

The Karta Initiative

Annual Report and Accounts

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Legal and Administrative Details

Our organisation: The Karta Initiative is a Charitable Incorporated Organisation (CIO), governed according to the constitution dated 12th May 2017. The CIO is a small independent charity and not part of any umbrella body.

CIO Registered Charity Number: 1173020

Registered address: 9 Wentworth Road Oxford, OX2 7TQ, United Kingdom

Board of Trustees (at end March 2022): David Blake, Chair; Julie Kilcoyne, Chair; Ajay Bahl, Vice Chair; Andrew Nott; Stephen Tall; Sadanand Ugale

Independent Examiners: A Churchill Stone

Bankers: Santander UK plc

Solicitors: Slaughter & May

Work in India: Karta is a global initiative, with the core team working across the UK and India. Karta's team in India is incubated within the Tata Trusts.

A Section 8 has been established in India, through which tax efficient donations can be received.

Presentation of Report: The Financial Statements have been prepared in accordance with statutory requirements, the Charities Act 2011, the charity's constitution and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 as effective 1st January 2015) (as amended for accounting periods commencing from 1st January 2016).

Public benefit: The Trustees continue to observe the Charity Commission's guidance on public benefit when reviewing objectives, aims

and activities. It is the Trustees' view that Karta benefits the public by unlocking personal, economic and societal potential in young people.

The Strategic Report

About Us

Our mission

India is one of the fastest growing economies in the world, but it is also one of the most unequal. We work to transform the lives of young people across rural India, who face a range of complex barriers to fulfilling their potential.

Background

Karta was incorporated in 2017 and within a few years we have become a unique and inclusive movement, bringing together world-leading global opportunity with impoverished rural youth. In that time, we have:

1. Supported 55 students from the world's most impoverished backgrounds to enter world class universities in the UK, Canada, and India;
2. Supported more than 2,000 students to make informed decisions and build practical skills through our Access Programme;
3. Started on our route to scale, supported by technology, our Karta connect tech- platform has enabled thousands of young students to access to information to transition from school to university;
4. Built partnerships with governments, universities, global corporations, start-ups, individuals, foundations and non-profits;
5. Built a team of passionate and skilled employees, trustees and advisers.

Who we work with

Students at our partnering government schools are full of potential, achieving a grade point average close to their privately educated, urban peers. Despite this academic excellence, students from rural, low-income communities struggle to access opportunity because of:

- Low household income and limited parental education
- Poor understanding of pathways to university or careers
- Limited or no access to a laptop and internet connection at home
- Limited networks and internship experiences
- Lack of English language fluency, twenty-first century skills, analytical capabilities and critical thinking.

The families of these youth are mostly small and marginal farmers, or migrant workers or landless farm labourers in India. The annual household income of the families ranges between GBP 1,000 to GBP 5,000. About 50% of the youth who we work with are first generation learners. 80% of our students come from highly marginalised communities in rural India and rest have multiple vulnerabilities including high amount of debt,

disability in the family, living in regions prone to natural calamities like flood, drought, cyclone, having chronic illness in the family, or having single parent.

Who we are

We are a young, energetic global movement powered by a small hard-working core team, active trustees and volunteers - all motivated by and committed to Karta's mission. We have built a strong, diverse community of movement partners and advisors - including mission-aligned NGOs, corporates, government entities and individuals from a range of industries - who support, guide and facilitate our activities.



Our work

We start working with young people when they turn 15, at the point when they are starting to think about their future. Our support helps them to navigate this period and make the most of post-school opportunities. But it doesn't stop there. We continue supporting exceptional students through to higher education at world-leading universities with our scholarship programme.

Our programmes

Universal Access Programme: providing thousands of youths with the information and resources they need to get started on their career pathways through our digital platform, Karta Connect.

Targeted Access Programmes: tailored programmes for high-potential students delivered through a blended human-tech approach.

Karta Catalyst Scholarships: life-long impact for a selection of talented, hard-working, community-orientated students, enabling them to access world-class education.

Our impact areas

All our initiatives are structured around five impact areas: workplace skills, careers readiness, access to world-leading higher education, workplace exposure and community leadership.

Five ways we make a difference

1. 21st Century Skill Building: we collaborate with students to build on essential skills, including critical-thinking, problem-solving, English language fluency, and digital literacy.
2. Career Readiness: we mentor to build confidence and awareness of different career pathways.
3. Access to world leading higher education: we offer support with applying to world-leading universities, teamed with scholarship opportunities.
4. Workplace exposure: we provide tangible opportunities with partnering employers to build experience and career readiness.

5. Community leadership: we guide young people to support each other and their wider communities.

Objectives

April 2021 - March 2022

Catalyst scholars

- Ensure a smooth transition into university for Karta scholars;
- Support the six final-year Karta Catalyst Scholars to transition into further study or employment;
- Establishing long-term relationships with current partners and further universities;
- Continue to develop new ways for senior Catalyst Scholars to mentor Junior Catalyst Scholars and Karta members as well as enable Junior Scholars to guide scholars in schools;
- Further develop peer-to-peer support within the Scholar community;
- Exploring sessions on skill-building at school and further sessions for Catalyst Scholars.

Access programme

- Expand to include more students from a more diverse set of schools based on the Multidimensional Poverty Index India;
- Work closely with school partners to embed Access Programme activities into school calendar;
- Opening up the programme to all students in grade 11.

Karta Connect

- Scale use of the Karta Connect app within the NVS student body;
- Further develop pilots for scale mentoring and skills delivery;
- Deliver a greater portion of the Access Programme through the Karta Connect app;
- Putting up preparatory materials for all users.

Organisation

- Streamline strategy across activities and enhance fundraising through the appointment of CEO;
- Expand the Karta Connect development team;
- Expand trustee board and advisors.

Achievements

April 2021 - March 2022

Catalyst scholars

- Supporting more than 50 scholar applications in the most premier universities in India, UK, and Canada;
- Expanded to partner with 6 more Indian universities;
- Work placement in Data Science in Canada for one of our scholars who finished university.

Access programme

- Working with about 500 students across 22 Navodaya schools;
- In-person workshops and visits at schools attended by more than 250 students in three locations, that are Hassan, Latur, and Madhubani.

Karta Connect

- Increased engagement through on-ground sessions training teachers about non-academic thematic areas.

Organisation

- Recruitment of 3 Program Officers in India;
- Launch on Facebook and Instagram pages and weekly posting translated through a good engagement notably on LinkedIn.

Priorities

April 2022 - March 2023

Catalyst scholars

- Ensure a smooth transition into university for more than 40 first-year Karta Catalyst Scholars;
- Explore new university partnerships, both in terms of financial, academic, and well-being support;
- Continue to expand our community of internship/work experience partnerships;
- Support & facilitate deeper mentoring relationships between Catalyst Scholars and junior Karta Members;
- Supporting Senior Catalyst Scholars with mentors in their respective fields;
- Carrying out the winter workshops in India and winter gatherings respectively in UK and Canada for the Catalyst Scholars.

Access programme

- Facilitating 21st-century skills sessions and workshops for grade 11;
- Expanding to more regions such as Jammu, Kashmir, Bihar, and Jharkhand;
- Facilitating grade 12 members' applications to various universities in the UK, India, and Canada.

Karta Connect

- Putting up more material for students in the form of daily news bytes;
- Increasing reach in our partner schools and beyond;
- Enhance offline functionalities;
- Dashboard for students, teachers, and admins to measure engagement and other metrics;
- Adding content to the Careers Explorer section which enables students to explore different career pathways.
- Initiate discussions with the schooling partner to upload the Karta Connect platform in the proposed distribution of 70,000 tablets.

Organisation

- Expand the number of trustees and advisors;
- Establishing long-term industry partnerships and high-net-worth individuals;
- Improve our communication by being more active

on Twitter and other social media platforms used by youth in rural India.

- Hire a team for fundraising and managing partnerships.

Organisation and Governance

Team structure and recruitment

At the end of the last financial year (March 31st, 2022), the core team consisted of 11 team members, each serving as generalists (undertaking administrative work) and also specialising in specific areas of development (management, programme design, finance, digital content, communications and research).

During recruitment, particular attention is paid to alignment in values, attitudes and behaviours to identify talent that instinctively knows how to do what is right for the organisation, constantly striving to raise the bar of excellence for the young people at the heart of the Movement.

Governance

The Karta Initiative is a Charitable Incorporated Organisation. It is governed by its founding constitution. The charity is governed by a Board of Trustees.

For the period April 2021 - March 2022, the charity Trustees are as follows:

David Blake, Chair
Julie Kilcoyne, Chair
Ajay Bahl, Vice Chair
Andrew Nott
Stephen Tall
Sadanand Ugale

The standard Trustee's tenure is three years. Trusteeship will evolve to include new skill sets and expertise to further the charity's objectives and priorities.

Working Trusteeship

All Trustees operate as "working Trustees", each providing guidance, feedback, and detailed inputs to the operations of The Karta Initiative, on a weekly basis. Financial oversight is treated as the duty of each Trustee, with advice sought from Karta's accountants, as needed.

All intended new or one-off or project-based expenditures are circulated and considered by Trustees for approval, with objectives, desired impact/deliverable, and comparator costs provided, to ensure ongoing rigour and due diligence.

Core team & Trustees

On an ongoing basis, Trustees and the core team work closely and fluidly together. This is anchored by a weekly Trustee-Team call (for which minutes are recorded), covering updates against key workstreams, priorities for the week ahead, risks (and mitigating actions), and actions required from Trustees.

Data protection

The Core Team and Trustees have sought to ensure all the charity's procedures and handling of data are fully compliant with the new general data protection regulation (GDPR) laws.

In recognition of these data protection laws, The Karta Initiative does not share any data with third-parties for marketing purposes and proactively invites notification from any individuals or organisations should they not wish to hear from us (and to remove details from our systems).

The charity continues to solicit best practice advice, and to ensure data protection measures are contemporary and best-in-class for the size and stage of The Karta Initiative.

Commitment to equal opportunity, ethical affairs and

Social responsibility is tightly woven into all aspects of work. Karta's Movement is driven by an appreciation of equity, equality and diversity and these values are reflected in our recruitment practices and ways of working.

**environmental
standards**

Karta seeks frugality in use of physical resources and team travel, especially by air. As the organisation grows, conscious effort is being made to find new, innovative ways to maintain a low carbon footprint.

Fundraising and spending

In the period April 2021 - March 2022, the charity successfully raised **£128,879** from individuals and institutions (previous period: **£138,514**; this excludes all in-kind donations received. Student contributions were **£8,121** (previous period: **£12,874**).

The charity used these funds to undertake its charitable activities, incurring fundraising costs of **£13,972** (previous period: **£8,161**) and direct charitable costs of **£145,505** (previous period: **£97,302**). Included within charitable costs are governance costs of **£7,248** (previous period: **£5,448**).

Funds in hand at the year-end amounted to **£665,145**, of which **£347,829** are restricted.

Reserve policy

The Karta Initiative holds reserves - those funds that are available to spend because they are not endowments, not restricted, not tied up in fixed assets and not otherwise designated. The Trustees are to review the reserve policy each year. The Trustees aim to hold reserves to sufficiently cover operating costs for a period of six months, to mitigate any major risks the charity could face. The Trustees are mindful that the charity's future operations will necessitate significant investment. The current reserve levels will help, but the Trustees are aware of the continued need to grow donations to meet the charity's long-term objectives.

The Trustees believe that there are no material concerns about Karta's ability to continue its activities over the next twelve months.

All financial statements are quoted in £ sterling.

**Trustee
appointment,
induction and
training**

Appointments will be made by the Board of Trustees giving proper regard to the range of skills and experience needed to govern the charity. On appointment, Trustees will be provided with copies of the constitution, annual reports and other relevant material. On-going advice is thereafter provided to the Trustees as appropriate.

This report was approved by the Trustees on 26th January 2023.

and signed on its behalf by



.....
Vibhav Nuwal
Chair and Trustee

Financial Review

The Karta Initiative

Statement of Financial Activities
for the period ended 31st March 2022

	Note	Unrestricted £	Designated £	Restricted £	2022 Total £	2021 Total £
Income from						
Grants and donations	3	-	-	139,500	139,500	154,763
Investments	4	67	-	-	67	1,206
Total income		<u>67</u>	<u>-</u>	<u>139,500</u>	<u>139,567</u>	<u>155,969</u>
Expenditure on						
Charitable activities	5	-	57,380	88,125	145,505	97,302
Raising funds	6	-	13,972	-	13,972	8,161
		<u>-</u>	<u>71,352</u>	<u>88,125</u>	<u>159,477</u>	<u>105,463</u>
Net income		67	(71,352)	51,375	(19,910)	50,506
Transfer between funds		-	-	-	-	-
Net movements in funds		<u>67</u>	<u>(71,352)</u>	<u>51,375</u>	<u>(19,910)</u>	<u>50,506</u>
Reconciliation of funds						
Total funds brought forward		<u>3,027</u>	<u>385,574</u>	<u>296,454</u>	<u>685,055</u>	<u>634,549</u>
Total funds carried forward		<u>3,094</u>	<u>314,222</u>	<u>347,829</u>	<u>665,145</u>	<u>685,055</u>

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure derive from continuing activities.

The Karta Initiative
Balance Sheet
as at 31st March 2022

	Note	Unrestricted £	Designated £	Restricted £	2022 Total £	2021 Total £
Current Assets						
Cash at bank and in hand		3,094	314,222	342,226	659,542	681,371
Debtors	10	-	-	6,975	6,975	4,475
		<u>3,094</u>	<u>314,222</u>	<u>349,201</u>	<u>666,517</u>	<u>685,846</u>
Liabilities						
Creditors; amounts falling due within one year	11	-	-	(1,372)	(1,372)	(791)
Net Assets		<u>3,094</u>	<u>314,222</u>	<u>347,829</u>	<u>665,145</u>	<u>685,055</u>
Funds						
Unrestricted		3,094	-	-	3,094	3,027
Designated	12	-	314,222	-	314,222	385,574
Restricted	13	-	-	347,829	347,829	296,454
		<u>3,094</u>	<u>314,222</u>	<u>347,829</u>	<u>665,145</u>	<u>685,055</u>

The accounts were approved by the Trustees on 26/ Jan/ 2023.


 Vibhav Nuwal
 Chair of Trustees

The Karta Initiative

Notes to the Accounts for the period ended 31st March 2022

1. Basis of preparation

- a) 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 Standards applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Charities Act 2011, UK Generally Accepted Practice and the charity's governing document.
- b) The accounts are drawn up under the historical cost convention. Significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years present unless otherwise stated. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.
- c) The Charity is a charitable institution with exemption from taxation under section 505 of the Income and Corporation Taxes Act 1988.
- d) The Charity is exempt from the requirement to prepare a cash flow statement.
- e) The accounts have been prepared on the going concern basis as at the time of approving these accounts the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

2. Accounting policies

a) Allocation of costs to resources expended

Specific items of expenditure are attributed to the appropriate category, of;

- Cost of raising funds. These are the costs associated with generating voluntary incoming resources from all sources other than undertaking charitable activities.
- Charitable activities. These are the resources applied by the Charity in undertaking its work to meet its charitable objectives.
- Governance costs. These are costs that relate to the general running of the charity. The governance costs of the Charity are primarily associated with constitutional and statutory requirements. These are included under charitable costs.
- Support costs such as salaries have been allocated to activity cost categories on a consistent basis.

b) Fund accounting

The Charity holds unrestricted funds which can be used in accordance with the charitable objectives of the charity and at the discretion of the trustees.

The Charity did receive grants and donations which must be used for specific purposes. As at the period end the balance on restricted funds was £347,829.

Designated funds are unrestricted funds, which have been designated by the Trustees for a particular purpose.

The Karta Initiative

Notes to the Accounts
for the period ended 31st March 2022

2. Accounting policies (continued)

c) Incoming resources

Donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of receipt.

Interest on funds held on deposit is included when receivable, which is normally on notification from the bank.

Grant income is recognised when the charity has entitlement to the funds, any performance conditions attaching to the grant are met, it is probable that the income will be raised, and the amount can be measured reliably and is not deferred.

In accordance with the Charities SORP (FRS 102) the time of volunteers is not recognised.

d) Financial instruments

Basic financial assets which include cash and bank balances are initially recognised at transaction price.

e) Pensions

The charity has a defined contribution pension scheme to which it makes contributions for the benefit of its employees.

3. Income from grants and donations

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grants and donations					
Donations	-	-	128,879	128,879	138,514
Student contribution	-	-	8,121	8,121	12,874
Gift aid	-	-	2,500	2,500	3,375
	-	-	139,500	139,500	154,763

The comparative figures include restricted donations (including Gift Aid) and restricted student contributions of £141,889 and £12,874 respectively.

4 Income from investments

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Interest received	67	-	-	67	1,206

The comparative figures include unrestricted interest received income of £1,206.

The Karta Initiative

Notes to the Accounts
for the period ended 31st March 2022

5. Charitable activities

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Scholar expenses	-	-	16,823	16,823	10,594
Salary cost	-	36,326	71,302	107,628	69,915
Website and IT costs	-	437	-	437	1,226
Rent	-	-	-	-	7,865
Travel	-	5,084	-	5,084	1,112
Other costs	-	8,285	-	8,285	1,142
Governance (see note 7)	-	7,248	-	7,248	5,448
	<u>-</u>	<u>57,380</u>	<u>88,125</u>	<u>145,505</u>	<u>97,302</u>

The comparative figures include restricted Scholar expenses and salary costs of £59,292. All other comparative costs are designated.

6. Expenditure on raising funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Salaries	-	13,972	-	13,972	8,161
	<u>-</u>	<u>13,972</u>	<u>-</u>	<u>13,972</u>	<u>8,161</u>

The comparative figures include designated salary costs of £8,161.

7. Governance costs

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Independent review of accounts	-	570	-	570	570
Legal and professional fees	-	1,089	-	1,089	1,614
Support costs – salaries	-	5,589	-	5,589	3,264
	<u>-</u>	<u>7,248</u>	<u>-</u>	<u>7,248</u>	<u>5,448</u>

The comparative costs are all designated costs.

8. Analysis of employee costs

	2022 £	2021 £
Salaries	115,962	78,831
Social security	7,654	143
Pension	3,572	2,365
	<u>127,188</u>	<u>81,339</u>

One employee on a pro-rata basis received emoluments of over £60,000 in the period. The employee left in the period. The charity employed four full-time and a part-time employee during the period.

The Karta Initiative
Notes to the Accounts
for the period ended 31st March 2022

9. Trustees and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

The total amount of employee benefit received by key management personnel is £127,188. Due to the size of the charity the Trustees consider all staff member to be key employees.

10. Debtors

	2022 £	2021 £
Other debtors	6,975	4,475
	<u>6,975</u>	<u>4,475</u>

11. Creditors due within one year

	2022 £	2021 £
Trade creditors and accruals	1,372	791
	<u>1,372</u>	<u>791</u>

12. Designated fund

	Opening balance £	Incoming Resources £	Outgoing Resources £	At 31st March 2022 £
Tata Trust	385,574	-	(71,352)	314,222
	<u>385,574</u>	<u>-</u>	<u>(71,352)</u>	<u>314,222</u>

Tata Trusts Designated Fund: to undertake, and meet the expenses of, activities required to support the educational and professional outcomes of brilliant Indian students from rural low-income backgrounds.

13. Restricted fund

	Opening balance £	Incoming Resources £	Outgoing Resources £	At 31st March 2022 £
Catalyst fund	285,152	79,500	(16,823)	347,829
Karta Connect	11,302	60,000	(71,302)	-
	<u>296,454</u>	<u>139,500</u>	<u>(88,125)</u>	<u>347,829</u>

Catalyst Fund: for holistic (educational, pastoral, professional and community-building) support of all Karta Catalyst Scholars during international and undergraduate study, initially established to support the first (2016) Cohort of Catalyst Scholars, and now supporting additional Catalyst Scholars.

Karta Connect: development of a holistic digital platform for learning and connecting with opportunity.

The Karta Initiative

**Notes to the Accounts
for the period ended 31st March 2022**

11. Related party transactions

Rent of £Nil (2021: £7,865) was paid to Manjula Rajan (the mother of Ranjita Menon Rajan former trustee) for use of her premises as the charity's offices. Extensive due diligence, including seeking benchmarks for comparable space, was conducted to validate the rent as being in the best interests of the charity. The rent paid was established as being at below-commercial market rent.

Professional fees of £1,089 (2021: £1,614) charged by Wenn Townsend, Chartered Accountants, for the provision of payroll services. Ajay Bahl, trustee, is a partner of Wenn Townsend.

Both transactions were agreed by the Trustees as being in the best interests of the charity.

Independent Examiner's Report and Financials for 2021- 2022

The Karta Initiative

Independent Examiner's Report to the Trustees of The Karta Initiative

I report on the accounts of the Charity for the period ended 31st March 2022 which are set out on page 7 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed. It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below:

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011 have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



A Churchill Stone FCA DChA
Mercer Lewin Ltd
Chartered Accountants
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234 Botley Rd
Oxford, OX2 0HP

26th January 2023