



CHILD RESCUE NEPAL

Trustees' Report and Financial Statements for the year ended 31 July 2022

REGISTERED CHARITY NUMBER: 1078187

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CHILD RESCUE NEPAL

CHARITY INFORMATION

TRUSTEE

Child Rescue Nepal Limited

CHIEF EXECUTIVE

Joanna Bega

CHARITY NUMBER

1078187

CHARITY OFFICE

St Clement's
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London EC4N 7HB

WEBSITE

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BANKERS

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INDEPENDENT EXAMINER

Oliver Warne ACA
Cottons Group
231 Shoreditch High Street
London
E1 6PJ

ACCOUNTANTS

Charity Accounting Services Limited
Suit 109 – Spaces
6 Sutton Plaza, Sutton
London SM1 4FS

CHILD RESCUE NEPAL

Report of The Trustees for the year ended 31 July 2022

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 2022. 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. D. J Webber (Chair)
Mr. J. Pow (Treasurer)
Mr. N. Sankey
Mr. D. J Nicholls
Miss J. M Lee
Mr D.E Westgate
Ms S. Budhathoki
Mr J. Karki
Ms M. Turner (resigned 12 December 2021)
Ms L. Baker (resigned 27 January 2022)

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 bring a range of skills to the charity and provide guidance on issues including child protection, finance, fundraising 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 – alternating between remote and in person. Decisions are taken by majority vote, with the Chairman holding a casting vote; in practice, decisions are unanimous.

CRN'S offices are 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 full time, supported by a part-time Administrator/Fundraiser.

CRN works in Nepal through its operational office, the iNGO, CRN (Nepal branch), 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 conducts the operational activities of the Trust and manages staff in our Nepal office. Jamuna is in regular

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Report of The Trustees for the year ended 31 July 2022

contact with the CEO in the UK by email and fortnightly Skype calls. Normally, the CEO visits Nepal twice a year to support staff, visit the charity's operations and report to the Trustees.

CRN (Nepal branch) exists to support autonomous 'implementing partner' NGOs. During this reporting period, this has been the Esther Benjamins Memorial Foundation, Shakti Samuha and Chora Chori, who are all based in Kathmandu. Whilst most of our programme work in Nepal is carried out by EBMF, we have worked in partnership with Shakti Samuha since March 2018 to run a Safe House for rescued girls and formed a partnership with Chora Chori to rescue children from India in November 2021.

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.

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

OBJECTIVES AND ACTIVITIES

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

The main activities undertaken in relation to those purposes

Our work in Nepal is delivered through three partner organisations – the Esther Benjamins Memorial Foundation (EBMF), Shakti Samuha (SS) and Chora Chori (CC). Working through our partners, we have the following aims:-

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 with 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. Keep vulnerable children safe in schools through funding the improvement of basic facilities and giving other education support to prevent at-risk children dropping out.
7. Raise awareness of child trafficking, child labour and child slavery among at-risk rural communities.

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Report of The Trustees for the year ended 31 July 2022

ACHIEVEMENTS AND PERFORMANCE

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.

In July 2016 we established our Safe House (transit home) in Kathmandu. This is a place where newly rescued boys stay for approximately 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.

Over the course of the year, we rescued fifteen boys and four 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, social workers and government officials.

In August and October 2021, with our longstanding partner EBMF, we rescued three boys – two working in a restaurant and one from a metalwork factory. In March and April 2022, we rescued three more boys; one from a restaurant and two from domestic child labour situations. In May 2022, we received seven boys rescued by the National Child Rights Council. They had been selling candy floss on the streets of Kathmandu and sleeping on the floor of a rented room.

During the same period, our partner, Shakti Samuha, rescued two girls who were being sexually exploited in bars, and rescued one girl who was in the process of being trafficked to India. Our other partner, Chora Chori, rescued and repatriated two Nepali boys and one Nepali girl who had been trafficked to India.

Case Study: Sumit (name changed) was just 13 years old when we rescued him from a small restaurant in Kathmandu. His large, dysfunctional family had a small plot of land, but it didn't yield enough food to support the family. Sumit's father was an alcoholic who regularly beat him and his four siblings. In addition, the family couldn't afford the school uniform and stationery that Sumit needed to attend school. Because of this, he dropped out of school and started helping with the family chores.

One day, his neighbour came to his house and tricked the family members into taking Sumit to the city. He said that Sumit would be enrolled in a good school in the city, and that food and lodgings would be provided. But he would just need to work a few hours at his hotel in the mornings and evenings.

Trusting the neighbour, Sumit's parents happily agreed to the plan. Sumit was excited and happy to experience life in the city. But soon, his happiness turned into sorrow. Instead of working a few hours at the hotel, he was forced to wash dishes every day from early morning to late at night. He slept in a tiny, messy room. Sumit was scolded if he washed the dishes too slowly or broke anything by accident. When he mentioned going to school, he was berated.

In March 2022, after receiving a tip off, we were able to rescue Sumit. Initially he was frightened and did not want to say anything. However, once he arrived at our transit home and started to feel safe, he slowly

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Report of The Trustees for the year ended 31 July 2022

shared his story, and his feelings. We traced his family, and we made contact by telephone. His family were shocked to hear the story and were happy to know that Sumit was safe. However at the time of writing we still need to visit the family and assess the full situation to see if reintegration is a safe option for Sumit.

2. Reintegrate children with their family, and provide their families with a comprehensive, long-term package of post-integration support.

Out of the 19 children rescued this year, 11 boys and three girls have been reintegrated successfully with their families. One boy has moved into our halfway house whilst he undertakes a one-year training course to become a general mechanic, and three boys remain in our transit home. One girl is now living at Marigold House for the foreseeable future.

In total, seven girls are currently living 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.

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 eleven children who are back home and living with their families, and nine previously rescued children for their education costs only.

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

Since our founding in 1999, we have rescued over 950 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 half-way house for boys with a 6-bed capacity and in June 2022 opened a new 6-bed halfway house for girls. Over the course of the year, we have directly supported 11 children. We ensure that every child receives an education, and we continue to support them as they turn 16, offering vocational training or further education to enable them to achieve a fully independent adulthood.

4. Support older rescued children through a transition programme 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.

Over the past year our Youth Transition Programme was generously funded by the Foux Foundation and the Andrews Charitable Trust. We are currently supporting 27 young people in higher education and eight in vocational training. In the past year, 13 young people have graduated

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Report of The Trustees for the year ended 31 July 2022

from the programme and are now in full time, paid employment.

Our halfway house, funded by Andrews Charitable Trust and opened in October 2020, continues to be a vital addition to our provision. It bridges the gap between living in a care home and moving into fully independent housing. Our rented apartment in Kathmandu can accommodate six boys at any one time. Following the success of our halfway house for boys, we opened a similar halfway house for girls in June 2022.

Case study: Dhurba

When he was 12, Dhurba was taken to Kathmandu to earn money for his family. The relatives that took him had promised a good job. But Dhurba ended up in a dangerous and unregulated metal factory. During the two years he worked there he experienced severe pain and sorrow – and never saw his parents once. Dhurba worked from early in the morning until late at night. To stop himself falling asleep on the job he used to deliberately burn his legs and hands.

We rescued Dhurba in August 2017, at the age of 14. He stayed at our transit home where he received counselling, medical support, food and clothing. We managed to trace his family, and after rigorous assessment, Dhurba was reunited with his parents. Despite going back to school, Dhurba struggled academically and dropped out after a couple of years.

Because we remain in contact with all our rescued children, we were able to offer Dhurba a place on our youth training scheme. We enrolled him onto a chef's training course, whilst funding his accommodation and providing regular support.

Dhurba has now completed his training and is working full-time at one of the well-known restaurants in the town. He is very hardworking and eager to learn new skills. His employer has nothing but praise for Dhurba: "He is a sincere and hardworking young boy. He is respectful to the customers and works well alone as well as in the team."

Dhurba says, "I never thought I would come so far. When I think of those long days in the metal factory, I feel so sad. But I am much happier now. I am leading an independent life and supporting my family. My life has changed from darkness to light. Thank you, CRN, for your love, care and 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.

Covid-19 restrictions prevented many of these collaborative activities from happening this year. However, we were able to continue running life skills training with the young people in our care homes, where (amongst other skills) they learn empowerment skills and find out how they can tell their stories in a positive way.

In addition, we commissioned a piece of research exploring the accommodation issues that young people face when leaving full time care. This was funded by the Andrews Charitable Trust as part of their three-year grant towards our youth programme.

The research highlighted the need for appropriate transition planning and support as young people moving from care into independence can experience mental health issues. It also demonstrated how important it is for young people to have adults to advocate for them, particularly when negotiating with independent landlords. The research will be shared with all participating organisations as well as with other interested groups.

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Report of The Trustees for the year ended 31 July 2022

6. Keep vulnerable children safe in schools through funding the improvement of basic facilities and giving other education support to prevent at-risk children dropping out.

Over the course of the year, we trained 82 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 provided 1,210 hygiene kits to improve the personal hygiene of children and to help them stay safe during the pandemic. We also installed a handwashing station in one school, benefitting 700 children so far and many more in the years to come.

We supported five community schools by equipping early years classrooms and setting up libraries, benefitting a total of 1,238 children.

We also provided 1,300 educational bursaries to at-risk students to encourage them to attend and remain in school. The bursaries include books, pens, calculators and school bags.

Case study: Three young sisters aged 6, 8 and 9 were struggling after their parents were tragically killed last year by a lightning strike. Instead of happily attending school, they became a burden to their relatives. Their uncle took them in, providing shelter and food in his home, but they had to drop out from school as he could not afford to buy the necessary equipment needed (stationery, uniform and school bag).

When their school reopened after the first lockdown in November 2020, the girls didn't return. The teachers were worried about them and visited the children to find out what was going on. When they reached the uncle's home, the team found that the uncle was planning to send 9-year-old Nita to Chitwan city to work as a domestic labourer.

When the teacher asked the uncle why he wanted to send Nita away, he kept silent for some time and looked at the floor. Then said quietly, "I do not have any other option as I am very poor and I can't afford the equipment that these three children need for school. I cannot pay for stationery, books and uniform. I can barely provide two meals a day – so how can I send them to school? This is beyond my capacity".

The school immediately contacted us and we confirmed that we could provide each girl with a yearly educational bursary. After hearing this news, their uncle cried and said "Thank you for this wonderful support. Now I do not need to send the girls anywhere and they can continue with their studies."

We are now regularly providing bursaries for these girls and will continue to support them and monitor their progress. The sisters are very pleased to be back at school with their friends.

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

We delivered anti-trafficking awareness-raising activities among parent groups in seven communities in the district of Makwanpur, attended by 357 people. The sessions highlighted the risk posed to children 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 continue to broadcast daily anti-trafficking radio jingles in two languages (Nepali and Chepang), broadcasting the message to approximately 111,000 people in Makwanpur and the neighbouring districts each year.

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Report of The Trustees for the year ended 31 July 2022

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, as well as several employee-related donations from Bloomberg. Uncertainty from Coronavirus meant that we didn't hold any in-person fundraising events this year, but we did benefit from two runners and a virtual team in the London Marathon in October 2021 (£6,000), the Big Christmas Give in December 2021 (£30,000), a 24-hour bake-a-thon in March 2022 (£7,000) and two emergency appeals for toilets/taps and a new classroom in summer 2022 (raising a total of £29,000).

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 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

FINANCIAL REVIEW

The financial position of the charity at 31 July 2022 and comparatives for the prior year, as more fully detailed in the accounts, are summarised as follows:

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Net Income | (50,285) | 46,816 |
| Unrestricted funds available for the general purposes of the charity | 274,234 | 312,963 |
| Restricted funds | 30,509 | 42,065 |
| Total funds | 304,743 | 355,028 |

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Report of The Trustees for the year ended 31 July 2022

Financial review of the position at the reporting date, 31 July 2022

Income for the year was £434,517 compared to £486,518 in 2021. This income was made up of restricted income of £178,048 and unrestricted income of £256,469.

Expenditure for the year was £484,802 compared to £439,702 in 2021.

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 number of children involved, the Chief Executive 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 2022, the Trustees have also designated £15,000 for currency fluctuations and £30,000 for future rescue operations.

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 2022

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 5 April 2023 and signed on its behalf



David Webber
Chair of the Trustees

CHILD RESCUE NEPAL

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

I report to the Trustees on my examination of the financial statements of Child Rescue Nepal ('the charity') for the year ended 31 July 2022 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.



Oliver Warne ACA
Cottons Group
231 Shoreditch High Street
London
E1 6PJ

Date: 5 April 2023

CHILD RESCUE NEPAL
Statement of Financial Activities
for Year Ended 31 July 2022

| | Notes | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---------------------------------------|-------|-------------------------|-----------------------|--------------------|--------------------|
| INCOME | | | | | |
| Donations and legacies | 5 | 241,470 | 173,448 | 414,918 | 469,499 |
| Activities in generating funds | 5 | 14,158 | 4,600 | 18,758 | 12,420 |
| Investment income | 5 | 250 | - | 250 | 38 |
| Other income | 5 | 591 | - | 591 | 4,561 |
| TOTAL INCOME | | 256,469 | 178,048 | 434,517 | 486,518 |
| EXPENDITURE | | | | | |
| Raising funds | 6a | 45,092 | - | 45,092 | 40,655 |
| Charitable activities | 6b | 250,106 | 189,604 | 439,710 | 399,047 |
| TOTAL EXPENDITURE | | 295,198 | 189,604 | 484,802 | 439,702 |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | | (38,729) | (11,556) | (50,285) | 46,816 |
| Transfer between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | | (38,729) | (11,556) | (50,285) | 46,816 |
| TOTAL FUNDS BROUGHT FORWARD | | 312,963 | 42,065 | 355,028 | 308,212 |
| TOTAL FUNDS CARRIED FORWARD | | 274,234 | 30,509 | 304,743 | 355,028 |

The accompanying notes form an integral part of these financial statements

CHILD RESCUE NEPAL
Statement of Financial Activities
for Year Ended 31 July 2022

Prior year SOFA Analysis

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|---------------------------------------|-------|-------------------------|-----------------------|--------------------|--------------------|
| INCOME | | | | | |
| Donations and legacies | 5 | 301,113 | 168,386 | 469,499 | 379,502 |
| Activities in generating funds | 5 | 12,420 | - | 12,420 | 45,848 |
| Investment income | 5 | 38 | - | 38 | 491 |
| Other income | 5 | 4,561 | - | 4,561 | 4,580 |
| TOTAL INCOME | | 318,132 | 168,386 | 486,518 | 430,421 |
| EXPENDITURE | | | | | |
| Raising funds | 6a | 40,655 | - | 40,655 | 13,007 |
| Charitable activities | 6b | 158,891 | 240,156 | 399,047 | 417,177 |
| TOTAL EXPENDITURE | | 199,546 | 240,156 | 439,702 | 430,184 |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | | 118,586 | (71,770) | 46,816 | 237 |
| Transfer between funds | | - | - | - | - |
| NET MOVEMENT IN FUNDS | | 118,586 | (71,770) | 46,816 | 237 |
| TOTAL FUNDS BROUGHT FORWARD | | 194,377 | 113,835 | 308,212 | 307,975 |
| TOTAL FUNDS CARRIED FORWARD | | 312,963 | 42,065 | 355,028 | 308,212 |

CHILD RESCUE NEPAL**Balance Sheet
as at 31 July 2022**

| | Note | 2022 £ | 2021 £ |
|-------------------------------------|------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 8 | 3 | 264 |
| CURRENT ASSETS | | | |
| Debtors | 9 | 4,134 | 30 |
| Cash at bank and in hand | | 305,179 | 361,801 |
| | | <u>309,313</u> | <u>361,831</u> |
| CREDITORS: | | | |
| Amounts falling due within one year | 10 | <u>(4,573)</u> | <u>(7,067)</u> |
| NET CURRENT ASSETS | | 304,740 | 354,764 |
| NET ASSETS | | <u>304,743</u> | <u>355,028</u> |
| FUNDS OF THE CHARITY | | | |
| Restricted funds | 11 | 30,509 | 42,065 |
| Unrestricted funds | 11 | 274,234 | 312,963 |
| TOTAL CHARITY FUNDS | | <u>304,743</u> | <u>355,028</u> |

Approved by the Trustees and signed on their behalf on 5 April 2023.

David Webber

David Webber
Chair of the Trustees

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

CHILD RESCUE NEPAL

Notes to the Financial Statements

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note 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

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

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

| | 2022 | 2021 |
|---|------|------|
| | £ | £ |
| Net income/(expenditure) for the year is stated after charging: | | |
| Depreciation | 261 | 384 |

5 ANALYSIS OF INCOME

| | Unrestricted funds | Restricted funds | 2022 Total | 20201 Total |
|--|--------------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Incoming resources from generated funds | | | | |
| Voluntary income: | | | | |
| Public donations including Gift Aid | 134,411 | 19,550 | 153,961 | 235,223 |
| Corporate donations | 28,354 | 2,700 | 31,054 | 23,310 |
| Child sponsorship | 18,296 | - | 18,296 | 19,003 |
| Grants received | 40,930 | 151,198 | 192,128 | 175,410 |
| Legacies | 19,479 | - | 19,479 | 16,553 |
| | 241,470 | 173,448 | 414,918 | 469,499 |
| Activities for generating funds: | | | | |
| Events | 14,158 | 4,600 | 18,758 | 12,420 |
| Investment income | 250 | - | 250 | 38 |
| HMRC Job Retention Scheme | 591 | - | 591 | 4,561 |
| | 14,999 | 4,600 | 19,599 | 17,019 |
| Total Income | 256,469 | 178,048 | 434,517 | 486,518 |

CHILD RESCUE NEPAL

Notes to the Financial Statements

6 ANALYSIS OF EXPENDITURE

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| a. Raising funds | | | | |
| Staff salaries and wages | 33,826 | - | 33,826 | 30,908 |
| Fundraising, publicity and marketing | 9,878 | - | 9,878 | 7,437 |
| Other fundraising activities | 1,388 | - | 1,388 | 2,310 |
| Total fundraising costs | 45,092 | - | 45,092 | 40,655 |
| b. Charitable activities | | | | |
| Governance costs | | | | |
| Staff salaries and wages | 3,210 | - | 3,210 | 2,728 |
| Independent examiner's fee | 2,400 | - | 2,400 | 2,400 |
| | 5,610 | - | 5,610 | 5,128 |
| Project costs | | | | |
| Staff salaries and wages | 28,887 | - | 28,887 | 24,554 |
| Monitoring and support | 3,231 | - | 3,231 | 118 |
| Nepal project costs | 178,706 | 189,604 | 368,310 | 335,314 |
| | 210,824 | 189,604 | 400,428 | 359,986 |
| Support costs | | | | |
| Staff salaries and wages | 6,923 | - | 6,923 | 14,501 |
| Other employee costs | 844 | - | 844 | (677) |
| Premises expenses | 3,120 | - | 3,120 | 3,387 |
| Office costs and administrative overheads | 3,354 | - | 3,354 | 4,845 |
| Professional fees and insurance | 17,057 | - | 17,057 | 9,222 |
| Bank charges | 2,113 | - | 2,113 | 2,271 |
| Depreciation | 261 | - | 261 | 384 |
| | 33,672 | - | 33,672 | 33,933 |
| Total expenditure on charitable activities | 250,106 | 189,604 | 439,710 | 399,047 |

Due to a surplus in the previous period the Trustees recognised that the charity had increased the financial reserves in the UK. The Trustees therefore agreed that this money would be better spent on frontline projects in Nepal resulting in expenditure exceeding income in the period.

The apportionment of costs relating to fundraising has been reviewed and updated in the period to include a percentage of UK staff costs to reflect the fundraising activities undertaken by UK staff. This gives a better representation of the allocation of costs between fundraising and charitable activities. The prior year apportionment has been updated to enable accurate comparisons to be made.

CHILD RESCUE NEPAL

Notes to the Financial Statements

7 STAFF COSTS

| | Unrestricted funds £ | Restricted funds £ | Total Funds 2022 £ | Total Funds 2021 £ |
|-----------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Wages & Salaries | 67,398 | - | 67,398 | 66,545 |
| Social Security Costs | 2,445 | - | 2,445 | 2,923 |
| Pension Cost | 3,003 | - | 3,003 | 3,223 |
| | 72,846 | - | 72,846 | 72,691 |

| | 2022 | 2021 |
|---|------|------|
| Staff Numbers (average number of staff) | 2 | 2 |

No employee received a salary in excess of £60,000, in the current year (2021: none).

Trustees were not paid remuneration in either period. No trustee received reimbursed expenses in the year (2021: nil).

Key management personnel include the Trustees and the Chief Executive. The total employee benefits (including gross pay and employer national insurance contributions) of the charity's key management personnel were £65,824 (2021: £54,647). Pension contributions paid by the company for key management personnel totalled £3,003 (2021: £3,003). Excluding the trustees there was one key management personnel (2021: one) that received remuneration during the year.

8 TANGIBLE FIXED ASSETS

| Cost | Office equipment £ |
|--------------------------|-----------------------|
| At 31 July 2021 and 2022 | 1,920 |
| Depreciation | |
| At 31 July 2021 | 1,656 |
| Charge for the year | 261 |
| At 31 July 2022 | 1,917 |
| Net book values | |
| At 31 July 2022 | 3 |
| At 31 July 2021 | 264 |

CHILD RESCUE NEPAL

Notes to the Financial Statements

9 DEBTORS

| | 2022 £ | 2021 £ |
|--------------------------------|--------------|-----------|
| Prepayments and accrued income | 4,104 | - |
| Other debtors | 30 | 30 |
| | 4,134 | 30 |

10 CREDITORS: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|-----------------|--------------|--------------|
| Accruals | 3,654 | 3,834 |
| Other creditors | 919 | 3,233 |
| | 4,573 | 7,067 |

11 FUND RECONCILIATION

| | At 31.7.2021 £ | Income £ | Expenditure £ | Fund Transfer £ | At 31.7.2022 £ |
|-----------------------------------|----------------------|----------------|------------------|-----------------------|-------------------|
| Unrestricted Funds | | | | | |
| Unrestricted free reserve | 267,963 | 256,469 | (295,198) | - | 229,234 |
| Designated | | | | | |
| Currency fluctuations | 15,000 | - | - | - | 15,000 |
| Future rescue operations | 30,000 | - | - | - | 30,000 |
| Unrestricted total | 312,963 | 256,469 | (295,198) | - | 274,234 |
| Restricted Funds | | | | | |
| Rebuild Schools | - | 16,370 | (15,600) | - | 770 |
| Guernsey Aid | - | 42,482 | (42,482) | - | - |
| Marigold House | 1,023 | 12,380 | (13,200) | - | 203 |
| Safe in School | 11,294 | 54,070 | (57,500) | - | 7,864 |
| Teacher Training | 2,493 | - | - | - | 2,493 |
| Miteree Foundation | 2,387 | 5,400 | (5,000) | - | 2,787 |
| VOC Training Youth | 23,351 | 47,041 | (54,000) | - | 16,392 |
| COVID Appeal | 1,517 | 305 | (1,822) | - | - |
| Restricted total | 42,065 | 178,048 | (189,604) | - | 30,509 |
| Total funds of the charity | 355,028 | 434,517 | (484,802) | - | 304,743 |

CHILD RESCUE NEPAL

Notes to the Financial Statements

PRIOR YEAR FUND RECONCILIATION

| | At 31.7.2020 | Income | Expenditure | Fund Transfer | At 31.7.2021 |
|----------------------------|-----------------|---------|-------------|------------------|--------------|
| | £ | £ | £ | £ | £ |
| Unrestricted Funds | | | | | |
| Unrestricted free reserve | 149,377 | 318,132 | (199,546) | - | 267,963 |
| Designated | | | | | |
| Currency fluctuations | 15,000 | - | - | - | 15,000 |
| Future rescue operations | 30,000 | - | - | - | 30,000 |
| Unrestricted total | 194,377 | 318,132 | (199,546) | - | 312,963 |
| Restricted Funds | | | | | |
| Rebuild Schools | - | - | - | - | - |
| Guernsey Aid | 20,874 | - | (20,874) | - | - |
| Marigold House | 30,390 | 4,915 | (34,282) | - | 1,023 |
| Safe in School | 11,889 | 23,405 | (24,000) | - | 11,294 |
| Teachers Training | 3,752 | 13,741 | (15,000) | - | 2,493 |
| Miteree Foundation | 6,637 | 5,750 | (10,000) | - | 2,387 |
| VOC training youth | 10,000 | 59,351 | (46,000) | - | 23,351 |
| COVID Appeal | 30,293 | 61,224 | (90,000) | - | 1,517 |
| Restricted total | 113,835 | 168,386 | (240,156) | - | 42,065 |
| Total funds of the charity | 308,212 | 486,518 | (439,702) | - | 355,028 |

Restricted Funds

Rebuild Schools

A fund to construct classrooms in rural Nepal.

Guernsey Aid

Grants from the Guernsey Government to construct toilets and fund hygiene awareness programmes in the district of Makwanpur.

Marigold House

A 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

Miteree Foundation

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

VOC Training Youth

Youth Transition Project supporting young people into jobs and independent living.

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.

Unrestricted Funds:

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

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|------------------------|----------------------------|--------------------------|-----------------|-----------------|
| Represented by: | | | | |
| Tangible fixed assets | 3 | - | 3 | 264 |
| Current assets | 278,804 | 30,509 | 309,313 | 361,831 |
| Current liabilities | (4,573) | - | (4,573) | (7,067) |
| | 274,234 | 30,509 | 304,743 | 355,028 |

13. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as of 31 July 2022 (2021: none).

14. 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.

15. 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.