



REPORT AND FINANCIAL STATEMENTS

For Year Ended 31st May 2024

Railway Children is registered Charity No. 1058991 and a
Registered Private Company Limited by Guarantee No. 3265496

children RAILWAY
No child lost to the streets

Contents

Reference & Administrative Information	2
Introduction by Malcolm Brown, Chair	3
Aims, Public Benefit and Principal Activities	5
Achievements 2023-24	5
Objectives for 2024-25	10
Fundraising Statement	12
Financial Results	12
Structure, Governance & Management	13
Statement of Responsibilities of the Trustees	16
Independent Auditor's Report	17
Consolidated Statement of Financial Activities	21
Balance Sheet	22
Cash Flow	23
Notes forming part of the Financial Statements	24

Reference and Administrative Information

Registered Office	1 The Commons, Sandbach, Cheshire, CW11 1EG
Directors and Trustees	
Malcolm Brown	Chairman
Richard Allan	Appointed 9 th October 2024
Emily Bild	
Joanne Bird	
Mo Bulbrook	
Jamie Burles	Appointed 9 th October 2024
Valerie Floy	Appointed 12 th October 2023
Jacqueline Galinetti	Appointed 12 th October 2023
Bharti Mepani	Appointed 12 th October 2023
Andrea Minton-Beddoes	Retired 31 st January 2024
Dr Donald Mlewa	
Ria Ntabejane	Appointed 3 rd July 2024
Fraser Simpson	
Christine Taylor	Retired 31 st January 2024
Helena Vega-Lozano	Appointed 31 st January 2024; retired 3 rd July 2024
Tricia Wright	
Group Chief Executive	Robert Capener
Company Secretary	Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW
Auditors	Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG
Bank	Royal Bank of Scotland, Drummond House, 1 Redheughs Ave, Edinburgh, EH12 9JN
Solicitors	Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square London, E1 6PW
Other Office	India Office, Flat No.8/A, 2nd Floor, Arihant CHS,Gopal Krishna Gokhale Road, Mulund Est, Mumbai, 400 081, India
Railway Children India	CIN: U85100DL2013NPL260371
Regd. Office:	B-107, First Floor, Panchsheel Vihar, Khirki, New Delhi 110017, India
Directors:	Yazmin Riaz Sanjay Kumar Gupta Priya Varadarajan Megha Jain Harbhajan Singh Navin Sellaraju, RCI CEO Rob Capener (Official Observer & Group CEO)
Railway Children Trading Ltd	Company Number: 6533182
Directors:	Rupert Brennan Brown James Sinclair Bain Mirco Danesi Andrea Minton-Beddoes Robert Capener Jack Miller David Brookes – Secretary
Railway Children Africa Ltd	NGO Compliance No: 1563
Directors:	Lulu Ng'wanakilala (Chair) John Kalage Charles Mgoya Robert Capener Michael Holden Judy Lister Jeanne Ndyetabula (Co-opted) Sunday Kapesi

Introduction by Malcolm Brown, Chair

Welcome to our Annual Report for 2024

It would be fair to say that this year has been a period of significant change for Railway Children, and I am delighted by how well we have navigated the challenges we have faced. Our new CEO, Rob Capener, has brought continuity and stability, whilst breathing new life and vigour into the organisation.

When Rob took over in May 2023, we were navigating a delicate financial period, but we were also just beginning to comprehend the extent to which new child protection policies in India would disrupt the delivery of our strategy, sending the management team back to the drawing board with a challenge to innovate and diversify our programme portfolio. I'm sure it wasn't quite the smooth leadership transition period the team might have hoped for, but our trustees have been impressed by the way they have led through this uncertainty and brought us to a position of relative strength.

Having introduced our first ever employee engagement survey during the year, it was rewarding to see incredible engagement figures with 100% completion across the group. 99% of our people say they feel proud to tell people they work for Railway Children and 95% believe the charity is a great place to work.

At the end of another highly challenging financial year, it is outstanding and rewarding to see our year-end results, particularly with the ongoing economic volatility. To achieve a result of £4.48m in this environment with prolonged team capacity issues really is something to celebrate.

This year, our UK voluntary income has risen by 15% to over £3.5m - another impressive year of sustained growth which represents a 57% increase in income over the last five years. With expenditure of £2.51m, our unrestricted reserve closed at £821k, which is up by £144k on the previous May and represents approximately 3 months of planned FY24-25 unrestricted spend.

Having written our strategy in 2021 and launched it in 2022, the world is now a very different place. Whilst the aftereffects of Covid have subsided, the cost of living, high interest rates and political uncertainty in all three of our territories have all had a collective impact on the world we are now operating in. Consequently, many of the strategic plans we made in 2021 have been significantly disrupted. Therefore, as we embark on the third year of our current strategy, we have taken the decision to review and refine our plans with a view to realigning the route map that will guide us to 2030.

Amid the constant changes and challenges we have faced this year, I remain inspired by the work of our programme teams around the world. Their direct work with vulnerable children and families combined with their influence to create systemic change for the future is simply remarkable.

In the UK, we opened our new project in Glasgow, building new relationships with British Transport Police (BTP) and Police Scotland. We developed our Safeguarding Action Groups across the UK, building communities of safeguarding champions and delivering training to 4,295 BTP and rail staff across the network.

In India, the Government's Mission Vatsalya scheme has transformed the child protection landscape. This, and the resulting requirement to hand over some of our work in railway stations to local authorities has required us to rethink our entire programme in India. We have successfully diversified our programme portfolio, providing deeper support and engagement to the informal communities surrounding our station projects that we began to work with during the pandemic. We are helping to address the vulnerabilities of individual children, including school enrolment and we are helping families to access existing government support schemes. The emphasis of our work in and around transport terminals has pivoted towards greater collaboration with government bodies, especially the District Child Protection Units, with an aspiration to strengthen their skills and capacity – as well as other rail and transport organisations – to protect vulnerable children separated from their families. During the year, we reached 3,308 children and 829 families across four transport terminals and 7 communities.

Within these communities, our seven child activity centres have developed into hubs of safety, skills and school enrolment with 3,442 children accessing school and education.

In addition to the 1,665 children we have supported to move away from the streets in Tanzania this year, I have been most impressed by the work our teams are developing in collaborative contextual safeguarding – training and empowering others to be guardians of safety for vulnerable young people. This is a clear feature in our approach across the group and I have observed this at its best in Mwanza, where the new Child Support Desk at the Nyegezi bus terminal has proved so impactful, bringing together a network of collaborators all coordinating safeguarding together. The impact has been so great that our contacts at local government asked us to assist in establishing another support desk at the cities second busiest bus terminal and a hot spot for street connected children. Funded and resourced entirely by the government, this is a wonderful example of the influence our work is having at a national level.

Whilst the current climate continues to challenge us constantly, I have complete confidence that our teams will continue to make a significant impact directly and indirectly on the lives of thousands of children, and their families. On behalf of the trustees and the charity, I thank our supporters for your continued loyalty and generosity which makes our work achievable.

Aims, Public Benefit and Principal Activities

Aims

Railway Children was founded in 1996, and its objective is:

‘The relief of children and young persons under 25 years of age who are in conditions of need, hardship or distress, anywhere in the world and in particular those who are living on the streets’.

Since then, Railway Children’s work has benefitted thousands of children and young people living alone and at risk on the streets.

Our work aims to create and enable sustainable change in the lives of individual children, communities and in the wider policy and practice that affects all children living alone on the streets.

Public Benefit

The Trustees have considered the Charity Commission guidance on public benefit in deciding what activities the charity should undertake. This report is produced for the benefit of the public and contains an explanation of the significant activities undertaken during the year in order to carry out the charity’s aims and also measure achievements against the objectives set by the Trustees.

Principal Activities

In achieving our aims, we work at three levels for long term change. We recognise that to create, enable and sustain change we need to balance activities, and therefore;

1. We aim to make meaningful interventions in the lives of vulnerable children. We make early interventions whilst they are on the streets or the transport network, before they come to serious harm and we work with them and their families so that they can grow-up within a nurturing family.
2. We change the perceptions of local communities and the transport sector and equip them to safeguard vulnerable children.
3. We use research, expertise and strong relationships with key individuals and departments to influence policy makers and leverage government support.

By working at all three levels, we ensure positive sustainable change, both in the lives of children currently surviving on the streets and those currently at home but living with neglect, violence, abuse or exploitation.

Achievements 2023-24

The following outlines the wider strategy goals (2022-2027), alongside the objectives we set ourselves for this year and the progress we made.

- **Goal 1 – Children will be safe, at home and in a nurturing environment**

India:

2000 unaccompanied children at risk across 6 transport terminals will be sustainably reintegrated with family-based care by May 2024

1321 children were safeguarded in the year and 1068 (81%) of them have been reunified with family. 253 children were still in short term residential childcare institutions and we will be working with them in the coming year to reintegrate them into family-based care.

Our work in transport terminals was affected through the year by the implementation of the government’s Mission Vatsalya scheme. This meant that we started the year working at 5 transport terminals but had to exit from Salem in November 2023. We could not secure permissions to expand

into new transport terminals whilst the transition to the new child protection system was in progress. We do now have permission to operate at Patna in Bihar and plan to begin work in summer 2024.

With the support of Dora foundation, we launched the family reintegration programme early in 2024 with the Standard Operating Procedure and design informed by a learning visit to Railway Children Africa. Our case workers began working with the families of 53 children identified with high and moderate vulnerabilities. Out of these our staff are working directly with 25 families, ensuring that the children receive the intensive support needed to address their complex needs and circumstances. The other 28 children and their families live more than 3 hours travel time beyond Delhi & NCR and we are building networks of other actors local to them who can ensure that they receive the right support for sustainable reintegration.

Tanzania:

We will support 2,200 Children and Youth Living and Working on the streets (CYLWS) and their siblings. 250 CLWS will be reintegrated into safe and protective families.

In total, we supported 1,665 children and young people, a 75% achievement of the annual target. This included 610 children contacted through the outreach programme, 626 siblings of contact children and 156 children under the ACT parenting programme. We also supported 273 youth living and working on the streets with life skills and income generating activities.

Of the children enrolled through the outreach programme, 380 were provided with a safe place to stay (residential centre 227, fit persons 153) and 333 were reintegrated into protective families which is 133% achievement of the annual target.

We provided educational support to 520 children, including enrolment back to school, provision of school materials and payment of school levies. In addition, 105 caregivers were supported through business skill training and business grants as part of the family strengthening support package.

UK:

We will provide interventions for 255 young people through welfare visits and full programmes of support prioritising needs such as healthy relationships, mental health and safety planning

We have directly supported a total of 186 young people and their families through a combination of one-off welfare visits, brief interventions, and longer-term direct support this year, 73% of the annual target. For various reasons we had vacancies within our Youth Practice team totalling 22 person months across the year, equivalent to 22% of our capacity to work with young people.

Of the young people who we have supported longer-term, the most common indicators of risk we have seen this year are:

- 73% were experiencing poor mental health when they started to work with us,
- 68% were either not in education, had poor attendance or had been repeatedly excluded,
- 58% were frequently missing when they were referred to us,
- 52% were at risk of experiencing a breakdown in the relationship with their parent or carer, and
- 50% had a learning disability or difficulty, either formally assessed or queried.

These risk factors are used to inform individual support plans, that are developed jointly with each young person to ensure they are receiving the support that is right for them and their needs. The most common priority areas of intervention to support young people with were:

- Mental health and/or emotional wellbeing
- Safety, including online safety, personal safety, and safety on and around the railway
- Healthy relationships, whether that be within the family or amongst peers

Goal 2 – Communities are able to identify and protect vulnerable children

India:

Quality of life of 1500 children within 10 high risk slum communities improves.

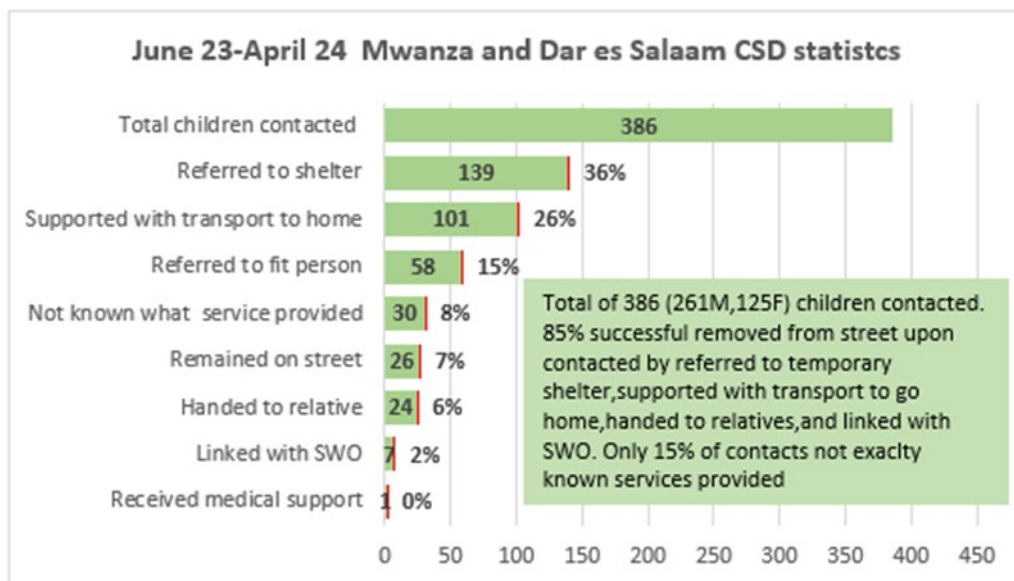
RCI's community engagement was initiated with the purpose of preventing vulnerable children still living with their family from slipping into street life and preventing unnecessary family separation. Over nine months, we have built rapport with seven communities through group formation, linking both the children and their families with various services including government schemes and entitlements and engaging with the district level child protection functionaries to make them accountable and responsible towards protecting children.

We established 21 children's groups – one for adolescent boys, one for adolescent girls and one for younger children in each community. Additionally, seven parents' groups were formed. 1712 children benefitted through linkages with various services across the seven communities and 600 parents have been linked with services, schemes, and entitlements

Tanzania:

Two child support desks (CSD) at main bus stands in Mwanza and Dar es salaam will support the identification and protection of 400 children

Over the project year, 386 children have been contacted, and of these 85% of the children were successfully removed from the streets upon contact. The table below shows the various referral pathways.



A second child support desk in Mwanza as established in partnership with the local government at their request within the second busiest bus terminal in Mwanza. This CSD was set-up by Railway Children but is being funded, staffed and operated by local government Social Welfare Officers – testament to the replicability and scalability of this intervention. Alongside each CSD intervention, we have established committees made up of various stakeholders working in and around the bus terminals to promote child safeguarding.

UK:

6,000 transport staff will be provided with a greater awareness and understanding of vulnerable children through our training programmes, ensuring they know how to respond to young people in need and where to refer them

We have provided safeguarding training to 4,295 staff from the British Transport Police (BTP) and train operating companies (TOCs). This work serves to highlight the vulnerabilities that young people

may face and gives transport staff the tools with which to engage with them. The annual milestone to train 6,000 BTP officers and TOC staff was missed 28%. This was in part due to training sessions being cancelled due to industrial action and staff absences. Through the second half of the year, we have also held off on distributing e-Learning to prospective TOCs with work under way to create new training which is launching in June.

We created two new Safeguarding Action Groups (SAGs), bringing the total number of SAGs operating to 10. One of the SAGs created this year uses a new line of route approach, looking contextually at issues along an entire rail route, rather than focussing on issues at a specific train station. The SAGs are made up of various stakeholders from within the station and rail community, including station retailers, TOC staff, and station cleaners, and seek to raise awareness of vulnerability in children and young people. Additionally, the SAGs focus on practical changes which can be made to the station environment to make the spaces safer for young people.

Goal 3 - Public sector policies and budgets safeguard vulnerable and at risk children

India:

5000 children are protected by the trained and sensitised railway and district child protection officials across the Delhi Howrah railway network by May 2024

3864 personnel, including officers of the Railway Protection Force (RPF), Government Railway Police (GRP) officers, Station Managers, Chief Ticket Inspectors, Train Ticket Examiners, Vendors, porters and the Child Welfare Police Officers were trained. Trained and sensitised railway officials protected 1843 children across the Delhi Howrah network that we know of, including 189 children (91 girls) protected in moving trains. There is likely to be significant under-reporting here.

As a result of our continuous engagement, Railway Stakeholders are displaying a strong enthusiasm for safeguarding. We have activated Child Help Groups (CHG) which are now meeting regularly in Patna and Ghaziabad bringing together a variety of Railway stakeholders. Station Managers of some of the railway stations have started taking lead role in organising CHG meetings in Patna.

Tanzania:

We will engage with national government and three district councils in selected cities to advocate for allocation of substantial budgetary resource to ensure child protection laws and regulations are effectively enforced to realise children's rights, in particular the rights of vulnerable and at-risk children and youth

As mentioned above, a child support desk was established in Mwanza at the request of the local government within the second busiest bus terminal in Mwanza. This CSD was set-up by Railway Children but is being funded, staffed and operated by local government Social Welfare Officers – testament to the replicability and scalability of this intervention. Alongside this, RCA have supported the local District officials to launch an awareness campaign at the Nyamhongolo bus stand.

RCA assisted in advocating for and setting up the new Government Gender and Children Desk at Mwanza Central Police. The organization this desk, located away from the central police station, is designed to provide a safe space for children to voice their concerns.

The Deputy Minister of Community Development visited the RCA Kivuko project in Mwanza. During her visit, directed the Commissioner of Social Welfare to resolve the challenges faced by street-connected youth in accessing national identification documents.

UK:

We will work in partnership with the British Transport Police (BTP) and industry bodies to ensure that safeguarding continues to be included in the strategic vision for the rail industry

The UK political situation, and industrial relations within the rail sector, have required work in this area to be deferred. However, work to articulate advocacy goals progressed across Q3 and Q4, with support from an external consultant and input from the UK Programme team, Senior Management team, Fundraising team and Marketing team.

Fundraising

- **We will secure over £4.5m in income across the Railway Children group, raising voluntary income to £3.7m and support the growth of in-country fundraising in India and Tanzania, securing over £500,000 in-country between the two affiliates.**

Group income reached £4.49m, up by 16% from the previous year with UK voluntary income over £3.5m for the first time, an increase of over 15%. Affiliate income was £882k, increasing gross and net income to each country.

- **We will engage with a new supporter audience through a campaigning and advocacy approach and investing in supporter recruitment, increasing our regular giving income by 5% and our public fundraising securing over £1m in unrestricted income and support our core programme.**

Public fundraising secured £840k this year, with a further £200k secured but not received until Q1 of FY24/25. Our regular giving income reduced by net 5%, following national trends but activity and campaigns are in place for FY24/25 to use lead generation and advocacy content to engage with a new audience. Unrestricted income overall increased by 8% to £2.65m.

- **We will expand our programme delivery by being successful with one institutional partner through our work with USAID and expand our restricted income with two new multi-year six figure funders**

We have secured two institutional partnerships that will be received in FY24/25, from USAID and FCDO. Restricted income during the year increased by 33% on the back of substantial six figure funders including The National Lottery and Dora Foundation, amongst others.

Brand

- **We will refresh the design and content of the entire Railway Children website to provide an improved user experience, whilst ensuring that our brand, mission and vision are clearly represented to all users and aligned to organisational strategy.**

The Railway Children group website was re-launched in November 2023; both the visual elements and the content were updated in line with the new brand identity that launched in June 2023. All programme content was replaced to ensure it accurately represented the activities across the UK, Tanzania and India as well as aligning to the messaging in our organisational strategy and mission story. The design of the website was also updated to provide an enhanced user experience and align to more modern technological expectations.

In addition to the group website, the Railway Children India website was re-launched in October 2023 and a new independent website for Railway Children Africa launched in April 2024.

- **We will deliver an advocacy strategy, focussing on editorial and digital content communications that will amplify our voice and those of vulnerable street-connected children, enabling us to attract new audiences and convert them to action.**

We have delivered immediate communications through digital methods, including posts, blogs and web content to deliver our intention with regards to advocacy. This has included communications regarding

the UK general election. National advocacy strategies are being developed with key objectives and ambitions delivered with a full RCA strategy delivered and corresponding action plan in place.

- **We will employ a digital-first approach to build a strong online profile as pioneers and thought leaders for street connected children.**

We have begun to communicate to our digital audiences using messaging that educates about our programme activities, vision and mission based on recommendations from our digital mobilisation review in 2022. This is in addition to, and complements, our fundraising communications and is informative without asking for support financially. We have shared regular social media posts that focus on telling the stories of the children, young people and families that we have supported.

To provide an enhanced user journey and supporter experience, we have developed the News and Blogs content on our website to increase the amount of informative and substantive content on our website.

- **We will work with UK Train Operating Companies and the wider rail community to raise awareness and understanding of safeguarding through our campaigning and advocacy communications.**

We have worked increased our direct engagement with Train Operating Companies and Safeguarding Action Groups to engage with the wider rail community. This has enabled us to identify opportunities to communicate directly with rail staff and develop useful communication tools.

We have developed a variety of print and digital content using our At Risk Right Here Right Now campaign that has been adopted by TOCs including Greater Anglia, EMR and SouthWestern Rail. The campaign aims to make the rail community aware of vulnerability on the rail network, how to spot vulnerable young people and how to report it.

Our relationship with First Group (Rail) has enabled us to also share our ARRHRN campaign on advertising platforms at stations across the UK, focussing on the locations where our project teams are based.

Objectives for 2024-25

In 2022 we launched our new five-year strategy that aims to leave no child behind, wherever we work.

To achieve this aim, we will be strengthening:

1. Programmes and services, before, during after a child is separated from their family or vulnerable on the streets, to ensure children are safe, at home and in a nurturing environment
2. Community responses, to enable local people to identify and protect vulnerable children
3. Child protection systems and policies, to ensure public sector policies and budgets safeguard vulnerable and at-risk children
4. Evidence, to demonstrate need and proven models of achieving impact

The objectives for 2024-25 represent the milestones we intend to achieve in year three of our 5-year strategy.

Goal 1 – Children will be safe, at home and in a nurturing environment

India: 2,500 children arriving unattended at 6 transport terminals are reached before they become victims of abuse and exploitation and 90% of the children are reintegrated into safe and supportive families.

Tanzania: 364 street connected children reintegrated successfully into safe and supportive families.

UK: We will provide interventions for 240 young people through programmes of support prioritising needs such as healthy relationships, mental health, education, and safety planning

Goal 2 – Communities are able to identify and protect vulnerable children

India: 1800 children protected from becoming victims of abuse and exploitation within 8 slum communities.

Tanzania: Establish five new Child support desks in Dar, Mbeya, Dodoma and Arusha

UK: 6,000 transport staff will be provided with a greater awareness and understanding of vulnerable children through our training programmes, with contextual safeguarding approaches being implemented on the rail network

Goal 3 Public sector policies and budgets safeguard vulnerable and at-risk children

India: 16 transport terminals, across Delhi Howrah railway network, have implemented relevant SoPs for child protection.

Tanzania: Increase in the child protection budget in two target Districts.

UK: We will work in partnership with the British Transport Police (BTP) and industry bodies to ensure that safeguarding continues to be included in the strategic vision for the rail industry

Fundraising

- We will secure over £5m in income across the Railway Children group, raising voluntary income to £3.7m and support the growth of in-country fundraising in India and Tanzania, securing over £1.3m in-country between the two affiliates.
- We will secure and deliver two new institutional funding programmes, ensuring the sustainability of our core work while increase the amount of restricted income secured across the Railway Children group to over £1.5m.
- We will enhance our supporter care programme, developing more data analysis on what our supporters want and need, ensuring we increase our supporter base by 5% and increasing our supporter satisfaction score.
- We will increase the opportunities for supporters to engage with the charity and raise over £1m from individual giving and expand our events programme with two new events.

Brand

- We will Implement and deliver a new approach to Ethical Communications that ensures we are committed to taking an ethical approach to all elements of our communications, empowering those we work with and promoting their strengths
- We will provide robust digital reporting and analysis, providing insight and recommendations to the Fundraising Team to ensure we have a consistent and effective approach to raising income, participation and engagement through digital marketing.
- We will develop a new section of our website specifically for young people, by young people: providing engaging, informative and supportive user-generated content.
- We will deliver an advocacy communications strategy, focussing on editorial and digital content that will amplify our voice and those of vulnerable street-connected children, enabling us to attract new audiences and convert them to action.

Fundraising Statement

Railway Children carries out a variety of fundraising activities, approaching individuals and companies for support and sponsorship as well as Trusts and Foundations. We occasionally employ a professional fundraising agency to undertake telephone and face-to-face fundraising activity on our behalf. Our policies and approach to fundraising are as follows.

- We are registered with the Fundraising Regulator and comply with the Codes of Fundraising Practice. We are regularly updated with changes in practice and enforce change where necessary
- We adhere to our policy set up to protect vulnerable people, ensuring that the policy is enforced throughout all fundraising activities and with all parties
- Before the appointment of a third-party fundraising supplier, we make checks with other charity clients including financial checks and ensure that their practices meet our ethical criteria. Once appointed strict stewardship of the relationship is applied through daily discussions on any issues and regularly listening to calls
- We reviewed our data protection policy and procedures in preparation for the General Data Protection Regulation (GDPR) and the fundraising code of practice and regularly monitor the implementation of this throughout the organisation
- We give our supporters clear opportunities to opt out of any further contact as part of every approach
- Our supporter promises and privacy policy is clearly displayed on our website and regularly communicated to our supporters
- We do not share or sell data with any other organisations

Supporters and our beneficiaries are at the heart of what we do. We strive to achieve high standards in our fundraising and communication with supporters. We stand by the principles set out in our supporter promise. We received two complaints in the year both of which were resolved.

Financial Results

The charity's income for the year ended 31st May 2024 was £4.5m (FY22-23 £3.9m) an increase of 16% compared to the prior year. The split between unrestricted and restricted income was £2.7m of unrestricted income (FY22-23 £2.5m) and restricted income of £1.8m (FY22-23 £1.4m).

Income from donations and legacies increased by 5% to £2.3m (FY22-23 £2.2m). Donations from corporate partners and donated services increased this year by 21%. Corporate partners generously donated £1.2m (FY22-23 £0.9m) including income from the annual Railway Ball and associated Rail Aid fundraising. Legacy income was £0.1m (FY22-23 £0.2m) a fall of 29% and general donation remained at the same level as the prior year at £1.0m (FY22-23 £1.0m).

Income from charitable activities, funds raised from grants and foundations, totalled £1.52m (FY22-23 £1.01m) an increase of 51%. These funds were raised through Railway Children UK £1.02m (FY22-23 £0.68m), Railway Children Africa £0.25m (FY22-23 £0.28m) and Railway Children India £0.25m (FY22-23 £0.05m).

Other trading activities raised £0.64m (FY22-23 £0.65m) and these consisted of fundraising events run by Railway Children UK and sale of Xmas cards.

The cost of the UK fundraising team including support costs was £1.40m (FY22-23 £1.32m). For every £ spent on fundraising the income generated was £3.20 (FY22-23 £2.92).

Total charitable expenditure for the year was £2.95m (FY22-23 £2.91m) split between India £0.70m (FY22-23 £0.79m), Tanzania £1.26m (FY22-23 £1.28m) and the UK £0.99m (FY22-23 £0.85m).

Total unrestricted reserve for the group was £0.80m (FY22-23 £0.68m) with restricted funds at £0.97m (FY22-23 £0.96m).

Structure, Governance and Management

Railway Children is a charitable company limited by guarantee 3265496, Registered Charity No. 1058991, incorporated on 18th October 1996 and registered as a charity on 5th November 1996.

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the Trustees, who form the Board of Trustees, are elected at the Annual General Meeting to serve a period of three years, with one third of their number retiring at each AGM.

The Memorandum and Articles of Railway Children express its objects as 'the relief of children and young persons under 25 years of age who are in conditions of need, hardship or distress, anywhere in the world and in particular those who are living on the streets'.

Railway Children Trading Limited is a wholly owned subsidiary company (number 6533182) limited by shares. The company is registered for VAT and is used by Railway Children to conduct its trading activities. All profits are gift aided to the parent charity.

Railway Children Africa (RCA) is registered in Tanzania as an NGO, with NGO compliance (1563) under the Non-Governmental Organisations Act. The board consists of Railway Children representatives and Tanzanian nationals. The company manages our operations in Tanzania. The results for this company are consolidated into the accounts.

Railway Children India (RCI) is a Section 8 company registered in India that commenced operations in FY2015-16.

RCA and RCI operate as independent organisations governed by their own boards. These boards have been granted use of the Railway Children mark under licence in return for operating in accordance with group policies and quality standards in so far as is legally permissible in their jurisdiction. The results of RCA and RCI are consolidated into the group in view of the choice of these organisations to work to the current group strategy using group systems.

The governance of the charity has been reviewed in the context of the Charity Commission's Governance Code which has resulted in a strengthening of the quality standards the group uses to ensure integrity and inclusivity in the charity's operations.

Vision and Beliefs

As an organisation, Railway Children recognises that the environment in which we operate in is one of uncertainty and constant change. The resources we rely on in order to meet our charitable aims are both competitive and subject to ever-changing trends, whilst our beneficiary environment is one that varies frequently. In response to this we construct our organisation so we can be as flexible and as innovative as possible. We nurture a culture that is both informal, inclusive and open without compromising on accountability or professionalism. This culture reflects a commitment to making a lasting change in the lives of children at risk on the streets and is informed by our stated values which work together to underpin all that we do:

'Our vision is a world where no child ever has to live on the streets'

Values

THESE FIVE VALUES GUIDE OUR WORK

NEVER GIVE UP - Face challenges head on

HAVE COURAGE - Push boundaries. Think Big

EARN TRUST - Be Honest. Always act with Integrity

SHOW COMPASSION - Respect and Dignity for all

NURTURE TALENT - Encourage growth. Enable others

Governance - Trustee Responsibilities

As a charity accountable to all our donors, our resources must be carefully managed, and our legal responsibilities met.

Since its incorporation, the Railway Children Trustees have been the organisation's governing body. Trustees hold ultimate legal responsibility for the charity and collectively ensure delivery of our objectives, set our strategic direction and uphold our values as an organisation.

The key responsibilities of the Trustees are:

- Development and annual review of the charity's performance from definition of concepts to approval of the strategic direction
- Setting objectives for the development and review of our strategic plan, including approval on annual budgets and plans
- Approval of the Annual Report and Audited Accounts
- Identification and management of risks
- Appointment of Sub-Committees and delegation of powers
- Appointment, terms and conditions and delegation of powers to the Group Chief Executive
- Monitoring compliance with both company and charity law
- The stewardship of assets

Railway Children as a group operates under the guidance of a Board of Trustees. The implementation of the Trustees' plans and policies, and the responsibility for performance is vested in the Group Chief Executive.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees on 31 May 2024 was £320 (2023 - £270). The Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Recruitment and Appointment of Trustees

Under the requirements of the Articles of Association, all members of the charity are permitted to stand for election as Trustees at the Annual General Meeting. The Trustee body has the necessary powers to appoint a new Trustee at any time. Any such appointed Trustee can hold office until the next Annual General Meeting, when they can stand for election.

One third of all, being the longest standing Trustees, retires in rotation and is eligible for re-appointment at the Annual General Meeting. The minimum number of Trustees is set at three and currently there are thirteen. There is no set maximum number.

Trustee Induction and Training

Members of the charity who are considering standing as a Trustee are invited to attend Trustee meetings, to allow them to get to know the charity and the roles and responsibilities of a charity Trustee. Additionally, new Trustees are encouraged to attend an induction meeting, led by the Chairman and the Group Chief Executive. The meeting covers the following aspects:

- Background to and history of the charity and the context in which it operates.
- The principal responsibilities of a charity trustee.
- A summary of the charity's governing documents.
- The charity's current financial position and forecasts.
- The strategic plan and current progress against objectives.

A Trustee handbook exists to assist both new and existing Trustees in the discharge of their responsibilities. The handbook, which was updated in April 2022, includes governance and operational policies, the Memorandum and Articles, role descriptions of officers and current delegations. Trustees are encouraged to keep themselves up to date through appropriate training.

Remuneration Policy

Railway Children commits to recruiting and paying all our staff up to the median rate, determined by an independently benchmarked scale that is reviewed every three years.

In the UK, we use the Charity data cut of the Croner Salary Search on-line survey. In the UK we benchmark our salaries which ensures salaries are fair and competitive. The data is cut in the following categories, International Development, job ranking, job role, size of charity (Annual income), size of charity (Number of employees).

The salaries of the Group CEO and UK Director positions must be approved by the People and Culture Committee (PCC).

Risks

The Trustees and senior staff have produced a five-year strategy (2023-2027) setting out the major opportunities available to the charity and the risks to which it is exposed. All risks are reviewed and updated quarterly by the Finance and Audit Committee and the Board of Trustees. As part of this process, the Trustees have developed a Risk Management Policy, which comprises:

- A quarterly review of the risks the charity may face
- The establishment of systems and procedures to mitigate those risks identified in the plan
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise

Key risks for 2023-24	Mitigations
Cyberattack causes disruption to business continuity and/or reputational damage from loss of confidential data.	Ongoing monitoring by our IT support company, staff training to increase awareness.
Challenging regulatory framework in the countries that we work in.	Obtain and follow external advice on compliance.
Our current financial commitments to core programme and overhead, combined with any kind of shortfall in income, place pressure on low reserves, leaving limited capacity to respond to problems or opportunities.	Quarterly review and reforecast of income and expenditure. Review pipeline of restricted funding applications to give indication of income and timings.
Safeguarding	Safeguarding teams continue to respond to instances in line with policies and also build implementing partner capacity

Reserves

The Board of Trustees reviews the charity's reserves policy annually. The basis of Railway Children's reserve policy is:

- To protect the continuity of our work, including specified liabilities and partner commitments
- To provide capacity to invest in innovative programme activities that may initially be difficult to fund

To achieve the above, a minimum reserve is defined as being three months of our core unrestricted expenditure. Our target reserve is based upon the level required to enable the following year's programme to be funded and close at the budget reserve level.

The unrestricted funds closed at £0.80m (FY22-23 £0.66m) an increase of £0.1m on the prior year and just above the reserves target of three months unrestricted expenditure which equates to £0.77m in the 2024-25 budget.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of Railway Children for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 9 December 2024 and signed on their behalf by

Malcolm Brown

Chairman of the Board

Independent auditor's report to the members and Trustees of Railway Children

Opinion

We have audited the financial statements of Railway Children (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 May 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 May 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Railway Children's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard FCA (Senior statutory auditor)

Date: 4 February 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

RAILWAY CHILDREN
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income & Expenditure Account)
for the year ended 31 May 2024

		Unrestricted £	Restricted £	2024 Total £	2023 Total £
Income from:					
Donations and Legacies	3	1,961,985	356,326	2,318,311	2,204,418
Charitable Activities		64,025	1,454,064	1,518,089	1,005,713
Other trading activities		635,916	-	635,916	634,055
Investments		14,224	4,007	18,231	14,352
Total Income		<u>2,676,150</u>	<u>1,814,397</u>	<u>4,490,547</u>	<u>3,858,538</u>
Expenditure on:					
Fundraising		1,125,242	279,781	1,405,023	1,322,021
Charitable Activities		1,424,603	1,522,348	2,946,951	2,912,852
Total Expenditure	4	<u>2,549,845</u>	<u>1,802,129</u>	<u>4,351,974</u>	<u>4,234,873</u>
Net Income / (Expenditure)		<u>126,305</u>	<u>12,268</u>	<u>138,573</u>	<u>(376,335)</u>
Transfer between funds		-	-	-	-
Reconciliation of Funds					
Total funds brought forward	21	676,785	955,895	1,632,680	2,009,015
Total funds carried forward		<u>803,090</u>	<u>968,163</u>	<u>1,771,253</u>	<u>1,632,680</u>

All of the above results are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

Accordingly no statement of total recognised gains and losses are given.

All restricted funds received and expended relate to income funds.

RAILWAY CHILDREN
CONSOLIDATED AND PARENT BALANCE SHEET
As at 31 May 2024

	Notes	Group 2024 £	2023 £	Charity 2024 £	2023 £
Fixed Assets					
Tangible Assets	9	6,610	11,023	-	-
Investment	10	20,776	20,776	20,876	20,876
Current Assets					
Debtors & Prepayments	16	211,859	171,523	175,162	357,164
Cash at Bank & in Hand		1,926,219	1,740,830	1,634,654	1,270,792
		2,138,078	1,912,353	1,809,816	1,627,956
Current Liabilities					
Amounts Falling Due within One Year	17	(394,211)	(311,472)	(203,422)	(204,495)
Net Current Assets		1,743,867	1,600,881	1,606,394	1,423,461
Net Assets	18	1,771,253	1,632,680	1,627,270	1,444,337
Funds					
Unrestricted Income Funds					
General Funds		300,089	261,210	411,728	410,913
Designated Funds		503,000	415,575	503,000	415,575
Restricted Income Funds		1,051,881	964,100	796,259	626,054
Restricted Income Funds in Deficit		(83,717)	(8,205)	(83,717)	(8,205)
Total Funds	21	1,771,253	1,632,680	1,627,270	1,444,337

The financial statement of Railway Children, registered number 03265496, were approved by the Board of Trustees on 9 December 2024 and signed on its behalf by

Malcolm Brown
Chairman of the Board

RAILWAY CHILDREN
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 May 2024

		2024		2023	
	Note	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities			140,795		(416,402)
Cash flows from investing activities:					
Purchase of fixed assets	10	(1,250)		(17,312)	
Dividends and interest from investments		18,231		14,352	
Purchase of investments		-		-	
Net cash provided by / (used in) investing activities			16,981		(2,960)
Change in cash and cash equivalents in the year			157,776		(419,362)
Cash and cash equivalents at the beginning of the year			1,740,830		2,127,964
Change in cash and cash equivalents due to exchange rate movements			27,613		32,228
Cash and cash equivalents at the end of the year			1,926,219		1,740,830

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2024	2023
	£	£
Net income / (expenditure) for the reporting period	138,573	(376,335)
(as per the statement of financial activities)		
Depreciation charges	5,663	6,615
Exchange (Gains)/Losses	(27,613)	(32,228)
(Increase)/decrease in debtors	(40,336)	(53,521)
Increase/(decrease) in creditors	82,739	53,419
Dividends and interest from investments	(18,231)	(14,352)
Net cash provided by / (used in) operating activities	140,795	(416,402)

Analysis of cash and cash equivalents

	At 1 June 2023	Cash flows	Other	At 31 May 2024
	£	£	£	£
Cash at bank and in hand	1,740,830	157,776	27,613	1,926,219
Total cash and cash equivalents	1,740,830	157,776	27,613	1,926,219

Notes forming part of the Financial Statements

1 ACCOUNTING POLICIES

The financial statements are prepared under the historic cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

As explained in the Trustees' Report, after making enquiries, the trustees have a reasonable expectation and no material uncertainties that Railway Children has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 June 2014. No transitional adjustments were required.

Basis of Consolidation

The Group financial statements consolidate the financial statements of Railway Children and its wholly owned subsidiary undertakings drawn up to 31st May each year. The results of the charitable company and its wholly owned subsidiaries Railway Children Trading Limited, Railway Children Africa Limited and the overseas entity over which the charity has control through membership, Railway Children India, are consolidated on a line-by-line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

Incoming Resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met, it is probable that the income will be received and that the amount can be measured reliably. Where a claim for Income Tax has or will be made, such income is grossed up for tax recoverable. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. The following accounting policies are applied to income:

Gifts in Kind and donated goods & facilities

Assets given for use by the charity are recognised as incoming resources at their estimated market value when receivable. If they form part of the fixed assets at the year-end, they are included in the balance sheet at the value at which the gift was included in incoming resources. Donated facilities are included at their estimated value and the corresponding expenditure included under the appropriate heading. All estimates of value of gifts are estimated as the value to the charity of the service or facility received; being the price the charity estimates it would pay in the open market for a service or facility of equivalent utility to the charity.

Donations

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure.

Legacies

For legacies that can be estimated, and receipt is reasonably assured, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants received

Grants are recognised when the conditions of entitlement are met.

Charitable expenditure

Charitable expenditure includes expenditure directly related to the objects of the charity and comprises grants payable, accounted for when the trustees have approved such grant and instruction is given to the charity's bankers. In addition, costs incurred in transmitting project grants to those projects, and the cost of visits by trustees and staff to assess, monitor and develop the work of these projects is accounted for on an accruals basis. Salary costs for co-coordinators in India, Programme Development Manager, National Policy and Strategy Officer, National Research & Strategy Manager and a proportion of the CEO salary are included as this work is concerned with the development of the management of and enhancement of capacity of the projects supported are also accounted for on an accruals basis.

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Allocation of operating costs

The charity's operating costs are accounted for on an accruals basis and are allocated between costs of generating funds, charitable expenditure and governance. Wherever possible the costs are positively identified and specific to the activity, in other cases such as office provision and some staff costs a percentage allocation of total cost is made based upon an estimate of staff time attributable to each activity. The allocations for the year were:

Percentages	UK Support staff				
	CEO	Marketing & Comms	Finance & Admin	Other Costs	Depreciation
Charitable	58%	60%	55%	40%	44%
CORF	25%	40%	31%	58%	50%
Governance	17%		14%	2%	6%
	100%	100%	100%	100%	100%

Tangible fixed assets

The fixed assets are limited to equipment, furniture and fittings and are capitalised where the purchase cost exceeds £1,000. Depreciation is provided on these assets in equal annual instalments over the estimated lives of the assets as follows:

Office Equipment	- 4 years
Display Equipment	- 4 years
Furniture & fixtures	- 5 years

Fund Structures

Unrestricted funds are where funds have been received without any conditions from donors. Some unrestricted funds have subsequently been set aside by Railway Children as designated funds where they have been ear-marked to fund a specific partner from unrestricted funds.

Where funds have been received from donors for particular purposes these are represented as restricted funds. Transfers are made between restricted funds to represent changes agreed with the donor of the funds.

Foreign Currency

Transactions in foreign currencies are converted at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are converted at the rate of exchange prevailing at the balance sheet date. Exchange rate differences are taken into account in arriving at net incoming resources for the year.

Investments

In the charity balance sheet, investments in the subsidiary are shown at cost less provision for impairments.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Operating leases

Rental charges are charged on a straight-line basis over the term of the lease.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Detailed comparatives for the statement of financial activities

				2023
	Note	Unrestricted £	Restricted £	Total £
Income from:				
Donations and Legacies	3	1,790,772	413,646	2,204,418
Charitable Activities		64,743	940,970	1,005,713
Other trading activities		633,957	98	634,055
Investments		5,026	9,326	14,352
Total Income		2,494,498	1,364,040	3,858,538
Expenditure on:				
Fundraising		1,057,814	264,207	1,322,021
Charitable Activities		1,723,518	1,189,334	2,912,852
Total Expenditure	4	2,781,332	1,453,541	4,234,873
Net Income / (Expenditure)		(286,834)	(89,501)	(376,335)
Transfer between funds		-	-	-
Reconciliation of Funds				
Total funds brought forward		963,619	1,045,396	2,009,015
Total funds carried forward	21	676,785	955,895	1,632,680

3a Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Individual Donations:				
General	651,231	344,462	995,693	1,023,880
Legacies	145,819	-	145,819	206,345
Corporate Donations	1,094,326	11,864	1,106,190	934,247
Donated services	70,609	-	70,609	39,946
	1,961,985	356,326	2,318,311	2,204,418

3b Comparative Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £
Individual Donations:			
General	682,875	341,005	1,023,880
Legacies	206,345	-	206,345
Corporate Donations	863,867	70,380	934,247
Donated services	37,685	2,261	39,946
	1,790,772	413,646	2,204,418

4a Analysis of Expenditure

	Charitable activities	Cost of raising funds	Governance	Support costs	2024 Total	2023 Total
	£	£	£	£	£	£
Grants payable	31,117	-	-	-	31,117	184,879
UK Staff	848,570	470,259	-	594,112	1,912,941	1,871,999
Overseas Staff	792,633	28,936	-	-	821,569	808,765
Office & Supplies	127,318	6,882	-	49,676	183,876	235,046
Services	278,498	562,624	13,774	109,625	964,521	732,111
Travel & Accommodation	303,409	9,582	717	15,627	329,335	293,369
Other	32,343	-	-	-	32,343	64,402
Depreciation	5,663	-	-	-	5,663	6,614
Gifts in Kind	24,379	46,230	-	-	70,609	37,686
Sub total	2,443,930	1,124,513	14,491	769,040	4,351,974	4,234,871
Support costs	460,753	273,050	35,237	(769,040)	-	-
Governance costs	42,268	7,460	(49,728)			
Total expenditure 2024	2,946,951	1,405,023	-	-	4,351,974	4,234,871
Total expenditure 2023	2,912,850	1,322,021	-	-	4,234,871	

4b Comparative Analysis of Expenditure

	Charitable activities	Cost of raising funds	Governance	Support costs	2023 Total
	£	£	£	£	£
Grants payable	184,879	-	-	-	184,879
UK Staff	792,084	261,973	1	817,941	1,871,999
Overseas Staff	770,628	38,137	-	-	808,765
Office & Supplies	183,793	5,770	-	45,483	235,046
Services	158,715	483,695	13,998	75,705	732,113
Travel & Accommodation	265,785	14,162	317	13,105	293,369
Other	64,402	-	-	-	64,402
Depreciation	6,096	-	-	518	6,614
Gifts in Kind	12,468	25,218	-	-	37,686
Sub total	2,438,850	828,955	14,316	952,752	4,234,873
Support costs	627,950	297,275	27,527	(952,752)	-
Governance costs	35,566	6,277	(41,843)		
Total expenditure 2023	3,102,366	1,132,507	-	-	4,234,873

5 Staff Costs

	2024	2023
	£	£
<u>UK Based Staff</u>		
Wages and salaries	1,640,657	1,600,832
National Insurance	173,784	176,961
Pension costs	98,501	94,205
UK Based Sub Total	<u>1,912,942</u>	<u>1,871,998</u>
Overseas staff	821,569	808,765
	<u>2,734,511</u>	<u>2,680,763</u>

6 Staff Numbers

The average number of employees was:

	2024	2023
Project development	21	18
Fundraising	15	17
Support and administration	<u>2</u>	<u>2</u>
UK staff subtotal	38	37
East Africa programme staff	34	33
India programme staff	47	34
Total staff	<u>119</u>	<u>104</u>

Information regarding employees and trustees

*One employee had emoluments in the range of £100,000 - £109,999 (2023 - none), one employee had emoluments in the range of £90,000 - £99,999 (2023 - none), one in the range £80-£89,999 (2023 - three), one in the range £70,000 - £79,999 (2023 - two) and two in the range £60,000 - £69,999 (2023 - one).

*The cost of employing key management personnel including employer's NI and pension contributions was £690,693 (2023: £535,566)

7 Net incoming resources for the year

This is stated after charging:

	2024	2023
	£	£
Operating lease rentals		
- Property	19,568	16,178
- Other	-	-
Depreciation	5,663	6,615
Auditors remuneration		
- Group Audit (excl irrecoverable VAT)	10,000	11,200
	<u> </u>	<u> </u>

Trustee expenses of £471 represents the reimbursed travel and expenses of one Trustee (2023: nil).

8 Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	2024	2023
	£	£
Less than one year	19,620	11,400
2-5 years	3,270	18,050
	<u>22,891</u>	<u>29,450</u>

9 Tangible Fixed Assets (Group and Charity)

	Charity Equipment & Furniture £	Group Vehicles £	Group Total £
Cost			
At beginning of year	67,589	30,650	98,239
Additions in year	-	1,250	1,250
Disposals	-	-	-
At close of year	67,589	31,900	99,489
Depreciation			
At beginning of year	67,589	19,627	87,216
Charge for year	-	5,663	5,663
Disposals	-	-	-
At close of year	67,589	25,290	92,879
Net Book Value			
Group and charity at close of year	-	6,610	6,610
Group and charity at beginning of year	-	11,023	11,023

10 Investments

These consist of £100 of shares in Railway Children Trading Limited and an endowment fund invested for the benefit of work in India with a current value of £20,676.

Railway Children Trading Limited

	2024 £	2023 £
Turnover	178,093	285,700
Expenditure	(60,060)	(23,723)
Use of Railway Children logo	(1,000)	(1,000)
Use of Railway Children staff	(6,000)	(6,000)
Trading profit / (loss)	111,033	254,977
Loan interest paid to Railway Children	-	-
Profit donated to Railway Children	(111,033)	(254,977)
Net profit for the year	-	-
Net assets carried forward at May 31	100	100

Railway Children Trading Company Limited is a 100% subsidiary of Railway Children. During the year £78,756 from events, £26,524 from Xmas cards and £72,814 from UK programme activities. Net profit donated to the charity was £111,033 (2023: £254,977)

All the Railway Children Trading Company Limited's profits for the year are donated to Railway Children. Payments to Railway Children are regarded as a reduction of the charity's expenditure and cancel out on the consolidated accounts.

11 Taxation

Railway Children Limited is a registered charity and is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Railway Children Africa

	2024 £	2023 £
Turnover	191,325	257,284
Income from Railway Children	664,100	755,737
Expenditure	(871,920)	(1,013,021)
Net assets carried forward at May 31st	(16,495)	-

Railway Children Africa is registered as an International non-Governmental Organisation in Tanzania and carries out Railway Children's programme of work in Tanzania. The results of Railway Children Africa are consolidated into the group as they have chosen to enter into an affiliation agreement with Railway Children under which they are committed to the current group strategy using group systems.

13 Railway Children India

	2024 £	2023 £
Turnover	581,826	372,111
Income from Railway Children	63,720	67,687
Expenditure	(704,120)	(688,770)
Surplus/(Deficit)	(58,574)	(248,972)

Railway Children India Limited is a section 25 company registered in India. The results of RCI are consolidated into the group as they have chosen to enter into an affiliation agreement with RC under which they are committed to the current group strategy using group systems.

14 India Liaison Office

This legal entity employs the Railway Children staff in India and is treated as a subsidiary in these accounts. Income for India LO was solely funded from the charity and amounted to £47,186 (2023: £101,362) and expenditure £50,631 (2023: £97,963).

15 Railway Children parent charity

The parent charity gross income for the year excluding RCTL income is £2,547,647 (2023: £2,913,294) and the net deficit for the year is £59,577 (2023 net deficit: £563,071) including funds to subsidiaries of £774,983.

16 Debtors and Prepayments

	Consolidated		Charity	
	2024	2023	2024	2023
	£	£	£	£
Debtors	-	-	-	-
Gift aid debtor	33,566	20,901	33,566	20,901
Other debtors	101,057	132,979	(16)	47,945
Prepayments and accrued income	18,210	17,389	18,210	17,389
Railway Children Africa - owed to charity	59,026	-	-	-
Railway Children Trading Limited - owed to charity	-	254	123,402	270,929
Total	211,859	171,523	175,162	357,164

17 Liabilities: Amounts Falling Due Within One Year

	Consolidated		Charity	
	2024	2023	2024	2023
	£	£	£	£
Creditors	97,519	83,711	24,329	36,416
Tax and national insurance	36,340	44,748	36,340	44,748
Accrued Expenditure	260,352	183,013	115,407	108,333
Railway Children Africa - owed to charity	-	-	27,346	14,998
Total	394,211	311,472	203,422	204,495

18a Analysis of group net assets between funds

	Restricted Funds	Designated Funds	General Funds	Total Funds 2024
	£	£	£	£
Fixed assets	-	-	27,386	27,386
Net current assets	968,164	503,000	272,703	1,743,867
Net assets at the end of the year	968,164	503,000	300,089	1,771,253

18b Comparative of group net assets between funds

	Restricted Funds	Designated Funds	General Funds	Total Funds 2023
	£	£	£	£
Tangible fixed assets	-	-	31,799	31,799
Net current assets	955,895	415,575	229,411	1,600,881
Net assets at the end of the year	955,895	415,575	261,210	1,632,680

19 Related Parties

During the year there were related party transactions with Railway Children India, Railway Children Africa Limited and Railway Children Ball Limited. Income from Railway Children Ball Limited was £631,700 (2023: £497,057).

Railway Children was registered as a liaison office in India (to March 24) and managed the delivery of the India programme with funding provided entirely via Railway Children. Railway Children India is registered as a section 25 company in India and FCRA registered.

The Railway Children Ball Limited has one Trustee in common with Railway Children and runs an annual fundraising ball.

Railway Children Africa Limited is registered as a company in Tanzania and manages the delivery of the Tanzania programme with most funding provided via Railway Children. Railway Children representatives make up a majority of the board positions.

20 Funds held on behalf of others

The charity is part of an unincorporated association known as the Partnership for Vulnerable Children, formed with with three other charities Childhope, Get Connected and ICT. The association operates a payroll giving scheme on behalf of its members. Railway Children performs the financial administration for the association.

The sole assets of the association are funds collected not yet dispersed which are held in a separate bank account. The balance on the account at May 31st 2024 was £5,335 (2023: £1,794). This bank account does not form part of these consolidated accounts.

21a Movement in Funds

		Balance at 01/06/2023	Movement in Resources		Transfers	Balance at 31/05/2024
		£	Incoming £	Outgoing £	£	£
Restricted Funds						
Region	Funder					
Tanzania	Funds held by RCA	162,031	250,352	(266,316)	-	146,067
	Funds held by RC UK	59,571	441,245	(222,151)	-	278,665
	DfID - UK Aid Direct	6,382	-	-	-	6,382
India	APPI	9,918	-	-	-	9,918
	Honda	9,495	37	-	-	9,532
	Funds held by RCI	45,353	88,667	(43,915)	-	90,105
UK	Funds held by RC UK	257,227	530,698	(529,093)	-	258,832
		384,815	477,548	(609,983)	-	252,380
Total Restricted Funds		934,792	1,788,547	(1,671,458)	-	1,051,881
Restricted Funds in Deficit		21,103	25,849	(130,669)	-	(83,717)
Overall Restricted Funds		955,895	1,814,396	(1,802,127)	-	968,164
Unrestricted Funds						
Designated Funds						
	India	74,453	135,939	(144,392)		66,000
	UK	38,910	227,924	(75,834)		191,000
	East Africa	302,212	776,598	(832,810)		246,000
	Total Designated Funds	415,575	1,140,461	(1,053,036)	-	503,000
	General Funds	261,210	1,535,689	(1,496,809)	-	300,090
	Total Unrestricted Funds	676,785	2,676,150	(2,549,845)	-	803,090
Total Funds		1,632,680	4,490,546	(4,351,972)	-	1,771,254

Purposes of Restricted Funds

All restricted funds are held for the relief of children and young persons in conditions of hardship and distress who live on or are at risk of APPI funds are for work to assist street children on railway stations in India

PACT: Restricted for the assistance of street children and youth in Tanzania, in deficit as this is funded in arrears.

DfID: These funds relate to the assistance of street children in Tanzania.

Purposes of Designated Funds

These are to cover commitments made to partners made for the year ended May 31st 2025, details are contained in the annual report.

21b Comparative Movement in Funds

		Balance at 01/06/2022 £	Movement in Resources		Transfers £	Balance at 31/05/2023 £
			Incoming £	Outgoing £		
Restricted Funds						
Region	Funder					
Tanzania	Funds held by RCA	29,104	188,439	(53,232)	-	164,311
	Funds held by RC UK	56,686	125,171	(122,286)	-	59,571
	DfID - UK Aid Direct	-	6,382	-	-	6,382
India	APPI	226,614	(77,324)	(139,372)	-	9,918
	Honda	13,946	16	(4,467)	-	9,495
	Funds held by RCI	145,273	436,168	(427,119)	-	154,322
	Funds held by RC UK	251,649	76,996	(173,183)	-	155,462
UK		322,960	576,708	(495,029)	-	404,639
Total Restricted Funds		1,046,232	1,332,556	(1,414,688)	-	964,100
Restricted Funds in Deficit		(836)	31,484	(38,853)	-	(8,205)
Overall Restricted Funds		1,045,396	1,364,040	(1,453,541)	-	955,895
Unrestricted Funds						
	Designated Funds					
	India	344,000	(125,155)	(144,392)		74,453
	UK	167,000	(52,256)	(75,834)		38,910
	East Africa	286,000	849,022	(832,810)		302,212
	Total Designated Funds	797,000	671,611	(1,053,036)	-	415,575
	General Funds	166,619	1,822,887	(1,728,296)	-	261,210
	Total Unrestricted Funds	963,619	2,494,498	(2,781,332)	-	676,785
Total Funds		2,009,015	3,858,538	(4,234,873)	-	1,632,680