

REGISTERED CHARITY NUMBER: 1078187



CHILD RESCUE NEPAL

REPORT AND FINANCIAL STATEMENTS

31 JULY 2018

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CHILD RESCUE NEPAL

CHARITY INFORMATION

TRUSTEE

Child Rescue Nepal Limited

CHIEF EXECUTIVE OFFICER

Joanna Bega

CHARITY NUMBER

1078187

CHARITY OFFICE

St Clement's
1 St Clement's Court
London
EC4N 7HB

WEBSITE

www.childrescueneal.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 31 July 2018. 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 (FRS102) issued on 16 July 2014.

ORGANISATIONAL STRUCTURE, GOVERNANCE AND MANAGEMENT

Child Rescue Nepal is a UK charity constituted by a declaration of trust on 27 September 1999, with charity registration number 1078187. The Trust is governed by a corporate body, Child Rescue Nepal Limited, which was incorporated on 8 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 S. Payne (resigned 12 December 2017)
Miss S. L. Wright Mr N. Sankey
Ms M. Turner
Mr M. Ahmed (resigned 29 November 2017)
Mr J. Pow
Ms S. Wilson (resigned 2 February 2018)
Mr D. J. Nicholls (appointed 30 October 2018)
Miss J. M. Lee (appointed 30 October 2018)
Mr D. J. Webber (appointed 12 February 2019)

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 the safeguarding of children, finance and human resource management. These skills are reviewed annually. All new Trustees receive an induction at the Child Rescue Nepal office which is supplemented with support materials. Trustees are encouraged to visit the charity's projects in Nepal when possible with at least one Trustee making a visit each year.

The Trustees have met every two months 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 Officer (CEO) of the charity, Joanna Bega, worked four days a week, supported by a full-time Office Manager.

Child Rescue Nepal works in Nepal through its operational office, the iNGO, Child Rescue Nepal (Nepal branch), which exists under a renewable five-year agreement with the Government of Nepal.

CHILD RESCUE NEPAL

REPORT OF THE TRUSTEES

Jamuna Shrestha, the Country Director, has been in post since May 2016. 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 visits Nepal twice a year to check on the work undertaken.

Child Rescue Nepal (Nepal branch) exists to support autonomous 'implementing partner' NGOs. During this reporting period, this has been the Esther Benjamins Memorial Foundation (EBMF) and Shakti Samuha, both of which are based in Kathmandu. EBMF also has a branch office in Hetauda, Makwanpur District. This district has been a significant area for child trafficking and the Hetauda office serves as an invaluable local presence in the fight against trafficking. Kathmandu and Hetauda are also the locations of EBMF's care homes for children.

The Chairman of EBMF, Karna Sher Tamang, is currently resident in the UK and the Trust has benefited greatly from his wisdom and the increased liaison between the two partners. Karna attends some UK Trustee meetings by invitation for matters that concern EBMF.

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. The Trust also provides administrative support to the Miteree Foundation, a small NGO also based in Kathmandu, Nepal.

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 two partner organisations, EBMF and Shakti Samuha. Through our partners, we have the following aims:-

- Conduct rescue operations whenever vulnerable, underage children are identified as having been trafficked and engaged as child slaves.
- Temporarily house rescued children in one of our two 'Safe Houses' in Kathmandu, where they are assessed, cared for, educated and their families traced.
- Reintegrate children with their immediate or wider family and provide their families with post-integration financial and psychosocial support, as appropriate.
- Provide longer term care to children who cannot safely go back to their family homes.
- Support older rescued children through a transition process to become independent adults through education, vocational training and tailored outreach support.
- 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.
- Keep vulnerable children 'Safe in School' through the improvement of basic facilities and providing other educational support to children at risk of dropping out.

- Support Nepal's post-earthquake reconstruction programme by rebuilding damaged classrooms and installing water sources and toilets.

The main achievements and performance of the charity during the year

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

Over the course of the year we rescued 23 boys and seven girls. In August 2017, we rescued seven boys from a metal work factory in Kathmandu where they had been working to produce souvenirs for tourists. One of the boys had been working from 4am to 9pm and had been deliberately burning himself just to stay awake. The work in the factory was difficult and extremely dirty. After the boys were taken to our Safe House, they were able to clean themselves – but hardly recognised their own reflections in the mirror.

We also rescued six boys from restaurants, two boys from a balloon factory, three boys from a brick kiln and a further four boys from another metal work factory. In February 2018, we received a tip off from a member of the public that a young boy and girl were working in a guest house. We were able to respond immediately and, with the support of local authorities, bring them to safety.

In March 2018, we were pleased to form a new partnership with local survivor-led group, Shakti Samuha, who have a long history of rescuing and rehabilitating girls from sexual exploitation in Nepal. Child Rescue Nepal are now funding a Safe House, called Marigold House, where rescued girls can be cared for. So far, six girls have been rescued from abusive situations and are now receiving specialised care and support.

2. Temporarily house rescued children in one of our two 'Safe Houses' in Kathmandu, where they are assessed, cared for, educated and their families traced

In July 2016, we established our Safe House in Kathmandu, being the first in the district of Lalitpur. This is a place where newly rescued boys stay for a maximum of six months. Here they 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. Children who are unable to return home safely, and who are at high risk of being re-trafficked, are given longer term places at one of our small family style homes.

In March 2018, we established our second Safe House in Kathmandu, called Marigold House. This is run by our local partner, Shakti Samuha, and is exclusively for girls who have been rescued from sexual exploitation. In addition to specialised emotional support, girls at Marigold House will learn practical skills such as self-defence and textile weaving. Where possible, girls will be encouraged to restart their education.

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

Out of the 30 children rescued this year, 23 have been reintegrated successfully with their families. Six girls remain in Marigold House, as reintegrating girls is more challenging due to the stigma associated with working in the sex industry. However, we are in touch with their families and hope that in some cases reintegration may still be possible. If it is not possible, our partner Shakti Samuha will continue to support the girls into adulthood and independence.

In addition, we have been able to reintegrate a further two children who had been in our care homes for many years. We believe that the best place for children is with their families, which is why we continue to trace families and pave the way for children to return home safely, even if they have been in our care for many years. We continue to offer monthly financial support to 17 children who are back home and living with their families.

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

Since our founding in 1999, we have rescued nearly 800 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 family-style care homes which accommodate a maximum of 12 children each, to ensure that each child receives a high level of care and attention. Over the course of the year we directly supported 30 children in this way. We ensure that every child receives education and we continue to provide support as they turn 16, offering vocational training or further education to enable them to achieve a fully independent 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 also support young people in finding safe accommodation and visit them regularly to provide ongoing support throughout the duration of their course.

We have been delighted to secure a generous grant for our Youth Transition Programme, meaning that we have been able to support even more young people this year. We are currently supporting seven young people in higher education and four in vocational training. In the past year, 10 young people have graduated from the programme and are now in full-time, paid employment.

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

We have delivered anti-trafficking awareness workshops in 31 community schools in the district of Makwanpur, where 980 students directly benefited from the sessions. Similarly, we held seven sessions where 190 key community members were involved. The sessions highlighted the risk posed to girls by traffickers luring them away from their families with the promise of marriage and work opportunities, who instead sell them at the earliest opportunity.

In addition, we held an inter-school poster competition and a community singing competition, which reached over 500 people with anti-trafficking messages.

We continue to broadcast daily anti-trafficking radio jingles in two languages (Nepali and Tamang),

reaching an estimated 115,000 people in Makwanpur and the neighbouring districts every year.

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

Research from 2016 by "Trafficking People" states that 80% of trafficking victims in Nepal have never been in any form of education. This reinforces our belief that children attending school are much safer from traffickers, so we have been strengthening schools in areas that are particularly vulnerable. We estimate that during this period we kept 14,990 children safe in school through a variety of interventions.

For example, over the course of the year we trained 249 teachers in child-friendly teaching methods, leading to brighter classrooms, more tailored learning programmes, a renewed focus on children with special needs and an end to teachers beating children.

We addressed the issue of absenteeism by providing midday meals in a remote village school. Very poor children were being sent to school with cheap locally produced alcohol to keep them going through the day. Children now have nutritious food and attendance has increased by 41%.

We also provided 642 bursaries to at-risk students to encourage them to attend and remain in school. We recently heard about one girl who would have been married off at the age of 13 if she had not received a bursary from us. She now plans to become a teacher.

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

The effects of the devastating earthquake in April 2015 are still being felt throughout the country, with many schools still using temporary or condemned classrooms. Our commitment to 'build back better' has given us the opportunity to fund permanent improvements to rural schools, which have been formally approved by the District Education Office.

Since 2015, we have rebuilt 21 classrooms, installed 16 water sources and built six new toilet blocks. We have also funded libraries, desks and benches to improve the learning experience of children in rural community schools. One school principal told us that since receiving a library, it has been acting like a magnet to the students, attracting them to school.

Our programme of practical improvements to schools has directly benefitted 10,778 students in 45 community schools. This work has been primarily funded by our earthquake appeal. However, special note should be made of Rory McHugh, who ascended Mount Everest in May 2017, and raised £45,000 – enough funds to rebuild three schools.

Fundraising activities during the year

The charity relies on grant aid from the donors identified in the accounts, whose support is greatly valued. Other fundraising activities in the year included Rory McHugh's Everest ascent, the 'Nuts Challenge', a London Bridges walk and a Christmas Gospel event. Special note should be made of our team of six London Marathon runners, who raised nearly £20,000 between them.

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- to 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 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 financial position of the charity at 31 July 2018 and comparatives for the prior year, as more fully detailed in the accounts, are summarised as follows:

| | 2018 | 2017 |
|--|----------------|-----------------|
| | £ | £ |
| Net income/(expenditure) | 13,507 | (76,244) |
| Unrestricted funds available for the general purposes of the charity | 255,846 | 227,055 |
| Restricted funds | 43,751 | 59,035 |
| Total funds | 299,597 | 286,090 |

Financial review of the position at the reporting date, 31 July 2018

Income for the year was £429,801 compared to £338,600 in 2017. This income was made up of restricted income of £50,652 and unrestricted income of £379,149.

Expenditure for the year was £416,294 compared to £414,844 in 2017.

The Trustees consider the financial performance by the charity during the year to have been more than 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 three months UK costs and six 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 31 July 2018 the Trustees have also designated £15,000 for currency fluctuations.

RISK MANAGEMENT

The Trustees actively review the major risks which face the charity on a regular basis, with a Risk Assessment report available online and highlighted at every Trustee meeting. 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.

Approved by the Board on 14 May 2019 and signed on its behalf

Andrew Scadding
Chairman

CHILD RESCUE NEPAL

INDEPENDENT EXAMINER'S REPORT OF THE MEMBERS OF CHILD RESCUE NEPAL

I report to the charity's Trustees on my examination of the accounts of Child Rescue Nepal for the year ended 31 July 2018 which are set out on pages 11 to 19.

Responsibilities and basis of report

As the charity's Trustees 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 your charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed the 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 charity 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 accounting 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.

Phillip Roberts FCA

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

14 May 2019

CHILD RESCUE NEPAL**BALANCE SHEET AS AT 31 JULY 2018**

| | | | | 2018 | 2017 |
|--|-------|-----------------------|---------------------|-------------|-------------|
| | Notes | Unrestricted Funds | Restricted Funds | Total | Total |
| | | £ | £ | £ | £ |
| INCOME | | | | | |
| Donations and legacies | 5a | 330,958 | 37,748 | 368,706 | 287,305 |
| Activities for generating funds | 5b | 48,029 | 12,904 | 60,933 | 50,959 |
| Investment income | 5c | 162 | | 162 | 336 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL INCOME | | 379,149 | 50,652 | 429,801 | 338,600 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| EXPENDITURE | | | | | |
| Raising funds | 6a | 10,120 | - | 10,120 | 16,120 |
| Charitable activities | 6b | 342,611 | 63,563 | 406,174 | 398,724 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENDITURE | | 352,731 | 63,563 | 416,294 | 414,844 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | | 26,418 | (12,911) | 13,507 | (76,244) |
| Transfer between funds | | 2,373 | (2,373) | - | - |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| NET MOVEMENT IN FUNDS | | 28,791 | (15,284) | 13,507 | (76,244) |
| TOTAL FUNDS BROUGHT FORWARD | | 227,055 | 59,035 | 286,090 | 362,334 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS CARRIED FORWARD | | 255,846 | 43,751 | 299,597 | 286,090 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

CHILD RESCUE NEPAL**BALANCE SHEET AS AT 31 JULY 2018**

| | | 2018 | 2017 |
|---|------|-------------|-------------|
| | Note | £ | £ |
| FIXED ASSETS | | | |
| Tangible fixed assets | 7 | 1,416 | 1,800 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 9,961 | 2,100 |
| Cash at bank and in hand | | 313,144 | 320,412 |
| | | <hr/> | <hr/> |
| | | 323,105 | 322,512 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | |
| | 9 | (24,924) | (38,222) |
| | | <hr/> | <hr/> |
| NET CURRENT ASSETS | | 298,181 | 284,290 |
| | | <hr/> | <hr/> |
| NET ASSETS | | 299,597 | 286,090 |
| | | <hr/> | <hr/> |
| FUNDS OF THE CHARITY | | | |
| Restricted funds | 10 | 43,751 | 59,035 |
| Unrestricted funds | 10 | 255,846 | 227,055 |
| | | <hr/> | <hr/> |
| TOTAL CHARITY FUNDS | | 299,597 | 286,090 |
| | | <hr/> | <hr/> |

Approved by the Trustees and signed on their behalf on 14 May 2019

Andrew Scadding
Chairman of the Trustees

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

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 16 July 2014 and the Charities Act 2011.

The Trustees have chosen to early adopt the Update Bulletin 1 issued by the Charities Commission on 2 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. 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.

c. 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.

1. ACCOUNTING POLICIES (continued)

d. Irrecoverable VAT

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

e. 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.

f. 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.

Office equipment - 25% straight line

g. Support costs

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

h. 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.

i. 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.

1. ACCOUNTING POLICIES (continued)

j. 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.

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

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Net income/(expenditure) for the year is stated after charging: | | |
| Depreciation | 384 | 120 |
| | — | — |

5. ANALYSIS OF INCOME

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| a. Voluntary income | | |
| Public donations including Gift Aid | 177,720 | 165,475 |
| Corporate donations | 16,848 | - |
| Child sponsorship | 27,024 | 31,732 |
| Grants received | 138,839 | 60,098 |
| Legacies | 8,275 | 30,000 |
| | — | — |
| | 368,706 | 287,305 |
| b. Activities for generating funds | | |
| Events | 60,933 | 50,959 |
| c. Investment income | 162 | 336 |
| | — | — |
| | 429,801 | 338,600 |
| | — | — |

6. ANALYSIS OF EXPENDITURE

| | 2018 | 2017 |
|---|----------------|----------------|
| | £ | £ |
| a. Raising funds | | |
| Fundraising, publicity and marketing | 7,308 | 12,202 |
| Other fundraising activities | 2,812 | 3,918 |
| | 10,120 | 16,120 |
| b. Charitable activities | | |
| • Governance costs | | |
| Independent Examiner's fee | 2,400 | 2,400 |
| Meeting costs | 286 | 57 |
| | 2,686 | 2,457 |
| • Project costs | | |
| Employment costs | 75,954 | 77,009 |
| Monitoring and support | 18,100 | 22,168 |
| Nepal project costs | 278,914 | 268,952 |
| | 372,968 | 368,129 |
| • Support costs | | |
| Other employee costs | 1,568 | 815 |
| Premises expenses | 4,513 | 6,105 |
| Office costs and administrative overheads | 5,575 | 10,638 |
| Professional fees and insurance | 13,038 | 7,825 |
| Bank charges | 5,442 | 2,635 |
| Depreciation | 384 | 120 |
| | 30,520 | 28,138 |
| Total expenditure on charitable activities | 406,174 | 398,724 |

CHILD RESCUE NEPAL**NOTES TO THE ACCOUNTS**

7. TANGIBLE FIXED ASSETS

| Cost | Office equipment |
|--------------------------|-----------------------------|
| | £ |
| At 31 July 2018 and 2017 | 1,920 |
| | <hr/> |
| Depreciation | |
| At 31 July 2017 | 120 |
| Charge for the year | 384 |
| | <hr/> |
| At 31 July 2018 | 504 |
| | <hr/> |
| Net book values | |
| At 31 July 2018 | 1,416 |
| | <hr/> |
| At 31 July 2017 | 1,800 |
| | <hr/> |

8. DEBTORS

| | 2018 | 2017 |
|---------------|-------------|-------------|
| | £ | £ |
| Other debtors | 9,961 | 2,100 |
| | <hr/> | <hr/> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|-----------------|---------------|---------------|
| | £ | £ |
| Accruals | 3,654 | 6,204 |
| Other creditors | 21,270 | 32,018 |
| | <hr/> | <hr/> |
| | 24,924 | 38,222 |

10. FUND RECONCILIATION

| | 31.7.2017 | Income | Expenditure | Transfer between funds | At 31.7.2018 |
|-----------------------------------|------------------|----------------|--------------------|---------------------------------------|-------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | |
| Unrestricted free reserves | 182,055 | 379,149 | (352,731) | 2,373 | 210,846 |
| Designated | | | | | |
| Currency fluctuations | 15,000 | - | - | - | 15,000 |
| Future rescue operations | 30,000 | - | - | - | 30,000 |
| | <u>227,055</u> | <u>379,149</u> | <u>(352,731)</u> | <u>2,373</u> | <u>255,846</u> |
| Restricted funds | | | | | |
| Rebuild Schools | 23,272 | 17,716 | (34,041) | - | 6,947 |
| Anti-Trafficking Research | 2,373 | - | - | (2,373) | - |
| Marigold House | - | 15,263 | (10,448) | - | 4,815 |
| Safe in School | - | 10,540 | (10,010) | - | 530 |
| Teacher Training | - | 3,752 | - | - | 3,752 |
| Earthquake | 28,784 | - | (4,064) | - | 24,720 |
| Miteree Foundation | 4,606 | 3,381 | (5,000) | - | 2,987 |
| | <u>59,035</u> | <u>50,652</u> | <u>(63,563)</u> | <u>(2,373)</u> | <u>43,751</u> |
| Total funds of the charity | <u>286,090</u> | <u>429,801</u> | <u>(416,294)</u> | <u>-</u> | <u>299,597</u> |

Restricted Funds**Rebuild Schools**

In May 2017, Rory McHugh successfully climbed Mount Everest. In support of this endeavour, Rory pledged to raise funds to rebuild three schools in Nepal.

Anti-Trafficking

This project conducted Anti Trafficking research and is now complete.

Marigold House

In March 2018, we opened a new Safe House for girls who have been rescued from sexual exploitation.

Safe in School

This fund is restricted to activities in rural schools that will increase attendance rates and reduce trafficking, such as midday meal programmes, model classrooms and anti-trafficking workshops.

Teacher Training

We train teachers in child-centred methods to increase engagement and therefore attendance levels.

CHILD RESCUE NEPAL

NOTES TO THE ACCOUNTS

Earthquake

In 2015, following a series of catastrophic earthquakes in Nepal, we launched an emergency appeal to meet immediate needs and support the reconstruction programme.

Miteree Foundation

We support a small charity in Nepal that works with marginalised children from the Chepang community.

Note: Within unrestricted funds are the grants from the Alchemy Foundation (£12,500) and the Andrews Charitable Trust (£5,000), which have been given as a contribution towards the CEO's salary.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | | | 2018 | 2017 |
|-----------------------|--------------------|------------------|----------|----------|
| | Unrestricted funds | Restricted funds | Total | Total |
| | £ | £ | £ | £ |
| Represented by: | | | | |
| Tangible fixed assets | 1,416 | - | 1,416 | 1,800 |
| Current assets | 279,354 | 43,751 | 323,105 | 322,512 |
| Current liabilities | (24,924) | - | (24,924) | (38,222) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 255,846 | 43,751 | 299,597 | 286,090 |

12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 31 July 2018 (2017 - none).

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.