	2,239
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Total Support Costs		29,371	28,101	17,331	74,803	78,471
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Total Costs before Governance cost allocation		57,060	551,930	17,331	626,321	564,598
Governance cost allocation	Usage	8,857	8,474	(17,331)	-	-
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Total Costs		65,917	560,404	-	626,321	564,598
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