

CLASSROOMS IN THE CLOUDS

England & Wales · Charity number 1170522

Details

Status Registered

Legal form Charitable company

Company number [10471484](#)

Registered 2016-12-02

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: TO PROMOTE THE EDUCATION OF CHILDREN AND PEOPLE UNDER THE AGE OF 25 YEARS IN NEPAL IN SUCH WAYS AS THE TRUSTEES THINK FIT, INCLUDING (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) BY:ASSISTING IN THE BUILDING OF GOOD QUALITY SCHOOLS AND CLASSROOMS;SPONSORING TEACHERS AND SUPPORTING TEACHER TRAINING.SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES ACCORDING TO THE LAW OF ENGLAND AND WALES AS THE TRUSTEES IN THEIR ABSOLUTE DETERMINE FROM TIME TO TIME.

Activities: Children in rural Nepal have few educational options; many work to support families. +70% of students don't complete grade 10. A registered NGO, CITCNepal, working closely with local communities, are dedicated to improving education, building good quality classrooms, sponsoring salaries of teachers and improving quality teaching and learning with training including first aid and menstrual health

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Human Rights/religious Or Racial Harmony/equality Or Diversity
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- Nepal

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£258,103	£298,757	-	-
2023-12-31	£306,313	£304,034	-	-
2022-12-31	£209,702	£331,291	-	-
2021-12-31	£257,243	£181,743	-	-
2020-12-31	£211,737	£172,685	-	-

Trustees

Name	Role	Appointed
Alexander James Waller		2023-06-24
Annette Susan Roberts		2021-11-13
Catherine Owen		2022-06-25
DAWA GELJEN SHERPA		2007-08-25
David Glen Thomas		2021-11-13
LAWRENCE MCLAREN		2016-11-09
MIKE HAGEN		2010-06-01
SARAH DOROTHY HAGEN		2010-06-01
Sally Joan Sixsmith		2023-06-24

Accounts

REGISTERED COMPANY NUMBER: 10471484 (England and Wales)
REGISTERED CHARITY NUMBER: 1170522

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2024
for
Classrooms in the Clouds
(A Company Limited by Guarantee)

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Classrooms in the Clouds

Contents of the Financial Statements for the Year Ended 31 December 2024

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 14
Independent Examiner's Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 to 22
Detailed Statement of Financial Activities	23

Classrooms in the Clouds

Reference and Administrative Details for the Year Ended 31 December 2024

TRUSTEES	S Hagen M Hagen (Chairman) L McLaren D G Sherpa A S Roberts D G Thomas C Owen A Waller S Sixsmith
REGISTERED OFFICE	18 Sandlea Park West Kirby Wirral Merseyside CH48 0QF
REGISTERED COMPANY NUMBER	10471484 (England and Wales)
REGISTERED CHARITY NUMBER	1170522
INDEPENDENT EXAMINER	Marshall Accountancy Ltd St Mary's House Crewe Road Alsager Stoke-On-Trent ST7 2EW

Classrooms In The Clouds Trustees' Report

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2024. These accounts have been prepared in accordance with Charities SORP (FRS 102) '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)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011, and the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Why?

Nepal is a land of mountains: both awe-inspiring physical peaks, and the metaphorical barriers which stand in the way of children's schooling and women's aspirations. Together, we believe we can move mountains. We can celebrate these women, and in turn the children they teach.

- Together, we can provide the resources needed to break down those barriers – from functioning classrooms to teacher training;
- Together, we can address gender inequalities, supporting women with a passion for teaching to become role models for the next generation;
- Together, we can spread the message through a network of schools and organisations in the UK, ultimately helping more children towards a brighter future and more women to find their own 'why'.

What Nepali School Communities Want and Need

A key desire is the development of high-quality teaching and learning in local state schools. An emphasis on educating the youngest to become creative, resilient, curious, literate and numerate is essential for developing lifelong learning.



The communities want teachers that work hard, are punctual and regular attendees and are excellent in their role. That is why we sponsor female teachers who are traditionally underrepresented in school and ensure they are on the same employment terms as government teachers. They are supported in tackling any skills shortfall with 4 female Education Support Leaders (ESLs) who lead and mentor the sponsored teachers.



The ESLs provide sponsored teachers training and mentorship in their school settings. The majority of support is peer led and modelled in the classroom.

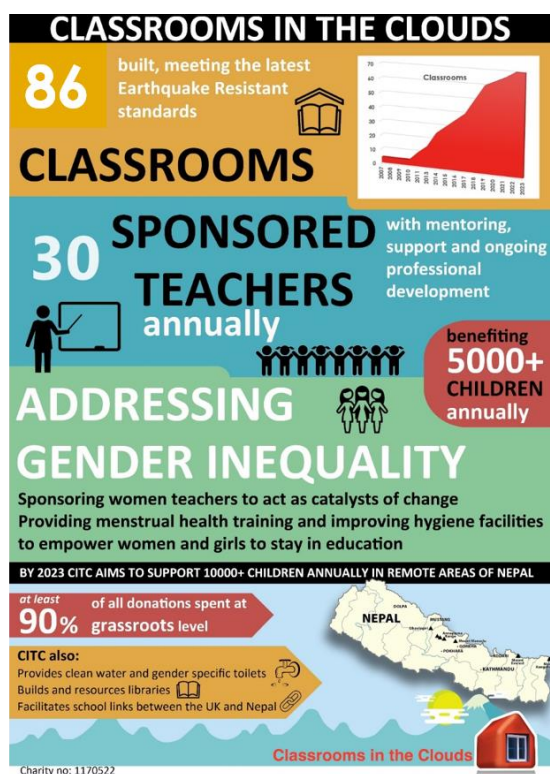
Engaging with the whole school community, Principals, SMC, Municipalities, teachers and parents, we can deliver a sustainable model for excellent teaching and learning for the 3 to 8 year old children in the 16 supported schools.

How is it Done?

- Building good quality, earthquake-resistant classrooms.



- Tackling gender inequality issues;
- Sponsoring, training and supporting new female teachers;
- Creating long-term, sustainable partnerships with school communities.



What does the Community say?

CITC welcomes local feedback such as that from the Social Welfare Council and the Menstrual Health Programme.

Social Welfare Council (SWC), Nepal

The SWC is the NGO statutory audit body in Nepal that inspects what CITC does. They recently took an in depth look at CITC's teacher sponsorship and development programme. Below are quotes taken from their report that reflect the overall theme:

'The study team clearly has analyzed that 27 sponsored teachers, 11 partner schools and approx. 5000 students of partner schools are benefited by this project. The average attendance of both groups at the partner schools is over 90%, according to the annual evaluation of teacher and student attendance. About 75% of the primary grade's average learning achievement in grades 1, 2, and 3 has been maintained throughout the initiative. Similarly, the partner schools' results exceed 87%, which is significantly higher than the 47.86% national average, even when compared to the SEE result of 2080. The trend of Teachers Learning Circle Meeting has helped increase interaction among different schools within the district and learn from each other. One of the project's successes has been inspiring the government teachers to give their all for the improvement of the learning environment in the classrooms.'

The evaluation team noted that the organization's sponsored teachers received training in lesson planning, active learning, classroom management, topic skills and knowledge, report writing, IT-based skills and knowledge, library usage and management, first aid, etc. Since these educators are disseminating students a top-notch education, technical sustainability can be assured in this regard. In a similar vein, it was found that the local government and the partner school were the project's primary stakeholders.

The project has sponsored 27 female teachers from four different Municipalities of Solukhumbu region in different partner schools, indicating that it has aided in the empowerment of women from diverse ethnic groups. There are five professional staff in total in the center office located in Boudha; three of them are female and female representation is also seen in the Organization's Board.

CITC Nepal, a non-governmental organization, made contributions to the field of education in very remote areas. The endeavour has been beneficial to both the community and the student. Funding for the project has come from Classrooms in the Clouds in West Kirby, Wirral, UK. The project's coordination with the Education office, Ward office, and Rural Municipality has been excellent. The initiative is admirable and pertinent to the country. The team believes that because of its successful efforts, CITC Nepal's future endeavours will eventually contribute to the advancement of the country'

These are taken from video interviews with parents and children regarding Menstrual Health:



Parent at Kanku Secondary School (Panchi Maya Rai):

In my young days, we couldn't afford pads, so we had to use old cloth rags. But now, CITC has done a great job by

providing reusable sanitary pads that meet health needs. Compared to the past, students now have better facilities, and many positive changes are visible. Before, during menstrual emergencies, we had to leave classes in the middle and run home. Therefore, I feel easy these days. The pads are very good and washable and it protects female from uterine issues. As I grew older, I questioned why they never taught me about periods. There was no culture of discussing periods, and I never received any information about it.



Student at Chheskam Secondary School (Ishana Kulung):

I experienced my first menstruation at the age of thirteen while in grade six. Unfortunately, my first period started while I was in class, staining both my clothes and the bench. I was unable to do anything about it. Although I knew about pads, they were neither available in the market nor in school, nor were they distributed by any organization at that time. When I got home, I tore up bedsheets and made them into towels to manage my period. Since CITC began distributing reusable sanitary pads, I have been using them. They are easy to use and absorb well. The CITC teachers taught us to change the cloth every 2 to 3 hours. They provided a calendar to help us track our periods, allowing us to see when it started, when it would end, and how long it lasted. This made managing menstruation much easier.



Teacher at Bakhapalam Secondary School (Laxmi Pandey):

Yes I have been using it and I am liking the Pad very much. I would like to thank CITCNepal for providing the reusable sanitary pads to our students and teachers. Although we use cloth rags at home to manage our periods, it is rare for parents to buy new and clean fabric for this purpose. However, thanks to CITC Nepal, students now have access to new and hygienic pads during their periods. I personally use them and find them very comfortable. Students now have the opportunity to use new cloth pads instead of old rags, allowing them to manage their periods more hygienically. In addition to this, the organization also provides underwear along with reusable pads, which is highly useful. We sincerely hope and request the organization to continue providing reusable pads.

Values

Our **Core Values** shape *what* we do:

- **Creating Opportunity** for communities in need;
- **Socially Aware** – we will endeavour to source materials locally and utilise local labour as far as practically possible;
- **Sustainable** – we will work with local communities to understand and meet their needs, develop a long term, strong relationship and ensure their commitment to a project;
- **Everyone Matters** – we want to reach and influence those most in need and particularly to raise the expectations of women;
- **Release Potential** – we believe we can help children realise their potential, thereby improving their life chances;
- **Maximise the use of Assets** – we recognise the focal point a school provides for a community and we want the benefits from our building projects to be maximised by widespread community use.

Our **Personal Values** shape *how* we do:

- **Passion** – attract passionate people who make a positive difference to those in need;



- **Pragmatism** – aspiring to be the best whilst being realistic, practical and solution focussed;
- **Responsibility** – self-disciplined, taking ownership of issues and problems and leading by example;

- **Cultural Empathy** – being interested in people and cultures, displaying empathy and embracing diversity;

- **Openness to Experience** – receptive to learning opportunities, seeking out new experiences and taking a broad view.

We are a long term partner of school communities;

We are increasing our emphasis and support for women and girls in education;

We are developing the building blocks of education by improving the early years teaching in terms of the built environment, skills and resources.

Activities

We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically we:

- Build classrooms in existing schools;
- Sponsor female teachers give professional development and mentor/support progress;
- Take measures to reduce gender inequality such as menstrual health training, clean water, gender specific toilets and empowerment of women initiatives.



Achievements and performance

Due to the generosity of so many people and organisations, income generation has been strong in 2024. The main financial supporter of CITC remained behind CITC through all the challenges and underpins the ambitions of the team.

A project at the village of Lukla dominated the



building work in 2024. Lukla is where it all started for CITC back in 2007 and it was very exciting to be returning to the school with which CITC has had the longest partnership. The project was in 2 phases:

Firstly to build a fully resourced Learning Centre (a super library), toilets, provide clean water and photo voltaic power with battery back-up. This was enabled by a successful application by the Rotary Club of Mid Wirral for an International Rotary Global Grant with their partner International Organisation the Rotary Club of Dili Bazar. The project extended to include a similar learning hub at both Shree Hunga and Shree



Garma. They would be 'super' libraries fully resourced for the relevant age ranges and with

Interactive Computer Boards with approved education software. Rotarians at Mid Wirral were motivated to act in the memory of one of their former colleagues Andrew Whittingham-Jones. Member of RC Mid Wirral were able to attend the opening ceremony in a very special occasion for the school community.

Alongside this project, work has continued on a 2 storey, 6 classroom build at Shree Lukla due for opening by February 2025.

Shree Lukla, led by long-time Headteacher Bikram Kumar, has consistently improved the education opportunities for children and is now a high performing school. Parents realise this school can match the best of the private schools in Kathmandu. Class sizes can be over 40 children in classrooms of just 20m². The new classrooms will be large, light and airy and very well insulated which is needed at over 2800m. All the early years children will occupy the new classrooms.

A significant feature of these latest projects is the



full involvement of the local Municipalities who are responsible for education in their area. Each has made a contribution of over 20% of the value of the projects which underlines the commitment they make for their children and true community ownership.

Teacher Sponsorship and Development

2024 saw the teacher sponsorship extend to 27 female teachers at 13 locations supported by 4 female Education Support Leaders (ESLs) working in a peripatetic role. In the schools where these teachers work, the school will have agreed to introduce grade teaching to replace subject teaching in the early years. It is widely accepted across the international community that grade teaching is a much more effective approach in the early years to child learning with an emphasis on an activity based approach. The sponsored teachers will work with government teachers in this regard meaning the influence of these new methods extends beyond just the sponsored teachers. As these practices become embedded, the benefits begin to show and the school leadership and school community fully embrace this new approach. So much so that local Municipalities begin to promote this way of learning in further schools.

CITC sponsored teachers receive continuous



development and training and many go on to pass their BEd and are successful in the government teacher exams. It is a sign of success to lose a sponsored teacher which in turn gives another opportunity for an aspiring woman.

CITC ESLs build strong relationships with the school leadership through their regular school visits. They are active in ensuring any CITC building projects are properly maintained and used as planned. They guide and mentor teachers and deliver much of the annual training programme.

ESLs, supported by local CITC sponsored teachers, deliver the menstrual health management (MHM) programme across the lower Solu Khumbu. Whilst this is aimed at adolescent girls, many other female members of the community attend that



indicates how this is an area of concern. The CITC sponsored teacher naturally becomes the 'go-to' person should a female student have any worries or concerns. Over time this has developed a greater awareness of the challenges faced by female students and some schools now provide a rest area specifically for female students should they suffer any discomfort or distress.

The reusable menstrual health kits distributed freely by CITC to female students are made locally at 4 'micro-industries run by local women.

CITCNepal – The NGO Team

CITCNepal employs Samden Sherpa as their Director of Partnerships and Governance, 4 peripatetic Education Support Leaders and a finance officer based in Kathmandu. Roles include the professional development of sponsored teachers, monitoring and reporting on children's progress in supported schools, liaison with education officials and NGOs at a national, regional and local level and overseeing building projects.

Notable success for Samden this year has been the strength of the relations he has developed with the local Municipalities with responsibility for education. The impact of CITC activity appears to be highly regarded and CITC is seen as a welcome partner. Just as the values of CITC mean that we want projects to be 'owned' by local communities, so to do we want the NGO team to increase their influence over decision making in Nepal. This can be seen in day-to-day events and there is a sense that the leadership teams within local schools look to the NGO for guidance, support and opportunities.



Builder Sonam Sherpa, Municipality Chair Mingma Sherpa and School Principal Bikram Kumar

Fundraising

Corporate Fundraising;

Hengistbury Investment Partners LLP

Charitable Trust continue to be incredible supporters of the work in schools in Nepal.

Joint fundraisers;

A team from the litigation section of Latham



Watkins undertook a trek in the Alps that was created by CHX Challenge. In doing so they raised funds for CITC. Maybe the Himalayas next?

Grants and Foundations

Once again, education in Nepal had amazing support from the International Rotary Foundation



International Support



Asia Bookroom Annual Xmas Tree Fundraiser

The Asia Bookroom based in Melbourne, Australia continues to hold a very successful fundraiser every Xmas. The relationship has also meant that they are able to share their expertise regarding books and children's education.

Leicestershire Scouts

Led by Howard Ball, the scouts continue their great work. This time they raised money to create a library at Shree Janata, Lokhim. Traditionally there is little in the way of a reading culture in rural Nepal so a beautiful and well-resourced library brings a whole new learning opportunity for children.



Funds Sent Directly to the CITC NGO in Nepal

CITC places great value on local communities 'owning' projects and expects a significant contribution to a building project. In 2024 the Khumbu Pasang Lhamu Rural Municipality, the Dudhkoshi Rural Municipality and the Sotang Rural Municipality funded 20% of the development work around the Shree Lukla, Shree Garma and Shree Hunga projects respectively with a value of **£67,421.80**. CITC worked closely with the Rotary Club of Mid-Wirral to help them secure an International Rotary Global Grant that, as part of the Rotary governance process, was sent directly to the Rotary Club of Dili Bazar. CITC is the 'Co-operating Organization' (the delivery partner) in the project to create the Learning Centre and Learning Hubs detailed elsewhere in this report, and received **£40,177** in 2024. Finally, the Nepali NGO Board Members, in addition to their voluntary support running the NGO, make a financial donation amounting to **£485.63** in 2024. In total, the projects in Nepal delivered by the NGO team benefitted from **£108,084.43** in 2024 on top of the sums from the CITC UK account.

Trustees/Supporters/Volunteers

CITC is fortunate to have a number of people who make visits to Nepal to maintain strong personal relationships with our Nepali friends, take part in individual projects and ensure funds are used wisely and efficiently. All travel at their own expense to Nepal as part of their personal contribution. As much as possible of materials, goods and services are purchased within Nepal to create further benefit to the low income country. This all contributes to CITC being highly efficient in terms of the ratio of funds spent directly on projects in Nepal.

The attached financial statement shows that the money held by CITC in December 2024 in the UK was £160,526.

Reserves Policy

The Trustees have identified the appropriateness of establishing a defined reserve policy for the charity. The purpose of a reserve policy is to help ensure that the long term objectives of the charity can be met with some form of financial security.

A **Reserve Fund** has been established as an amount sufficient to maintain ongoing operations and programmes for **12 months**. The **Reserve Fund** serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum **Reserve Fund** is equal to £100,000 representing 12 months of operating costs averaged over the last 2 years.

Funding Reserves

Trustees of Classrooms In The Clouds agree that the **Reserve Fund** will be established by designating 100,000 from restricted funds as the beginning balance. Trustees will consider the size of the **Reserve Fund** annually.

Investing Reserves

The **Reserve Fund** will be funded and available in cash or equivalent funds in accordance with the risk preferences, liquidity needs and investment objectives of the charity. The reserves will be comingled with the general cash accounts of the charity but segregated in financial reporting.

Using Reserves

Trustees will identify reasons for accessing the **Reserve Fund** and confirm that the use is consistent with the purpose of the reserves as described in this Policy having:

- Analysed the need;
- Considered other funding sources; and
- Created a plan for replenishment.

The Treasurer is responsible for ensuring that the **Reserve Fund** is maintained and used only as described in this policy.

Safeguarding

CITC has a comprehensive Safeguarding Policy approved by Trustees. This policy is brought to life in Nepal through regular training and systematic reporting. The policy is overseen by the CITC Education Advisor.

Safeguarding is a standing item on the agenda of the monthly management committee meeting. The opportunity is taken to raise issues of concern and how they have been or are being dealt with. To date, issues documented have been of a lower level of concern and remedial action taken by the relevant school leadership with guidance from CITC ESLs



Structure, Governance and Management

CITC is governed by its Constitution dated 2 August 2007. In 2017, CITC completed its registration with the Charity Commission for England and Wales. A new company limited by guarantee (Company Number 10471484; Charity Number 1170522) was created. Classrooms In The Clouds Nepal is a registered NGO in Nepal.

In 2024 the total number of trustees was 9. All Trustees will resign at each AGM where each shall then be eligible for re-election. In addition, Trustees may be added at any time with the consent of the Management Committee, provided there are never any more than 7 members of the Management Committee. The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. This requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constituting 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.

In the interest of transparency and accountability to our donors we publish our annual report, accounts and impact report on the website. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The table below outlines the governance processes followed by CITC:

Organisation/Role	Who	Responsibility
Classrooms in the Clouds	Trustees	Executive Responsibility for CITC strategy including financial decisions and partnerships
Classrooms in the Clouds Nepal	NGO Committee	Delivery and supervision of Projects as agreed by CITC 'on the Ground'
Classrooms in the Clouds	Trustees	Responsible for meeting the legal requirements of a registered charity
Classrooms in the Clouds Nepal	NGO Committee	Responsible for meeting the legal requirement of a Nepal registered NGO
Classrooms in the Clouds	Trustees	Delivering the CITC fundraising strategy and developing relationships with donors and supporters based on integrity, respect and transparency
Classrooms in the Clouds Nepal	NGO Committee	Promoting the aims and objectives of CITC with visitors to Nepal to encourage additional supporters
Classrooms in the Clouds	Trustees	Develop systems and procedures to ensure due diligence of all spending and other matters in order to maximise charity effectiveness
Classrooms in the Clouds Nepal	NGO Committee	To support CITC by working within their systems and procedures
Classrooms in the Clouds	Trustees	To receive and carefully consider petitions and other requests and examine them against local need and charity aims
Classrooms in the Clouds Nepal	NGO Committee	To support the decision making process of CITC by providing timely, relevant and thorough background information on petitions received
Classrooms in the Clouds	Trustees	To make their project decisions on a sound financial basis
Classrooms in the Clouds Nepal	NGO Committee	To deliver projects within the financial assumptions of CITC and report any indication of variances against the agreed plan
Treasurer		To advise on all matters relating to finance and take all reasonable measures to ensure local/international financial rules are followed

Future Plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement is going to be subject to the ongoing return of the West to more normal conditions and positive economic factors. The Trustees are aware of the potential need to reconsider whether some of these goals are realistically achievable. By 2025 we plan to reach more children by:

- Being recognised as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting corporate partners;
- An infrastructure in Nepal that is efficient and sustainable with a CITC base in Lukla;
- Being able to complete 1 building project a year typically providing 6 new classrooms;
- Where necessary, projects will include gender specific toilets and clean water as part of our support for women and girls;
- By 2024, sponsor up to 30 teachers a year, supporting with training;

- Specifically target improvements in the quality of early years education;
- Refine our monitoring and evaluation processes to provide robust evidence of the success of our projects.
- Ensure that we enhance our communication to supporters around the world and make our annual financial reports available to anyone who would like to see them.
- To grow CITC so it can support multiple projects across the Himalayan region of Nepal;
- 'Cluster' CITC supported activity to foster an atmosphere that encourages professional development and self-achievement;
- Work where appropriate with other NGOs who support our aims and objectives;
- Develop health and well-being initiatives where they can be shown to support our education ambitions;
- Build a core funding base from corporate donations and 'committed givers' supplemented by individual fundraising events and activities.

Trustee Details

Name	Position	Address
*Michael Hagen	Chair Trustee	**18 Sandlea Park, West Kirby, Wirral, CH48 0QF
Sarah Hagen	Secretary Trustee	18 Sandlea Park, West Kirby, Wirral CH48 0QF
David Thomas	Treasurer Trustee	22 Park Close, Oakley, Hants RG23 7LE
Dawa Geljen Sherpa	Trustee/President CITCNepal	Kathmandu
Alex Waller	Trustee	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Lawrie McLaren	Trustee	Avenue Des Fleurs 22, Woluwe-St-Pierre, B-1150, Belgium
Annette Roberts	Trustee	7 Carr Holme Gardens, Cabus, PR3 1LY
Catherine Owen	Trustee	2 Herrick Road, Scunthorpe, DN17 1NN
Sally Sixsmith	Trustee	c/o St. George's CoE School, St. George's, London Road, Telford TF2 9LJ

*Principal Officer; **Charitable Company registered address

Approved by order of the board of trustees on 22 June 2025 and signed on its behalf by:

M Hagen - Trustee

Independent Examiner's Report to the Trustees of Classrooms in the Clouds

Independent examiner's report to the trustees of Classrooms in the Clouds ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

E Marshall-Birks FCA

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Date:

Classrooms in the Clouds

Statement of Financial Activities for the Year Ended 31 December 2024

		Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	256,432	256,432	305,765
Investment income	3	<u>-</u>	<u>1,671</u>	<u>1,671</u>	<u>548</u>
Total		<u>-</u>	<u>258,103</u>	<u>258,103</u>	<u>306,313</u>
 EXPENDITURE ON					
Raising funds		-	-	-	35,153
Charitable activities	4				
Education projects		<u>-</u>	<u>298,757</u>	<u>298,757</u>	<u>268,881</u>
Total		<u>-</u>	<u>298,757</u>	<u>298,757</u>	<u>304,034</u>
 NET INCOME/(EXPENDITURE)		-	(40,654)	(40,654)	2,279
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>-</u>	<u>197,980</u>	<u>197,980</u>	<u>195,701</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>-</u></u>	<u><u>157,326</u></u>	<u><u>157,326</u></u>	<u><u>197,980</u></u>

The notes form part of these financial statements

Classrooms in the Clouds

Balance Sheet 31 December 2024

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
CURRENT ASSETS					
Cash at bank		-	160,526	160,526	201,156
CREDITORS					
Amounts falling due within one year	9	-	(3,200)	(3,200)	(3,176)
NET CURRENT ASSETS					
		-	157,326	157,326	197,980
TOTAL ASSETS LESS CURRENT LIABILITIES					
		-	157,326	157,326	197,980
NET ASSETS					
		-	157,326	157,326	197,980
FUNDS	10				
Restricted funds					
				157,326	197,980
TOTAL FUNDS					
				157,326	197,980

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2025 and were signed on its behalf by:

M Hagen - Trustee

Classrooms in the Clouds

Notes to the Financial Statements for the Year Ended 31 December 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	<u>256,432</u>	<u>305,765</u>

3. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>1,671</u>	<u>548</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Education projects	<u>263,653</u>	<u>35,104</u>	<u>298,757</u>

5. SUPPORT COSTS

	Finance £	Other £	Totals £
Education projects	<u>171</u>	<u>34,933</u>	<u>35,104</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

	2024	2023
	£	£
Trustees' expenses	<u>901</u>	<u>-</u>

7. OTHER FUNDS RAISED

Whilst these accounts provide details of the financial situation of the registered charity, they do not cover all the outcomes from the charity's fundraising efforts.

CITC places great value on local communities 'owning' these projects and expects a significant contribution to a building project.

In 2024 the Khumbu Pasang Lhamu Rural Municipality, the Dudhkoshi Rural Municipality and the Sotang Rural Municipality funded 20% of the development work around the Shree Lukla, Shree Garma and Shree Hunga projects respectively with a value of £67,421.80.

CITC worked closely with the Rotary Club of Mid-Wirral to help them secure an International Rotary Global Grant that, as part of the Rotary governance process, was sent directly to the Rotary Club of Dili Bazar. These funds were then used to support the project to create the Learning Centre and Learning Hubs detailed elsewhere in this report, with CITC operating as a 'delivery partner' and had a value in 2024 of £40,177.

Finally, the Nepali NGO Board Members, in addition to their voluntary support running the NGO, make a financial donation amounting to £485.63 in 2024. In total, the projects in Nepal delivered by the NGO team benefitted from £108,084.43 in 2024 in addition to the sums sent from the CITC UK account.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2024 and 31 December 2024	<u>2,057</u>
DEPRECIATION	
At 1 January 2024 and 31 December 2024	<u>2,057</u>
NET BOOK VALUE	
At 31 December 2024	<u>-</u>
At 31 December 2023	<u>-</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Accruals and deferred income	<u>3,200</u>	<u>3,176</u>

10. MOVEMENT IN FUNDS

	At 1/1/24 £	Net movement in funds £	At 31/12/24 £
Restricted funds			
Restricted fund	197,980	(40,654)	157,326
	<u>197,980</u>	<u>(40,654)</u>	<u>157,326</u>
TOTAL FUNDS			
	<u>197,980</u>	<u>(40,654)</u>	<u>157,326</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	258,103	(298,757)	(40,654)
	<u>258,103</u>	<u>(298,757)</u>	<u>(40,654)</u>
TOTAL FUNDS			
	<u>258,103</u>	<u>(298,757)</u>	<u>(40,654)</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/23 £	Net movement in funds £	At 31/12/23 £
Restricted funds			
Restricted fund	195,701	2,279	197,980
TOTAL FUNDS	<u>195,701</u>	<u>2,279</u>	<u>197,980</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	306,313	(304,034)	2,279
TOTAL FUNDS	<u>306,313</u>	<u>(304,034)</u>	<u>2,279</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/23 £	Net movement in funds £	At 31/12/24 £
Restricted funds			
Restricted fund	195,701	(38,375)	157,326
TOTAL FUNDS	<u>195,701</u>	<u>(38,375)</u>	<u>157,326</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	564,416	(602,791)	(38,375)
TOTAL FUNDS	<u>564,416</u>	<u>(602,791)</u>	<u>(38,375)</u>

Classrooms in the Clouds

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2024.

Classrooms in the Clouds

Detailed Statement of Financial Activities for the Year Ended 31 December 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	256,432	305,765
Investment income		
Deposit account interest	<u>1,671</u>	<u>548</u>
Total incoming resources	258,103	306,313
EXPENDITURE		
Charitable activities		
Education projects	263,653	268,881
Support costs		
Finance		
Bank charges	<u>171</u>	180
	171	180
Other		
Trustees' expenses	901	-
Postage and stationery	777	406
Sundries	189	108
Travelling	146	1,306
Administrative support	28,800	28,800
Computer software and maintenance costs	1,009	1,232
Independent examiners' fee	800	776
Insurance	476	450
Foreign currency losses	499	371
Advertising and marketing	<u>1,336</u>	<u>1,524</u>
	<u>34,933</u>	<u>34,973</u>
Total resources expended	<u>298,757</u>	<u>304,034</u>
Net (expenditure)/income	<u><u>(40,654)</u></u>	<u><u>2,279</u></u>

This page does not form part of the statutory financial statements

Accounts

REGISTERED COMPANY NUMBER: 10471484 (England and Wales)
REGISTERED CHARITY NUMBER: 1170522

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2023
for
Classrooms in the Clouds
(A Company Limited by Guarantee)

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Classrooms in the Clouds

Contents of the Financial Statements for the Year Ended 31 December 2023

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 14
Independent Examiner's Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 to 21
Detailed Statement of Financial Activities	22

Classrooms in the Clouds

Reference and Administrative Details for the Year Ended 31 December 2023

TRUSTEES	M A Cashin (resigned 24/6/2023) S Hagen M Hagen (Chairman) L McLaren D G Sherpa A S Roberts D G Thomas C Owen A Waller (appointed 24/6/2023) S Sixsmith (appointed 24/6/2023)
REGISTERED OFFICE	10 Grammar School Lane Wirral Merseyside CH48 8AY
REGISTERED COMPANY NUMBER	10471484 (England and Wales)
REGISTERED CHARITY NUMBER	1170522
INDEPENDENT EXAMINER	Marshall Accountancy Ltd St Mary's House Crewe Road Alsager Stoke-On-Trent ST7 2EW

Classrooms In The Clouds Trustees' Report

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2023. These accounts have been prepared in accordance with Charities SORP (FRS 102) '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)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011, and the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Why?

Nepal is a land of mountains: both awe-inspiring physical peaks, and the metaphorical barriers which stand in the way of children's schooling and women's aspirations. Together, we believe we can move mountains. We can empower these women, and in turn the children they teach.

- Together, we can provide the resources needed to break down those barriers – from functioning classrooms to teacher training;
- Together, we can address gender inequalities, supporting women with a passion for teaching to become role models for the next generation;
- Together, we can spread the message through a network of schools and organisations in the UK, ultimately helping more children towards a brighter future and more women to find their own 'why'.

What Nepali School Communities Want and Need

A key desire is the development of high quality teaching and learning in local state schools. An emphasis on educating the youngest to become creative, resilient, curious, literate and numerate is essential for developing lifelong learning.



The communities want teachers that work hard, are punctual and regular attendees and are excellent in their role. That is why we sponsor female teachers who are traditionally underrepresented in school and ensure they are on the same employment terms as government teachers. They are supported in tackling any skills shortfall with 3 female Education Support Leaders (ESLs) who lead and mentor the sponsored teachers.



The ESLs provide sponsored teachers training and mentorship in their school settings. The majority of support is peer led and modelled in the classroom.

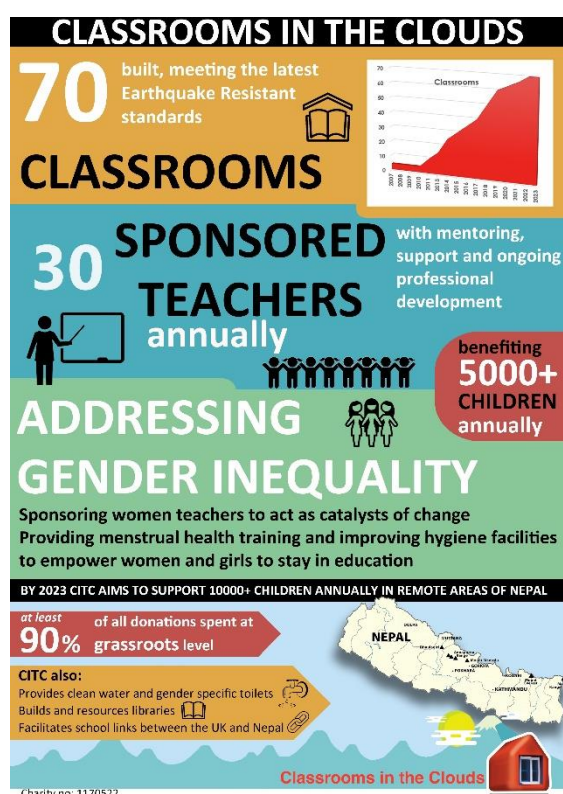
Engaging with the whole school community, Principals, SMC, Municipalities, teachers and parents, we can deliver a sustainable model for excellent teaching and learning for the 3 to 8 year old children in the 16 supported schools.

How Is It Done?

- Building good quality, earthquake-resistant classrooms;



- Tackling gender inequality issues;
- Sponsoring, training and supporting new, local, female teachers;
- Creating long-term, sustainable partnerships with schools.



What does the School Community Say?



Lhamu Sherpa on her way to work

Lhamu's professional development includes early years skills, grade teaching, menstrual health and teaching experience in the UK (CITC 'sister schools'). She studied whilst working and achieved her Bachelor in Education. Lhamu has been so impressive that the school appointed her Head of Early Years to oversee child-centred teaching in 8 early years classes – it is rare to see a woman in a school management role in rural Nepal. The Chair of the Rural Municipality said, "I see small children so excited while going to school and are so well connected to their teachers, which was not noticeable when we had subject-based teaching. I have also remarked very excellent teamwork among the Early Grade Teachers compared to the subject based teachers in higher grades. Early Grade Teachers spend more time with children and provide individual care, which promotes the individual development of the children. I think it is the strength, the beauty of the Early Years at Shree Sagarmatha. As a parent and school invigilator, I have seen an improved performance of the grade teachers, which has direct influence on the children's learning."

Values

Our **Core Values** shape *what* we do:

- **Creating Opportunity** for communities in need;
- **Socially Aware** – we will endeavour to source materials locally and utilise local labour as far as practically possible;
- **Sustainable** – we will work with local communities to understand and meet their needs, develop a long term, strong relationship and ensure their commitment to a project;
- **Everyone Matters** – we want to reach and influence those most in need and particularly to raise the expectations of women;
- **Release Potential** – we believe we can help children realise their potential, thereby improving their life chances;
- **Maximise the use of Assets** – we recognise the focal point a school provides for a community and we want the benefits from our building projects to be maximised by widespread community use.

Our **Personal Values** shape *how* we do:

- **Passion** – attract passionate people who make a positive difference to those in need;



- **Pragmatism** – aspiring to be the best whilst being realistic, practical and solution focussed;
- **Responsibility** – self-disciplined, taking ownership of issues and problems and leading by example;
- **Cultural Empathy** – being interested in people and cultures, displaying empathy and embracing diversity;

- **Openness to Experience** – receptive to learning opportunities, seeking out new experiences and taking a broad view.

We are a long term partner of school communities;

We are increasing our emphasis and support for women and girls in education;



We are developing the building blocks of education by improving the early years teaching in terms of the built environment, skills and resources.

Activities

We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically we:

- Build classrooms in existing schools;
- Sponsor female teachers give professional development and mentor/support progress;
- Take measures to reduce gender inequality such as menstrual health training, clean water, gender specific toilets and empowerment of women initiatives.



Reusable Menstrual Health Kit being Made by Local Women, trained by CITC Nepal

Achievements and performance

Due to the generosity of so many people and organisations, income generation moved back to pre-pandemic levels. The main financial supporter of CITC remained behind CITC through all the challenges and underpins the ambitions of the team.

A project at the village of Lokhim to provide 6



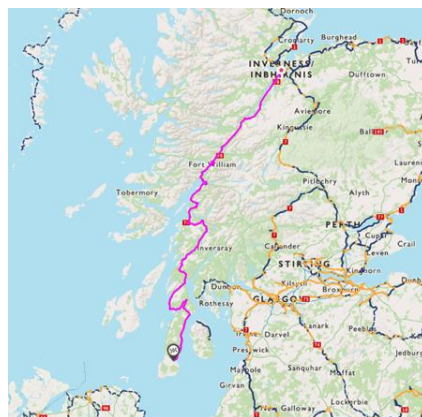
classrooms, an early years play area, toilets, clean water and fully resourced classrooms was detailed in last year's report as under construction. It was completed in 2023 and officially opened by the local community in March.

Community representatives spoke about their excitement for the future of their children and CITC Director Samden Sherpa was able to share plans for developing the partnership further in front of his extended family who were visiting from far and wide.



© Corrine Thomas

Learning Centre/Learning Hubs



The Rotary Club of Mid Wirral initiated a great fundraising effort by cycling the Caledonian Way. CITC's secretary and Trustee led the ride and the club raised enough funds to be able to make a successful application for an International Rotary Global Grant with their international partner The Rotary Club of Dilibazar, Kathmandu. CITC is the 'Cooperating Organization'.



The project was to create a Learning Hub and 2 Learning Centres at 3 schools in the Lower Solukhumbu – Shree, Lukla, Shree Garma and Shree Hunga. They would be 'super' libraries fully resourced for the relevant age ranges and with Interactive Computer Boards with approved education software. Each Rural Municipality (who have responsibility for Education) contributed by providing a building making it a true community partnership.

They are now all up and running with training on the new IT having been given. CITC even used the Hub at Garma to host an annual teacher training event.



The final phase will be to fit photo-voltaic cells and battery storage at Shree Lukla – specialist advice has concluded that they will be best sited on the roof of a 6 classroom construction due for completion in 2024.



The **Classroom/toilet project** referred to is underway at Shree Lukla the first school supported by CITC back in 2007. This time it will be a breath-taking 2 storey construction due for completion by October 2024. Special mention for the local Rural Municipality who have made a significant contribution to the project reflecting the importance they place on their children's education.



CITC is now confident in the power supply to the school as a result of the IRGG investment in Solar Energy. For the first time, therefore, each of the new classrooms will feature Interactive Boards to enhance the learning for the children and teachers.



Teacher Sponsorship – Trustees agreed in 2023 to extend the number of sponsored female teachers to 27 working out of supported schools. CITC continues to mirror the Nepal Government teacher salaries and benefits. A selection process is run with the school and we are continually impressed with the work and attitude of successful applicants. They receive peripatetic support from the 3 CIRC Education Support Leaders who create a strong bond with the school community. CITC have a sustainable model for teacher sponsorship whereby teachers are supported in their studies to achieve a Bachelor Degree in Education. This provides a gateway to obtaining a government-funded teaching role



or another permanent role. Since 2009, over half the CITC sponsored teachers have gone on to find permanent employment or enter full-time study. In practice this success means that CITC maintains a continuous process of selection and training meaning more and more women achieve their dream of becoming a teacher.



CITC provided specialist training in child-centred, active learning, lesson planning, menstrual health and first aid. CITC invests in teacher materials and workbooks.

The lesson plans mean it is easier to follow the curriculum over the school year and plot individual student progress.

CITC supports a 'cluster' of 16 schools in the lower SoluKhumbu, meaning sponsored teachers support each other as they extend their skills and experience. They use social media to share best practice.

To support the teachers and maintain a strong relationship with CITC supported schools,



Wedding of NGO Members Sona and Samden Sherpa

CITCNepal employs Samden as their Director of Partnerships and Governance, 3 peripatetic Education Support Leaders and a finance officer based in Kathmandu. Roles include the professional development of sponsored teachers, monitoring and reporting on children's progress in supported schools, liaison with education officials and NGOs at a national, regional and local level and overseeing building projects.

The crazy international band of cyclists were on their adventures again this time in the Pyrenees. On a ride called 'The Raid of The Judgement Mountains' – 5 days, 12 Cols, 450KM and over 9,000M of ascent. For those who wanted more there was a 5 day warm up covering the same distances. Once again, the ride was made possible by the support team of Stan, Judy and Carol who fed, guided, encouraged and cheered the riders.



Their efforts and the generosity of the sponsors (special mention for Diana Kanter who was indefatigable) meant over £20,000 was raised to support the fitting out of the classrooms being built at Shree Lukla.



Financial Review

Income levels have returned to pre-pandemic levels with a number of exciting possibilities emerging for 2024.

We raise money in a variety of ways, including:

- **Joint fundraisers;**



Cheshire Fire and Rescue Service



Long Time Supporters Shayne and Hazel Adams, Kaboodle, Ludlow and Church Stretton

- **Sponsored challenges;**



5 Days Cycling 12 Cols to Climb 450kms +9,000m Ascent

Grants from trusts and foundations;



- **Corporate Fundraising;**

Hengistbury Investment Partners LLP
Charitable Trust

- **International Support**



Asia Bookroom Annual Xmas Tree Fundraiser

- **Donations of time and expertise**



*Art project in Bung delivered by professional UK artist
Lynda Roberts – providing art training and skills to
teachers*



*Part of the renovated library in Kharikhola, one of many
transformations led by long term CITC supporter Cathie
Bremner Owen*

The attached financial statements show that the money held by the charity at 31 December 2023 in the UK was £201,156.10.

Reserves Policy

The Trustees have identified the appropriateness of establishing a defined reserve policy for the charity. The purpose of a reserve policy is to help ensuring that the long term objectives of the charity can be met with some form of financial security.

A **Reserve Fund** has been established as an amount sufficient to maintain ongoing operations and programmes for **12** months. The **Reserve Fund** serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum **Reserve Fund** is equal to **£100,000** representing twelve months of operating expenses averaged annually over the last 2 years.

Funding Reserves

Trustees of Classrooms In The Clouds agree that the Reserve Fund will be established by designating £100,000 from restricted funds as the beginning balance. Trustees will consider the size of the Reserve Fund annually.

Investing Reserves

The **Reserve Fund** will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the charity. The reserves will be comingled with the general cash accounts of the charity but segregated in financial reporting.

Using Reserves

Trustees will identify reasons for accessing the **Reserve Fund** and confirm that the use is consistent with the purpose of the reserves as described in this Policy having:

- analysed the need
- considered other funding sources; and
- created a plan for replenishment.

The Treasurer is responsible for ensuring that the **Reserve Fund** is maintained and used only as described in this Policy.

Structure, Governance and Management

CITC is governed by its Constitution dated 25 August 2007. In 2017, CITC completed its registration with the Charity Commission for England and Wales. A new company limited by guarantee (Company Number 10471484; Charity Number 1170522) was created. Classrooms In The Clouds Nepal is a registered NGO in Nepal.

In 2023 1 Trustee left and 2 Trustees were appointed bringing the total to 9. Both bring additional skills to the charity and their love of Nepal. All Trustees will resign at each AGM where each shall then be eligible for re-election. In addition, Trustees may be added at any time with the consent of the Management Committee, provided there are never any more than 7 members of the Management Committee. The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. This requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constituting 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.

In the interest of transparency and accountability to our donors we publish our annual report, accounts and impact report on the website. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The table below outlines the governance processes followed by CITC:

Organisation/Role	Who	Responsibility
Classrooms in the Clouds	Trustees	Executive Responsibility for CITC strategy including financial decisions and partnerships
Classrooms in the Clouds Nepal	NGO Committee	Delivery and supervision of Projects as agreed by CITC 'on the Ground'
Classrooms in the Clouds	Trustees	Responsible for meeting the legal requirements of a registered charity
Classrooms in the Clouds Nepal	NGO Committee	Responsible for meeting the legal requirement of a Nepal registered NGO
Classrooms in the Clouds	Trustees	Delivering the CITC fundraising strategy and developing relationships with donors and supporters based on integrity, respect and transparency
Classrooms in the Clouds Nepal	NGO Committee	Promoting the aims and objectives of CITC with visitors to Nepal to encourage additional supporters
Classrooms in the Clouds	Trustees	Develop systems and procedures to ensure due diligence of all spending and other matters in order to maximise charity effectiveness
Classrooms in the Clouds Nepal	NGO Committee	To support CITC by working within their systems and procedures
Classrooms in the Clouds	Trustees	To receive and carefully consider petitions and other requests and examine them against local need and charity aims
Classrooms in the Clouds Nepal	NGO Committee	To support the decision making process of CITC by providing timely, relevant and thorough background information on petitions received
Classrooms in the Clouds	Trustees	To make their project decisions on a sound financial basis
Classrooms in the Clouds Nepal	NGO Committee	To deliver projects within the financial assumptions of CITC and report any indication of variances against the agreed plan
Treasurer		To advise on all matters relating to finance and take all reasonable measures to ensure local/international financial rules are followed

Future Plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement are going to be subject to the ongoing return of the West to more normal conditions and positive economic factors. The Trustees are aware of the potential need to reconsider whether some of these goals are realistically achievable. By 2024 we plan to reach more children by:

- Being recognised as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting corporate partners;
- An infrastructure in Nepal that is efficient and sustainable with a CITC base in Lukla;
- Be able to complete 1 building project a year typically providing 6 new classrooms;
- Where necessary, projects will include gender specific toilets and clean water as part of our support for women and girls;
- By 2024, sponsor up to 30 teachers a year, supporting their professional development;

- Specifically target improvements in the quality of early years education;
- Refine our monitoring and evaluation processes to provide robust evidence of the success of our projects.
- Ensure that we enhance our communication to supporters around the world and make our annual financial reports available to anyone who would like to see them.
- To grow CITC so it can support multiple projects across the Himalayan region of Nepal;
- 'Cluster' CITC supported activity to foster an atmosphere that encourages professional development and self-achievement;
- Work where appropriate with other NGOs who support our aims and objectives;
- Develop health and well-being initiatives where they can be shown to support our education ambitions;
- Build a core funding base from corporate donations and 'committed givers' supplemented by individual fundraising events and activities.

Trustee Details

Name	Position	Address
*Michael Hagen	Chair Trustee	**10 Grammar School Lane, Wirral, CH48 8AY
Sarah Hagen	Secretary Trustee	10 Grammar School Lane, Wirral, CH48 8AY
David Thomas	Treasurer Trustee	22 Park Close, Oakley, Hants RG23 7LE
Dawa Geljen Sherpa	Trustee/President CITCNepal	Kathmandu
Mark Cashin Resigned 24/6	Trustee	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Alex Waller Appt 24/6	Trustee	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Lawrie McLaren	Trustee	Avenue Des Fleurs 22, Woluwe-St-Pierre, B-1150, Belgium
Annette Roberts	Trustee	7 Carr Holme Gardens, Cabus, PR3 1LY
Catherine Owen	Trustee	2 Herrick Road, Scunthorpe, DN17 1NN
Sally Sixsmith Appt 24/6	Trustee	c/o St. George's CoE School, St. George's, London Road, Telford TF2 9LJ

*Principal Officer; **Charitable Company registered address

Approved by order of the board of trustees on 22 June 2024 and signed on its behalf by:

M Hagen - Trustee

Independent Examiner's Report to the Trustees of Classrooms in the Clouds

Independent examiner's report to the trustees of Classrooms in the Clouds ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

E E Marshall-Birks FCA

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Date:

Classrooms in the Clouds

Statement of Financial Activities for the Year Ended 31 December 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	305,765	305,765	209,031
Investment income	3	-	548	548	-
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>671</u>
Total		<u>-</u>	<u>306,313</u>	<u>306,313</u>	<u>209,702</u>
EXPENDITURE ON					
Raising funds		-	35,153	35,153	31,453
Charitable activities	4				
Education projects		<u>-</u>	<u>268,881</u>	<u>268,881</u>	<u>299,838</u>
Total		<u>-</u>	<u>304,034</u>	<u>304,034</u>	<u>331,291</u>
NET INCOME/(EXPENDITURE)		-	2,279	2,279	(121,589)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>-</u>	<u>195,701</u>	<u>195,701</u>	<u>317,290</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>-</u></u>	<u><u>197,980</u></u>	<u><u>197,980</u></u>	<u><u>195,701</u></u>

The notes form part of these financial statements

Classrooms in the Clouds

Balance Sheet 31 December 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
CURRENT ASSETS					
Cash at bank		-	201,156	201,156	198,878
CREDITORS					
Amounts falling due within one year	8	-	(3,176)	(3,176)	(3,177)
NET CURRENT ASSETS		-	197,980	197,980	195,701
TOTAL ASSETS LESS CURRENT LIABILITIES		-	197,980	197,980	195,701
NET ASSETS		- 	197,980 	197,980 	195,701
FUNDS	9				
Restricted funds				197,980	195,701
TOTAL FUNDS				197,980 	195,701

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 June 2024 and were signed on its behalf by:

M Hagen - Trustee

The notes form part of these financial statements

Classrooms in the Clouds

Notes to the Financial Statements for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

2. DONATIONS AND LEGACIES

	2023 £	2022 £
Donations	<u>305,765</u>	<u>209,031</u>

3. INVESTMENT INCOME

	2023 £	2022 £
Deposit account interest	<u>548</u>	<u>-</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Education projects	<u>268,881</u>

5. SUPPORT COSTS

	Finance £	Other £	Totals £
Raising donations and legacies	<u>180</u>	<u>34,973</u>	<u>35,153</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

7. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2023 and 31 December 2023	<u>2,057</u>
DEPRECIATION	
At 1 January 2023 and 31 December 2023	<u>2,057</u>
NET BOOK VALUE	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>-</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals and deferred income	<u>3,176</u>	<u>3,177</u>

9. MOVEMENT IN FUNDS

	At 1/1/23	Net movement in funds	At 31/12/23
	£	£	£
Restricted funds			
Restricted fund	195,701	2,279	197,980
TOTAL FUNDS	<u>195,701</u>	<u>2,279</u>	<u>197,980</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Restricted fund	306,313	(304,034)	2,279
TOTAL FUNDS	<u>306,313</u>	<u>(304,034)</u>	<u>2,279</u>

Comparatives for movement in funds

	At 1/1/22	Net movement in funds	At 31/12/22
	£	£	£
Restricted funds			
Restricted fund	317,290	(121,589)	195,701
TOTAL FUNDS	<u>317,290</u>	<u>(121,589)</u>	<u>195,701</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Restricted fund	209,702	(331,291)	(121,589)
TOTAL FUNDS	<u>209,702</u>	<u>(331,291)</u>	<u>(121,589)</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2023

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/22 £	Net movement in funds £	At 31/12/23 £
Restricted funds			
Restricted fund	317,290	(119,310)	197,980
TOTAL FUNDS	<u>317,290</u>	<u>(119,310)</u>	<u>197,980</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	516,015	(635,325)	(119,310)
TOTAL FUNDS	<u>516,015</u>	<u>(635,325)</u>	<u>(119,310)</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023.

Classrooms in the Clouds

Detailed Statement of Financial Activities for the Year Ended 31 December 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	305,765	209,031
Investment income		
Deposit account interest	548	-
Other income		
Foreign currency profits	<u>-</u>	<u>671</u>
Total incoming resources	306,313	209,702
 EXPENDITURE		
Charitable activities		
Education projects	268,881	299,838
Support costs		
Finance		
Bank charges	180	146
Other		
Postage and stationery	406	54
Sundries	108	13
Travelling	1,306	1,274
Administrative support	28,800	27,534
Computer software and maintenance costs	1,232	1,225
Independent examiners' fee	776	776
Insurance	450	431
Foreign currency losses	371	-
Advertising and marketing	<u>1,524</u>	<u>-</u>
	<u>34,973</u>	<u>31,307</u>
Total resources expended	<u>304,034</u>	<u>331,291</u>
Net income/(expenditure)	<u><u>2,279</u></u>	<u><u>(121,589)</u></u>

This page does not form part of the statutory financial statements

Accounts

REGISTERED COMPANY NUMBER: 10471484 (England and Wales)
REGISTERED CHARITY NUMBER: 1170522

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2022
for
Classrooms in the Clouds
(A Company Limited by Guarantee)

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Classrooms in the Clouds

Contents of the Financial Statements for the Year Ended 31 December 2022

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 14
Independent Examiner's Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 to 21
Detailed Statement of Financial Activities	22

Classrooms in the Clouds

Reference and Administrative Details for the Year Ended 31 December 2022

TRUSTEES	M A Cashin S Hagen M Hagen (Chairman) L McLaren R A W Middleton (resigned 25/6/2022) D G Sherpa A S Roberts D G Thomas C Owen (appointed 25/6/2022)
REGISTERED OFFICE	10 Grammar School Lane Wirral Merseyside CH48 8AY
REGISTERED COMPANY NUMBER	10471484 (England and Wales)
REGISTERED CHARITY NUMBER	1170522
INDEPENDENT EXAMINER	Marshall Accountancy Ltd St Mary's House Crewe Road Alsager Stoke-On-Trent ST7 2EW

Classrooms In The Clouds Trustees' Report

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2022. These accounts have been prepared in accordance with Charities SORP (FRS 102) '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)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011, and the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Objectives and Activities

Classrooms in the Clouds exists because there are children in Nepal currently receiving an inadequate education, or in many cases, no education at all due to social, financial, practical, geographical or other reasons. Many children are out working, taking care of younger siblings, elderly or disabled relatives. There may be no school in their village, or if there is it may only go to the end of primary school, with no high school nearby. The only option for many is boarding school in Kathmandu which is simply unaffordable and impractical for all but a small minority. Attendance at school dwindles as children get older. The Nepalese government recognises that early years education has been undervalued. We need to provide incentives, facilities, teachers and professional development opportunities as well as tackling gender barriers to ensure children remain students for as long as possible to help them reach their full potential.

Purpose

To raise funds and materials to assist in the provision of education to the children of Nepal.

Mission

Our mission is to provide affordable, accessible and sustainable education to the children of Nepal, particularly those in most need.



Aims

Classrooms in the Clouds strive to create a safe environment where children are able to achieve their full potential in all aspects of their learning. In particular, they will have the chance to achieve their Secondary Education Examination (SEE).

We aim to improve conditions in 4 main ways:

- Building good quality, new classrooms;
- Providing gender appropriate hygiene facilities and tackle gender barriers;



- Sponsoring, training and supporting new teachers with an emphasis on attracting more local female teachers;

- Developing partnerships with local school communities to realise the potential of the additional facilities and training.

Values

Our **Core Values** shape *what* we do:

- **Creating Opportunity** for communities in need;
- **Socially Aware** – we will endeavour to source materials locally and utilise local labour as far as practically possible;
- **Sustainable** – we will work with local communities to understand and meet their needs, develop a long term, strong relationship and ensure their commitment to a project;
- **Everyone Matters** – we want to reach and influence those most in need and particularly to raise the expectations of women;
- **Release Potential** – we believe we can help children realise their potential, thereby improving their life chances;
- **Maximise the use of Assets** – we recognise the focal point a school provides for a community and we want the benefits from our building projects to be maximised by widespread community use.

Our **Personal Values** shape *how* we do:

- **Passion** – attract passionate people who make a positive difference to those in need;



- **Pragmatism** – aspiring to be the best whilst being realistic, practical and solution focussed;
- **Responsibility** – self-disciplined, taking ownership of issues and problems and leading by example;
- **Cultural Empathy** – being interested in people and cultures, displaying empathy and embracing diversity;

- **Openness to Experience** – receptive to learning opportunities, seeking out new experiences and taking a broad view.

We are a long-term partner of school communities; We are increasing our emphasis and support for women and girls in education;

We are developing the building blocks of education by improving the early years teaching in terms of the built environment, skills and resources.



Activities

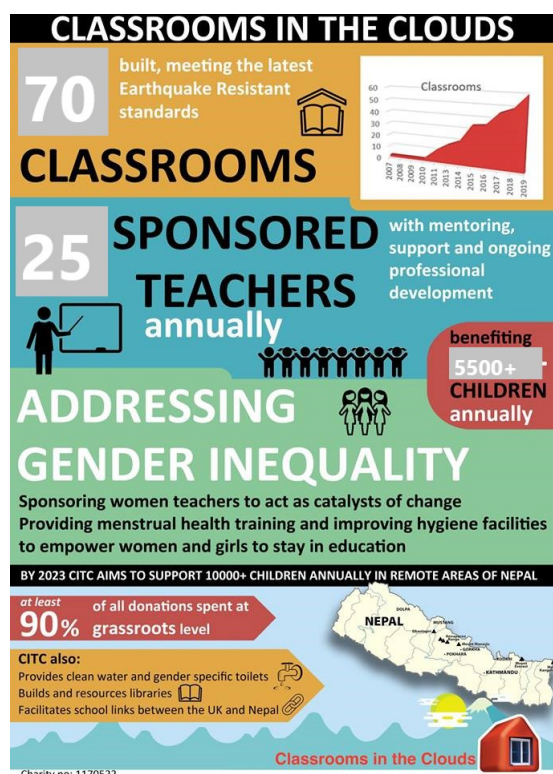
We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically, we:

- Build classrooms in existing schools;
- Sponsor female teachers give professional development and mentor/support progress;
- Take measures to reduce gender inequality such as menstrual health training, clean water, gender specific toilets and empowerment of women initiatives



Reusable Menstrual Health Kit being Made by Local Women, trained by CITC Nepal

Achievements and performance



COVID-19

The period under review continues to be dominated by the worldwide recovery from the COVID-19 pandemic. In Nepal it is difficult to gauge exactly how the virus spread as testing is unreliable and the health system stretched in normal circumstances. The biggest negative impact, however, has been the economic one. The Nepal government was able to allow tourists in 2021 but in reduced numbers. The remittances from migrant workers - mostly working in India and the Middle East - has still not recovered to previous levels. This accounted for somewhere between 30 and 50% of the GDP! Some experts are predicting the impact is worse than the earthquakes of 2015.

Schools were fully open allowing CITC sponsored teachers to be back in school after working with children in the community during the sporadic Nepal lockdowns.



2022 saw CITC still facing challenges in its fundraising with the economic downturn in the UK and domestic needs dominating charitable giving. Classrooms In The Clouds, therefore, faces the twin challenges of more need than ever in Nepal and a fight for maintaining its income. The work of CITC in Nepal has never been more important in terms of giving young people hope and skills for the future so they can be the guardians of their beautiful country.

A project at the village of Lokhim to provide 6 classrooms, an early years play area, toilets, clean water and fully resourced classrooms continued through 2022. The classroom building is similar in design to Kanku and occupied by primary years children.



Foundations

Shree Janata School at Lokhim has poor primary school facilities - appalling sanitation facilities with unhygienic toilets and no safe water system, putting children at risk of diseases - this makes it extremely difficult for girls to manage their menstrual health needs effectively, impacting their confidence. There is a lack of child friendly furniture and classroom resources resulting in an inadequate learning environment. Other challenges include insufficient teacher training, a lack of lesson plans and workbooks and a lack of opportunities for talented females to enter the teaching profession due to prevalent gender inequalities.



Finishing Works

In rural Nepal learning by rote and 'subject based' teaching is prevalent, even for very young children, meaning the needs of the individual child are often overlooked.

Grade teaching - where a teacher has responsibility for one class is innovative in the Solukhumbu region, allowing the teacher to develop a deeper connection with their class and understand the needs of the children, resulting in better outcomes (as seen in CITC's other supported schools). Lesson planning is also a new concept for the teachers – CITC has gathered evidence demonstrating the huge difference in lesson quality when lesson plan training has been implemented. The project aims to

Improve sanitation, particularly benefitting girls by building earthquake resistant, gender specific toilets;

Reduce the risk of disease - enabling access to safe water;

Enhance 6 classrooms;

Improve the quality of teaching and learning;

Provide training for all primary teachers at the school;

Supply lesson plans/workbooks for core subjects in grades 1-5.

CITC has carefully considered the following means to minimise any potential negative environmental impacts of the project:

- Materials will be sourced locally where possible, reducing costs and minimising emissions.
- Use of machinery will be limited with traditional 'hand crafted' methods utilised where possible, using the skills of local labourers. All furniture will be hand crafted on site.
- Waste from toilets will flow into a purpose built septic tank.
- All water will be sourced responsibly from a nearby natural spring.
- Sustainable, natural materials will be used for the water filtration system.
- Previous demolished buildings will be reused, particularly to recycle aggregate.

Training will be provided in sanitation, waste management and hygiene.

As with 2021 and the building project at Shree Kanku (6 classroom 2-storey block, WCs, clean water and furniture/furnishings), Shree Janata, Lokhim has been supported by Cheshire Fire and Rescue Service and their Fire Apprentices.



Cheshire Fire and Rescue Service Mural

In 4 of the 6 previous projects supported by the fire cadets/apprentices they have travelled out to Nepal to see the outcome of their fundraising efforts. A combination of domestic pressures in the UK and travel issues in Nepal meant that a visit this year was not possible. CITC remains extremely thankful for the efforts of the fire cadets and fire apprentices in making a difference to young people's lives in a far away country.



Local Women Crushing Stone for Aggregate

The practical response from the local community to support the construction was outstanding. Literally hundreds of people got involved including transporting materials and breaking down rock for aggregate. This is a vivid example of the importance and pride local people have in the education of their children.



Clean Water Tastes Good!

Teacher Sponsorship - By the end of the year, the CITCNepal team carried out the selection process for new teachers that means there are, for the first time, 23 sponsored female teachers working out of schools. CITC continues to mirror the Nepal Government teacher salaries and benefits. CITC have a sustainable model for teacher sponsorship whereby teachers are supported in their studies to achieve a Bachelor Degree in Education. This provides a gateway to obtaining a government-funded teaching role or another permanent role. Since 2009, over half the CITC sponsored teachers have gone on to find permanent employment or enter full-time study. In practice this success means that CITC maintains a continuous process of selection and training meaning more and more women achieve their dream of becoming a teacher.



CITC provided specialist training in child-centred learning, lesson planning, menstrual health and first aid. CITC invests in teacher materials and workbooks designed by a



These are a great teaching aid for teachers who have extremely busy lives outside school in their rural communities. The lesson plans mean it is easier to follow the curriculum over the school year and plot individual student progress.

CITC supports a 'cluster' of 16 schools in the lower Solukhumbu, meaning sponsored teachers support each other as they extend their skills and experience. They use social media to share best practice. To support the teachers and maintain a strong relationship with CITC supported schools, CITCNepal has employed an Educational Development Manager who is responsible for project delivery, 2 peripatetic Education Support Workers and a finance officer based in Kathmandu. Roles include the professional development of sponsored teachers, monitoring and reporting on children's progress in supported schools, liaison with education officials and NGOs at a national, regional and local level and overseeing building projects.



partner in Kathmandu called The Collaborative Schools Network.

Financial Review

The impact of Covid 19 continues to be felt and has undoubtedly led to the reduction in number of fund raising activities taking place. As a result of fundraising efforts, however, from a number of people and organisations we have seen an improvement in income and would hope to continue that improvement into 2022.

We raise money in a variety of ways, including:

- **Joint fundraisers;**



Cheshire Fire and Rescue Service



Long Time Supporters Shayne and Hazel Adams, Kaboodle, Ludlow and Church Stretton

- **Sponsored challenges;**



Secretary/Trustee Sarah Leading a Sponsored Ride across the Caledonia Way in Support of RC of Mid-Wirral raising money for CITC

- **Grants from trusts and foundations;**



- **Corporate Fundraising;**

Hengistbury Investment Partners LLP
Charitable Trust

- **International Support**



Asia Book room Annual Xmas Tree Fundraiser

- Donations of time and expertise



Art project in Bung delivered by professional UK artist Lynda Roberts – providing art training and skills to teachers



Part of the renovated library in Kharikhola, one of many transformations led by long term CITC supporter Cathie Bremner Owen



The attached financial statements show that the money held by the charity at 31 December 2022 in the UK was £198,878.

Reserves Policy

The Trustees have identified the appropriateness of establishing a defined reserve policy for the charity. The purpose of a reserve policy is to help ensuring that the long term objectives of the charity can be met with some form of financial security.

A **Reserve Fund** has been established as an amount sufficient to maintain ongoing operations and programmes for **12** months. The **Reserve Fund** serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum **Reserve Fund** is equal to **£75,000** representing twelve months of operating expenses averaged annually over the last 2 years.

Funding Reserves

Trustees of Classrooms In The Clouds agree that the Reserve Fund will be established by designating £75,000 from restricted funds as the beginning balance. Trustees will consider the size of the Reserve Fund annually.

Investing Reserves

The **Reserve Fund** will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the charity. The reserves will be comingled with the general cash accounts of the charity but segregated in financial reporting.

Using Reserves

Trustees will identify reasons for accessing the **Reserve Fund** and confirm that the use is consistent with the purpose of the reserves as described in this Policy having:

- analysed the need
- considered other funding sources; and
- created a plan for replenishment.

The Treasurer is responsible for ensuring that the **Reserve Fund** is maintained and used only as described in his Policy.

Structure, Governance and Management

CITC is governed by its Constitution dated 25 August 2007. In 2017, CITC completed its registration with the Charity Commission for England and Wales. A new company limited by guarantee (Company Number 10471484; Charity Number 1170522) was created. Classrooms In The Clouds Nepal is a registered NGO in Nepal.

1 Trustee was appointed during 2022 and 1 Trustee resigned keeping the total number of Trustees as 8. The new Trustee brings additional skills to the charity and their love of Nepal. All Trustees will resign at each AGM where each shall then be eligible for re-election. In addition, Trustees may be added at any time with the consent of the Management Committee, provided there are never any more than 7 members of the Management Committee. The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. This requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constituting 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.

In the interest of transparency and accountability to our donors we publish our annual report, accounts and impact report on the website. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The table below outlines the governance processes followed by CITC:

Organisation/Role	Who	Responsibility
Classrooms in the Clouds	Trustees	Executive Responsibility for CITC strategy including financial decisions and partnerships
Classrooms in the Clouds Nepal	NGO Committee	Delivery and supervision of Projects as agreed by CITC 'on the Ground'
Classrooms in the Clouds	Trustees	Responsible for meeting the legal requirements of a registered charity
Classrooms in the Clouds Nepal	NGO Committee	Responsible for meeting the legal requirement of a Nepal registered NGO
Classrooms in the Clouds	Trustees	Delivering the CITC fundraising strategy and developing relationships with donors and supporters based on integrity, respect and transparency
Classrooms in the Clouds Nepal	NGO Committee	Promoting the aims and objectives of CITC with visitors to Nepal to encourage additional supporters
Classrooms in the Clouds	Trustees	Develop systems and procedures to ensure due diligence of all spending and other matters in order to maximise charity effectiveness
Classrooms in the Clouds Nepal	NGO Committee	To support CITC by working within their systems and procedures
Classrooms in the Clouds	Trustees	To receive and carefully consider petitions and other requests and examine them against local need and charity aims
Classrooms in the Clouds Nepal	NGO Committee	To support the decision making process of CITC by providing timely, relevant and thorough background information on petitions received
Classrooms in the Clouds	Trustees	To make their project decisions on a sound financial basis
Classrooms in the Clouds Nepal	NGO Committee	To deliver projects within the financial assumptions of CITC and report any indication of variances against the agreed plan
Treasurer		To advise on all matters relating to finance and take all reasonable measures to ensure local/international financial rules are followed

Long Term Plan Future plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement is going to be subject to the ongoing return of the West to more normal conditions and positive economic factors. The Trustees are aware of the potential need to reconsider whether some of these goals are realistically achievable. By 2024 we plan to reach more children by:

- Being recognised as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting corporate partners;
- An infrastructure in Nepal that is efficient and sustainable with a CITC base in Lukla;
- Be able to complete 1 building projects a year typically providing 8 new classrooms;
- Where necessary, projects will include gender specific toilets and clean water as part of our support for women and girls;
- By 2024, sponsor up to 30 teachers a year, supporting their professional development;

- Refine our monitoring and evaluation processes to provide robust evidence of the success of our projects.
- Ensure that we enhance our communication to supporters around the world and make our annual financial reports available to anyone who would like to see them.
- To grow CITC so it can support multiple projects across the Himalayan region of Nepal;
- ‘Cluster’ CITC supported activity to foster an atmosphere that encourages professional development and self-achievement;
- Work where appropriate with other NGOs who support our aims and objectives;
- Develop health and well-being initiatives where they can be shown to support our education ambitions;
- Build a core funding base from corporate donations and ‘committed givers’ supplemented by individual fundraising events and activities.

- Specifically target improvements in the quality of early years education;

Trustee Details

Name	Position	Nationality	Address
*Michael Hagen	Chair Trustee	UK	**10 Grammar School Lane, Wirral, CH48 8AY
Sarah Hagen	Secretary Trustee	UK	10 Grammar School Lane, Wirral, CH48 8AY
David Thomas	Treasurer Trustee	UK	22 Park Close, Oakley, Hants RG23 7LE
Dawa Geljen Sherpa	Trustee/President CITCNepal	Nepal	Kathmandu
Mark Cashin	Trustee	UK	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Lawrie McLaren	Trustee	Belgium	Avenue Des Fleurs 22, Woluwe-St-Pierre, B-1150, Belgium
Annette Roberts	Trustee	UK	7 Carr Holme Gardens, Cabus, PR3 1LY
Catherine Owen	Trustee	UK	2 Herrick Road, Scunthopre, North Lincs, DN17 1NN

*Principal Officer; **Charitable Company registered address

Approved by order of the board of trustees on 24 June 2023 and signed on its behalf by:

M Hagen - Trustee

**Independent Examiner's Report to the Trustees of
Classrooms in the Clouds**

Independent examiner's report to the trustees of Classrooms in the Clouds ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

E E Marshall-Birks FCA

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Date:

Classrooms in the Clouds

Statement of Financial Activities for the Year Ended 31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	209,031	209,031	257,243
Other income		-	671	671	-
Total		-	209,702	209,702	257,243
EXPENDITURE ON					
Raising funds		-	31,453	31,453	29,743
Charitable activities	3				
Education projects		-	299,838	299,838	152,000
Total		-	331,291	331,291	181,743
NET INCOME/(EXPENDITURE)		-	(121,589)	(121,589)	75,500
RECONCILIATION OF FUNDS					
Total funds brought forward		-	317,290	317,290	241,790
TOTAL FUNDS CARRIED FORWARD		-	195,701	195,701	317,290

The notes form part of these financial statements

Classrooms in the Clouds

Balance Sheet 31 December 2022

	Notes	Unrestricted fund £	Restricted fund £	2022 Total funds £	2021 Total funds £
CURRENT ASSETS					
Cash at bank		-	198,878	198,878	320,224
CREDITORS					
Amounts falling due within one year	8	-	(3,177)	(3,177)	(2,934)
		<u>-</u>	<u>(3,177)</u>	<u>(3,177)</u>	<u>(2,934)</u>
NET CURRENT ASSETS		<u>-</u>	<u>195,701</u>	<u>195,701</u>	<u>317,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>195,701</u>	<u>195,701</u>	<u>317,290</u>
NET ASSETS		<u>-</u>	<u>195,701</u>	<u>195,701</u>	<u>317,290</u>
FUNDS	9				
Restricted funds				<u>195,701</u>	<u>317,290</u>
TOTAL FUNDS				<u>195,701</u>	<u>317,290</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 24 June 2023 and were signed on its behalf by:

M Hagen - Trustee

The notes form part of these financial statements

Classrooms in the Clouds

Notes to the Financial Statements for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. DONATIONS AND LEGACIES

	2022 £	2021 £
Donations	<u>209,031</u>	<u>257,243</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Education projects	<u>299,838</u>

4. SUPPORT COSTS

	Finance £	Other £	Totals £
Raising donations and legacies	<u>200</u>	<u>31,253</u>	<u>31,453</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation - owned assets	<u>-</u>	<u>686</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

7. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2022 and 31 December 2022	<u>2,057</u>
DEPRECIATION	
At 1 January 2022 and 31 December 2022	<u>2,057</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Accruals and deferred income	<u>3,177</u>	<u>2,934</u>

9. MOVEMENT IN FUNDS

	At 1/1/22	Net movement in funds	At 31/12/22
	£	£	£
Restricted funds			
Restricted fund	317,290	(121,589)	195,701
TOTAL FUNDS	<u>317,290</u>	<u>(121,589)</u>	<u>195,701</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Restricted fund	209,702	(331,291)	(121,589)
TOTAL FUNDS	<u>209,702</u>	<u>(331,291)</u>	<u>(121,589)</u>

Comparatives for movement in funds

	At 1/1/21	Net movement in funds	At 31/12/21
	£	£	£
Restricted funds			
Restricted fund	241,790	75,500	317,290
TOTAL FUNDS	<u>241,790</u>	<u>75,500</u>	<u>317,290</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Restricted funds			
Restricted fund	257,243	(181,743)	75,500
TOTAL FUNDS	<u>257,243</u>	<u>(181,743)</u>	<u>75,500</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

9. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/21 £	Net movement in funds £	At 31/12/22 £
Restricted funds			
Restricted fund	241,790	(46,089)	195,701
TOTAL FUNDS	<u>241,790</u>	<u>(46,089)</u>	<u>195,701</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	466,945	(513,034)	(46,089)
TOTAL FUNDS	<u>466,945</u>	<u>(513,034)</u>	<u>(46,089)</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

Classrooms in the Clouds

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	209,031	257,243
Other income		
Foreign currency profits	<u>671</u>	<u>-</u>
Total incoming resources	209,702	257,243
EXPENDITURE		
Charitable activities		
Education projects	299,838	152,000
Support costs		
Finance		
Postage and stationery	54	125
Bank charges	<u>146</u>	<u>157</u>
	200	282
Other		
Sundries	13	122
Travelling	1,274	-
Administrative support	27,534	25,283
Computer software and maintenance costs	1,225	418
Independent examiners' fee	776	764
Insurance	431	432
Legal and professional fees	-	733
Foreign currency losses	-	1,023
Computer equipment	<u>-</u>	<u>686</u>
	<u>31,253</u>	<u>29,461</u>
Total resources expended	<u>331,291</u>	<u>181,743</u>
Net (expenditure)/income	<u>(121,589)</u>	<u>75,500</u>

Accounts

REGISTERED COMPANY NUMBER: 10471484 (England and Wales)
REGISTERED CHARITY NUMBER: 1170522

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2021
for
Classrooms in the Clouds
(A Company Limited by Guarantee)

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Classrooms in the Clouds

Contents of the Financial Statements for the Year Ended 31 December 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2-14
Independent Examiner's Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18-22
Detailed Statement of Financial Activities	23

Classrooms in the Clouds

Reference and Administrative Details for the Year Ended 31 December 2021

TRUSTEES

M A Cashin
S Hagen
M Hagen (Chairman)
L McLaren
R A W Middleton
D G Sherpa
A S Roberts (appointed 13/11/2021)
D G Thomas (appointed 13/11/2021)

REGISTERED OFFICE

10 Grammar School Lane
Wirral
Merseyside
CH48 8AY

REGISTERED COMPANY NUMBER 10471484 (England and Wales)

REGISTERED CHARITY NUMBER 1170522

INDEPENDENT EXAMINER

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Classrooms In The Clouds Trustees' Report

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2021. These accounts have been prepared in accordance with Charities SORP (FRS 102) '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)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011, and the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Objectives and Activities

Classrooms in the Clouds exists because there are children in Nepal currently receiving an inadequate education, or in many cases, no education at all due to social, financial, practical, geographical or other reasons. Many children are out working, taking care of younger siblings, elderly or disabled relatives. There may be no school in their village, or if there is it may only go to the end of primary school, with no high school nearby. The only option for many is boarding school in Kathmandu which is simply unaffordable and impractical for all but a small minority. Attendance at school dwindles as children get older. The Nepalese government recognises that early years education has been undervalued. We need to provide incentives, facilities, teachers and professional development opportunities as well as tackling gender barriers to ensure children remain students for as long as possible to help them reach their full potential.

Purpose

To raise funds and materials to assist in the provision of education to the children of Nepal.

Mission

Our mission is to provide affordable, accessible and sustainable education to the children of Nepal, particularly those in most need.



Aims

Classrooms in the Clouds strive to create a safe environment where children are able to achieve their full potential in all aspects of their learning. In particular, they will have the chance to achieve their Secondary Education Examination (SEE).

We aim to improve conditions in 4 main ways:

- Building good quality, new classrooms;
- Providing gender appropriate hygiene facilities and tackle gender barriers;



•Sponsoring, training and supporting new teachers with an emphasis on attracting more local female teachers;

•Developing partnerships with local school communities to realise the potential of the additional facilities and training

Values

Our **Core Values** shape *what* we do:

- **Creating Opportunity** for communities in need;
- **Socially Aware** – we will endeavour to source materials locally and utilise local labour as far as practically possible;
- **Sustainable** – we will work with local communities to understand and meet their needs, develop a long term, strong relationship and ensure their commitment to a project;
- **Everyone Matters** – we want to reach and influence those most in need and particularly to raise the expectations of women;
- **Realise Potential** – we believe we can help children realise their potential, thereby improving their life chances;
- **Maximise the use of Assets** – we recognise the focal point a school provides for a community and we want the benefits from our building projects to be maximised by widespread community use.

Our **Personal Values** shape *how* we do:

- **Passion** – attract passionate people who make a positive difference to those in need;



- **Pragmatism** – aspiring to be the best whilst being realistic, practical and solution focussed;
- **Responsibility** – self-disciplined, taking ownership of issues and problems and leading by example;
- **Cultural Empathy** – being interested in people and cultures, displaying empathy and embracing diversity;
- **Openness to Experience** – receptive to learning opportunities, seeking out new experiences and taking a broad view.

We are a long term partner of school communities;

We are increasing our emphasis and support for women and girls in education;

We are developing the building blocks of education by improving the early years teaching in terms of the built environment and skills and resources.



Activities

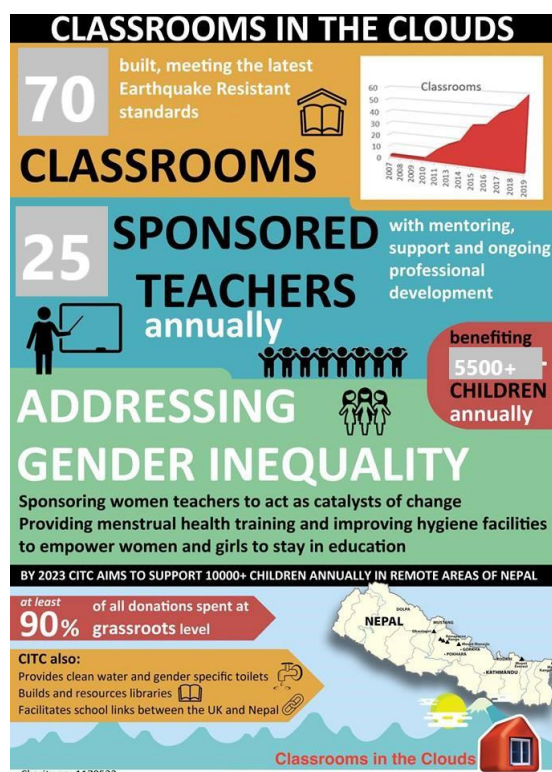
We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically we:

- Build classrooms in existing schools;
- Sponsor teachers, with an emphasis on female teachers, give professional development and mentor/support progress;
- Take measures to reduce gender inequality such as menstrual health training, clean water, gender specific toilets and empowerment of women initiatives.



Reusable Menstrual Health Kit being Made by Local Women, trained by CITC Nepal

Achievements and performance



COVID-19

The period under review continues to be dominated by the worldwide COVID-19 pandemic. In Nepal it is difficult to gauge exactly how the virus spread as testing is unreliable and the health system stretched in normal circumstances. The biggest negative impact, however, has been the economic one. The Nepal government was able to allow tourists in 2021 but in reduced numbers. The remittances from migrant workers - mostly working in India and the Middle East - has still not recovered to previous levels. This accounted for somewhere between 30 and 50% of the GDP! Some experts are predicting the impact is worse than the earthquakes of 2015.

CITC sponsored teachers carried on working with children in the community during the sporadic Nepal lockdowns. This is hugely appreciated by local communities who have been devastated by the impact of COVID-19 on the country.

Whenever schools were closed, CITC sponsored teachers made regular contact with children at home, allowing education to continue when it was stopped in most other areas. CITC was also able to continue with its building programme despite the difficulties..



2021 saw CITC improve its fundraising following the reduction in charitable giving in 2020. Classrooms In The Clouds, therefore, faces the twin challenges of more need than ever in Nepal and a fight for maintaining its income. The work of CITC in Nepal has never been more important in terms of giving young people hope and skills for the future so they can be the guardians of their beautiful country.

A project at the village of Lokhim to provide 6 classrooms, an early years play area, toilets, clean water and fully resourced classrooms was begun in 2021. The classroom building will be similar in design to Kanku and occupied by primary years children.



Local People Creating Aggregate from Stone

Shree Janata School at Lokhim has poor primary school facilities - appalling sanitation facilities with unhygienic toilets and no safe water system, putting children at risk of diseases - This makes it extremely difficult for girls to manage their menstrual health needs effectively, impacting their confidence.

There is a lack of child friendly furniture and classroom resources resulting in an inadequate learning environment. Other challenges include insufficient teacher training, a lack of lesson plans and workbooks and a lack of opportunities for talented females to enter the teaching profession due to prevalent gender inequalities.

In rural Nepal learning by rote and 'subject based' teaching is prevalent, even for very young children, meaning the needs of the individual child are often overlooked.

Grade teaching - where a teacher has responsibility for one class is innovative in the Solukhumbu region, allowing the teacher to develop a deeper connection with their class and understand the needs of the children, resulting in better outcomes (as seen in CITC's other supported schools).

Lesson planning is also a new concept for the teachers - CITC has gathered evidence demonstrating the huge difference in lesson quality when lesson plan training has been implemented.

Complimenting 6 new classrooms, the project aims to

Improve sanitation, particularly benefitting girls by building earthquake resistant, gender specific toilets

Reduce the risk of disease - enabling access to safe water by building a sustainable, eco-friendly, water filtration system.

Enhance 6 classrooms providing furniture and resources.

Improve the quality of teaching and learning by recruiting, sponsoring and training a female teacher - delivering professional development and continuous mentoring/appraisals

Provide training for all primary teachers at the school including quarterly training workshops covering Early Years, grade teaching, lesson planning and first aid.

Supply lesson plans/workbooks for core subjects in grades 1-5.

CITC has carefully considered the following means to minimise any potential negative environmental impacts of the project:

- Materials will be sourced locally where possible, reducing costs and minimising emissions.
- Use of machinery will be limited with traditional 'hand crafted' methods utilised where possible, using the skills of local labourers. All furniture will be hand crafted on site.
- Waste from toilets will flow into a purpose built septic tank.
- All water will be sourced responsibly from a nearby natural spring.
- Sustainable, natural materials will be used for the water filtration system.
- Previous demolished buildings will be reused, particularly to recycle aggregate.

Training will be provided in sanitation, waste management and hygiene, helping to support community ownership and create environmentally aware students.

In last year's report, detail was provided of the big building project at Shree Kanku (6 classroom 2-storey block, WCs, clean water and furniture/furnishings) . One of the main supporters



were the fire Cadets of Cheshire Fire and Rescue Service. In previous projects the fire cadets have travelled out to Nepal to see the outcome of their fundraising efforts but COVID 19 restrictions meant that was not possible. CITC remains extremely thankful for the efforts of these fire cadets in making a difference to young people's lives in a far away country.



CITC Trustee and president of the CITC NGO in Nepal, Dawa Geljen Sherpa, attended the handover ceremony on behalf of CITC. He heard a great deal about how much the investment in education meant to the local community. Local people had taken a great interest in the construction process and were particularly impressed with the high standards being set. More importantly, there were already signs that children's education was improving as a result of CITC training and the provision of lesson plans

The practical response from the local community to support the construction was outstanding. Literally hundreds of people got involved including transporting materials and breaking down rock for aggregate. This is a vivid example of the importance and pride local people have in the education of their children.



Teacher Sponsorship - By the end of the year, the CITCNepal team carried out the selection process for new teachers that means there are, for the first time, 23 sponsored female teachers working out of schools. CITC continues to mirror the Nepal Government teacher salaries and benefits. CITC have a sustainable model for teacher sponsorship whereby teachers are supported in their studies to achieve a Bachelor Degree in Education. This provides a gateway to obtaining a government-funded teaching role or another permanent role. Since 2009, over half the CITC sponsored teachers have gone on to find permanent employment or enter full-time study. In practice this success means that



CITC maintains a continuous process of selection and training meaning more and more women achieve their dream of becoming a teacher. CITC provided specialist training in child-centred learning, lesson planning, menstrual health and first aid. CITC invests in teacher materials and workbooks designed by a partner in Kathmandu called The Collective Schools Network.



These are a great teaching aid for teachers who have extremely busy lives outside school in their rural communities. The lesson plans mean it is easier to follow the curriculum over the school year and plot individual student progress.

CITC supports a 'cluster' of schools in the lower Soluhkhumbu, meaning sponsored teachers support each other as they extend their skills and experience. They use social media to share best practice. To support the teachers and maintain a strong relationship with CITC supported schools, CITCNepal has employed an Educational Development Manager who is responsible for project delivery, 2 peripatetic Education Support Workers and a finance officer based in Kathmandu. Roles include the professional development of sponsored teachers, monitoring and reporting on children's progress in supported schools, liaison with education officials and NGOs at a national, regional and local level and overseeing building projects.



Financial Review

The impact of Covid 19 continues to be felt and has undoubtedly led to the reduction in number of fund raising activities taking place. As a result of fundraising efforts, however, from a number of people and organisations we have seen an improvement in income and would hope to continue that improvement into 2022.

The total income generated for the year ended 31st December 2021 was £257,243 (2020: £211,737).

We raise money in a variety of ways, including:

- **Joint fundraisers;**



Cheshire Fire and Rescue Service



Long Time Supporters Shayne and Hazel Adams, Kaboodle, Ludlow and Church Stretton

- **Sponsored challenges;**



Cycling to The 'Wild Peak'

- **Grants from trusts and foundations;**



British and Foreign School Society

- **Corporate Fundraising;**



Be a gift to the world
International Rotary foundation

Hengistbury Investment Partners LLP
Charitable Trust

- **Donations of time and expertise**



Art project in Bung delivered by professional UK artist Lynda Roberts – providing art training and skills to teachers



Part of the renovated library in Kharikhola, one of many transformations led by long term CITC supporter Cathie Bremner Owen

The attached financial statements show that the money held by the charity at 31 December 2021 was £320,224.

Reserves Policy

The Trustees have identified the appropriateness of establishing a defined reserve policy for the charity. The purpose of a reserve policy is to help ensuring that the long term objectives of the charity can be met with some from of financial security.

A **Reserve Fund** has been established as an amount sufficient to maintain ongoing operations and programmes for **12** months. The **Reserve Fund** serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum **Reserve Fund** is equal to **£75,000** representing twelve months of operating expenses averaged annually over the last 2 years.

Funding Reserves

Trustees of Classrooms In The Clouds agree that the Reserve Fund will be established by designating £75,000 from restricted funds as the beginning balance. Trustees will consider the size of the Reserve Fund annually.

Investing Reserves

The **Reserve Fund** will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the charity. The reserves will be comingled with the general cash accounts of the charity but segregated in financial reporting.

Using Reserves

Trustees will identify reasons for accessing the **Reserve Fund** and confirm that the use is consistent with the purpose of the reserves as described in this Policy having:

- analysed the need
- considered other funding sources; and
- created a plan for replenishment.

The Treasurer is responsible for ensuring that the **Reserve Fund** is maintained and used only as described in this Policy.

Structure, Governance and Management

CITC is governed by its Constitution dated 25 August 2007. In 2017, CITC completed its registration with the Charity Commission for England and Wales. A new company limited by guarantee (Company Number 10471484; Charity Number 1170522) was created. Classrooms In The Clouds Nepal is a registered NGO in Nepal.

2 additional Trustees were appointed during 2021 bringing the total to 8. Both bring additional skills to the charity and their love of Nepal. All Trustees will resign at each AGM where each shall then be eligible for re-election. In addition, Trustees may be added at any time with the consent of the Management Committee, provided there are never any more than 7 members of the Management Committee. The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. This requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constituting 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.

In the interest of transparency and accountability to our donors we publish our annual report, accounts and impact report on the website. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The table below outlines the governance processes followed by CITC:

Organisation/Role	Who	Responsibility
Classrooms in the Clouds	Trustees	Executive Responsibility for CITC strategy including financial decisions and partnerships
Classrooms in the Clouds Nepal	NGO Committee	Delivery and supervision of Projects as agreed by CITC 'on the Ground'
Classrooms in the Clouds	Trustees	Responsible for meeting the legal requirements of a registered charity
Classrooms in the Clouds Nepal	NGO Committee	Responsible for meeting the legal requirement of a Nepal registered NGO
Classrooms in the Clouds	Trustees	Delivering the CITC fundraising strategy and developing relationships with donors and supporters based on integrity, respect and transparency
Classrooms in the Clouds Nepal	NGO Committee	Promoting the aims and objectives of CITC with visitors to Nepal to encourage additional supporters
Classrooms in the Clouds	Trustees	Develop systems and procedures to ensure due diligence of all spending and other matters in order to maximise charity effectiveness
Classrooms in the Clouds Nepal	NGO Committee	To support CITC by working within their systems and procedures
Classrooms in the Clouds	Trustees	To receive and carefully consider petitions and other requests and examine them against local need and charity aims
Classrooms in the Clouds Nepal	NGO Committee	To support the decision making process of CITC by providing timely, relevant and thorough background information on petitions received
Classrooms in the Clouds	Trustees	To make their project decisions on a sound financial basis
Classrooms in the Clouds Nepal	NGO Committee	To deliver projects within the financial assumptions of CITC and report any indication of variances against the agreed plan
Treasurer		To advise on all matters relating to finance and take all reasonable measures to ensure local/international financial rules are followed

Long Term Plan Future plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement are going to be subject to the ongoing return of the West to more normal conditions and positive economic factors. The Trustees are aware of the potential need to reconsider whether some of these goals are realistically achievable. By 2023 we plan to reach more children by:

- Being recognised as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting corporate partners;
- An infrastructure in Nepal that is efficient and sustainable with a CITC base in Lukla;
- Be able to complete 2 building projects a year typically providing 12 new classrooms;
- Where necessary, projects will include gender specific toilets and clean water as part of our support for women and girls;

- By 2023, sponsor up to 30 teachers a year, supporting their professional development;
- Specifically target improvements in the quality of early years education;
- Refine our monitoring and evaluation processes to provide robust evidence of the success of our projects.
- Ensure that we enhance our communication to supporters around the world and make our annual financial reports available to anyone who would like to see them.
- To grow CITC so it can support multiple projects across the Himalayan region of Nepal;
- 'Cluster' CITC supported activity to foster an atmosphere that encourages professional development and self-achievement;
- Work where appropriate with other NGOs who support our aims and objectives;
- Develop health and well-being initiatives where they can be shown to support our education ambitions;
- Build a core funding base from corporate donations and 'committed givers' supplemented by individual fundraising events and activities.

Trustee Details

Name	Position	Nationality	Address
*Michael Hagen	Chair Trustee	UK	**10 Grammar School Lane, Wirral, CH48 8AY
Sarah Hagen	Secretary Trustee	UK	10 Grammar School Lane, Wirral, CH48 8AY
Ron Middleton	Treasurer Trustee	UK	24 Kelmscott Road, Harborne, B17 8QN
Dawa Geljen Sherpa	Trustee/President CITCNepal	Nepal	Kathmandu
Mark Cashin	Trustee	UK	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Lawrie McLaren	Trustee	Belgium	Avenue Des Fleurs 22, Woluwe-St-Pierre, B-1150, Belgium
Annette Roberts	Trustee	UK	7 Carr Holme Gardens, Cabus, PR3 1LY
David Thomas	Trustee	UK	22 Park Close, Oakley, Hants RG23 7LE

*Principal Officer; **Charitable Company registered address

Approved by order of the board of trustees on 25 June 2022 and signed on its behalf by:

.....
M Hagen - Trustee

Independent Examiner's Report to the Trustees of Classrooms in the Clouds

Independent examiner's report to the trustees of Classrooms in the Clouds ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

E E Marshall-Birks FCA
ICAEW
Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Date:

Classrooms in the Clouds

Statement of Financial Activities for the Year Ended 31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	257,243	257,243	211,735
Investment income	3	-	-	-	2
Total		-	257,243	257,243	211,737
EXPENDITURE ON					
Raising funds		-	29,743	29,743	30,185
Charitable activities	4				
Education projects		-	152,000	152,000	142,500
Total		-	181,743	181,743	172,685
NET INCOME		-	75,500	75,500	39,052
RECONCILIATION OF FUNDS					
Total funds brought forward		-	241,790	241,790	202,738
TOTAL FUNDS CARRIED FORWARD		-	317,290	317,290	241,790

The notes form part of these financial statements

Classrooms in the Clouds

Balance Sheet 31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	8	-	-	-	686
CURRENT ASSETS					
Cash at bank		-	320,224	320,224	243,991
CREDITORS					
Amounts falling due within one year	9	-	(2,934)	(2,934)	(2,887)
NET CURRENT ASSETS		<u>-</u>	<u>317,290</u>	<u>317,290</u>	<u>241,104</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		-	317,290	317,290	241,790
NET ASSETS		<u>-</u>	<u>317,290</u>	<u>317,290</u>	<u>241,790</u>
FUNDS	10				
Restricted funds				<u>317,290</u>	<u>241,790</u>
TOTAL FUNDS				<u>317,290</u>	<u>241,790</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 25 June 2022 and were signed on its behalf by:

.....
M Hagen - Trustee

The notes form part of these financial statements

Classrooms in the Clouds

Notes to the Financial Statements for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	<u>257,243</u>	<u>211,735</u>

3. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>-</u>	<u>2</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs 2021 £
Education projects	<u>152,000</u>
	2020 £ <u>142,500</u>

5. SUPPORT COSTS

	Finance 2021 £	Other 2021 £	Totals 2021 £
Raising donations and legacies	<u>282</u>	<u>29,461</u>	<u>29,743</u>
	2020 £ <u>118</u>	2020 £ <u>30,067</u>	2020 £ <u>30,185</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Depreciation - owned assets	<u>686</u>	<u>685</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2021 and 31 December 2021	<u>2,057</u>
DEPRECIATION	
At 1 January 2021	1,371
Charge for year	<u>686</u>
At 31 December 2021	<u>2,057</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>686</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Accruals and deferred income	<u>2,934</u>	<u>2,887</u>

10. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
Restricted funds			
Restricted fund	241,790	75,500	317,290
	<u>241,790</u>	<u>75,500</u>	<u>317,290</u>
TOTAL FUNDS	<u>241,790</u>	<u>75,500</u>	<u>317,290</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	257,243	(181,743)	75,500
	<u>257,243</u>	<u>(181,743)</u>	<u>75,500</u>
TOTAL FUNDS	<u>257,243</u>	<u>(181,743)</u>	<u>75,500</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Restricted funds			
Restricted fund	202,738	39,052	241,790
TOTAL FUNDS	<u>202,738</u>	<u>39,052</u>	<u>241,790</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	211,737	(172,685)	39,052
TOTAL FUNDS	<u>211,737</u>	<u>(172,685)</u>	<u>39,052</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/20 £	Net movement in funds £	At 31/12/21 £
Restricted funds			
Restricted fund	202,738	114,552	317,290
TOTAL FUNDS	<u>202,738</u>	<u>114,552</u>	<u>317,290</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	468,980	(354,428)	114,552
TOTAL FUNDS	<u>468,980</u>	<u>(354,428)</u>	<u>114,552</u>

Classrooms in the Clouds

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

Classrooms in the Clouds

Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	257,243	211,735
Investment income		
Deposit account interest	-	2
Total incoming resources	257,243	211,737
EXPENDITURE		
Charitable activities		
Education projects	152,000	142,500
Support costs		
Finance		
Postage and stationery	125	-
Bank charges	157	118
	282	118
Other		
Sundries	122	110
Administrative support	25,283	25,295
Computer software and maintenance costs	418	403
Independent examiners' fee	764	740
Insurance	432	432
Legal and professional fees	733	-
Foreign currency losses	1,023	2,401
Computer equipment	686	686
	29,461	30,067
Total resources expended	181,743	172,685
Net income	75,500	39,052

This page does not form part of the statutory financial statements

Accounts

REGISTERED COMPANY NUMBER: 10471484 (England and Wales)
REGISTERED CHARITY NUMBER: 1170522

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Classrooms in the Clouds
(A Company Limited by Guarantee)

Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Classrooms in the Clouds

Contents of the Financial Statements for the Year Ended 31 December 2020

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 14
Independent Examiner's Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 to 22
Detailed Statement of Financial Activities	23

Classrooms in the Clouds

Reference and Administrative Details for the Year Ended 31 December 2020

TRUSTEES	M A Cashin S Hagen M Hagen L McLaren R A W Middleton D G Sherpa
REGISTERED OFFICE	10 Grammar School Lane Wirral Merseyside CH48 8AY
REGISTERED COMPANY NUMBER	10471484 (England and Wales)
REGISTERED CHARITY NUMBER	1170522
INDEPENDENT EXAMINER	Marshall Accountancy Ltd St Mary's House Crewe Road Alsager Stoke-On-Trent ST7 2EW

Classrooms in the Clouds
Report of the Trustees
for the Year Ended 31 December 2020

The Trustees of Classrooms in the Clouds are pleased to present their Report and Accounts for the period ending 31 December 2020. These accounts have been prepared in accordance with Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011, and the Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Objectives and Activities

Classrooms in the Clouds exists because there are children in Nepal currently receiving an inadequate education, or in many cases, no education at all due to social, financial, practical, geographical or other reasons. Many children are out working, taking care of younger siblings, elderly or disabled relatives. There may be no school in their village, or if there is it may only go to the end of primary school, with no high school nearby. The only option for many is boarding school in Kathmandu which is simply unaffordable and impractical for all but a small minority. Attendance at school dwindles as children get older. The Nepalese government recognises that early years education has been undervalued. We need to provide incentives, facilities, teachers and professional development opportunities as well as tackling gender barriers to ensure children remain students for as long as possible to help them reach their full potential.

Purpose

To raise funds and materials to assist in the provision of education to the children of Nepal.

Mission

Our mission is to provide affordable, accessible and sustainable education to the children of Nepal, particularly those in most



need.

Aims

Classrooms in the Clouds strive to create a safe environment where children are able to achieve their full potential in all aspects of their learning. In particular, they will have the chance to achieve their Secondary Education Examination (SEE).

We aim to improve conditions in 4 main ways:

- Building good quality, new classrooms;
- Providing gender appropriate hygiene facilities and tackle gender barriers;



- Sponsoring, training and supporting new teachers with an emphasis on attracting more local female teachers;
- Developing partnerships with local school communities to realise the potential of the additional facilities and training.

Values

Our **Core Values** shape *what* we do:

- **Creating Opportunity** for communities in need;
- **Socially Aware** – we will endeavour to source materials locally and utilise local labour as far as practically possible;
- **Sustainable** – we will work with local communities to understand and meet their needs, develop a long term, strong relationship and ensure their commitment to a project;
- **Everyone Matters** – we want to reach and influence those most in need and particularly to raise the expectations of women;
- **Release Potential** – we believe we can help children realise their potential, thereby improving their life chances;
- **Maximise the use of Assets** – we recognise the focal point a school provides for a community and we want the benefits from our building projects to be maximised by widespread community use.

Our **Personal Values** shape *how* we do:

- **Passion** – attract passionate people who make a positive difference to those in need;



- **Pragmatism** – aspiring to be the best whilst being realistic, practical and solution focussed;
- **Responsibility** – self-disciplined, taking ownership of issues and problems and leading by example;
- **Cultural Empathy** – being interested in people and cultures, displaying empathy and embracing diversity;
- **Openness to Experience** – receptive to learning opportunities, seeking out new experiences and taking a broad view.

We are a long term partner of school communities;

We are increasing our emphasis and support for women and girls in education;

We are developing the building blocks of education by improving the early years teaching in terms of the built environment and skills and resources.



Activities

We establish long-term partnerships with the schools we support operating in a culturally empathetic way. Specifically we:

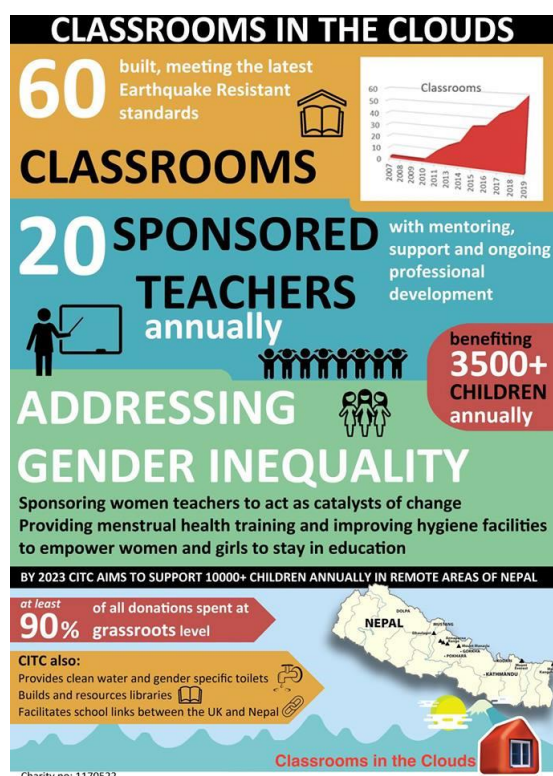
- Build classrooms in existing schools;
- Sponsor teachers, with an emphasis on female teachers, give professional development and mentor/support progress;
- Take measures to reduce gender inequality such as menstrual health training, clean water, gender specific



toilets and empowerment of women initiatives.

Reusable Menstrual Health Kit being Made by Local Women, trained by CITC Nepal

Achievements and performance

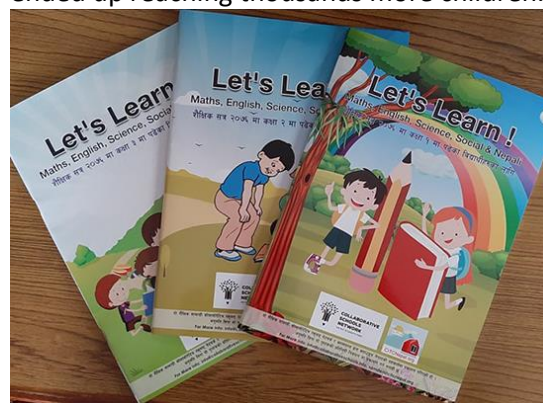


COVID-19

The period under review is dominated by the worldwide COVID-19 pandemic. In Nepal it is difficult to gauge exactly how the virus spread as testing is unreliable and the health system stretched in normal circumstances. The biggest negative impact, however, has been the economic one. The Nepal government declared 2020 as the year to visit Nepal but tourism has been decimated. The remittances from migrant workers - mostly working in India and the Middle East - has all but dried up. This accounted for somewhere between 30 and 50% of the GDP! Some experts are predicting the impact to be worse than the earthquakes of 2015.

CITC sponsored teachers carried on working with children in the community during the Nepal lockdown. This is hugely appreciated by local communities who have been devastated by the impact of COVID-19 on the country.

Working with a partner, lesson books were developed for primary children so they could continue to study from home. CITC sponsored teachers made regular contact with them, allowing education to continue when it was stopped in most other areas. So successful was it that many schools/municipalities in the region requested the resources and CITC ended up reaching thousands more children.



Inevitably at times like this people in the West look inwards and it is no surprise that charitable giving in the UK has focussed on home. Classrooms In The Clouds, therefore, faces the twin challenges of more need than ever in Nepal and a fight for maintaining its income. The work of CITC in Nepal has never been more important in terms of giving young people hope and skills for the future so they can be the guardians of their beautiful country.

The building project at Shree Kanku (6 classroom 2-storey block, WCs, clean water and furniture/furnishings) was also threatened by the restrictions placed on building workers by the government in Nepal. Through embedding strong safety measures on site, the project was completed within the year and came in on budget.



The practical response from the local community was better than anything previously seen. There is a huge pride taken by local people and the boost they have received from an investment never before seen in this area. CITC is particularly grateful for the support from Cheshire Fire and Rescue Service Fire Cadets.



The Chair of Trustees with the CITC Nepali Trustee and NGO President, Dawa Sherpa, visit all potential projects before agreeing funding to be reassured a school community is committed to improving the education for their young people. The CITC Education Development Manager is the project manager and works within the CITC governance processes. Within that process as a means to minimise the risk of corruption and quality failings, CITC commission a dedicated technical building team of known skills and an NGO board member is permanently on site to monitor the build and provide direct communication with the local community. CITC regard the building project as a 'community project supported by CITC'. To underpin this philosophy, a 'Community buy-in' is expected for any projects that we support. This helps foster ownership and responsibility in the community, and also aids in the sustainability of projects, reducing donor dependency.

CITC asks for 20% of the value of the total estimated cost of each project, and whilst it is known that the local people will rarely have money to donate, this buy-in can be achieved in many other ways, such as portering materials, labouring, collection of sand and gravel, food and lodgings for the workers.

In last year's report, detail was provided of the massive building project at Shree Sagarmatha, Bung (8 classrooms in 2018 to the 4 built in 2016 plus long term sponsorship of 2 teachers one of whom became 'Head of Early Years'). The outcomes report explained the improvements:

'The construction of separate child-friendly learning space for Early Years' students has become a model for the schools in the region. The idea of an autonomous learning area for primary grade children has ignited the importance of safe physical space for those young minds in a big school setting where they also have secondary students in the same territory. Besides the physical space, there is also a significant improvement in the social and temporal domains. The successful implementation of grade teaching, good teamwork, and good leadership for the Early Years Section have all been the key factors behind the academic and non-academic improvements noticed at the Early Years. Parents and community members have observed positive behavioural changes in their child's perspective toward learning. Children in the early years are loving school and have been improving their academic performance and flourishing their leadership experiences in the nurturing environment created by the teachers and staff at Shree Sagarmatha. The impact is such that the nearby schools in the region, which were earlier reluctant about implementing progressive teaching approaches, are now eager to follow the footsteps of Shree Sagarmatha.'



'CITCNepal has been training and providing support to the teachers at Early Years on implementing a grade-based teaching model. In a span of a year, remarkable changes have been noticed in students learning. The grade-wise learning achievement of Early Years has improved by more than 15% in a year.

The Chair of the Rural Municipality said, "I see small children so excited while going to school and are so well connected to their teachers, which was not noticeable when we had subject-based teaching in the primary grades. I have also remarked very excellent teamwork among the Early Grade Teachers compared to the subject based teachers in higher grades. Early Grade Teachers spend more time with children and provide individual care, which



promotes the individual development of the children. I think it is the strength, the beauty of the Early Years at Shree Sagarmatha. As a parent and school invigilator, I have seen an improved performance of the grade teachers, which has direct influence on the children's learning. So, our team in the rural municipality has discussed if we could support other schools to practice grade teaching. Hopefully, we can influence or motivate some of the school to begin grade teaching new academic sessions and eventually convince more schools."

Teacher Sponsorship - By the end of the year, the CITCNepal team completed a selection process for 5 new teachers that means there are, for the first time, 20 sponsored female teachers working out of schools. CITC continues to mirror the Nepal Government teacher salaries and benefits. CITC have a sustainable model for teacher sponsorship whereby teachers are supported in their studies to achieve a Bachelor Degree in Education. This provides a gateway to obtaining a government-funded teaching role or another permanent role. Since 2009, over half the CITC sponsored teachers have gone on to find permanent employment or enter full-time study.



In 2020 CITC provided specialist training in child-centred learning, lesson planning, menstrual health and first aid. CITC invests in teacher materials and workbooks designed by a partner in Kathmandu called The Collective Schools Network.



These are a great teaching aid for teachers who have extremely busy lives outside school in their rural communities. The lesson plans mean it is easier to follow the curriculum over the school year and plot individual student progress.

CITC supports a 'cluster' of schools in the lower Solu Khumbu, meaning sponsored teachers support each other as they extend their skills and experience. They use social media to share best practice. To support the teachers and maintain a strong relationship with CITC supported schools, CITCNepal has employed an Educational Development Manager who is responsible for project delivery, 2 peripatetic Education Support Workers and a finance officer based in Kathmandu. Roles include the professional development of sponsored teachers, monitoring and reporting on children's progress in supported schools, liaison with education officials and NGOs at a national, regional and local level and overseeing building projects.



Financial Review

During the period under review we have faced bigger challenges raising income than ever before. The majority of our income of £211,737 has again been voluntary income primarily from individuals, corporate and foundation donations, sponsored challenges and local fund raising events. The impact of Covid 19 and the introduction of lockdowns and various tiers throughout the UK has undoubtedly led to the reduction in number of fund raising activities taking place. Added to this during 2020, it has not been possible for individuals from Nepal to visit the UK and both share their experiences of what they have achieved and to represent the charity and hence foster increased financial support. What is comforting is that our core supporters have stayed loyal and able to contribute funds to enable the charity to carry on with much of its work. We are extremely grateful to all who have continued to donate to us during these unprecedented times.

We raise money in a variety of ways, including:

- **Individual donations;**



Joanna Tye raised £1,693 by completing 10,000 steps in one day, a huge personal challenge due to battling with Seronegative Rheumatoid Disease



Long Time Supporters Shayne and Hazel Adams, Kaboodle, Ludlow and Church Stretton

- **Joint fundraisers;**



Cheshire Fire and Rescue Service

- **Sponsored challenges;**



Cycling to The Lost Mountain, Pyrenees

- **Grants from trusts and foundations;**



International Rotary foundation



British and Foreign School Society

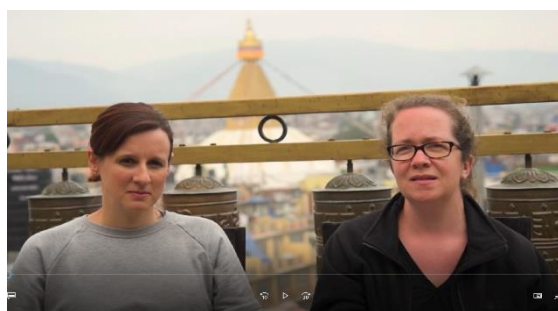
- **Corporate Fundraising;**

Hengistbury Investment Partners LLP
Charitable Trust

- **Links with UK schools**



The Bishops' Blue Coat High School, Chester



Lindsay Mason & Sally Sixsmith, Dudley Schools Partnership

- **Donations of time and expertise**



Art project in Bung delivered by professional UK artist Lynda Roberts – providing art training and skills to teachers



Part of the renovated library in Kharikhola, one of many transformations led by long term CITC supporter Cathie Bremner Owen

The attached financial statements show that the money held by the charity at 31 December 2020 was £243,991.

Reserves Policy

The Trustees have identified the appropriateness of establishing a defined reserve policy for the charity. The purpose of a reserve policy is to help ensuring that the long term objectives of the charity can be met with some form of financial security.

A **Reserve Fund** has been established as an amount sufficient to maintain ongoing operations and programmes for **12** months. The **Reserve Fund** serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum **Reserve Fund** is equal to **£75,000** representing twelve months of operating expenses averaged annually over the last 2 years.

Funding Reserves

Trustees of Classrooms In The Clouds agree that the Reserve Fund will be established by designating £75,000 from restricted funds as the beginning balance. Trustees will consider the size of the Reserve Fund annually.

Investing Reserves

The **Reserve Fund** will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the charity. The reserves will be comingled with the general cash accounts of the charity but segregated in financial reporting.

Using Reserves

Trustees will identify reasons for accessing the **Reserve Fund** and confirm that the use is consistent with the purpose of the reserves as described in this Policy having:

- analysed the need
- considered other funding sources; and
- created a plan for replenishment.

The Treasurer is responsible for ensuring that the **Reserve Fund** is maintained and used only as described in this Policy.

Structure, Governance and Management

CITC is governed by its Constitution dated 25 August 2007. In 2017, CITC completed its registration with the Charity Commission for England and Wales. A new company limited by guarantee (Company Number 10471484; Charity Number 1170522) was created. Classrooms In The Clouds Nepal is a registered NGO in Nepal.

There are currently 6 members. All Trustees of the Management Committee will resign at each AGM where each shall then be eligible for re-election. In addition, Trustees may be added at any time with the consent of the Management Committee, provided there are never any more than 7 members of the Management Committee. The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. This requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constituting 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.

In the interest of transparency and accountability to our donors we publish our annual report, accounts and impact report on the website. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The table below outlines the governance processes followed by CITC:

Organisation/Role	Who	Responsibility
Classrooms in the Clouds	Trustees	Executive Responsibility for CITC strategy including financial decisions and partnerships
Classrooms in the Clouds Nepal	NGO Committee	Delivery and supervision of Projects as agreed by CITC 'on the Ground'
Classrooms in the Clouds	Trustees	Responsible for meeting the legal requirements of a registered charity
Classrooms in the Clouds Nepal	NGO Committee	Responsible for meeting the legal requirement of a Nepal registered NGO
Classrooms in the Clouds	Trustees	Delivering the CITC fundraising strategy and developing relationships with donors and supporters based on integrity, respect and transparency
Classrooms in the Clouds Nepal	NGO Committee	Promoting the aims and objectives of CITC with visitors to Nepal to encourage additional supporters
Classrooms in the Clouds	Trustees	Develop systems and procedures to ensure due diligence of all spending and other matters in order to maximise charity effectiveness
Classrooms in the Clouds Nepal	NGO Committee	To support CITC by working within their systems and procedures
Classrooms in the Clouds	Trustees	To receive and carefully consider petitions and other requests and examine them against local need and charity aims
Classrooms in the Clouds Nepal	NGO Committee	To support the decision making process of CITC by providing timely, relevant and thorough background information on petitions received
Classrooms in the Clouds	Trustees	To make their project decisions on a sound financial basis
Classrooms in the Clouds Nepal	NGO Committee	To deliver projects within the financial assumptions of CITC and report any indication of variances against the agreed plan
Treasurer		To advise on all matters relating to finance and take all reasonable measures to ensure local/international financial rules are followed

Long Terms Future plans

Set out below are details of our medium and longer term goals. Undoubtedly their achievement are going to be subject to the return of the West to more normal conditions and positive economic factors. The Trustees are aware of the potential need to reconsider whether some of these goals are realistically achievable within the time scales detailed

By 2023 we plan to reach more children by:

- Being recognised by the public, in the corporate world and by other charitable organisations as an effective, sustainable and passionate charity;
- Attracting regular, significant donation;
- Attracting another corporate partner;
- An infrastructure in Nepal that is efficient and sustainable with a CITC base in Lukla;
- Be able to complete 2 building projects a year typically providing 12 new classrooms;
- Where necessary, projects will include gender specific toilets and clean water as part of our support for women and girls;
- By 2022, sponsor up to 25 teachers a year, supporting their professional development;
- Specifically target improvements in the quality of early years education;
- Refine our monitoring and evaluation processes to provide robust evidence of the success of our projects.
- Ensure that we enhance our communication to supporters around the world and make our annual financial reports available to anyone who would like to see them.
- To grow CITC so it can support multiple projects across the Himalayan region of Nepal;
- 'Cluster' CITC supported activity to foster an atmosphere that encourages professional development and self-achievement;
- Work where appropriate with other NGOs who support our aims and objectives;

- Develop health and well-being initiatives where they can be shown to support our education ambitions;
- Build a core funding base from corporate donations and 'committed givers' supplemented by individual fundraising events and activities.

Trustee Details

Name	Position	Nationality	Address
*Michael Hagen	Chair Trustee	UK	**10 Grammar School Lane, Wirral, CH48 8AY
Sarah Hagen	Secretary Trustee	UK	10 Grammar School Lane, Wirral, CH48 8AY
Ron Middleton	Treasurer Trustee	UK	24 Kelmscott Road, Harborne, B17 8QN
Dawa Geljen Sherpa	Trustee/President CITCNepal	Nepal	Kathmandu
Mark Cashin	Trustee	UK	c/o Cheshire FRS HQ, Winsford, CW7 2FQ
Lawrie McLaren	Trustee	Belgium	Av Emile de Beco 29, Brussels B-1050

*Principal Officer

**Charitable Company registered address

Approved by order of the board of trustees on 26 June 2021 and signed on its behalf by:

.....
M Hagen - Trustee

Independent Examiner's Report to the Trustees of Classrooms in the Clouds

Independent examiner's report to the trustees of Classrooms in the Clouds ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

E E Marshall-Birks FCA
ICAEW
Marshall Accountancy Ltd
St Mary's House
Crewe Road
Alsager
Stoke-On-Trent
ST7 2EW

Date:

Classrooms in the Clouds

Statement of Financial Activities for the Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	211,735	211,735	309,673
Investment income	3	-	2	2	5
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>785</u>
Total		-	211,737	211,737	310,463
 EXPENDITURE ON					
Raising funds		-	30,185	30,185	21,185
Charitable activities	4				
Education projects		-	142,500	142,500	212,525
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		-	172,685	172,685	233,710
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 NET INCOME		-	39,052	39,052	76,753
 RECONCILIATION OF FUNDS					
Total funds brought forward		-	202,738	202,738	125,985
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD		<u>-</u>	<u>241,790</u>	<u>241,790</u>	<u>202,738</u>

The notes form part of these financial statements

Classrooms in the Clouds

Balance Sheet 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	8	-	686	686	1,371
CURRENT ASSETS					
Cash at bank		-	243,991	243,991	203,535
CREDITORS					
Amounts falling due within one year	9	-	(2,887)	(2,887)	(2,168)
		<u>-</u>	<u>(2,887)</u>	<u>(2,887)</u>	<u>(2,168)</u>
NET CURRENT ASSETS		<u>-</u>	<u>241,104</u>	<u>241,104</u>	<u>201,367</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>241,790</u>	<u>241,790</u>	<u>202,738</u>
NET ASSETS		<u>-</u>	<u>241,790</u>	<u>241,790</u>	<u>202,738</u>
FUNDS	10				
Restricted funds				<u>241,790</u>	<u>202,738</u>
TOTAL FUNDS				<u>241,790</u>	<u>202,738</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26 June 2021 and were signed on its behalf by:

.....
M Hagen - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

2. DONATIONS AND LEGACIES

	2020 £	2019 £
Donations	<u>211,735</u>	<u>309,673</u>

3. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	<u>2</u>	<u>5</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Education projects	<u>142,500</u>

5. SUPPORT COSTS

	Finance £	Other £	Totals £
Raising donations and legacies	<u>118</u>	<u>30,067</u>	<u>30,185</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	<u>685</u>	<u>686</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2020 and 31 December 2020	<u>2,057</u>
DEPRECIATION	
At 1 January 2020	686
Charge for year	<u>685</u>
At 31 December 2020	<u>1,371</u>
NET BOOK VALUE	
At 31 December 2020	<u>686</u>
At 31 December 2019	<u>1,371</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Accruals and deferred income	<u>2,887</u>	<u>2,168</u>

10. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Restricted funds			
Restricted fund	202,738	39,052	241,790
TOTAL FUNDS	<u>202,738</u>	<u>39,052</u>	<u>241,790</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	211,737	(172,685)	39,052
TOTAL FUNDS	<u>211,737</u>	<u>(172,685)</u>	<u>39,052</u>

Classrooms in the Clouds

Notes to the Financial Statements - continued for the Year Ended 31 December 2020

10. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Restricted funds			
Restricted fund	125,985	76,753	202,738
TOTAL FUNDS	<u>125,985</u>	<u>76,753</u>	<u>202,738</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	310,463	(233,710)	76,753
TOTAL FUNDS	<u>310,463</u>	<u>(233,710)</u>	<u>76,753</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
Restricted funds			
Restricted fund	125,985	115,805	241,790
TOTAL FUNDS	<u>125,985</u>	<u>115,805</u>	<u>241,790</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund	522,200	(406,395)	115,805
TOTAL FUNDS	<u>522,200</u>	<u>(406,395)</u>	<u>115,805</u>

Classrooms in the Clouds

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

Classrooms in the Clouds

Detailed Statement of Financial Activities for the Year Ended 31 December 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	211,735	309,673
Investment income		
Deposit account interest	2	5
Other income		
Foreign currency profits	<u>-</u>	<u>785</u>
Total incoming resources	211,737	310,463
 EXPENDITURE		
Charitable activities		
Education projects	142,500	212,525
Support costs		
Finance		
Bank charges	118	163
Other		
Postage and stationery	-	9
Sundries	110	205
Travelling	-	489
Administrative support	25,295	18,082
Computer software and maintenance costs	403	403
Independent examiners' fee	740	716
Insurance	432	432
Foreign currency losses	2,401	-
Computer equipment	<u>686</u>	<u>686</u>
	<u>30,067</u>	<u>21,022</u>
Total resources expended	<u>172,685</u>	<u>233,710</u>
Net income	<u><u>39,052</u></u>	<u><u>76,753</u></u>

This page does not form part of the statutory financial statements