

CHILD RESCUE NEPAL

REPORT AND FINANCIAL STATEMENTS

31ST JULY, 2016

CHILD RESCUE NEPAL
REPORT AND FINANCIAL STATEMENTS
31ST JULY, 2016

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CHILD RESCUE NEPAL

CHARITY INFORMATION

TRUSTEE

Child Rescue Nepal Limited

CHIEF EXECUTIVE

Joanna Bega

CHARITY NUMBER

1078187

CHARITY OFFICE

St Clements,
1 St. Clements Court,
London,
EC4N 7HB.

WEBSITE

www.childrescuenepal.org

BANKERS

CAF Bank,
25 Kings Hill Avenue,
West Malling,
Kent,
ME19 4JQ.

INDEPENDENT EXAMINER

Phillip Roberts,
Roberts & Co.,
136 Kensington Church Street,
London,
W8 4BH.

ACCOUNTANTS

Charity Accounting Services Limited,
Unit B108 Trident Business Centre,
89 Bickersteth Road,
London,
SW17 9SH.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

The directors of the Corporate Trustee are pleased to present their report together with the financial statements of the charity for the year ended 31st July, 2016. Legal and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Statement of Recommended Practice: Accounting and Reporting Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) issued on 16th July, 2014.

ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Child Rescue Nepal is a UK charity constituted by a declaration of trust on 27th September, 1999, with charity registration number 1078187. The Trust is governed by a corporate body, Child Rescue Nepal Limited, which was incorporated on 8th June, 2012.

The following served as directors of Child Rescue Nepal Limited throughout the year other than as shown below:

Mr. J.A. Scadding – Chairman
Ms M.M. McGill (resigned 2nd August, 2016)
Mrs C.J. Baldwin (resigned 12th January, 2016)
Mr. M.G. McCurry (resigned 8th March, 2017)
Ms S. Payne
Miss S.L. Wright
Mr. N. Sankey
Ms M. Turner
Mr. M. Ahmed (appointed 26th April, 2016)
Mr. J. Pow (appointed 25th April, 2017)
Ms S. Wilson (appointed 13th December, 2016)

Although the individuals named above are directors of the corporate trustee, they are referred to as Trustees in this report.

New Trustees are recruited through open recruitment as well as through personal contacts of the Trustees and other supporters of the Trust. It is intended that the Trustees are able to bring a range of skills to the charity and provide guidance on issues including childcare management practices, volunteer programmes, finance and human resource management. These skills are reviewed annually. All new Trustees receive an induction in Child Rescue Nepal offices which is supplemented with support materials. Trustees are encouraged to visit the charity's counterparts in Nepal when possible with at least one Trustee making a visit each year.

The Trustees have met every six weeks during the year. Decisions are taken by majority vote, with the Chairman holding a casting vote; however in practice decisions are unanimous.

The Child Rescue Nepal office is located in London where the charity is administered and fundraising activities are co-ordinated. For the majority of this accounting period the Chief Executive of the charity, Ian Kerr, worked two days per week, supervising and supporting two part-time members of office staff. In June, 2016, Ian Kerr was replaced by Jo Bega. The Trustees wish to place on record their immense gratitude to Ian Kerr who has successfully lead the charity out of a period of financial instability into a strong and healthy position. Jo has over 20 years' experience in the voluntary sector in leadership, international development and fundraising. She works four days a week and continues to be supported by a part-time fundraiser and a part-time administrator.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Child Rescue Nepal works in Nepal through its operational office, the iNGO, Esther Benjamins Trust-Nepal, which exists under a renewable five year agreement with the government of Nepal. In 2015 the Esther Benjamins Trust-Nepal was renamed Child Rescue Nepal (Nepal branch) to reflect the name change of the UK operation in the previous year.

The Country Director, Sita Ram Bhatta, left the organisation in May, 2016 and was replaced by Jamuna Shrestha. Jamuna has been appointed by the Trustees to conduct the operational activities of the Trust and manage staff in our Nepal office. Jamuna is in regular contact with the CEO in the UK by email and weekly skype calls. The CEO and occasional Trustees visit Nepal to check on the work undertaken.

Child Rescue Nepal (Nepal branch) exists to support autonomous "implementing partner" NGOs. In the year this has been the Esther Benjamins Memorial Foundation which is based in Kathmandu. Esther Benjamins Memorial Foundation also has a branch office in Hetauda, Makwanpur District. This district has been a main child trafficking area and the Hetauda office serves as an invaluable local presence in the fight against trafficking. Kathmandu and Hetauda are also the locations of Esther Benjamins Memorial Foundation children's care homes.

The Chairman of Esther Benjamins Memorial Foundation, Karna Sher Tamang, is temporarily resident in the UK and the Trust has benefitted greatly from his wisdom and the increased liaison between the two partners. Karna attends some UK Trustee meetings by invitation for matters that concern the Foundation.

As a separate activity the Trust has continued to provide administrative support to the Baas Educational Trust, a Delhi-based NGO that provides funding to a school at Baas near Gurgaon.

OBJECTIVES AND ACTIVITIES

Child Rescue Nepal's objectives as set out in the Declaration of Trust are to provide relief to children and young people directly or indirectly anywhere in the world who are in conditions of need, hardship or distress (beneficiaries) in such a way as the Trustees from time to time think fit. For the time being this objective is interpreted as being children who are Nepali.

The main activities undertaken in relation to those purposes during the year

Our work in Nepal is delivered through our partner organisation, the Esther Benjamins Memorial Foundation.

1. Conduct rescue operations where vulnerable children are identified as having been trafficked and engaged as child slaves.
2. Temporarily house rescued children in our "safe house" in Kathmandu Valley, where they are assessed, cared for, educated and their families traced.
3. Reintegrate children with their immediate or wider family and provide their families with post-integration financial and psychosocial support, as appropriate.
4. Provide longer-term care to children who cannot safely return to their family homes.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (continued)

The main activities undertaken in relation to those purposes during the year (continued)

5. Support older rescued children through a transition process to become independent adults through education, vocational training and tailored outreach support.
6. Prevent child trafficking and therefore child slavery through education and awareness raising, mobilising communities where children are identified as being at risk of being trafficked.
7. Keep vulnerable children safe in schools through the improvement of basic facilities in schools and providing other educational support to children at risk of dropping out.
8. Support Nepal's post-earthquake reconstruction programme by rebuilding damaged classrooms and funding new water sources.

The main achievements and performance of the charity during the year

1. **Conduct rescue operations where vulnerable children are identified as having been trafficked and engaged as child slaves**

Following a temporary halt, in 2016 we resumed our rescue activities. In March 2016 we rescued three boys from a restaurant in Kathmandu. One was safely reunited with his family whilst the other two boys are still in our care.

2. **Temporarily house rescued children in our "safe house" in Kathmandu Valley, where they are assessed, cared for, educated and their families traced**

In July, 2016 we established Transit Home (Safe House) in Kathmandu, being the first in the district of Lalitpur. This is a place where newly rescued children will stay for a maximum of six months. Here they will receive medical attention, nutritious food, warm clothes and education while we trace their families. We then develop and deliver a tailored support package for each family of a returning child.

3. **Reintegrate children with their immediate or wider family and provide their families with post-integration financial and psychosocial support, as appropriate**

We continue to support 150 children who have been rescued in the past and reunited with their families. Over the past year we commissioned a piece of research into our 'de-institutionalisation' process where we followed up on reintegrated children and their progress. This showed that 87% of reintegrated children were attending school regularly, 90% felt hopeful for a happy life and 99% felt integrated with their communities. Recommendations were around the need for closer cooperation between government agencies and for interventions to be more than protecting children from harm but rather focussing on empowering children and their families by ensuring their welfare and development.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (continued)

The main achievements and performance of the charity during the year (continued)

4. Provide longer-term care to children who cannot safely return to their family homes

Over the last 17 years we have rescued 650 children, with the majority successfully returned to their families. A small number of children who cannot currently go home – due to child protection issues or difficulties in tracing the child's family – live in small, family-style homes in Kathmandu and Hetauda. During their stay with us, meaningful and regular family contact is fully encouraged and supported. We currently run three care homes which house a maximum of 12 children each to ensure that each child receives a high level of care and attention. We ensure that every child receives education and we continue to offer support to each child as they turn 16 to attend vocational training or further education to enable them to achieve their full independence in adulthood.

5. Support older rescued children through a transition process to become independent adults through education, vocational training and tailored outreach support

Through our Youth Transition Programme we are helping rescued young people to achieve independence through attending further education or vocational skills training. We pay their enrolment fees and support them with a basic grant. For young people who are living outside of their family – either in a government-run training hostel or independent accommodation – we pay for their accommodation, food and medical expenses. We regularly visit and provide ongoing support.

6. Prevent child trafficking and therefore child slavery through education and awareness raising, mobilising communities where children are identified as being at risk of being trafficked

Over the year we delivered anti-trafficking campaigns in Makwanpur district – an area prone to trafficking. We broadcast radio adverts and deliver anti-trafficking workshops. In December, 2015 we staged 30 anti-trafficking dramas in 10 communities highlighting the tricks and tactics used by traffickers followed by an audience discussion. Pre- and post-show research showed that key messages were being communicated effectively. During the year we also commissioned and completed a major anti-trafficking survey that was generously funded by an anonymous donor. This demonstrated that levels of child trafficking had increased since the earthquake and the survey results have helped inform our future strategy.

7. Keep vulnerable children safe in schools through the improvement of basic facilities in schools and providing other educational support to children at risk of dropping out

One of the most effective ways of keeping children safe from traffickers is for them to be regularly attending school. By supporting schools in Makwanpur last year we were able to keep nearly 12,000 children safe. Our programmes include distributing bursaries (uniforms, bags and stationery), teacher training and strengthening school committees in their anti-trafficking work. Last year we received a special commendation by the District Education Office in Makwanpur for our work with schools.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (continued)

The main achievements and performance of the charity during the year (continued)

8. Support Nepal's post-earthquake reconstruction programme by rebuilding damaged classrooms and funding new water sources

The effects of the devastating earthquake in April, 2015 are still being felt throughout the country, with many schools still using temporary classrooms. Our commitment to 'build back better' has given us the opportunity to fund permanent improvements to 23 rural schools, which have been formerly approved by the District Education Process. Work has begun on rebuilding damaged classrooms with new earthquake-proof structures and installing new water sources. This work has been funded by our earthquake appeal.

Fundraising activities during the year

The charity relies on grant aid from the donors identified in the accounts, whose support is valued. Fundraising activities in the year include a House of Lords reception and five sponsored runners in the London Marathon.

The difference the charity's performance during the year has made to the beneficiaries of the charity

Child Rescue Nepal carries out a range of activities in support of our charitable aims. The Trustees consider these activities, summarised below, to have made a proven difference to the beneficiaries of the charity - namely vulnerable children and communities in Nepal - through:

- Rescuing 'at risk' children from dangerous and abusive situations
- Caring for 'at risk' children and providing them with a safe and healthy living environment
- Providing a transition programme for 16-18 year olds to help them achieve job skills and independence
- Raising awareness of trafficking in rural communities to keep children safe
- Distributing bursaries to children who otherwise couldn't afford to attend school

THE DEGREE TO WHICH THE ACHIEVEMENTS AND PERFORMANCE DURING THE YEAR HAVE BENEFITTED WIDER SOCIETY: PUBLIC BENEFIT

The Trustees have given due regard to the guidance on public benefit published by the Charity Commission and always make this a consideration when discussing and authorising proposed activities.

Child Rescue Nepal carries out a range of activities in support of our charitable aims. The Trustees consider these activities, summarised below, to provide a public benefit by:

- Improving education in rural schools in Nepal through teacher training and improving facilities
- Rebuilding schools damaged by the earthquake in 2015
- Contributing to the wider conversation around human trafficking in order to raise awareness and implement effective prevention programmes
- Commissioning and sharing research on trafficking trends and the reintegration of rescued children

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

FINANCIAL REVIEW

The charity's financial position at the end of the year ended 31st July, 2016

The financial position of the charity at 31st July, 2016 and comparatives for the prior year, as more fully detailed in the accounts, are summarised as follows:

	2016	2015
	£	£
Net income	98,514	113,581
	<hr/>	<hr/>
Unrestricted funds available for the general purposes of the charity	288,112	184,605
Restricted funds	74,222	79,215
	<hr/>	<hr/>
Total funds	362,334	263,820
	<hr/>	<hr/>

Financial review of the position at the reporting date, 31st July, 2016

Income for the year was £435,556 compared to £438,268 in 2015. This income was made up of restricted income of £109,585 and unrestricted income of £325,971.

Expenditure for the year was £337,042 compared to £324,687 in 2015.

The Trustees consider the financial performance by the charity during the year to have been satisfactory given the challenging economic circumstances for small charities.

INVESTMENT POWERS

Under the Trust Deed the charity has the power to make any investment which the Trustees see fit.

RESERVES

The Trustees policy is to hold 3 months UK costs and 6 months Nepal costs on the understanding that this would provide adequately for children in the care of the charity. At the moment this figure stands at £168,000.

In view of the past numbers of children involved, the financial administrator is required to formally notify Trustees if free reserves fall below £200,000 so they can consider if any remedial action is necessary.

Included within unrestricted funds at 31st July, 2016 the Trustees have also designated £15,000 for currency fluctuations and £30,000 for future rescues.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

RISK MANAGEMENT

The Trustees actively review the major risks which face the charity on a regular basis. They believe that maintaining reserves at adequate levels, combined with an annual review of the controls over key financial systems will provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced by the Trust and believe that the systems in place to mitigate significant risks offers the Trust adequate protection.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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).

The law applicable to charities in England & Wales 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 of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting 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 to operate.

The Trustees are responsible for keeping sufficient 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 the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

In so far as the Trustees are aware there is no relevant information of which the charity's examiner is unaware; and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

Approved by the Board on 24th May, 2017 and signed on its behalf



Andrew Scadding

Chairman

CHILD RESCUE NEPAL

INDEPENDENT EXAMINER'S REPORT OF THE MEMBERS OF

CHILD RESCUE NEPAL

I report on the accounts of Child Rescue Nepal for the year ended 31st July, 2016 which are set out on pages 11 to 21.

The report is made solely to the charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in this 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 and the charity's Trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the financial statements. The charity's Trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 ("the 2011 Act") and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent examiner's statement

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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or

CHILD RESCUE NEPAL

INDEPENDENT EXAMINER'S REPORT OF THE MEMBERS OF

CHILD RESCUE NEPAL

Independent examiner's statement (continued)

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Phillip Roberts, FCA

Roberts & Co,
136 Kensington Church Street,
London,
W8 4BH.

24th May, 2017

CHILD RESCUE NEPAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY, 2016

		2016		2015	
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
INCOME					
Donations and legacies	5	298,472	109,315	407,787	396,109
Activities in generating funds		26,499	270	26,769	39,398
Investment income		980	-	980	382
Other		20	-	20	2,379
TOTAL INCOME		325,971	109,585	435,556	438,268
EXPENDITURE					
Raising funds	6a	8,086	-	8,086	7,827
Charitable activities	6b	215,933	113,023	328,956	316,860
TOTAL EXPENDITURE		224,019	113,023	337,042	324,687
NET INCOME/(EXPENDITURE) FOR THE YEAR		101,952	(3,438)	98,514	113,581
Transfer between funds		1,555	(1,555)	-	-
NET MOVEMENT IN FUNDS		103,507	(4,993)	98,514	113,581
TOTAL FUNDS BROUGHT FORWARD		184,605	79,215	263,820	150,239
TOTAL FUNDS CARRIED FORWARD		288,112	74,222	362,334	263,820

All amounts relate to continuing activities.

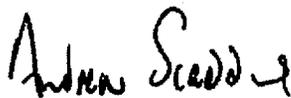
All recognised surpluses and deficits are included in the statement of financial activities which shows the total net movement in funds for the year.

The accompanying notes form an integral part of these financial statements.

CHILD RESCUE NEPAL
BALANCE SHEET - 31ST JULY, 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible fixed assets	7	-	143
CURRENT ASSETS			
Debtors	8	9,704	23,977
Cash at bank and in hand		375,624	251,986
		<hr/>	<hr/>
		385,328	275,963
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(22,994)	(12,286)
		<hr/>	<hr/>
NET CURRENT ASSETS		362,334	263,677
		<hr/>	<hr/>
NET ASSETS		362,334	263,820
		<hr/>	<hr/>
FUNDS OF THE CHARITY			
Restricted funds	10	74,222	79,215
Unrestricted funds	10	288,112	184,605
		<hr/>	<hr/>
TOTAL CHARITY FUNDS	11	362,334	263,820
		<hr/>	<hr/>

Approved by the Trustees and signed on their behalf on 24th May, 2017



Andrew Scadding
Chairman of the Trustees

The accompanying notes form an integral part of these financial statements.

CHILD RESCUE NEPAL

NOTES TO THE ACCOUNTS

31ST JULY, 2016

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) issued on 16th July, 2014 and the Charities Act 2011.

The Trustees have chosen to early adopt the Update Bulletin 1 issued by the Charities Commission on 2nd February, 2016 which exempts the charity from the need to prepare a Statement of Cash Flows.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The most significant areas of adjustment and key assumptions is the valuation of tangible fixed assets.

b. First time adoption of Charities SORP (FRS 102)

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. There were no significant adjustments needed from the net income/ (expenditure) under the previous Generally Accepted Accounting Practice ("GAAP").

c. Income recognition

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.

Donations are recognised once received. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

CHILD RESCUE NEPAL
NOTES TO THE ACCOUNTS
31ST JULY, 2016

1. ACCOUNTING POLICIES (continued)

d. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the charity.

e. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

f. Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the independent examiner's fee together with other overhead costs.

g. Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation. Cost includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual values over the period of their useful lives.

Furniture and fixtures	20% straight line
Office equipment	25% straight line

h. Support costs

Support staff salary costs are allocated as appropriate to Charitable Activities as shown therein.

CHILD RESCUE NEPAL
NOTES TO THE ACCOUNTS
31ST JULY, 2016

1. ACCOUNTING POLICIES (continued)

i. Financial instruments

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

j. Fund structure

The charity has a single permanent fund. The terms of the trust deed allow the income to be accumulated and the capital to be spent if the Trustees so determine.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, wish to create a fund for a specific purpose.

k. Judgements and key sources of estimation uncertainty

There are no judgements or estimates that have been made in the process of applying the above accounting policies.

l. Changes in presentation

Where changes in presentation have been made in accordance with the provisions of the Charities SORP, the comparative figures have been adjusted accordingly.

CHILD RESCUE NEPAL

NOTES TO THE ACCOUNTS

31ST JULY, 2016

2. LIABILITY TO TAXATION

The charity is exempt from income and corporation tax to the extent that its income and gains are applied towards the charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3. WINDING UP OR DISSOLUTION OF THE CHARITY

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2016 £	2015 £
Net income/(expenditure) for the year is stated after charging:		
Loss on disposal of tangible fixed assets	143	-
	—	—

5. ANALYSIS OF INCOME

	2016 £	2015 £
Incoming resources from generated funds		
Voluntary income:		
Public donations including Gift Aid	162,286	131,329
Corporate donations	2,050	1,135
Child sponsorship	38,141	37,649
Grants received	187,397	144,143
Earthquake income	-	81,311
Legacies	17,913	542
Miscellaneous	20	2,379
	—	—
	407,807	398,488
Activities for generating funds:		
Events	26,769	39,398
Investment income	980	382
	—	—
	435,556	438,268
	—	—

CHILD RESCUE NEPAL**NOTES TO THE ACCOUNTS****31ST JULY, 2016****6. ANALYSIS OF EXPENDITURE**

	2016	2015
	£	£
a. Raising funds		
Fundraising, publicity and marketing	4,953	7,077
Other fundraising activities	3,133	750
	<hr/>	<hr/>
	8,086	7,827
	<hr/>	<hr/>
b. Charitable activities		
• Governance costs		
Independent examiner's fee	2,400	2,400
Meeting costs	-	293
Trustees indemnity insurance	-	200
	<hr/>	<hr/>
	2,400	2,893
	<hr/>	<hr/>
• Direct spending		
Wages and salaries	67,066	53,506
Social security costs	451	2,306
Nepal project costs	217,597	216,354
	<hr/>	<hr/>
	285,114	272,166
	<hr/>	<hr/>
• Support costs		
Other employee costs	10,175	5,803
Premises expenses	8,594	9,631
Office costs and administrative overheads	8,804	13,223
Professional fees	9,882	8,786
Bank charges	3,844	4,358
Loss on disposal of tangible fixed assets	143	-
	<hr/>	<hr/>
	41,442	41,801
	<hr/>	<hr/>
• Total expenditure on charitable activities	328,956	316,860
	<hr/>	<hr/>

CHILD RESCUE NEPAL
NOTES TO THE ACCOUNTS
31ST JULY, 2016

7. TANGIBLE FIXED ASSETS

	Furniture and fixtures £	Equipment £	Total £
Cost			
At 31st July, 2015	5,313	24,438	29,751
Disposals	(5,313)	(24,438)	(29,751)
	<hr/>	<hr/>	<hr/>
At 31st July, 2016	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation			
At 31st July, 2015	5,313	24,295	29,608
Disposals	(5,313)	(24,295)	(29,608)
	<hr/>	<hr/>	<hr/>
At 31st July, 2016	-	-	-
	<hr/>	<hr/>	<hr/>
Net book values			
At 31st July, 2016	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st July, 2015	-	143	143
	<hr/>	<hr/>	<hr/>

8. DEBTORS

	2016 £	2015 £
Prepayments and accrued income	7,604	21,877
Other debtors	2,100	2,100
	<hr/>	<hr/>
	£9,704	£23,977
	<hr/>	<hr/>

CHILD RESCUE NEPAL
NOTES TO THE ACCOUNTS
31ST JULY, 2016

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Accruals	3,744	3,594
Other creditors	19,250	8,692
	<hr/>	<hr/>
	22,994	12,286
	<hr/>	<hr/>

10. FUND RECONCILIATION

Project description	At 31.7.2015	Income	Expenditure	Transfer	At 31.7.2016
	£	£	£	between	£
				funds	
				£	
• Unrestricted funds					
Total unrestricted funds	184,605	325,971	(224,019)	1,555	288,112
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In accordance with the Trustees' policy as set out on page 7, unrestricted funds are categorised as follows as at 31st July, 2016:

Designated funds

Currency fluctuations	15,000
Future rescue operations	30,000
	<hr/>

45,000

Unrestricted free reserves

243,112

288,112

• Restricted funds

Teacher training project	4,677	9,952	(14,629)	-	-
Safe in school scholarships	9,414	12,030	(21,444)	-	-
Earthquake	63,569	37,059	(50,167)	-	50,461
Circus investigation	1,555	-	-	(1,555)	-
Anti-trafficking research	-	40,544	(26,783)	-	13,761
Foster care research	-	10,000	-	-	10,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	79,215	109,585	(113,023)	(1,555)	74,222
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

CHILD RESCUE NEPAL

NOTES TO THE ACCOUNTS

31ST JULY, 2016

10. FUND RECONCILIATION (continued)

Teacher training project

The charity provides training for primary school teachers through partnership with a local Nepali training provider. This training helps teachers to learn skills in child-focused teaching methods and to develop an attitude towards education as being part of a wider community aim of empowerment and promotion of children's rights.

Safe in school scholarship programme

The charity provides scholarships to children living in rural Makwanpur to pay for their schooling costs such as text books, pencils and school uniform. This tries to prevent children from exclusion of education due to family financial hardship.

Earthquake

Nepal earthquake related activities.

Anti-trafficking research

The project is conducting anti-trafficking research and related activities.

Foster care research

This project supports research and funds best practice as regards foster care.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2016		2015	
	Unrestricted funds £	Restricted funds £	Total £	Total £
Represented by:				
Tangible fixed assets	-	-	-	143
Current assets	311,106	74,222	385,328	275,963
Current liabilities	(22,994)	-	(22,994)	(12,286)
	<hr/>	<hr/>	<hr/>	<hr/>
	288,112	74,222	362,334	263,820
	<hr/>	<hr/>	<hr/>	<hr/>

12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 31st July, 2016 (2015 – none).

CHILD RESCUE NEPAL

NOTES TO THE ACCOUNTS

31ST JULY, 2016

13. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments measured at amortised cost comprise other debtors. At the year end, the charity had no liabilities that were classified as financial instruments.

14. RELATED PARTIES

The charity has no ultimate controlling party.

No Trustees, or persons connected with the Trustees have received any remuneration from the charity. In the opinion of the Trustees there are no related party transactions falling to be disclosed in these accounts.

15. FIRST TIME ADOPTION OF SORP (FRS 102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31st July, 2016.

The effect of transition from SORP (2005) to SORP (FRS 102) has not given rise to any changes in reserves at the date of transition, at 31st July, 2015 or 31st July, 2016.