



# **CHILD RESCUE NEPAL**

## **Trustees' Report and Financial Statements for the year ended 31 July 2019**

**REGISTERED CHARITY NUMBER: 1078187**

## **CONTENTS**

	<b>Page</b>
Charity Information	1
Report of the Trustees	2-9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13-19

# **CHILD RESCUE NEPAL**

## **CHARITY INFORMATION**

---

### **TRUSTEE**

Child Rescue Nepal Limited

### **CHIEF EXECUTIVE**

Joanna Bega

### **CHARITY NUMBER**

1078187

### **CHARITY OFFICE**

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

### **WEBSITE**

[www.childrescueneal.org](http://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 for the year ended 31 July 2019**

---

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 2019. 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 (CRN) 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 until 3 December 2019; resigned 21 April 2020)  
Miss S.L. Wright (resigned 23 April 2019)  
Mr. N. Sankey  
Ms M. Turner  
Mr. J. Pow  
Mr. D. J Nicholls (appointed 30 October 2018)  
Miss J. M Lee (appointed 30 October 2018)  
Mr. D. J Webber (appointed 12 February 2019 and became Chairman on 3 December 2019)  
Ms L. Baker (appointed 3 September 2019)  
Ms P. Sunawar (appointed 29 October 2019; resigned 11 February 2020)  
Mr D.E Westgate (appointed 21 April 2020)

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, finance and human resource management. These skills are reviewed annually. All new Trustees receive an induction at the CRN offices 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.

CRN'S offices are located in London where the charity is administered, and fundraising activities are co-ordinated. For the entirety of this accounting period the Chief Executive of the charity, Joanna Bega, worked four days a week, supported by a full-time Fundraising Officer.

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

Jamuna Shrestha, the Country Director, has been in post since 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 support staff, visit the charity's operations and report to the Directors.

# **CHILD RESCUE NEPAL**

## **Report of The Trustees for the year ended 31 July 2019**

---

CRN (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, who are both based in Kathmandu. Whilst the majority of our programme work in Nepal is carried out by EBMF, we have also worked in partnership with Shakti Samuha since March 2018 to run a Safe House for rescued girls.

EBMF 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 EBMF's care homes for children.

The Chairman of EBMF, Karna Sher Tamang, is currently resident in the UK and CRN 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 the Foundation.

In October 2018, CRN ceased to provide administrative support to the Baas Educational Trust, a Delhi-based NGO that provides funding to a school at Baas near Gurgaon; all Baas funds were successfully transferred to their new bank account. CRN continues to provide administrative support to the Miteree Foundation, a small NGO also based in Kathmandu, Nepal.

### **OBJECTIVES AND ACTIVITIES**

CRN'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:-

1. Conduct rescue operations whenever vulnerable, underage children are identified as having been trafficked and engaged as child slaves.
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.
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 go back to their family homes.
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 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 installing water sources and toilets.

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2019

---

### 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 ten boys and eleven girls.

Preceding each rescue, our teams carry out covert observations. A multi-agency meeting is then called. Once a rescue is authorised, it is carried out in the presence of local police and social workers.

With our longstanding partner, EBMF, in August 2018 we rescued five boys from restaurants. In January 2019, we rescued a further four young boys from restaurants and snack shops in Kathmandu. They had been working long hours for little or no pay. A few days later we were tipped off about a very young boy (aged 10) and were able to go back and rescue him too.

One of the boys who was rescued in January 2019 was Sushil, aged 14, who had been working in Kathmandu since the age of 11.

Home was a frightening place for Sushil. When his father drank excessively, he became violent. Sushil and his siblings used to run away when he came home to avoid being beaten. Often the children slept in the jungle to escape the violence.

His mother eventually escaped for her own safety and, before long, Sushil was trafficked by a relative with the promise of well-paid work at a metalwork factory in Kathmandu.

He worked 12-hour-days, polishing statues with chemicals that burnt his hands and feet. His wounds weren't treated which left him in a lot of pain. When he realised he was never going to be paid, Sushil ran away. Sushil started washing dishes at a hotel. Again, his pay was withheld, so he moved on. Sushil had two more jobs before ending up in the hotel kitchen where we found him earlier this year. When our rescue team entered the hotel, Sushil saw the police and panicked. He thought he was in trouble and tried to run away. It was a hard job for our staff to gain his trust.

Sushil spent a few months recovering in our safe house. He slept peacefully at night and spent his days catching up on his education or playing games with the other boys. He started to dream that one day he might go back to school. If we hadn't rescued Sushil from that kitchen, he would still be working in a Kathmandu restaurant, exploited every day and not knowing that his life could be any different.

During the same reporting period, we funded our partner Shakti Samuha to rescue 11 girls from sexual exploitation, who are now receiving specialised care and support at our safe house, Marigold House. Out of the 11 girls rescued, so far five have been successfully and safely reunited with their families.

One of the rescued girls was Mina. Mina's life at home was very difficult. After the death of her mother, her father remarried and went abroad for work. Mina was left with her stepmother who treated her very badly. They argued constantly and so Mina packed her things and ran away.

One day, she got a phone call from a man offering her a part in a film. He told her that he'd seen her acting in a small TV show and would book her a hotel room until he could take her to Mumbai to make her famous. Although a little suspicious, she instantly accepted.

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2019

---

The first night she spent in her room, she slept peacefully but the peace didn't last long. That morning, the man entered her room, locked the door behind him and brutally assaulted her. He told her that if she told anyone, she would be shunned from society and would never be an actress. He told her to stay in the room or he'd have her killed.

Luckily, the hotel manager was suspicious. Recently, he'd taken part in a workshop for hotel staff, run by Shakti Samuha on the signs of human trafficking and so he contacted them. Later the same day, the man was arrested at the hotel by local police and Shakti Samuha rescued Mina. A sexual assault case is being filed against the man. The police discovered that he had planned to sell her to a brothel in Mumbai.

Mina received support at Marigold House to recover from her trauma. She received counselling and took part in recreational activities. Shortly after, she was reunited with her father who had been desperately worried about her, and Mina returned to school.

### **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. 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 learn practical skills such as self-defence and textile weaving. Where possible, girls are encouraged to restart their education.

At the end of the reporting period, three boys were being cared for at our Safe House, and six girls were staying at Marigold House.

### **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 21 children rescued this year, 10 have been reintegrated successfully with their families (five boys and five girls). Two boys have moved across into our Kathmandu care home, whilst three are still recovering at our Safe House for boys.

Six girls remain in Marigold House, as reintegrating girls is 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 one further child who has been in our care for seven years. We believe that the best place for children is with their families, which is why we continue to trace families and path 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.

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2019

---

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

Since our founding in 1999 we have rescued over 850 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 (one for girls and two for boys) 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 32 children in this way. We ensure that every child receives education and we continue to offer 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 from the Foux Foundation for our Youth Transition Programme, meaning that we have been able to support even more young people this year. We are currently supporting 23 young people in higher education and six in vocational training. In the past year, three 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 10 community schools in the district of Makwanpur, where 400 students directly benefited from the sessions. Similarly, we held five sessions where 110 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.

We also held an inter-school poster competition and a community singing competition, reaching over 700 people with anti-trafficking messages. In addition, we organised a debate on the benefits and dangers of social media involving five schools and reaching nearly 1,000 students.

We continue to broadcast daily anti-trafficking radio jingles in three languages (Nepali, Chepang and Tamang), broadcasting the message to approximately 111,000 people in Makwanpur and the neighbouring districts each year.

### 7. **Keep vulnerable children 'Safe in School' through the improvement of basic facilities in schools 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 in 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 were able to keep 14,990 children safe in school through a variety of interventions.

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2019

---

Over the course of the year we trained 122 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 663 educational bursaries to at-risk students to encourage them to attend and remain in school. The bursaries include books, pens and school uniform.

*We recently heard about one girl, Kamala, who was the youngest of seven siblings. Her father had died of tuberculosis meaning her brothers dropped out of school to become labourers and her sisters were married young. If she had not have received an educational bursary from us, then she would also have become a child bride. She says thank you to the organisation for saving her life and keeping her safe in school.*

### **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 four rural schools, which have been formally approved by the District Education Office.

Since 2015, we have rebuilt 21 classrooms, installed 18 water sources and built 10 new toilet blocks. We have also funded libraries, desks and benches to improve the learning experience of children in rural community schools. One of the differences we have made is in pre-school classrooms, where replacing benches and desks with cushions and carpets has significantly reduced injuries of the youngest children.

Our programme of practical improvements to schools has directly benefited 15,651 students in 48 community schools. This work has been primarily funded by our earthquake appeal (2015/16) and Rory McHugh who ascended Everest in May 2017 in doing so raised enough funds to rebuild three schools (£45,000).

### **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 the Nuts Challenge (£23,000), the London Marathon (£10,000) and a reception at the House of Lords.

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

CRN 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

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2019

---

### 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.

CRN 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:

- Raising standards of education in rural schools in Nepal through teacher training and improved 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

### FINANCIAL REVIEW

The financial position of the charity at 31 July 2019 and comparatives for the prior year, as more fully detailed in the accounts, are summarised as follows:

	2019 £	2018 £
<b>Net income</b>	<b>8,378</b>	<b>13,507</b>
Unrestricted funds available for the general purposes of the charity	266,886	255,846
Restricted funds	41,089	43,751
<b>Total funds</b>	<b>307,975</b>	<b>299,597</b>

#### Financial review of the position at the reporting date, 31 July 2019

Income for the year was £393,643 compared to £429,801 in 2018. This income was made up of restricted income of £48,203 and unrestricted income of £345,440.

Expenditure for the year was £385,265 compared to £416,294 in 2018.

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 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.

# **CHILD RESCUE NEPAL**

## **Report of The Trustees for the year ended 31 July 2019**

---

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 2019 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 charity 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 Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure, 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.

The Trustees are responsible for the maintenance and integrity of the statutory and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 29 May 2020 and signed on its behalf

David Webber  
Chair of the Trustees

# **CHILD RESCUE NEPAL**

## **Independent Examiner's Report of The Members of Child Rescue Nepal**

---

I report to the Trustees on my examination of the financial statements of Child Rescue Nepal ('the charity') for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities 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 opinion I have formed.

### **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.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

### **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 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.

### **Phillip Roberts FCA**

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

Date: 29 May 2020

**CHILD RESCUE NEPAL**  
**Statement of Financial Activities**  
**for Year Ended 31 July 2019**

	Note s	Unrestricted Funds £	Restricted funds £	2019 Total £	2018 Total £
<b>INCOME</b>					
Donations and legacies	5	295,399	47,753	343,152	368,706
Activities in generating funds	5	49,631	450	50,081	60,933
Investment income	5	410	-	410	162
<b>TOTAL INCOME</b>		<b>345,440</b>	<b>48,203</b>	<b>393,643</b>	<b>429,801</b>
<b>EXPENDITURE</b>					
Raising funds	6a	10,260	-	10,260	10,120
Charitable activities	6b	324,140	50,865	375,005	406,174
<b>TOTAL EXPENDITURE</b>		<b>334,400</b>	<b>50,865</b>	<b>385,265</b>	<b>416,294</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR BEING NET MOVEMENT IN FUNDS</b>		<b>11,040</b>	<b>(2,662)</b>	<b>8,378</b>	<b>13,507</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>255,846</b>	<b>43,751</b>	<b>299,597</b>	<b>286,090</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>266,886</b>	<b>41,089</b>	<b>307,975</b>	<b>299,597</b>

# CHILD RESCUE NEPAL

## Balance Sheet as at 31 July 2019

---

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	7	1,032	1,416
CURRENT ASSETS			
Debtors	8	2,520	9,961
Cash at bank and in hand		311,298	313,144
		<u>313,818</u>	<u>323,105</u>
CREDITORS:			
AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(6,875)	(24,924)
		<u>306,943</u>	<u>298,181</u>
NET CURRENT ASSETS			
		<u>307,975</u>	<u>299,597</u>
FUNDS OF THE CHARITY			
Restricted funds	10	41,089	43,751
Unrestricted funds	10	266,886	255,846
TOTAL CHARITY FUNDS		<u>307,975</u>	<u>299,597</u>

Approved by the Trustees and signed on their behalf on 29 May 2020.

David Webber  
Chair of the Trustees

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

# CHILD RESCUE NEPAL

## Notes to the 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.

#### 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.

#### 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

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

---

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 assets into their 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.

### 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.

**CHILD RESCUE NEPAL**  
**Notes to the Financial Statements**

---

**4. NET INCOME/(EXPENDITURE) FOR THE YEAR**

	<b>2019</b>	<b>2018</b>
	£	£
Net income/(expenditure) for the year is stated after charging		
Depreciation	384	384

**5. ANALYSIS OF INCOME**

	<b>2019</b>	<b>2018</b>
	£	£
<b>Incoming resources from generated funds</b>		
Voluntary income:		
Public donations including Gift Aid	170,719	177,720
Corporate donations	14,982	16,848
Child sponsorship	22,583	27,024
Grants received	123,868	138,839
Legacies	11,000	8,275
	<b>343,152</b>	<b>368,706</b>
<b>Activities for generating funds:</b>		
Events	50,081	60,933
<b>Investment income</b>	410	162
	<b>393,643</b>	<b>429,801</b>

**CHILD RESCUE NEPAL**  
**Notes to the Financial Statements**

---

**6. ANALYSIS OF EXPENDITURE**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>a. Raising funds</b>		
Fundraising, publicity and marketing	8,033	7,308
Other fundraising activities	2,227	2,812
	<b>10,260</b>	<b>10,120</b>
<b>b. Charitable activities</b>		
• <b>Governance costs</b>		
Independent examiner's fee	2,400	2400
Meeting cost	6	286
	<b>2,406</b>	<b>2,686</b>
• <b>Project costs</b>		
Employment costs	78,791	75,954
Monitoring and support	3,305	18,100
Nepal project costs	262,283	278,914
	<b>344,379</b>	<b>372,968</b>
• <b>Support costs</b>		
Other employee costs	1,103	1,568
Premises expenses	6,143	4,513
Office costs and administrative overheads	5,659	5,575
Professional fees and insurance	12,322	13,038
Bank charges	2,609	5,442
Depreciation	384	384
	<b>28,220</b>	<b>30,520</b>
<b>• Total expenditure on charitable activities</b>	<b>375,005</b>	<b>406,174</b>

**CHILD RESCUE NEPAL**  
**Notes to the Financial Statements**

---

**7. TANGIBLE FIXED ASSETS**

	<b>Office equipment</b>
Cost	£
At 31 July 2019 and 2018	1,920
Depreciation	
At 31 July 2018	504
Charge for the year	384
At 31 July 2019	<u>888</u>
Net book values	
At 31 July 2019	<u>1,032</u>
At 31 July 2018	<u>1,416</u>

**8. DEBTORS**

	<b>2019</b>	<b>2018</b>
	£	£
Prepayments	359	-
Other debtors	2,161	9,961
	<u>2,520</u>	<u>9,961</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	£	£
Accruals	5,994	3,654
Other creditors	881	21,270
	<u>6,875</u>	<u>24,924</u>

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

### 10. FUND RECONCILIATION

	At 31.7.2018	Income	Expenditure	At 31.7.2019
	£	£	£	£
<b>Unrestricted Funds</b>				
Unrestricted free reserves	210,846	345,440	(334,400)	221,886
<b>Designated</b>				
Currency fluctuations	15,000	-	-	15,000
Future rescue operations	30,000	-	-	30,000
<b>Unrestricted total</b>	<b>255,846</b>	<b>345,440</b>	<b>(334,400)</b>	<b>266,886</b>
<b>Restricted Funds</b>				
Rebuild Schools	6,947	-	(6,838)	109
Guernsey Aid	-	19,985	(10,384)	9,601
Marigold House	4,815	21,753	(10,988)	15,580
Safe in School	530	4,440	-	4,970
Teacher Training	3,752	-	-	3,752
Earthquake	24,720	-	(22,655)	2,065
Miteree Foundation	2,987	2,025	-	5,012
<b>Restricted total</b>	<b>43,751</b>	<b>48,203</b>	<b>(50,865)</b>	<b>41,089</b>
<b>Total funds of the charity</b>	<b>299,597</b>	<b>393,643</b>	<b>(385,265)</b>	<b>307,975</b>

#### 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.

##### Guernsey Aid

In 2019 we received a grant from the Guernsey Government to construct toilets and fund hygiene awareness programmes in the district of Makwanpur.

##### 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 Financial Statements

---

### 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.

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

	Unrestricted funds	Restricted funds	2019 Total	2018 Total
	£	£	£	£
Represented by:				
Tangible fixed assets	1,032	-	1,032	1,416
Current assets	272,729	41,089	313,818	323,105
Current liabilities	(6,875)	-	(6,875)	(24,924)
	<u>266,886</u>	<u>41,089</u>	<u>307,975</u>	<u>299,597</u>

## 12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as of 31 July 2019 (2018 - 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.