



# **CHILD RESCUE NEPAL**

**Trustees' Report and Financial Statements  
for the year ended 31 July 2020**

**REGISTERED CHARITY NUMBER: 1078187**

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# **CHILD RESCUE NEPAL**

## **CHARITY INFORMATION**

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### **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.childrescuenepal.org](http://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  
Trident Business Centre  
89 Bickersteth Road  
London SW17 9SH

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2020

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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 2020. 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, the Charities Statement of Recommended Practice (second edition) and the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102).

### 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)  
Mr. N. Sankey  
Ms M. Turner  
Mr. J. Pow  
Mr. D. J Nicholls  
Miss J. M Lee  
Mr. D. J Webber (appointed 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)  
Ms S. Budhathoki (appointed 8 September 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 - remotely during the Coronavirus lockdown. 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 coordinated. 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

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CEO visits Nepal twice a year to support staff, visit the charity's operations and report to the Directors.

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 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.

CRN continues to provide administrative support to the Miteree Foundation, a small NGO also based in Kathmandu, Nepal.

### **CELEBRATING OUR 20 YEAR ANNIVERSARY**

December 2019 marked 20 years of Child Rescue Nepal (originally the Esther Benjamins Trust). We invited supporters to a meal at the Great Nepalese Restaurant in London and shared our achievements:

- 851 children rescued from metal factories, circuses, brick kilns, jails, restaurants and hotels
- 822 children reintegrated with their families
- 525,000 reached with anti-trafficking radio jingles
- 101,927 children kept safe in school through teacher training, midday meals, anti-trafficking workshops and libraries
- 48 new classrooms built benefitting 5320 students and many more in the years to come
- 37 new school toilets built that have improved sanitation standards for 9,205 students
- 51 rural schools provided with safe, clean water improving the health of 8,421 students
- 257 children graduating from our youth programme, becoming independent adults and earning an income
- 5,120 students received bursaries to support them with the essentials to stay safe in school
- Distributed food, blankets and hygienic items to 685 households immediately after earthquake of 2015, and constructed eight temporary learning centres so 700 students could continue their education

### **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.

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## Report of The Trustees for the year ended 31 July 2020

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

Our work in Nepal is delivered through two partner organisations, the Esther Benjamins Memorial Foundation (EBMF) and Shakti Samuha (SS). 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.

### CORONAVIRUS CONTEXT

In February 2020, the world was hit by a pandemic. The new coronavirus variant spread quickly around the world, and in response, Nepal introduced a total lockdown from March 2020. Schools were closed, rescues ceased, and all travel stopped overnight. Both Nepal and UK staff started working from home and we reduced the capacity of our education office in Hetauda.

With our normal programmes on pause, we focused on the safety and wellbeing of the children in our care, as well as children who had been reintegrated with their families. Because so many people in Nepal are daily cash wage earners, we started sending money and food parcels to those reintegrated families who were struggling to eat. In addition, we supported communities in Makwanpur (where we had existing relationships through the schools) with PPE and hygiene supplies, emergency food parcels for starving families and handwashing stations at busy junctions.

In April 2020 we launched our Coronavirus Appeal, which raised just over £30,000. As a direct result we were able to fund the following: -

- Emergency food packages to 635 families which included rice, lentils, oil, salt and soap
- Food support to nine young people and their families and for two ex-beneficiaries
- Food support to eight reintegrated children and their families
- Five sets of Personal Protective Equipment (PPE) to community health workers, 40 litres of sanitiser, 30 litres of hand wash, 3,500 gloves and 2500 masks
- 635 hygiene kits containing hand sanitiser, soap, comb, nail clippers, toothbrush, toothpaste, hair oil, hand towels and sanitary towels (where appropriate).
- Three contactless handwashing stations with water tanks at busy transport junctions in Makwanpur district.

# CHILD RESCUE NEPAL

## Report of The Trustees for the year ended 31 July 2020

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### 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 eighteen boys and seven 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.

In August 2019, with our longstanding partner EBMF, we rescued five boys; three from metal factories and two from restaurants. In September 2019, we rescued another boy from a metal factory. Then in January 2020, we rescued three more young boys from restaurants and a metal factory. In February 2020 we rescued four boys from restaurants and snack shops in Kathmandu. In March 2020 we rescued four boys – three from a brick kiln and one from a restaurant. And in June 2020 we rescued a boy from domestic child labour. They had all been working long hours for little or no pay.

*One of the boys rescued in February 2020 was 14-year-old Sanjay. After his grandparents died, Sanjay was taken by his aunt to Kathmandu to work in a brick kiln to pay off his father's debts. The brick kiln owner promised to pay him NRs.8000 (£50) per month, but Sanjay never received any payment. He worked from 6am to 7pm every day, collecting bricks and loading them onto a truck. He didn't get much food and would get physically punished if he tried to take a rest. At night Sanjay, along with his friends, slept on bricks with only a thin blanket.*

*Sanjay is now in our safe house and getting his childhood back. If we hadn't rescued him from that brick kiln, he would still be working there, exploited every day and not knowing that his life could be any different.*

During the same reporting period, our other partner, Shakti Samuha, rescued seven girls from sexual exploitation. Following their rescues, they received specialised care and support at our safe house, Marigold House. Out of the seven girls rescued, so far five have been successfully and safely reunited with their families. At present, we have a total of eight girls in our safe home.

*One of the rescued girls was 15-year-old Rupa (name changed). When her mother left to go abroad, she went to live with her uncle. Her uncle promised to enrol Rupa in school and help her to get an education. But gradually things changed, and Rupa had to work in her uncle's hotel serving alcohol to customers who would tease and touch her against her will. One day, her uncle raped her and threatened that if she told anybody she would be kicked out of the house. After that he repeatedly raped Rupa. She tried to stop him but wasn't able and was too scared to tell anyone.*

*The SS team saw Rupa at the hotel and gradually gained her confidence until she shared her horrible and painful story. SS contacted the local police who acted promptly and rescued Rupa. She is now at Marigold House where she is receiving emotional support and experiencing life in a new way. She has restarted her education and is actively participating in extracurricular activities. SS has supported Rupa to file a case against her uncle.*

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### **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, six boys were being cared for at our Safe House, and eight 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 25 children rescued this year, 19 have been reintegrated successfully with their families (fourteen boys and five girls). One boy has moved across into our Kathmandu care home, whilst six are still recovering at our Safe House for boys.

Eight 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, we will continue to support the girls into adulthood and independence.

In addition, we have been able to reintegrate three children from our Hetauda care home who have been in our care for several 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 nine children who are back home and living with their families and four children for their education.

### **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 have two care homes (one for girls and one for boys) which each accommodate a maximum of 12 children, to ensure that each child receives a high level of care and attention. We also have a flat with an 8-bed capacity. Over the course of the year we have directly supported 28 children in this way. We ensure that every child receives an 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.



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### **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 generous grants from the Foux Foundation and the Andrews Charitable Trust for our Youth Transition Programme, meaning that we have been able to support even more young people this year. We are currently supporting 15 young people in higher education and six in vocational training. In the past year, five 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 delivered anti-trafficking awareness workshops in six community schools in the district of Makwanpur, where 206 students directly benefited from the sessions. 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 conducted three days of training on sexual and reproductive health (SRH) in three community schools, benefitting 104 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.

Other anti-trafficking activities were paused during the Covid-19 lockdown; instead we delivered emergency aid to rural communities.

### **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 14,908 children safe in school through a variety of interventions.

Over the course of the year, we trained 91 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%.

To improve the personal hygiene of children and to make them learn the importance of

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personal hygiene we provided hygiene kits to 4,471 children and three days WASH training to 37 teachers.

We also carried out a 'Kitchen Garden' pilot project, where we provided training and seeds to 50 families. The project aimed to help families make the most of the land around their houses, maximising yield and planting a wider range of crops. Not only does this improve the family's nutrition, it also provides a surplus to make a small income.

We supported four community schools, equipping early years classrooms, setting up libraries and providing bursaries – benefitting a total of 1,238 children.

We also provided 741 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 (aged 12), who was the youngest of seven siblings. Her father had died of tuberculosis, so her brothers had dropped out of school to become labourers and her sisters were married young. If she had not 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 preschool classrooms, where replacing benches and desks with cushions and carpets has significantly reduced injuries of the youngest children.

This year, we have provided post-earthquake reconstruction support in two schools, by installing taps and maintaining the water source. This has directly benefited 672 students and 23 teachers.

## **EVALUATING OUR 2016 to 2019 STRATEGY**

In June 2019 we came to the end of our three-year strategy, which had the following goals: To address the causes of children being at risk, provide them with a safer childhood and improve the life chances of 10,000 children between July 2016 and June 2019.

We evaluated our progress and we are pleased to report that within this three-year period we reached nearly 15,000 children, dramatically exceeding our goals.

To achieve this strategy, we centred our work on eight strategic areas, against which we achieved the following results:

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

Achieved: 47 children rescued from child labour through EMBF and 7 girls rescued through Shakti

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Samuha.

### **2. Temporarily house rescued children in one of our two 'safe houses' in Kathmandu Valley, where they are assessed, cared for, educated and their families traced.**

Achieved: Two new transit homes opened in 2016 and 2018 partnership with EBMF and Shakti Samuha. The home we opened with EBMF was the first of its kind in Lalitpur and has so far housed 35 rescued children. Our safe home for girls, Marigold House, provided a safe haven for 7 girls (as of June 2019).

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

Achieved: 34 children reintegrated with their family following rescue

Achieved: 8 children who were living in one of our care homes reintegrated with their family

Achieved: 2 families of reintegrated children provided with income generation support.

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

Achieved: 52 children cared for in one of our care homes, 13 of whom we transferred into our care homes after being rescued, and 8 of whom were successfully reintegrated with their family.

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

Achieved: 43 youths supported through transition programme (of which 19 have graduated from the programme and 24 are ongoing)

Achieved: 11 girls who were rescued from Tamil Nadu in 2011 continue to receive educational 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.**

- Direct reach achieved through school awareness raising programme: 4,000 people reached through a school enrolment campaign
- Direct reach achieved through dramas: 6,470 community members reached through 30 street drama events
- Indirect reach achieved through non-targeted activities:
- 3,000 households covered through anti-trafficking leaflet distribution
- 110,000 people covered by anti-trafficking radio jingles.

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

- 1,497 bursaries distributed
- 523 sets of winter clothes distributed
- 105 children provided with a school meal
- 1,330 hygiene kits distributed
- 50 families supported through kitchen gardens
- 104 children reached through sexual and reproductive health work
- 449 teachers trained
- 80 children oriented on safe water use, sanitation and hygiene

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

- 11 classrooms constructed, benefitting 1,149 children.
- 10 school libraries stocked, benefitting 4,538 children
- 8 classrooms equipped, benefitting 225 children
- 10 school toilets constructed, benefitting 2,704 children
- 16 schools connected to drinking water, benefitting 4,009 children

### THEORY OF CHANGE

Our theory of change recognises that, in order to tackle both child trafficking and child slavery, a combination of both responsive and preventative actions are required at both the source of child trafficking, namely Rural Municipalities (RMs) where children are identified as being particularly vulnerable to trafficking, and the destination, namely cities within Nepal to which these vulnerable children are trafficked and subsequently enslaved.

Our working hypothesis is that if CRN tackles child trafficking and engagement in hazardous labour/ slavery in Nepal through (1) immediate response (rescue and rehabilitation of children) and (2) long-term preventative actions (more effective resources and knowledge to enable prevention and response to child trafficking) then CRN will achieve a sustainable reduction in child trafficking and slavery in Nepal.

(1) If CRN improves the living situation of rescued children through long-term post-reintegration support or direct provision of protective accommodation (where reintegration is not possible) and supports them to attend education, then they are less likely to be re-trafficked.

(2) If CRN builds duty bearers' capacity to implement child labour/ trafficking law and policy, achieves prosecution of prolific traffickers, and empowers communities to protect their children in vulnerable rural areas, then child trafficking to hazardous/ slave labour will decrease.

### Our new strategic areas from 2020 to 2025 are as follows:-

1. Conduct rescue operations where vulnerable children are identified as having been trafficked and engaged as child labourers, and temporarily house these children in one of two safe houses while we trace their families.
2. Reintegrate children within their family, and provide their families with a comprehensive, long-term package of post-integration support.
3. Provide longer-term care to children who cannot safely return to their homes.
4. Support older rescued children through a transition programme to become independent adults through education, vocational training and tailored outreach support.
5. Conduct research, give victims of child trafficking a voice, share learning and collaborate with like-minded organisations to undertake evidence-based advocacy and government capacity building on child trafficking and child labour issues
6. Evaluate our Makwanpur 'Safe in School' programme, which ran between 2007 and 2020, document and share key lessons learned.

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7. Identify district and partner, design and deliver a revised 'Safe in School' programme, to keep vulnerable children safe from being trafficked through a package of school and community-based interventions.

7a: Provision/ improvement of essential school infrastructure and basic facilities and improvement of teacher capacity in schools where children are at risk of being trafficked.

7b: Raising awareness of child trafficking, child labour and child slavery among at-risk rural communities.

### Fundraising activities during the year

The charity relies on gifts from generous individuals and grants from a range of trusts, whose support is greatly valued. We are also grateful for the generosity of our long-term partner, Namaste UK. The Coronavirus meant that the London Marathon and other fundraising events were cancelled, but we did benefit from the Saltus South Downs Way Challenge in October 2019 (£25,000) and the Big Christmas Give (£30,000).

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

### 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

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### FINANCIAL REVIEW

The financial position of the charity at 31 July 2020 and comparatives for the prior year, as more fully detailed in the accounts, are summarised as follows:

	2020 £	2019 £
Net income	237	8,378
Unrestricted funds available for the general purposes of the charity	194,377	266,886
Restricted funds	113,835	41,089
Total funds	308,212	307,975

### Financial review of the position at the reporting date, 31 July 2020

Income for the year was £430,421 compared to £393,643 in 2019. This income was made up of restricted income of £86,458 and unrestricted income of £343,963.

Expenditure for the year was £430,184 compared to £385,265 in 2019.

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.

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 2020 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.

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## Report of The Trustees for the year ended 31 July 2020

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### 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 UK 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 May 20' 2021 and signed on its behalf

David Webber  
Chair of the Trustees

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

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I report to the Trustees on my examination of the financial statements of Child Rescue Nepal ('the charity') for the year ended 31 July 2020 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 financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of your charity's financial statements 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 financial statements do not accord with those records; or
3. the financial statements 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 financial statement to be reached.

### Phillip Roberts FCA

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

Date: May 20' 2021



**CHILD RESCUE NEPAL**  
**Statement of Financial Activities**  
**for Year Ended 31 July 2020**

		Unrestricted	Restricted	2020	2019
	Notes	funds	funds	Total	Total
		£	£	£	£
<b>INCOME</b>					
Donations and legacies	5	293,044	86,458	379,502	343,152
Activities in generating funds	5	45,848	0	45,848	50,081
Investment income	5	491	0	491	410
Other income	5	4,580	0	4,580	0
<b>TOTAL INCOME</b>		<b>343,963</b>	<b>86,458</b>	<b>430,421</b>	<b>393,643</b>
<b>EXPENDITURE</b>					
Raising funds	6a	13,007	0	13,007	10,260
Charitable activities	6b	403,465	13,712	417,177	375,005
<b>TOTAL EXPENDITURE</b>		<b>416,472</b>	<b>13,712</b>	<b>430,184</b>	<b>385,265</b>
NET INCOME/(EXPENDITURE) FOR THE YEAR		(72,509)	72,746	237	8,378
TOTAL FUNDS BROUGHT FORWARD		266,886	41,089	307,975	299,597
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>194,377</b>	<b>113,835</b>	<b>308,212</b>	<b>307,975</b>

The accompanying notes form an integral part of these financial statements

# CHILD RESCUE NEPAL

## Balance Sheet as at 31 July 2020

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	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	648	1,032
<b>CURRENT ASSETS</b>			
Debtors	8	1,503	2,520
Cash at bank and in hand		310,875	311,298
		<u>312,378</u>	<u>313,818</u>
<b>CREDITORS:</b>			
AMOUNTS FALLING DUE WITHIN ONE YEAR			
	9	<u>(4,814)</u>	<u>(6,875)</u>
<b>NET CURRENT ASSETS</b>		307,564	306,943
<b>NET ASSETS</b>		<u>308,212</u>	<u>307,975</u>
<b>FUNDS OF THE CHARITY</b>			
Restricted funds	10	113,835	41,089
Unrestricted funds	10	194,377	266,886
<b>TOTAL CHARITY FUNDS</b>		<u>308,212</u>	<u>307,975</u>

Approved by the Trustees and signed on their behalf on May 20<sup>th</sup> 2021.

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

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### 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 to these financial statements. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

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.

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

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### 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 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.

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

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### 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

	2020	2019
	£	£
Net income/(expenditure) for the year is stated after charging:		
Depreciation	384	384

### 5 ANALYSIS OF INCOME

	2020	2019
	£	£
<b>Incoming resources from generated funds</b>		
Voluntary income:		
Public donations including Gift Aid	185,695	170,719
Corporate donations	43,953	14,982
Child sponsorship	21,151	22,583
Grants received	125,256	123,868
Legacies	3,447	11,000
	<u>379,502</u>	<u>343,152</u>
<b>Activities for generating funds:</b>		
Events	45,848	50,081
Investment income	491	410
HMRC Job Retention Scheme	4,580	0
	<u>430,421</u>	<u>393,643</u>

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

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### 6 ANALYSIS OF EXPENDITURE

	2020	2019
	£	£
<b>a. Raising funds</b>		
Fundraising, publicity and marketing	10,093	8,033
Other fundraising activities	2,914	2,227
	<b>13,007</b>	<b>10,260</b>
<b>b. Charitable activities</b>		
<b>Governance costs</b>		
Independent examiner's fee	2,400	2400
Meeting cost 286	0	6
	<b>2,400</b>	<b>2,406</b>
<b>• Project costs</b>		
Employment costs	80,718	78,791
Monitoring and support	1,976	3,305
Nepal project costs	307,785	262,283
	<b>390,479</b>	<b>344,379</b>
<b>• Support costs</b>		
Other employee costs	3,794	1,103
Premises expenses	5,465	6,143
Office costs and administrative overheads	2,893	5,659
Professional fees and insurance	9,222	12,322
Bank charges	2,540	2,609
Depreciation	384	384
	<b>24,298</b>	<b>28,220</b>
<b>• Total expenditure on charitable activities</b>	<b>417,177</b>	<b>375,005</b>

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

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### 7 TANGIBLE FIXED ASSETS

Cost	Office equipment £
At 31 July 2020 and 2019	<u>1,920</u>
<b>Depreciation</b>	
At 31 July 2019	888
Charge for the year	384
<b>At 31 July 2020</b>	<u><b>1,272</b></u>
<b>Net book values</b>	
At 31 July 2020	<u>648</u>
At 31 July 2019	<u>1,032</u>

### 8 DEBTORS

	2020 £	2019 £
Prepayments and accrued income	1,503	359
Other debtors	0	2,161
	<u>1,503</u>	<u>2,520</u>

### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accruals	3,834	5,994
Other creditors	980	881
	<u>4,814</u>	<u>6,875</u>

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

### 10 FUND RECONCILIATION

	At 31.7.2019 £	Income £	Expenditure £	Transfer between funds £	At 31.7.2020 £
<b>Unrestricted Funds</b>					
Unrestricted free reserve	221,886	343,963	(416,472)	0	149,377
<b>Designated</b>					
Currency fluctuations	15,000	0	0	0	15,000
Future rescue operations	30,000	0	0	0	30,000
<b>Unrestricted total</b>	<b>266,886</b>	<b>343,963</b>	<b>(416,472)</b>	<b>0</b>	<b>194,377</b>
<b>Restricted Funds</b>					
Rebuild School	109			(109)	0
Guernsey Aid	9,601	19,985	(8,712)	0	20,874
Marigold House	15,580	14,810	0	0	30,390
Safe in School	4,970	4,745	0	2,174	11,889
Teachers Training	3,752	0	0	0	3,752
Earthquake	2,065	0	0	(2,065)	0
Miteree Foundation	5,012	6,625	(5,000)	0	6,637
VOC training youth	0	10,000	0	0	10,000
COVID Appeal	0	30,293	0	0	30,293
<b>Restricted total</b>	<b>41,089</b>	<b>86,458</b>	<b>(13,712)</b>	<b>0</b>	<b>113,835</b>
<b>Total funds of the charity</b>	<b>307,975</b>	<b>430,421</b>	<b>(430,184)</b>	<b>0</b>	<b>308,212</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

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### 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.

### VOC Training Youth

Training for youth supported by Andrews Charitable Trust.

### COVID Appeal

In 2020 we launched an emergency appeal to support communities in Nepal where we already work who were affected by the national lockdown.

Within unrestricted funds is a grant from the Alchemy Foundation (£12,500) which has been given as a contribution towards the CEO's salary.

## 11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Represented by:				
Tangible fixed assets	648	0	648	1,032
Current assets	198,543	113,835	312,378	313,818
Current liabilities	(4,814)	0	(4,814)	(6,875)
	<u>194,377</u>	<u>113,835</u>	<u>308,212</u>	<u>307,975</u>

## 12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as of 31 July 2020 (2019 - 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.

# CHILD RESCUE NEPAL

## Notes to the Financial Statements

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### 15. POST BALANCE SHEET EVENT - IMPACT OF THE OUTBREAK OF COVID 19

The Trustees consider the impact of the COVID - 19 to be a non-adjusting post balance sheet event.

Accordingly the financial position at 31 July 2020 and the result for the year then ended have not been adjusted..

The duration and impact of the COVID - 19 pandemic, as well as the effectiveness of the ongoing measures to combat its continuing threat, remain unclear. It is not possible to estimate the duration and severity of these consequences reliably, nor their impact on financial position and results of the charity for future accounting periods.

The Trustees consider that the amount of the cash balances held is sufficient to fund anticipated cash flow requirements.