

Charity registration number: 802615

Prospect Burma

Annual Report and Financial Statements

for the Year Ended 31 March 2013

Brooks Green
Registered Auditors
Chartered Accountants & Registered Auditors
Abbey House
342 Regents Park Road
London
N3 2LJ

Prospect Burma

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Prospect Burma

Reference and Administrative Details

Charity name	Prospect Burma
Charity registration number	802615
Principal office	Porters' Lodge Rivermead Court Ranelagh Gardens London SW6 3SF
Trustees	Robert Gordon CMG OBE, Chairman Patricia Herbert, Vice-Chair David Colvin CMG Daw Kyi Kyi May Anna Allott Dr Thein Lwin Guy Slater Sir Robin Christopher KBE CMG Lindy Ambrose Caroline Courtauld MBE Dr Michael Marett-Crosby (appointed 19 June 2013)
Executive Directors	Fraser Wilson MBE (retired 11 June 2013) Margaret Hodges (appointed 11 June 2013)
Development Director	Elizabeth Bluck (retired 4 July 2013)
Communications & fundraising officer	Wendy Blake-James (appointed 1 October 2013)
Treasurer	David LeFebvre BEM (retired 30 June 2012)

Prospect Burma

Reference and Administrative Details

Bankers

The Royal Bank of Scotland plc
50-54 High Street
Crawley
West Sussex
RH10 1YZ

Auditors

Brooks Green
Chartered Accountants & Registered Auditors
Abbey House
342 Regents Park Road
London
N3 2LJ

Prospect Burma

Trustees' Report

The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2013.

PRINCIPAL AIMS

1. The objectives set out in our Trust deed, dated 1989 are:

2. *"To further the peaceful development of education among young persons who are citizens of Burma or who are, by origin of Burmese descent or who by reason of parental or family relationships are connected with the country of Burma, and to develop and encourage amongst such persons a knowledge of the cultural and historical development of Burma."*

3. We have captured the essence of our purpose in our Mission Statement:

"Keeping the Flame of Education Alive"

WHAT WE DO

4. Although there has been real progress in Burma and the government has now started to allocate more funds for education, it will take a long time to make up for the shortcomings of the past. Our work therefore continues to be as important as ever. We aim, through our programmes and projects, to create a pool of educated Burmese who can return to their country to work on its democratic development. The tertiary education sector is still poorly resourced financially and in teaching personnel, thus forcing young Burmese students to go abroad to study. But few could afford to do so without the scholarships for study in South East Asia and elsewhere provided by us, and a small number of other organisations.

5. For some years we have supported one of our former students, now a Trustee, to provide teacher training and educational management courses, through his Thinking Classroom Foundation, on the Thai-Burma border and even within Burma. He has now relocated into Burma and is concentrating on providing the courses there. He has, however, maintained a vocational training and education centre for migrant workers and refugees in Thailand for the present. We also support a Burmese-run English language and computing school in New Delhi which helps some very poor refugees to qualify for further study or for employment.

6. We help to fund an intensive English language programme in Kachin State and we finance selected students on English courses run by the British Council in Yangon.

MANAGEMENT and HUMAN RESOURCES

7. The Board of Trustees, listed on page 1, provides the governance and much practical input. In our Fulham office, the Executive Director is employed part-time. The Executive Director administers the charity on a day-to-day basis, and co-ordinates the input of Trustees, academic advisers, volunteers, and others. The Executive Director has been supported by the Development Director, and the Programme Adviser, both of whom also provide part-time input.

8. After serving as our Treasurer for 15 years, David LeFebvre, a professional accountant retained on a fee basis, stepped down in June 2012. We are most grateful for all the support provided by him over that period and for the unstinting commitment that he gave to Prospect Burma. We are fortunate now to be able to call on the services of Tony Hulse, a recently retired partner in KPMG, who has provided much valuable advice on financial matters. We are also lucky to have had a huge amount of work on scholarships provided by our Vice-Chair, Patricia Herbert, on a voluntary basis. Another trustee, Lindy Ambrose, also provides valuable voluntary assistance, particularly on fundraising issues. We are most grateful to everyone else who has provided very welcome help on a voluntary basis.

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9. Overseas, we have continued to pay a retainer to representatives in India and Burma/Thailand respectively to provide information on our scholarships, keep in touch with students, verify enrolments and identities, and act as paying agents to our scholars.

10. In November our Executive Director attended a meeting of scholarship grantees from South East Asia in Thailand and then went to Burma to meet with the Thinking Classroom Foundation, our Burma/Thailand representative, and former students. Our Development Director visited New Delhi in May to visit the school, to meet with our representative, and to meet current and former students. Our Programme Adviser also visited New Delhi in November to be present at a visit to the school by Daw Aung San Suu Kyi.

FUNDING AND FUNDRAISING

11. Prospect Burma holds a major fundraiser every second year and we were therefore not planning anything for the summer of 2012, when with little over three weeks' notice, we were asked to organise an event for Daw Aung San Suu Kyi to meet the Burmese community in the UK as part of her first visit to England in 24 years. The event took place on June 22nd 2012 at the Royal Festival Hall and almost 3,000 Burmese from all over the UK attended. The event was successful and it was a good opportunity to emphasise Prospect Burma's role in front of such a large audience.

12. Sadly, in February 2012, Prospect Burma's Vice Patron, Lady Pat Gore-Booth, died. One of Prospect Burma's staff pledged her fee for a month to launch the Pat Gore-Booth Memorial Scholarship and in the period to the end of March 2013, the fund had raised £31,689, including a legacy of £5,000 from Lady Gore-Booth.

13. A classical concert with Nathan Williamson giving a piano recital was arranged at The Savile Club to raise funds in March 2013. The "Partners' Scheme" continues to operate, this is aimed at donors willing to commit a minimum of £300 a year (plus Gift Aid). The advantage is that it provides us with a steady, reliable income flow, especially from those willing to pay regularly by standing order. The number of these generous supporters and regular givers has remained constant at about 100 with newcomers replacing those unable to continue. Funds were raised through production of the twice yearly newsletter, by researching and applying to Trusts and grant-giving institutions, by keeping in touch with individual donors and supporters, by submitting applications for media appeals, and by arranging fundraising events. The opportunity for corporate funding, which has been very limited due to the absence of British firms operating in Burma, could prove to be a new source of income in the years ahead.

14. Our "Adopt-A-Scholarship Scheme" by which supporters or trusts can give money for individual scholars to support specific courses continues to attract a good response and the scheme raised £27,737 in the year under review, with some pledges of ongoing support. Each Adopt-A-Scholarship supporter receives an annual report on "their" student's academic progress, while some supporters also arrange to visit or to correspond with a student. The "adoption" scheme has been carried forward to some of the students supported by Prospect Burma at the British Council in Yangon.

15. We benefited from an anonymous donation of £10,000 and increased our income from trusts by almost fifty percent including grants from the ACE Foundation, Ashmore Foundation, the Ernest Hecht Trust, the Cultures of Resistance Network Foundation, the Camellia Foundation, the Rediweid Foundation, the Bryan Guinness Charitable Trust, the Shauna Gosling Charitable Trust, the Fulmer Charitable Trust, the Melville Charitable Trust, the R J Gardner Trust, the Schroder Charity Trust, the Education and General Trust, the Green Centre for World Art, the G C Gibson Charitable Settlement Trust, the Henry Hoare Charitable Trust, the Trusthouse Charitable Foundation, Chichester Cathedral, the Ken Soubry Foundation, and the Jack Ringer Foundation in addition to gifts from Trusts and organisations who wish to remain anonymous.

16. We would like to thank those who have raised money for us at events they have organised personally and for sponsored walks and runs in support of Prospect Burma. We encourage supporters to leave a bequest to Prospect Burma in their wills and were extremely fortunate to receive a legacy from Pat Gore-Booth.

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17. We have continued to receive regular financial support from the Prize Funds of Daw Aung San Suu Kyi. Her support is vital to our appeal to all who believe in a future democratic Burma. Our major single donor continues to be the United States Department of State, Bureau for Democracy, Human Rights and Labor, who very generously gave us a further grant of \$198,020.

RESERVES POLICY AND RISK MANAGEMENT

18. The reserves policy adopted in October 2012 was to hold £140,000 to guard against the possibility of not receiving our largest grant, or one or more of our other regular grants. The intention was to ensure that we would not need to suspend, or greatly curtail projects or the provision of scholarships. This policy was reviewed again in October 2013 and amended to recognise that, although we only commit to provide funding for one year, should our own funding cease we have a moral commitment to scholars to allow them to continue their course of study, and for them to find alternative funding. We consider that one further year should be long enough for this purpose.

In addition, we hold reserves sufficient to ensure that we can deliver agreed projects to, or with partners as committed and that we can cover the cost of an orderly run off of internal administration commensurate with our external commitments. On this basis the reserves considered necessary are about £250,000. This compares with unrestricted funds of £829,000 held at 31 March 2013, although that figure reflects the benefit of some recent large legacies that are the subject of planned spending over the next few years.

Trustees are aware of the need to mitigate against the risk of a sudden and significant fall in income by diversifying Prospect Burma's funding base and reviewing the fundraising strategy regularly."

19. In other respects our risk management is focused on the preservation of the assets of the charity, the security of its people and data, and the protection of its reputation. Policies and procedures are reviewed by the Trustees regularly at their meetings and amended in the light of changing circumstances and emerging risks.

SCHOLARSHIPS POLICY

20. Our scholarships policy remains as it has been for several years. After 1988 the authorities strictly controlled and under-financed education in Burma, and tertiary level institutions were closed for long periods. Traditional rote-learning methods have continued and there has been a progressive deterioration in the quality of staff, campuses have been moved to more remote areas, and there has been isolation from outside influences. Access to better quality instruction has been limited to a small elite, mainly consisting of relatives of those in power and their supporters. For the unprivileged majority, educational standards inside the country have continued to decline, and, as a consequence Burmese students have continued to seek good quality tertiary education abroad. While a new education plan is now being drawn up it is likely to take a number of years before anything nearing a good system is established.

21. We therefore provide financial support to some of those who suffered from political persecution and/or lack of educational opportunity and who demonstrate commitment to helping in the democratic development of Burma and in service to their home communities. Most of the applications are from students who wish to study in Thailand and India. The refugee population in India has little support from non-governmental organisations, but fees at Indian educational institutions are relatively low. In Thailand the large refugee numbers have benefited from outside help but very few organisations concentrate on tertiary level education. Increasingly, however, applications are coming from regular students who are still living inside Burma rather than the refugee community.

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22. In implementing our policy, we give preference to needy and committed students in disciplines relevant to the development of a democratic Burma. They have generally gained a place on a first degree course, or are postgraduate students who have already started or have a confirmed offer of a place on a Master's degree or Doctorate course. While we consider applications from those studying in any part of the world, we give preference to students in South-East Asia and the Indian Subcontinent. We do not aim to cover full costs, nor, generally, do we pay international airfares. We make it a condition of our awards that scholars have the intention to return to Burma when they are able to do so and we require them to sign a declaration to that effect. In assessing applications we take into account financial and sociological need and commitment to democracy as well as academic prowess or promise. We coordinate closely with the other major funder in this field, the New York-based Open Society Foundations' Supplementary Grant Programme, as well as with other, smaller donor organisations. We endeavour to maintain an ethnic and gender balance, but our ability to do so is dependent on the applications we receive.

ACTIVITIES

23. Our largest activity continues to be the granting of scholarships to Burmese students who meet our criteria to enable them to take up places in universities and colleges outside of Burma. But we also support several projects through providing them with grants.

24. From 661 applications we selected 113 students to receive grants. We received applications for study in a wide range of countries but most were for Universities in South East Asia and in India.

25. Overall we spent £347,507 on scholarship grants for the 113 students. This was £19,312 (5.26%) less than in financial year 2011/12. This reflected the decision to take steps to ensure the continuing sustainability of the scholarship programme while the economic situation remains challenging. Details are given below. Grants for students in the UK and China were paid in sterling, while all others were in US dollars. The figures (rounded) in the table below are expressed in sterling.

SCHOLARSHIP AWARDS FINANCIAL YEAR 2012/13

COUNTRY	Number of Grantees	Male/Female	Combined cost of Grants (£)	Average cost of Grants (£)
Australia	0 (2)	0/0	0	0
Bangladesh	2 (1)	1/1	4,367	2,183
Canada	0 (1)	0/0	0	0
China	1 (1)	1/0	5,319	5,319
Hong Kong	3 (3)	2/1	13,715	4,572
India	25(45)	15/10	13,085	523
Korea	2 (1)	1/1	6,962	3,481
Malaysia	1 (1)	0/1	4,430	4,430
Philippines	13 (17)	6/7	48,770	3,752
Portugal	1 (0)	1/0	949	949
S Africa	1 (1)	1/0	190	190
Thailand	53 (68)	31/22	212,177	4,003
UK	8 (9)	7/1	27,100	3,388
USA	3 (5)	2/1	10,443	3,481
TOTALS	113	68/45	347,507	3,075*
(2012)	(155)	(91/64)	(366,819)	(2,367)

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Notes

1. 2012 figures are shown in brackets.
 2. An average exchange rate of \$1.58/£1 has been applied.
 3. Broken down by ethnicity, the 2012 scholarship awards went to: Chin (32), Karen (27), Burman (19), Rakhine (Arakanese) (9), Mixed (7), Kachin (6), Mon (4), Kayah (4), Shan (3), Chinese (2).
 4. Figures are for the grants only and do not include bank charges or any other associated costs.
- * the increase in the average cost of the scholarships is influenced by two factors; an overall rise in costs; and the reduction of the number of scholarships to students in India.

Projects

26. We continue to fund the work of the Thinking Classroom Foundation run by Dr Thein Lwin, one of our former scholars and now a Trustee of Prospect Burma. The Foundation was based in Chiang Mai for a number of years but Dr Thein Lwin returned to Burma in April 2012 and much of the work of the Foundation is now carried out inside the country. It provides training in teacher preparation and professional development, and education leadership and school management, as well as helping on education policy and curriculum development for schools inside Burma and on the border and, for the time being, still provides skills development for refugees and migrant workers in Thailand. Our grant to the Foundation was £80,821 in this financial period.
27. We also support a small English language teaching and computer training school in New Delhi. This aims at helping very poor Burmese refugees, mainly from the Chin ethnic group, to obtain skills to enable them to go on to tertiary education or to find employment. Our grant to the school for this financial period was £15,232.
28. In the financial year under review we provided a grant of £4,001 in support of a school for young adults in Kachin State. The main subjects are English language and computing. This course helps students to go on to teach English in local schools or to take other jobs in the community, or elsewhere, where a knowledge of English is an advantage.
29. We also funded several students on English Language courses at the British Council in Yangon.
30. Total project costs were £125,471 (2012: £132,908).

TRUSTEES

31. The Trustees now in office are named on page 1. New Trustees are nominated by members of the existing Board of Trustees, interviewed, and appointed where they have the necessary skills, enthusiasm and experience to contribute to the charity's development.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

32. Charity 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 charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and

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Trustees' Report

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL PERFORMANCE

33. Although the accounts are expressed in sterling terms, a proportion of our funds is held in a US dollar account, since a good part of our income, and most of our charitable expenditure, is in dollars.

34. Because of the continuing economic situation we decided it would be prudent not to take on too many new students to ensure that we would be able to continue to fund them over the course of their studies. This meant a smaller number of scholarships this year. We have continued to try to ensure that we run as economically as possible. During the financial year under review just under 86.2% of expenditure was devoted to our charitable activities, down 1.2% from the previous year but consistent with the average of recent years, around 5% was spent on publicity and fundraising, and 8% on management and administration.

OUTLOOK

Political

35. Political developments continued to move at unprecedented speed during this financial year with both the EU and the US relaxing sanctions and international business and aid groups, including the World Bank, joining the acceleration in Western tourists visiting the country.

36. In 2012 the government allowed Aung San Suu Kyi to visit Europe, the UK and the US, and President Thein Sein has been welcomed on visits abroad to the US, and several European countries.

37. There were further releases of political prisoners, although there are still thought to be around 200 detainees, with further arrests still being made. President Thein Sein has pledged that all political prisoners will be released by the end of 2013.

38. Despite these improvements the average citizen has yet to see any real difference in the quality of their lives, and without much needed socio-economic reforms there is a long way to go before democracy and peace are truly achieved in the country.

39. The Buddhist-Muslim conflict continues in Rahkine State and the capital, Sittwe, has effectively been divided into two parts and the severe restrictions placed on internally displaced persons (IDPs) in the Muslim camps interferes with fundamental human rights, including access to healthcare, education as well as access to livelihoods. Further, in March 2013, following weeks of incitement of religious hatred within the community, violence targeting the Muslim community erupted in Meiktila, leaving over 10,000 persons displaced.

40. In summary, compared to the isolationist days, 1988-2011, there is undoubtedly more openness and freedoms under the government of President Thein Sein, hotels are full of foreign tourists and deals with foreign businesses are on the increase. However, the recent rise in ethnic violence could become an excuse for the military to flex its muscles once again.

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Education

41. The problems of education in Burma have, at last, come under greater scrutiny, however it will take at least one, if not several generations before the education sector is thoroughly reformed. In many rural areas only basic education is available (6-10 years), and many families are unable to provide for their children to travel to where middle-school is available, never mind high school. The standard of teaching and learning in many State Schools is poor and emphasis still remains on passing exams as opposed to learning, ie using knowledge.

42. Whilst there are now more vocational colleges being opened, they have few resources and students have to travel long distances to attend. The University sector also continues to be under resourced, however discussions have been taking place with UK (and other) educational providers on how to reform this sector, but it is going to take some considerable time to have any real effect.

Fundraising

43. Fundraising is a highly competitive activity and, given the backdrop of the current international financial turmoil, it would be complacent to assume that current levels of funding can necessarily be maintained. We were buoyed up in 2013 against the prevailing financial conditions by investment income from two significant legacies in the previous year, but have noticed a fall off in one-off individual donations although our major donors, committed Partners and other supporters provide a continuing cash flow. It could be that in time we may be able to increase our corporate funding from companies investing in Burma, and we are already seeing income from the clients of tour operators involved in Burma, notably Mountain Kingdoms, to whom we are most grateful.

Conclusion

There are encouraging developments in the country, however, after over 50 years of neglect of the education sector it will be many years before there is any substantial and sustained improvement which means that our work is likely to remain hugely important. We are now receiving more scholarship applications from inside Burma than in past years, and we continue to be encouraged by the number of our former students who are returning to Burma to take up work that is of importance in the country's development. We are particularly encouraged by the formation of the Myanmar Scholars Alumni Association which will require support to harness the skills and enthusiasm of our returning alumni.

Robert Gordon CMG OBE
Chair

Patricia Herbert
Vice Chair

Approved by the Trustees on 9 October 2013 and signed on their behalf.

Independent Auditors' Report to the Trustees of Prospect Burma

We have audited the financial statements of Prospect Burma for the year ended 31 March 2013, set out on pages 12 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Independent Auditors' Report to the Trustees of Prospect Burma

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Brooks Green
Registered Auditors

25 November 2013

Chartered Accountants & Registered Auditors
Abbey House
342 Regents Park Road
London
N3 2LJ

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Statement of Financial Activities for the Year Ended 31 March 2013

		Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	236,161	180,591	416,752	717,871
Activities for generating funds	3	890	250	1,140	24,622
Investment income	4	15,441	-	15,441	14,525
Total incoming resources		<u>252,492</u>	<u>180,841</u>	<u>433,333</u>	<u>757,018</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		24,943	2,893	27,836	32,363
Charitable activities	5	242,208	234,198	476,406	515,099
Governance costs	6	31,007	17,981	48,988	41,591
Total resources expended		<u>298,158</u>	<u>255,072</u>	<u>553,230</u>	<u>589,053</u>
Net (outgoing)/incoming resources before other recognised gains and losses		(45,666)	(74,231)	(119,897)	167,965
Other recognised gains/losses					
Other recognised gains/losses on investment funds		<u>23,838</u>	<u>-</u>	<u>23,838</u>	<u>(4,801)</u>
Net movements in funds		(21,828)	(74,231)	(96,059)	163,164
Reconciliation of funds					
Total funds brought forward		<u>851,761</u>	<u>101,448</u>	<u>953,209</u>	<u>790,045</u>
Total funds carried forward		<u>829,933</u>	<u>27,217</u>	<u>857,150</u>	<u>953,209</u>

All incoming resources and resources expended derive from continuing activities.

The notes on pages 14 to 19 form an integral part of these financial statements.

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Balance Sheet as at 31 March 2013

		2013		2012	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		573		716
Current assets					
Debtors	11	21,241		18,242	
Investments	12	279,038		255,199	
Cash at bank and in hand		559,328		690,523	
		<u>859,607</u>		<u>963,964</u>	
Creditors: Amounts falling due within one year	13	<u>(3,030)</u>		<u>(11,471)</u>	
Net current assets			<u>856,577</u>		<u>952,493</u>
Net assets			<u>857,150</u>		<u>953,209</u>
The funds of the charity:					
Restricted funds			27,217		101,448
Unrestricted funds					
Unrestricted income funds			<u>829,933</u>		<u>851,761</u>
Total charity funds			<u>857,150</u>		<u>953,209</u>

Approved by the Trustees on 9 October 2013 and signed on their behalf by:

Robert Gordon CMG OBE
Trustee

The notes on pages 14 to 19 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 March 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Charities Act 2011.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 15.

Incoming resources

Voluntary income including legacies and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Notes to the Financial Statements for the Year Ended 31 March 2013

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Depreciation

Equipment	20% on reducing balance
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	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations and legacies				
Legacies and bequests	236,161	89,468	325,629	717,871
Grants				
Grants - other agencies	-	91,123	91,123	-
	236,161	180,591	416,752	717,871

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Operating activity				
Fundraising events	890	250	1,140	24,622

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Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Income from listed investments	9,812	-	9,812	8,225
Interest on cash deposits	5,629	-	5,629	6,300
	<u>15,441</u>	<u>-</u>	<u>15,441</u>	<u>14,525</u>

5 Details of charitable activities

	Grant funding of activities £	2013 £	2012 £
Scholarships	350,935	350,935	382,191
Projects	125,471	125,471	132,908
	<u>476,406</u>	<u>476,406</u>	<u>515,099</u>

6 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Employment costs	7,486	10,789	18,275	16,511
Office expenses	2,013	1,361	3,374	9,307
Travel and subsistence	-	1,296	1,296	1,983
Auditors' remuneration	3,000	-	3,000	3,000
Legal and professional costs	16,918	4,329	21,247	8,068
Bank charges	1,447	206	1,653	2,543
Depreciation of tangible fixed assets	143	-	143	179
	<u>31,007</u>	<u>17,981</u>	<u>48,988</u>	<u>41,591</u>

7 Trustees' remuneration and expenses

No trustees received any remuneration or reimbursement of expenses during the year.

Prospect Burma

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

8 Net (outgoing)/incoming resources

Net (outgoing)/incoming resources is stated after charging:

	2013		2012	
	£	£	£	£
The audit of the charity's annual accounts	<u>3,000</u>	3,000	<u>3,000</u>	3,000
Depreciation of owned assets		<u>143</u>		<u>179</u>

9 Employees' remuneration

The aggregate payroll costs were as follows:

	2013	2012
	£	£
Wages and salaries	<u>18,275</u>	<u>16,511</u>

10 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
As at 1 April 2012 and 31 March 2013	<u>6,340</u>
Depreciation	
As at 1 April 2012	5,624
Charge for the year	<u>143</u>
As at 31 March 2013	<u>5,767</u>
Net book value	
As at 31 March 2013	<u>573</u>
As at 31 March 2012	<u>716</u>

Prospect Burma

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

11 Debtors

	2013 £	2012 £
Trade debtors	21,241	13,877
Other debtors	-	4,365
	<u>21,241</u>	<u>18,242</u>

12 Current asset investments

	2013 £	2012 £
Listed investments	<u>279,038</u>	<u>255,199</u>

All current asset investments were held in the UK.

13 Creditors: Amounts falling due within one year

	2013 £	2012 £
Other creditors	<u>3,030</u>	<u>11,471</u>

14 Related parties

Controlling entity

The charity is controlled by the trustees.

Related party transactions

As detailed in paragraph 26 of the Trustees Report, Dr Thein Lwin is chairman of the Thinking Classroom Foundation as well as a Trustee of Prospect Burma. The Foundation receives grants from Prospect Burma to support its work providing teacher training and school management education.

Prospect Burma

Notes to the Financial Statements for the Year Ended 31 March 2013

..... continued

15 Analysis of funds

	At 1 April 2012	Incoming resources	Resources expended	Other recognised gains/losses	At 31 March 2013
	£	£	£	£	£
General Funds					
Unrestricted income fund	851,761	252,492	(298,158)	23,838	829,933
Restricted Funds					
Restricted income fund	101,448	180,841	(255,072)	-	27,217
	<u>953,209</u>	<u>433,333</u>	<u>(553,230)</u>	<u>23,838</u>	<u>857,150</u>

16 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£	£
Tangible assets	573	-	573	716
Current assets	831,692	27,915	859,607	963,964
Creditors: Amounts falling due within one year	<u>(3,030)</u>	<u>-</u>	<u>(3,030)</u>	<u>(11,471)</u>
Net assets	<u>829,235</u>	<u>27,915</u>	<u>857,150</u>	<u>953,209</u>