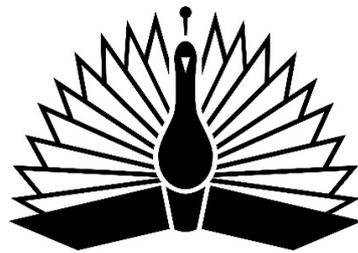


Charity No. 1167686

Prospect Burma CIO

**Trustees' Report, Independent Examiner's Report and Financial  
Statements**

**For the year ended 31<sup>st</sup> March 2020**



Prospect Burma  
Education for a Democratic Future

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**PROSPECT BURMA CIO  
TRUSTEES' REPORT – STATUTORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2020**

The Board of Trustees	Trustees who served during this year and up to the date of this report were as follows: Michael Marett–Crosby (Chairman) Lindy Ambrose (Vice–Chair) Daw Kyi Kyi May Guy Slater Caroline Courtauld MBE Joshua Htet Richard Atterbury Martin Smith Stephanie O’Connell Kathleen Mathea Falco (from 26/02/20)
Executive Director	Hannah Marcazzo
Principal office of the charity	Victoria Charity Centre 11 Belgrave Road London SW1V 1RB
Charity number	1167686
Bankers	The Royal Bank of Scotland plc 50–54 High Street Crawley West Sussex RH10 1YZ
Independent Examiner	Crowe U.K. LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ

## **Foreword from Prospect Burma's Chair**

This Annual Report is being compiled under the immensely challenging circumstances of the COVID pandemic – challenging for the trustees, staff and volunteers of Prospect Burma, and much more so for our beneficiaries in Myanmar.

It is to those beneficiaries that our thoughts turn first. This Annual Report is a record of important achievements in delivering for young people across all communities in Myanmar the opportunities provided by education – to grow skills, to learn about the world, to think the new thought that can be brought to bear on the old and burdensome problems of their country. Our founders wanted to bring the light of education to parts of Myanmar where the darkness of violence and fear had found a home. That mission remains relevant and important, and the year in review is one of which we should be proud.

The year past has also demonstrated how keenly our supporters want the charity to grow its mission. The new strategic plan that the trustees have approved – including a radical proposal to maintain and grow our work despite the pandemic – provides a roadmap for achieving ambitious targets in the years ahead.

This growth is urgently required in Myanmar. The current pandemic is revealing starkly how much more there is to do. The national response to COVID in Myanmar has shown where there are urgent needs for its most able young people to adopt new skills, new ways of working, especially in disaster response, healthcare and the skills to create new employment opportunities. Prospect Burma is committed to doing all it can to respond to this, and to do so by embracing new means of learning and engagement.

For the charity's staff in Myanmar and the UK, these last months have also been a difficult and at times stressful experience. For many, working from home brings new burdens, the more so when we have had to maintain means of collaboration that stretch across thousands of miles.

I would like to thank Prospect Burma's family of staff and volunteers for all that they have done to make it possible for the charity to maintain its output and deliver its services to our Myanmar beneficiaries during this time.

Finally, I would like to express my gratitude to my fellow trustees for all that they contribute to Prospect Burma.

As a new chair, I want to thank you for your enduring commitment to our mission. It is the bedrock upon which we can build for our future, to the benefit of young people across Myanmar who dream of a new future for themselves and their country. Now, in a time of fear, those dreams are all the more important.

Dr Michael Marett-Crosby  
Chairman  
21 October 2020

The trustees present their report and the financial statements of Prospect Burma CIO (the "CIO" or "Prospect Burma") for the period from 1 April 2019 to 31 March 2020. The CIO is the successor charity to Prospect Burma, an unincorporated association operating under the terms of a Trust Deed dated 7<sup>th</sup> December 1989, all of whose assets, liabilities and charitable activities were transferred to the CIO on 1<sup>st</sup> April 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the CIO's constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and Activities

The formal objective of the CIO as set out in its constitution is to promote and enable the education and/or training of any type of people in or from Myanmar in any way that the charity trustees think fit, including but not limited to awarding such persons scholarships, maintenance allowances or grants tenable at any school, university, college or institution of higher or further education or training. In furtherance of enabling such education or training, make such grants or provide such other support to such educational institutions as the charity trustees may think fit.

Prospect Burma fulfils this objective in practice by providing university scholarships to people from Myanmar, supporting programmes that facilitate access to tertiary education outside Myanmar and promoting education and knowledge dissemination inside the country. Our vision is to see Myanmar made new through the expertise of its people. We want to facilitate positive change in the country, which includes helping to create cultural bridges to repair relationships among different ethnic and religious groups.

Myanmar is lacking the skilled, educated workforce it needs to repair the country's damaged infrastructure and institutions, and support the peaceful rebuilding of civil society. Prospect Burma believes that the best way to create positive and lasting change in the country is through investing in education. We provide education opportunities to dedicated, talented people from Myanmar who have a realistic ambition for making a difference. We reach out to remote regions, including those affected by conflict, to help individuals determine the path for their future. We support them in their education abroad to gain much-needed skills and qualifications which they simply cannot get at home.

Our values:

We are inclusive – We support students regardless of ethnicity, gender or religion. We are accountable – We take pride in delivering our service with integrity to our supporters and our students.

We are expert – We have been dedicated to our cause since the student uprising of 1988. We understand Myanmar, its complexities and challenges. We invest in the best education to ensure our students receive the skills and expertise the country needs.

## **Public Benefit statement**

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period from 1 April 2019 to 31 March 2020 and also notes significant changes in the period since the year end. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have had regard to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities contribute to the aims and objectives that have been set.

## **Our Activities**

### **Access to Learning**

Access to Learning provides people living in under-served areas of Myanmar with the opportunity to gain vital foundation skills, from which our students can either progress to Learning to Leadership, or gain skills and qualifications that will help them in the workplace, and understand how to apply to university. For young people from these areas, the idea of studying abroad seems like an impossibility. Working with regional partners, Access to Learning provides key skills including critical thinking, cultural exchange, and internationally recognised English language qualifications, vital for international study. With religious and ethnic tensions causing ongoing conflict throughout the country for many years, exposure to new ideas, religions and ethnicities is a core component of Access to Learning. Over the last year we have started to expand our work, deliberately targeting conflict-affected and remote areas of the country. In March 2020, plans for some ongoing Access to Learning projects were postponed due to the Covid-19 pandemic, with students travelling home where possible or necessary. Table 1 provides a summary of the total number of Access to Learning students enrolled in English Language courses in 2019/20, by gender and ethnicity.

In 2019/20 we spent a total of £94,683 on Access to Learning (2018/19 £97,176).

Gender	Ethnicity	Basic English	Intermediate English	Advanced English	IELTS qualification*	Total
Male	Burmese	6		4	2	12
	Karen	4		3		7
	Kayah	1				1
	Mon	3				3
	Pa-O			2		2
	Rakhine	1		1		2
	Shan	2		1		3
Female	Burmese	16	2	6	4	28
	Kachin	3		1		4

**Prospect Burma  
Trustees' Report for the year ended 31 March 2020**

	Karen	5	2	7	1	15
	Manaw			1		1
	Mon	1				1
	Mixed			1		1
	Pa-O			5		5
	Rakhine	1		1		2
	Shan		1			1
<b>Total</b>		<b>43</b>	<b>5</b>	<b>33</b>	<b>7</b>	<b>88</b>

**Table 1: Total Access to Learning students enrolled in courses in 2019/20**

\*6 students took both the IELTS and advanced courses

### English Language Scholarships

The British Council in Yangon provides high quality English Language courses and International English Language Test System (IELTS preparatory courses. Each English course lasts for 3 months and costs £215 per student (£225 for IELTS preparatory. The courses are locally recognised as the best in the country; the IELTS qualification is usually required for students wishing to study at universities abroad.

In 2019/20, Prospect Burma funded 17 students to take a total of 50 English Language and IELTS preparatory courses at the British Council (compared with 12 students and 29 courses in 2018/19 and covered the cost of 7 IELTS examination fees.

### The Bridging Programme

Our Bridging Programme took place for the second time in the Myanmar Yangon office in early 2020, building upon learnings from the pilot programme in 2019. The aim of the programme is to enable students from under-served backgrounds, who have finished high-school, to undertake further study with a view to opening international education opportunities to them. For many of the students, this will be the first time they have left their local community and met people from different cultures and religions. A core component of the course is inter-cultural exchange, introducing the students to religions and concepts they will not have encountered before. As well as intensive English language training, the programme delivers intercultural learning, through trips to local religious institutions, and workshops focussing on personal growth. In the year, Prospect Burma arranged to bring a diverse group of 20 young people from five different states in Myanmar, with a mix of different ethnicities: Burmese (1 student, Kachin (1 student, Karen (8 students, Manaw (1 student, Pa-O (6 students, Rakhine (2 students and mixed (Karen+Pa-O, 1 student to Yangon to undertake a 7 week intensive English Language course at the British Council, with the aim of sitting the IELTS exam. Of the 20 students, 70% were female and 30% male. Students completed six weeks of the programme before it was suspended due to the Covid-19 pandemic; the British Council postponed face to face teaching and cancelled IELTS exams. The students completed their final week of tuition online in July and sat their IELTS exam in August.

### Sky Age Education

The Sky Age Education programme, run by our partner organisation Sky Age, focuses on post-secondary education, primarily English Language and Computer skills, and places a key emphasis on students using their education to impact their community.

In the financial period under review, Prospect Burma awarded \$26,000 to Sky Age. \$13,000 disbursed in April 2019 was to fund the completion of a 7-month residential training course in Yangon that began in January 2019; \$13,000 disbursed in January 2020 was to fund the start of a new 7-month residential course.

In 2019, a total of 43 students completed the Sky Age Education course. These were 12 male and 31 female from a range of ethnicities: Burmese (26 students), Kachin (1 student), Karen (10 students), Kayah (1 student), Mon (1 student), Rakhine (1 student), Shan Palong (1 student) and mixed (3 students).

In 2020, a total of 44 students were enrolled on the Sky Education course. These were 18 male and 25 female from a range of ethnicities: Burmese (22 students), Kachin (3 students), Karen (9 students), Kayah (1 student) Mon (4 students), Rakhine (2 students), and Shan (2 students). The course opened in January 2020 but was closed in March 2020 due to the global Covid-19 pandemic. The course will recommence when it is safe to do so.

Previous cohorts graduating from the course have not only significantly improved their English Language, computing and critical thinking skills, but have gained in confidence and been exposed to opportunities that they had previously thought unattainable. Sky Age alumni have gone on to work in local CSOs, founded their own community projects, or continued with their education to achieve the qualifications necessary to study abroad.

The grant covered all costs associated with the course, including accommodation, and food for the students, salaries for teachers and volunteer stipends. Prospect Burma works with Sky Age to improve their monitoring, evaluation and reporting capacity. Once students have graduated from the Sky Age programme, they are eligible for English Language Scholarships from Prospect Burma to achieve their IELTS qualification that will enable them to apply for international university courses.

### Sittwe Education Resource Centre (SERC)

In January 2020, Prospect Burma in partnership with Scholar Institute launched a new education centre called the Sittwe Education Resource Centre (SERC), with seed funding granted by the Irrawaddy Policy Exchange. This Centre, located in Sittwe township in Rakhine State, will support young people from across all parts of Rakhine State develop critical thinking techniques, gain English language skills, digital literacy, and cultural and social awareness. The Centre will also support these students with their applications for higher education scholarships, and their involvement in community development projects.

Work was started to furnish the centre and engage teaching staff. However, Covid-19 intervened here too and consequently activities in Rakhine State were initially put on hold. Regrettably, travel to youth groups for outreach, the enrolment of students at

the physical facility of SERC, as well as face to face classes have been postponed indefinitely.

This being the case, Prospect Burma and Scholar Institute are redirecting funding from this programme to build online learning capacity for Basic English students across 9 townships of Rakhine between June to November 2020. As of today, one online course has successfully completed and enrolment has commenced for a second. Each course enrolls 35 students to keep the class sizes manageable. By shifting SERC from a physical presence to an online presence, disadvantaged youth who are stymied by isolation and the uncertainty of their future as a result of the health crisis restrictions will have the ability to continue to pursue their education goals. The insights that SERC gains during the upcoming six months of developing a remote-learning toolkit with students will be invaluable in supporting the education sector across the nation as it combats this health crisis.

### **Learning to Leadership**

Learning to Leadership supports dedicated and visionary people from Myanmar who have a realistic ambition for making a difference in their country. We support students who are united by their desire to build a better future for Myanmar through gaining vital skills that are desperately needed, including information technology, medicine, engineering and agriculture. We reach out to remote as well as conflict-affected regions, to help prospective students select the right course for their future, and support them in their education abroad to gain much-needed skills and qualifications which they simply cannot get at home.

Studying abroad is an incredibly daunting prospect for many people who may not have left their villages before, let alone boarded a plane to a distant country. Many of the people we support have experienced huge hardship in their lives, from civil war and devastating natural disasters to childhood poverty, and as a result they have a deep and passionate desire to change their country for the better. The time they spend abroad exposes them to different cultures and different ways of thinking. It gives them an opportunity to engage, work and live with people from other religions, faiths and cultures. Through our Learning to Leadership programme they become change makers who go on to effect positive and lasting changes in Myanmar.

Prospect Burma scholarships are provided to university students from Myanmar to help cover the cost of university fees, living expenses, educational resources and transport. Each new scholarship application is considered by the Scholarships Committee and graded on several criteria. Once a student is granted a scholarship, Prospect Burma is likely to continue supporting them annually to help ensure successful graduation.

Prospect Burma imposes strict criteria for eligibility to ensure that our scholarships programme is fair and prioritises those who will benefit the most. To be eligible, applicant must:

- Be from Myanmar
- Demonstrate a commitment to helping the development of Myanmar or to service within their home communities
- Show proficiency in the English language
- Provide evidence of prior community engagement and leadership potential
- Provide proof of acceptance at a recognised college / university

**Prospect Burma**  
**Trustees' Report for the year ended 31 March 2020**

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In the 2019/20 academic year we awarded partial scholarships to educate 76 scholars from Myanmar:

- 48 continuing students received PB scholarships and 28 new.
- We try to maintain a gender balance while awarding scholarships, although this is dependent on the applications we receive. In 2019/2020, 49% of scholarships were awarded to men and 51% were awarded to women.
- Our commitment to diversity is reflected in the range of geographic locations that our 2019/20 scholarship recipients are from: Karen State (22), Chin State (16), Yangon (14), Shan State (8), Kachin State (4), Mon State (4), Sagaing Division (3), Mandalay (2), Ayeyarwaddy Division (1), Magway Division (1), Rakhine State (1).
- 67 students (89%) are studying in Asian universities.
- The total cost of the Scholarships Programme in 2019/20 was £514,256 an average of £6,767 per student.

Prospect Burma prioritises students from low-income families and under-served areas, giving us a good distribution of scholarships across a range of ethnic and religious backgrounds. Each year we prioritise subject areas that reflect the changing needs of the country, as set out in Table 2. Developing partnerships with universities and corporate partners is also helping us expand the range of subject areas we support.

<b>Priority Subject Areas</b>	<b>Other subjects we consider</b>
Information and Digital technology/Computer Science	Conflict/Peace Studies
Engineering	Education (General)
Ecology, Environmental and Sustainability Studies, Maritime Conservation	Communications/Journalism
Finance and Accounting	HR Management/ Organisational Development
Law	Nursing
Education for people with disabilities (Special Educational Needs)	Pharmacy and Public Health
Responsible Tourism	Medical Technology/Medical Imaging/Radiology
Mental Health and Psychology	MBBS
Urban Planning and Architecture	
Public Administration and Governance	
History and Cultural Studies	

**Table 2: 2019/20 priority subjects for scholarships**

At the end of the financial year the world was dramatically changed, when the COVID-19 pandemic became a global issue. Myanmar is particularly at risk from issues of this nature, with a poorly resourced and exclusionary health system; and limited infrastructure which means accessing a hospital from a rural area may take several days travel on bad roads. Social distancing is an impossibility for many, with families living closely together in small areas. A low-rate day wage is the norm for many labouring families, which means that not going to work is unimaginable. The work

Prospect Burma does is more important than ever, with skilled and qualified people needed to support the fragile infrastructure and build better and more robust systems. Many of our alumni are at the frontline of health care developments in the country.

We have adapted our programming in response to the challenges posed by COVID-19. Our focus has been to support support our students living abroad either to be able to return home where possible, or to be able to stay in country for longer than was originally planned.

### **Change in the Community**

After graduation, it can often be overwhelming for returning students to know how to put their skills and enthusiasm to best use, and begin making lasting change in Myanmar. An extremely high percentage of our graduates return to Myanmar after their graduation; over 75% of our 2016 graduates returned to Myanmar within a year of completing their studies. Upon their return, we introduce graduates to our network of change makers, helping them form vital contacts and find career opportunities. Those who don't return often contribute to their country in other ways, and can be found working at International Non-Government Organisations (NGOs) or influencing international policy.

In a country so lacking in skilled and educated people, our graduates go on to become leaders in their communities. The growing cohort of Prospect Burma alumni has had a profound effect around the country in the last three decades. Over the last year, we have prioritised the expansion of Change in the Community, offering more opportunities for alumni to meet and network, and to make a lasting impact on their communities.

#### **Prospect Burma Alumni Conference**

In November 2019 we held our 3rd Alumni Conference in Yangon, inviting our past students to re-engage with our community, share expertise and network. The Alumni Conference provides an excellent chance to build our Change in the Community network, with a number of alumni taking the opportunity to reconnect with us and their peers, as well as sign up to be regular donors and supporters – demonstrating just how important they have found Prospect Burma's support in their development and futures. The key objectives of the event were to facilitate networking among alumni, to present Prospect Burma's plans to the delegates, and to establish a stronger connection with our alumni.

The schedule included:

- Keynote addresses from HE Dr. Myo Thein Gyi (Union Minister of Education) and Daw Seng Raw (Founder of Metta Development Foundation).
- Interactive sessions encouraging working among alumni and a greater understanding of Prospect Burma's plans.
- Showcase presentations from our alumni sharing where they are and the activities they are engaged in for the development of Myanmar.
- The official launch of the new Alumni Regional Cluster Hubs (see below for more information).

#### Alumni Regional Cluster Hubs (ARCH)

For the past two years, we have been working to create a new programme to support graduating alumni at the next stage of their journey. Alumni Regional Cluster Hub, or ARCHs, will help to unify groups of alumni in locations around the country through facilitating discussions, networking and community activities. We plan to introduce ARCHs to major points around the country, where there are groups of active alumni, starting with a first group in Yangon.

The first ARCH was launched at the beginning of this year in Yangon. Over initial meetings ARCH members discussed what they would like to do as a group, working with the PB team to plan activities. An executive committee was established, and the preliminary discussions took place around plans for the group. Over the following weeks these plans had to be radically changed, as the outbreak of COVID-19 spread around the world. The ARCH members responded to the crisis, mobilising vital food provision to some of the most under-resourced areas of Yangon, and medical equipment including protective clothing to a local quarantine centre, where people who have been diagnosed with COVID-19 are taken for treatment.

#### **Achievements and Performance**

Prospect Burma's main activities and beneficiaries are described above. All charitable activities focus on people from Myanmar and are undertaken for the public good.

When Prospect Burma supports the educational pathway of a student, it not only changes that student's life but countless other lives. Prospect Burma empowers the student to effect positive changes in Myanmar, creating a multiplier effect. By enabling students to pursue their dreams and realise their appetite for learning, we expect that they will go on to have a positive impact on many other people's lives within the country. Dr Win Han Oo's case study illustrates the direct and indirect impacts of educating students from Myanmar.

### Learning to Leadership Case Study

Dr. Win Han Oo had worked for several years in public health, and from 2016 was working at the Burnet Institute Myanmar (BIMM) in Melbourne, on a team specialising in public health in Myanmar. As Programme Manager, he was in charge of developing ways to combat deadly diseases including malaria and tuberculosis. At this time an opportunity came up for him to undertake a PhD in Public Health, at Deakin University in Australia. In his application for his scholarship, he told us:

“Myanmar is a country in South East Asia Region where malaria burden is highest among the region. Although the malaria disease burden has declined dramatically within the past few decades, the country is threatened by artemisinin resistance malaria. Although Myanmar declared the goal to achieve free of Malaria by 2030, the country is still in the control phase.”

He wrote his thesis on methods of malaria elimination in the context of primary health care in Myanmar. Today, Dr Win Han Oo continues his work at BIMM, and he is having a huge impact on the prevention and treatment of Malaria in the country.

He has harnessed the work of Myanmar's integrated community volunteers, of which there are around 20,000 in around 16,000 villages across the country (approximately one in four Myanmar's villages). Before the programme started in around 2004, the prevalence of malaria in the country was very high. But with these volunteers in place, they could offer treatment on the front line, so the patients did not need to travel to be treated, and there was less of a delay. Over the last 15 years, incidences of deadly cases of malaria have decreased considerably – in 2017, 218 people died of malaria in Myanmar compared to an estimated 9,100 in 2006. The team are now focussing their efforts on eliminating the disease altogether.

Dr Win Han Oo explained that success has brought its own barriers in the way of totally efficient treatment and use of volunteers. His team are now working on the idea of training malaria volunteers to be able to treat other diseases – an idea which he originally proposed in his PhD.

Another priority is to strengthen the malaria reporting and surveillance system. He told us:

“When a case of malaria was identified, the volunteers would have to fill out paper forms, hand these to their supervisor, who would visit the village once a month typically to collect the forms. They would then return to their office where they would type the data into excel spreadsheets. Then, someone from the national office would combine this data and enter it into a national database. All in all, this is a very lengthy process.”

In order to work towards the total elimination of the disease, Dr Win Han Oo and his team need to know when a positive case appears within 24 hours. To achieve this, an application based mobile reporting system for malaria cases has been developed, to be installed on the volunteers' phones. The application will allow them to input data which could be submitted instantly, creating an alert in the head office and allowing intervention to happen much sooner. Ideally, this application will replace the traditional paper-based reporting method. Dr Win Han Oo's team are currently evaluating this method, to be rolled out nationwide.

## **Management and Human Resource**

There were 3 part-time and 1 full-time staff members working in the UK office in the 2019/20 period (3 FTE), supporting operations, communications, finance, programme management and strategic direction.

We continue to rely on volunteers to support the Prospect Burma team in the UK, and our current complement of volunteers are helping us in fundraising and communications, strengthening our office and knowledge management systems, and providing programme support in Myanmar. Our group of volunteers bring a wide range of skills and experience to the office, from technical digital support, to copy writing and proof-reading, archiving, event support, data evaluation, governance and much more. In 2019/20, we received valuable support in our London and Yangon offices from 8 volunteers donating over 1,273 hours of their time.

The Prospect Burma Myanmar Office in Yangon has been in operation since July 2016 and, since March 2019, has had three full time members of staff. In November 2019, Lalfak Mawia was replaced by Aung Nyein Chan as Country Manager.

The Myanmar Office undertook a number of outreach activities and visits to partner organisations to continue our work in promoting Prospect Burma scholarships to potential students. We have also been building partnerships with organisations in the country, to provide support to help us deliver our programmatic objectives.

The UK and Myanmar Offices maintain close communication via regular video calls, and cloud-based filing systems and database, enabling a close integration of our work. Increasingly we are looking to delegate programme responsibilities to the Myanmar Office, freeing up time for the UK office to focus on fundraising and communication, as well as developing our programmes to extend our reach within country further.

## **Plans for Future Years**

In November 2017, we updated our three-year strategic plan for Prospect Burma. 2019/20 was the second year of the plan and our investment and focus on the fundraising function enabled us to significantly grow our income in this period. This gave us the opportunity to review the strategic plan considering increased income. Following extensive discussions, we finalised a new strategic plan for 2020-23 in February 2020. The aim for the coming three years is to expand and enhance our programmes in Myanmar, continue to grow our income, and strengthen our internal processes and systems. The Covid-19 pandemic has inevitably disrupted certain 2020 elements of that plan and instead of the planned growth forced us to cut back on expenditure for 2020/21 to match expected income at approximately the levels achieved in 2019/20. Our medium-term strategic aims nevertheless remain as planned.

In the short-term, and in response to the closure of classrooms and face-to-face teaching opportunities, we are developing an online English Learning course to be launched Q4 2020/21. By providing online courses, under-served youth who are affected by isolation and the uncertainty of their future because of the health crisis restrictions will have the opportunity to continue to pursue their educational goals.

Topics will include:

- English at intermediate or advanced level
- Ethnic and religious diversity, intercultural /cross cultural exchange
- Critical thinking

This programme will temporarily replace face-to-face learning but we will also treat the first phase as a pilot which, if successful, could be extended more widely and become an integral part of Prospect Burma's work post the Covid-19 pandemic. In this first phase during 20/21 we are aiming for 40 students to successfully complete the course.

In the medium- to long-term, Prospect Burma's investment in educating the people of Myanmar will play an important role in future efforts to prepare the country for natural disasters and national resilience, especially in light of the Covid-19 pandemic. The pandemic is expected to impede economic growth in Myanmar, and will undoubtedly put livelihood and income-related pressures on households who are already vulnerable. "Long-term lockdowns, for weeks or months, would be devastating in Asian countries, where hundreds of millions live hand to mouth and have no reserves to buy food if they lose their jobs. Nobody can foresee the dynamic of Covid-19 in Asia, but it is likely that the epidemic will last for a long time, probably years instead of months<sup>1</sup>."

In order to support Myanmar sustainably in its ability to rebuild the nation, and also to mitigate against future disasters, new technical skills and expertise is required. Prospect Burma supports exactly this by enabling individuals within the country the access to international higher education opportunities through its Learning to Leadership programme. Whether it is during their studies abroad, or once they graduate, Learning to Leadership scholars are the new wave of Myanmar's change-makers, working to develop and build the nation.

The Covid-19 pandemic is causing donors to reassess their priorities, and many bilateral and institutional donors in Myanmar are diverting funding to Covid-19 responses in the health and educational sectors. They are also considering long-term investment in building local expertise and national resilience. Prospect Burma's Access to Learning and Learning to Leadership programmes address both of these concerns and in 20/21 we are actively approaching these new funding sources.

## **Financial Review**

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.

The results of the year's operations are set out in the attached financial statements. Total incoming resources amounted to £682,605 (2018/19 £549,605) and total resources expended amounted to £673,419 (2018/19

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<sup>1</sup> Frontier Myanmar. South East Asia's COVID-19 Transmission Dynamic Shows One Strategy Doesn't Fit all. April 9, 2020. <https://frontiermyanmar.net/en/southeast-asias-covid-19-transmission-dynamic-shows-one-strategy-doesnt-fit-all>

£602,886). In consequence, net income (before unrealised gains and losses on investments) £9,186 (2018/19: shortfall of £53,281). This reflected the trustees' decision to balance the 2019/20 budget after running a planned budget deficit for the past four years. Subject to the impact of Covid-19, in the coming year the trustees are planning to maintain a balanced budget.

Trusts, Foundations and Institutions are our most significant source of funding, with the US Department of State our largest donor; we raised £161,215 from this source. We received total £492,371 in donations of which £163,962 from individuals; we are grateful for the support of our donors who have set up regular payments, those who have made one-off donations during the course of the year, and those that have participated in challenge events to fundraise for Prospect Burma. We held a number of small donor-focussed dinner meetings, and a larger Meet-The-Team stewardship event over the course of the year. However, we are not anticipating the same level of activity in 2020/21 due to the Covid-19 pandemic restrictions on social interactions.

The reserves policy of Prospect Burma CIO is set at £250,000, on the basis that such a sum would guard against the possibility of not receiving our largest grant or one or more of our other regular grants. This would ensure that, if that occurred, we would not need to suspend, or greatly curtail, either projects or the provision of scholarships during that year while other funding was being sought or a restructuring plan was introduced. As our scholarship payments are discretionary there is some flexibility for a fluctuation in expenditure dependent on our income.

At year end, our total funds were £454,839 (£407,183 unrestricted and £47,656 restricted), which is in line with our reserves policy.

## **INVESTMENT POLICY AND PERFORMANCE**

The core of the reserve funds is invested in common investment funds suitable for charities with an appetite for low to medium risk. They are managed by Sarasin Investment Funds Limited. They have been held for several years and, although readily realisable, are considered longer term investments since the underlying constituents are equities, bonds, cash and alternative assets appropriate for a UK registered charity. During 2019/20, they decreased in market value by £8,645 from £309,576 to £300,931 although this decrease has been more than recovered in the subsequent months.

The remainder of reserve funds is held in cash, bank deposits and term accounts denominated both in sterling and US dollars. These now yield very low interest but are necessary to ensure adequate liquidity and security so that we can fund charitable activities throughout the year without excessive dependence on the timing of receipt of grants and donations.

## **Principal risks and uncertainties and Covid-19**

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 risk.

The Covid-19 pandemic has adversely affected international and Myanmar charities since March 2020; intermittent lockdowns, social distancing and travel restrictions (both international and within the country are expected to be the norm for at least the next year. This has implications both for our programmes and our income generating activities. Of note, many of our Access to Learning programmes rely on classroom teaching and were, therefore, paused in March 2020. In 2020/21, Prospect Burma will implement online English Language courses for students in Myanmar. Many existing university students were able to continue with their studies under lockdown, and we will regularly review risks associated with new students travelling internationally to take up university places in the 2020/21 academic year. The alumni conference due to be held in November 2020 has been cancelled, but we continue to facilitate alumni meetings online via video conferencing.

Prospect Burma is dependent on financial support from funders. We anticipate that income from individual donors will decrease in the coming year and we have adjusted our income forecast to reflect this. We have implemented cost cutting measures to mitigate the anticipated income loss, including both overhead and programme costs. At the same time we are seeking to explore new income opportunities, in particular from bilateral donors in Myanmar, which have additional funding available for educational activities in the country.

Other fundraising support is weighted towards income from grants, with income from one major award (the United States Department of State, Bureau for Democracy, Human Rights and Labor constituting almost one third of our total income. The reliance on a key donor exposes us to risk, which is partially mitigated by our reserves policy. Over the 2019/20 financial period, we worked successfully towards broadening our fundraising sources through engaging with new individual donors, and we will continue to seek to broaden and diversify the nature of our income in the coming year.

Like many charities, we have responded to lockdowns and social distancing by closing our offices in London and Yangon. All employees, consultants and volunteers are able to work remotely from home and have access to systems and data which allow Prospect Burma to monitor continuing activities. Staff and trustees have been in close and regular communication. The level of financial and operational control remains largely unchanged and robust. Cash flow, liquidity, the recoverability of debtors and the valuation of investments are monitored regularly for any issues, of which thus far there have been none. However, the full impact of Covid-19 will be long term, affecting fundraising and donor priorities, and at this stage in the pandemic and consequent worldwide economic disruption, it is not possible to predict what the effects will ultimately be.

### **Going concern considerations**

We have prepared income and expenditure and cash flow forecasts for the period to September 2021 and satisfied ourselves that Prospect Burma remains a going concern for the period under review based on the information currently available to the Trustees. These forecasts include stressed scenarios where fundraising is reduced below the realistic levels anticipated above. In these circumstances, spending on charitable activities and administrative expenses, predominantly staff costs, would be further reduced. To the extent that a balanced budget could not be achieved, the Trustees would absorb the shortfall through drawing down on reserves built up in prior periods, which are significantly in excess of the amount required to meet the moral obligations associated with scholarship commitments already made. Cash flow needs would be met through the sale of investments.

We are satisfied at this time that Prospect Burma remains a going concern, but we remain alive to the specific risks that this challenge poses to the charity.

### **Structure, governance and management**

Prospect Burma is a Charitable Incorporated Organisation (CIO) operating under the terms of a constitution dated 1 April 2017.

The CIO constitution allows for up to 15 trustees to be appointed. Trustees serve for a renewable term of 3 years, and can serve until they retire or have served 3 terms. All trustees give their time voluntarily and receive no benefit from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

#### **Trustees**

Our trustees are responsible for setting the strategy and are responsible in law for the running of Prospect Burma.

New Trustees are nominated by members of the existing Board of Trustees and appointed where they have the necessary skills, enthusiasm and experience to contribute to the charity's development. Upon appointment, new trustees are given a formal introduction to Prospect Burma's work and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

In February 2020, we were delighted to welcome Kathleen Mathea Falco to the board of trustees, bringing the total trustee count to 10. She is a leading expert in drug abuse prevention and treatment, having served as the first U.S. Assistant Secretary of State for International Narcotics and Law Enforcement Affairs during the Carter Administration. Mathea has had a long history of involvement with Myanmar, first visiting the country in 1977 and returning many times since in both a professional and personal capacity. Currently, she is the President of Drug Strategies, a non-profit research institute based in Washington, D.C. She is also the Chair of Irrawaddy Policy Exchange (IPE).

In April 2017 the trustees approved the formation of a Finance & Risk Committee and a Fundraising Committee to help the Board focus on its key roles of developing and monitoring strategy. The Finance & Risk Committee also undertakes the role of Remuneration Committee, annually reviewing staff pay.

### **Executive Director**

Our Executive Director is responsible for the day to day operation of the charity and manages the staff of the charity on behalf of the trustees.

### **Statement of responsibilities of the trustees**

The trustees 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).

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 and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 principals of the charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable 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 charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with Charity law. 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.

### **Independent examiner**

Crowe U.K. LLP continues to serve as Prospect Burma's independent examiner for the year.

The trustees' report was approved by the Trustees on 21 October 2020 and signed on their behalf by

Dr Michael Marett-Crosby  
Chair of Trustees

**Independent examiner's report to the trustees of Prospect Burma CIO**

I report to the trustees on my examination of the accounts of Prospect Burma CIO for the year ended 31 March 2020 which are set out on pages 19 to 30. This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

**Responsibilities and basis of report**

Since the charity's gross income exceeds £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants.

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no material 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 Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

Tara Westcott FCCA  
Crowe U.K. LLP  
Carrick House  
Lypiatt Road, Cheltenham, Gloucestershire GL50 2QJ

Prospect Burma CIO

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Donations and grants	2	308,636	356,399	<b>665,035</b>	216,998	315,925	532,923
Other trading activities	3a	5,440	-	<b>5,440</b>	5,398	-	5,398
Investment income	3b	12,130	-	<b>12,130</b>	11,284	-	11,284
<b>Total income</b>		<b>326,206</b>	<b>356,399</b>	<b>682,605</b>	<b>233,680</b>	<b>315,925</b>	<b>549,605</b>
<b>Expenditure on:</b>							
Raising funds	4	47,832	-	<b>47,832</b>	33,490	-	33,490
Charitable activities							
Scholarships	4	186,557	327,699	<b>514,256</b>	237,945	224,066	462,011
Projects	4	64,188	47,143	<b>111,331</b>	48,525	58,860	107,385
<b>Total expenditure</b>		<b>298,577</b>	<b>374,842</b>	<b>673,419</b>	<b>319,960</b>	<b>282,926</b>	<b>602,886</b>
<b>Net income/(expenditure's and net (losses)/gains</b>							
	5	27,629	(18,443)	<b>9,186</b>	(86,280)	32,999	(53,281)
(losses) on investments / Net capital gains	9	(8,645)	-	<b>(8,645)</b>	5,674	-	5,674
<b>Net income/(expenditure) for the year and net movement in funds</b>		<b>18,984</b>	<b>(18,443)</b>	<b>541</b>	<b>(80,606)</b>	<b>32,999</b>	<b>(47,607)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		388,199	66,099	<b>454,298</b>	468,805	33,100	501,905
<b>Total funds carried forward</b>	14	<b>407,183</b>	<b>47,656</b>	<b>454,839</b>	<b>388,199</b>	<b>66,099</b>	<b>454,298</b>

## Prospect Burma CIO

### Balance sheet

As at 31 March 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets:</b>					
Tangible assets	8		–		70
Investments	9		<u>300,931</u>		<u>309,576</u>
			<b>300,931</b>		<b>309,646</b>
<b>Current assets:</b>					
Debtors	10	<b>37,000</b>		28,048	
Cash at bank and in hand		<b>128,754</b>		121,251	
			<b>165,754</b>	<b>149,299</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	<b>(11,846)</b>		(4,647)	
<b>Net current assets</b>			<b>153,908</b>		<b>144,652</b>
<b>Total assets less current liabilities</b>			<b>454,839</b>		<b>454,298</b>
<b>Net assets</b>			<b>454,839</b>		<b>454,298</b>
<b>Total net assets</b>	12		<b>454,839</b>		<b>454,298</b>
<b>The funds of the charity:</b>	14				
Restricted income funds		<b>47,656</b>		66,099	
Unrestricted income funds:					
Unrestricted funds		<u><b>407,183</b></u>		<u>388,199</u>	
<b>Total charity funds</b>			<b>454,839</b>		<b>454,298</b>

Approved by the trustees on 21 October 2020 and signed on their behalf by

Dr Michael Marett-Crosby  
Chair of Trustees

The notes on pages 22 to 30 form part of these financial statements.

## Statement of cash flows

For the year ended 31st March 2020

	Note	2020	2019
		£	£
Cash flows from operating activities	19		
Net cash used in operating activities		(4,627)	(52,795)
Cash flows from investing activities:			
Dividends and interest from investments		12,130	11,284
Net cash from investing activities		12,130	11,284
Change in cash and cash equivalents in the year		7,503	(41,511)
Cash and cash equivalents at the beginning of the year		121,251	162,762
Cash and cash equivalents at the end of the year	20	<u>128,754</u>	<u>121,251</u>

The notes on pages 22 to 30 form part of these financial statements.

**1 Accounting policies**

Prospect Burma CIO is a Charitable Incorporated Organisation. Registered with the Charity Commission ( No. 1167686). The registered office address is Victoria Charity Centre, 11 Belgrave Road, London, SW1V 1RB.

**a) Basis of presentation and comparative figures**

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP 2015) and Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Prospect Burma meets the definition of a public benefit entity under FRS102.

**b) Going concern**

The financial statements are drawn up on the basis that the charity remains a going concern. Prospect Burma made a surplus of £9,186 for the year before unrealised investment losses. The trustees have made an assessment of Prospect Burma's ability to continue as a going concern and assured themselves of the validity of the assumptions which underlie their conclusion that it continues to do so for the reasonably foreseeable future. As further explained in the Trustees' annual report, the Trustees prepared a budget and cash flow forecast for the 15 months to September 2021 which supports the expectation that income and expenditure will be reasonably balanced and that the reserves held on the balance sheet are more than sufficient to meet the contingencies which the current pandemic or other known circumstances may require. There are longer term uncertainties which it is difficult to foresee but over those timeframes the Trustees are confident that they could manage down expenditure to the extent necessary to preserve Prospect Burma's ability to continue as a going concern.

**C) Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income received in advance of a specified service is deferred until the criteria for income recognition are met.

In addition to having to meet the above criteria, donations, government grants and other grants, whether 'capital' or 'revenue', are only recognised when any performance conditions attached to them have been met.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.

Interest on funds held on deposit is recognised on an accruals basis and includes amounts notified as paid or payable by the Bank plus amounts earned but not yet due for payment.

Dividends are recognised once the dividend has been declared and the notification has been received of the dividend due.

**d) Donated services and facilities**

Donated professional services and donated facilities are recognised as income, when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. The trustees' annual report contains information about the contribution to the charity made by volunteers and donated professional services.

In accordance with the Charity SORP, volunteers' time is not valued in these financial statements.

Where it is not possible to quantify the value of the gifts in kind they are acknowledged in the notes to the financial statements and the trustees' report.

**e) Funds**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or grants which the donor has specified are to be used solely for particular purposes/areas of the charity's work or for specific projects undertaken by the charity.

**f) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and is classified under the following activity headings:

- Costs of raising funds comprise the salary costs of a fundraiser and their direct associated support costs.
- Expenditure on charitable activities includes the costs of providing bursaries and other projects undertaken to further the purposes of the charity and their associated support costs.
- Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include trustee meetings, cost associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities and the independent examiner's fees and legal fees.
- Support costs are those costs incurred which are not directly an output of the charitable activity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**g) Apportionment of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned in proportion to the total direct projects' cost.

**h) 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. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Notes to the financial statements

For the year ended 31 March 2020

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**l) Foreign currency**

The charity's functional currency is UK pounds.

Foreign currency transactions are recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate at the date of the transaction. Any differences on conversion are written off in the Statement of Financial Activities.

Prospect Burma has a US dollar bank account and the balance at the year end is recorded at the closing rate of exchange on that date and any resulting profit or loss on exchange is included in the Statement of Financial Activities.

**k) Operating leases**

The charity classifies the office lease as an operating lease. Rental charges are expensed on a straight line basis over the term of the lease.

**l) Tangible fixed assets**

Capital items costing in excess of £500 are capitalised. Fixed assets are shown at historical cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

- Furniture & equipment 20% on cost
- Computer equipment 20% on cost

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**n) Cash at bank and in hand**

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

**o) Creditors**

Creditors 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 are normally recognised at their settlement amount.

**p) Investments**

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not hold options, derivatives or other complex financial instruments.

**q) Taxation**

The charity is exempt from taxation under sections 521 to 536 of the Income Tax Act 2007.

**u) Basic financial instruments**

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

**v) Critical Accounting Estimates and Judgements**

We are required to make judgements and estimates about the recognition of the receipt of grants. There is sometimes room for judgement as regards the commitment made by donors to future grants. Our most significant grants have clear performance conditions attaching to them, but some grants are less clear. In those cases, we account prudently on the basis of cash received or a commitment to cash by the grantor at the due date which can be evidenced by the subsequent receipt of cash.

## Notes to the financial statements

## For the year ended 31 March 2020

This happened at various dates through the current and prior years but at both the 31 March 2020 and 2019-year ends, there were no significant cases where the commitment to the grant was judgemental.

2 Income from donations and legacies			2020	2019
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations	297,187	195,184	492,371	277,372
Gifts in kind	11,449	-	11,449	17,456
<b>Grants</b>				
US State Department Grant*		161,215	161,215	167,223
National Energy Puma Aviation Services	-	-	-	70,872
	<u>308,636</u>	<u>356,399</u>	<u>665,035</u>	<u>532,923</u>

\*The purpose of State Department grant is to provide equitable access to higher education for disadvantaged Burmese nationals and build a core group of skilled Burmese able to strengthen the democratic transition in Burma.

## 3a Income from Trading activities

Fundraising events	5,440	-	5,440	5,398
	<u>5,440</u>	<u>-</u>	<u>5,440</u>	<u>5,398</u>

## 3b Income from Investments

Dividend income from investments	10,980	-	10,980	10,624
Bank interest receivable	1,150	-	1,150	660
	<u>12,130</u>	<u>-</u>	<u>12,130</u>	<u>11,284</u>

## 3c Gifts in kind

Legal fees		-	-	8,746
Equipment		-	-	659
Travel		-	-	33
Accommodation		-	-	218
Consultancy	925	-	925	-
Use of property	1,370	-	1,370	-
IT consultancy	9,154	-	9,154	7,800
	<u>11,449</u>	<u>-</u>	<u>11,449</u>	<u>17,456</u>

Prospect Burma CIO

Notes to the financial statements

For the year ended 31 March 2020

4 Analysis of expenditure

	Charitable activities				2020 Total £	2019 £
	Cost of raising funds £	Scholarships £	Projects £	Support and governance costs £		
Staff costs (Note 6)	40,177	56,751	12,286	10,466	<b>119,680</b>	73,761
Direct costs	2,962	407,039	88,120	544	<b>498,665</b>	462,963
Premises costs	-	-	-	22,566	<b>22,566</b>	23,606
Office and supplies costs	-	-	-	18,659	<b>18,659</b>	23,300
Independent Examiner's fees	-	-	-	2,400	<b>2,400</b>	1,800
Gifts in kind	-	-	-	11,449	<b>11,449</b>	17,456
	<b>43,139</b>	<b>463,790</b>	<b>100,406</b>	<b>66,084</b>	<b>673,419</b>	<b>602,886</b>
Support costs	4,523	48,633	10,528	(63,684)	-	-
Governance costs- Independent examination fees	170	1,833	397	(2,400)	-	-
<b>Total expenditure 2020</b>	<b>47,832</b>	<b>514,256</b>	<b>111,331</b>	<b>-</b>	<b>673,419</b>	<b>602,886</b>
<i>Total expenditure 2019</i>	<i>33,490</i>	<i>462,011</i>	<i>107,385</i>	<i>-</i>	<i><b>602,886</b></i>	<i>-</i>

Of the total expenditure, £298,577 was unrestricted (2019: £319,960) and £374,842 was restricted (2019: £282,926)

All scholarships are made to individual students

## Notes to the financial statements

For the year ended 31 March 2020

**5 Net Income / (expenditure) for the year**

This is stated after charging / (crediting):

	2020	2019
	£	£
Independent examiner's fees:	2,400	2,400
Prior year overprovision of Independent examiner's fees	<u>-</u>	<u>(600)</u>

**6 Analysis of staff costs, trustee remuneration and expenses.**

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	107,096	69,774
Social security costs	10,021	2,934
Pension costs	2,563	1,053
	<u>119,680</u>	<u>73,761</u>

Remuneration of key management personnel:

	2020	2019
	£	£
Salaries and wages	26,084	29,267
Social security costs	2,408	2,474
Pension	686	464
	<u>29,178</u>	<u>32,205</u>

No employee earned more than £60,000 during this year.

The charity trustees were not paid or did not receive any other benefits from working with the charity in the year (2019 : £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

**7 Staff numbers**

The number of employees during the year was;

	2020	2019
	No.	No.
Staff during the year	4.0	3.0
	<u>4.0</u>	<u>3.0</u>

**8 Tangible fixed assets**

	Fixtures and Equipment £	Total £
<b>Cost or valuation</b>		
At the start and end of the year	6,340	6,340
<b>Depreciation</b>		
At the start of the year	6,270	6,270
Charge for the year	70	70
At the end of the year	<u>6,340</u>	<u>6,340</u>
<b>Net book value</b>		
At the end of the year	-	-
<i>At the start of the year</i>	<u>70</u>	<u>70</u>

All of the above assets are used for charitable purposes.

## Notes to the financial statements

## For the year ended 31 March 2020

<b>9 Investments</b>	<b>2020</b>	<b>2019</b>
Listed investments		
<b>Market value of investments</b>	<b>£</b>	<b>£</b>
At the start of the year	<b>309,576</b>	303,902
Unrealised gain/ (loss) on investment	<b>(8,645)</b>	5,674
At the end of the year	<b>300,931</b>	309,576
Historic cost at the start and end of the year	<b>260,000</b>	260,000

The charity's investments are professionally managed in common investment funds designed for charities pursuing a socially responsible investment policy. The funds are invested principally in fixed interest bonds and equities, together with small allocations to property and alternative assets.

<b>10 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>5,330</b>	15,534
Other debtors	<b>11,402</b>	5,003
Prepayments and accrued income	<b>20,268</b>	7,511
	<b>37,000</b>	28,048

<b>11 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>5,630</b>	2,247
Taxation and social security	<b>2,641</b>	-
Other creditors	<b>3,575</b>	2,400
	<b>11,846</b>	4,647

**12 Analysis of net assets between funds at 31st March 2020**

	<b>General unrestricted</b>	<b>Restricted</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	-	-
Investments	300,931	-	<b>300,931</b>
Net current assets	106,252	47,656	<b>153,908</b>
<b>Net assets at the end of the year</b>	<b>407,183</b>	<b>47,656</b>	<b>454,839</b>

**13 Analysis of net assets between funds at 31st March 2019**

	<b>General unrestricted</b>	<b>Restricted</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	70	-	70
Investments	309,576	-	309,576
Net current assets	78,553	66,099	144,652
<b>Net assets at the end of the year</b>	<b>388,199</b>	<b>66,099</b>	<b>454,298</b>

## Notes to the financial statements

For the year ended 31 March 2020

## 14 Movements in funds (2020)

	At the start of the year £	Income £	Expenditure and investment gains £	At the end of the year £
<b>Restricted funds:</b>				
Scholarships	66,099	356,399	(374,842)	<b>47,656</b>
<b>Total restricted funds</b>	<b>66,099</b>	<b>356,399</b>	<b>(374,842)</b>	<b>47,656</b>
<b>Unrestricted funds:</b>				
Scholarships	388,199	326,206	(307,222)	<b>407,183</b>
<b>Total unrestricted funds</b>	<b>388,199</b>	<b>326,206</b>	<b>(307,222)</b>	<b>407,183</b>
<b>Total funds</b>	<b>454,298</b>	<b>682,605</b>	<b>(682,064)</b>	<b>454,839</b>

## 15 Movements in funds (2019)

	At the start of the year £	Income £	Expenditure and investment losses £	At the end of the year £
<b>Restricted funds:</b>				
Scholarships	33,100	315,925	(282,926)	<b>66,099</b>
<b>Total restricted funds</b>	<b>33,100</b>	<b>315,925</b>	<b>(282,926)</b>	<b>66,099</b>
<b>Unrestricted funds:</b>				
Scholarships	468,805	233,680	(314,286)	<b>388,199</b>
<b>Total unrestricted funds</b>	<b>468,805</b>	<b>233,680</b>	<b>(314,286)</b>	<b>388,199</b>
<b>Total funds</b>	<b>501,905</b>	<b>549,605</b>	<b>(597,212)</b>	<b>454,298</b>

## Purposes of restricted funds

## Scholarships

Scholarships to Burmese students to enable them to take up places in universities and colleges outside Burma.

## 16 Related party transactions

Dr Michael Marett-Crosby the Chairman of Prospect Burma CIO also a trustee of the Daw Aung San Suu Kyi Trust for Health and Education which made a grant of £109,715 to Prospect Burma during the year ended 31 March 2020 (2019 – £101,427). There were no amounts due to or from either organisation at either 31 March 2020 or 31 March 2019.

## Notes to the financial statements

## For the year ended 31 March 2020

## 17 Lease commitments

The charity has a lease on an office in the Victoria Charity Centre, Belgrave Road, London, expiring in March 2021, and a lease in Yangon, Myanmar expiring in August 2020.

The minimum annual lease payments under these leases are as follows:

	2020	2019
within 1 year	10,448	-
within 2-3 years	-	10,448

## 18 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
<b>Net income/ expenditure for the reporting period (as per the Statement of Financial activities)</b>	541	(47,607)
Depreciation charges	70	74
Dividends, interest and rent from investments	(12,130)	(11,284)
(Increase)/ Decrease in debtors	(8,952)	13,000
Increase/ (Decrease) in creditors	7,199	(1,304)
Unrealised loss/ (gain) on investments	8,645	(5,674)
<b>Net cash used in operating activities</b>	<b>(4,627)</b>	<b>(52,795)</b>

## 19 Analysis of cash and cash equivalents (2020)

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	121,251	7,503	128,754
<b>Total cash and cash equivalents</b>	<b>121,251</b>	<b>7,503</b>	<b>128,754</b>

## 20 Analysis of cash and cash equivalents (2019)

	At 1 April 2018 £	Cash flows £	At 31st March 2019 £
Cash at bank and in hand	162,762	(41,511)	121,251
<b>Total cash and cash equivalents</b>	<b>162,762</b>	<b>(41,511)</b>	<b>121,251</b>

## 21 Post balance sheet events – Covid-19

The Trustees take the view that the coronavirus/Covid-19 pandemic is a non-adjusting post balance sheet event, so far as its manifestations after 31 March 2020 are concerned.

In the period up to 31 March 2020, the primary financial impact was on the market value of investments which reduced by approximately £9,000 in the month of March. In other respects income and expenditure was little changed from expectation. These effects have been fully reflected in the financial statements.

Since 1 April 2020, the charity has continued to operate on a remote basis both in the UK and in Myanmar. As regards financial effects up to 30 September 2020, the market value of investments recovered most of its March loss in April and their market value at 30 September 2020 was £332,811. No assets in the balance sheet have shown signs of impairment. Grants and donations have continued to be received, albeit about 20% less than budgeted. Expenditure, including overheads, is about 7% down, but these 6 months include the primary period when scholarships are paid, so we are hopeful that we can still break even for the full year. The operational effects of the pandemic on our student beneficiaries and projects are described more fully in the Trustees' annual report. Although the latest indications are that universities in South East Asia are reopening and some students may return, we anticipate significant opportunities will arise over the rest of the year from the online educational initiatives we are taking. We anticipate that the demand for the charitable work Prospect Burma undertakes will have been increased significantly by the pandemic