

# **KIDASHA**

**(formerly Child Welfare Scheme)**

**(A company limited by guarantee)**

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2012**

**Charity Registration: 1106156**

**Company Registration: 05223851**

**55 East Road  
London  
N1 6AH**

**KIDASHA (formerly Child Welfare Scheme)**  
**FOR YEAR TO 30<sup>th</sup> JUNE 2012**

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**FOR YEAR TO 30<sup>th</sup> JUNE 2012**

**REFERENCE AND ADMINISTRATIVE DETAILS**

Charity Number	1106156
Company Registration Name	05223851 Kidasha
Chairman of the Board of Trustees	Jon Rosser
Trustees and Directors	Douglas H Maclagan (resigned 26 <sup>th</sup> February 2012) Philip A G Mann (resigned 10 <sup>th</sup> December 2011) Brendan Mannion Ajay Mehta Sarah Stacpoole (resigned 28 <sup>th</sup> March 2012) Jan Turner Michael Jacobs
Chief Executive and Company Secretary	Janice Miller
Ambassador	Joanna Lumley
Registered and London Administrative Office	55 East Road London N1 6AH
Website	<a href="http://www.kidasha.org">www.kidasha.org</a>
Auditors	Griffin Stone Moscrop and Co 41 Welbeck Street London W1G 8EA
Principal Bankers	HSBC Bank plc 60 Queen Victoria Street London EC4N 4TR
Investment Managers	Thomas Miller Investment (Isle of Man) Limited 16-17 Mount Havelock, Douglas Isle of Man IM1 2QG
Solicitors	Bates, Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH

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**TRUSTEES' REPORT**

The Trustees present their annual report for the twelve months ending on 30 June 2012.

**Objectives & Activities**

Kidasha is a UK registered INGO dedicated to improving equality of opportunity for children in Western Nepal. It works in partnership with local NGOs in Nepal, to enable socially and economically excluded children to fulfil their potential by improving their wellbeing, supporting their development and reducing the impact of discrimination and social injustice by

- Increasing access to primary education and healthcare and improving parenting capacity
- Improving protection systems, reducing exploitation and providing support to/for street and working children

Each partnership is governed by an individual project agreement, but in essence the local partners are primarily responsible for service delivery, whilst Kidasha provides capacity building assistance, technical support and advocacy.

Kidasha has a five year agreement (up to end FY 2014/15) with the Nepali government to provide a range of services for the benefit of children and young people. The agreement means that Kidasha supported projects are regularly monitored and evaluated by the government.

Kidasha also advocates for children's rights in Nepal and internationally and is an active member of the Consortium for Street Children (charity number 104759) – see [www.streetchildren.org.uk](http://www.streetchildren.org.uk) – and the Association of International NGOs in Nepal – see [www.ain.org.np](http://www.ain.org.np).

**Governing Instruments**

The governing instruments of Kidasha are its Memorandum & Articles of Association, as amended by a written resolution of the members, dated 29<sup>th</sup> March 2006.

**Structure, Governance & Management**

The organisational name was changed from Child Welfare Scheme to Kidasha by a written resolution of the Trustees on 25<sup>th</sup> April 2012. The organisation was incorporated as a company limited by guarantee on 7th September 2004, taking over the work of a charitable trust also known as Child Welfare Scheme (charity number 1061699) registered on 8th April 1997 (“the original charity”).

The executive leadership of Kidasha is the responsibility of the Chief Executive, who reports to a UK based Board of Trustees. The majority of Kidasha staff are Nepali nationals working in Pokhara, supported by a small UK office in London. Kidasha recognises the importance of a proper division of responsibilities between Chief Executive and the Board of Trustees.

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Trustees are generally appointed after public advertisement, with new appointees being inducted according to the guidance laid down by the Charity Commission and the Consortium for Street Children.

The Trustees hold formal meetings at least four times a year, but are in regular contact at other times as required.

The Trustees have regard to the official guidance of the Charity Commission for England & Wales and, in particular, the Hallmarks of an Effective Charity (CC 10, 2008). In addition, we have considered the Charity Commission's general guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. The Trustees consider how planned activities will contribute to the aims and objectives they have set.

**Business Review**

FY 2011-12 was a year of transition and change, designed to reduce overheads, improve operational efficiency and counter the impact of some large grants coming to an end; whilst at the same time maintaining our commitment to the children and families we support and increasing the positive impact of our work.

The change programme had four main components

- Reducing overheads
- Developing a new three year strategy
- Rebranding
- Securing new income streams

We significantly reduced our operating costs mainly through organisational restructuring and rationalisation and relocating our London office. Whilst this regrettably involved some redundancies for expatriate staff, it enabled us to increase our reliance on Nepali nationals, which is seen as a very positive step by the Nepali authorities.

Our new strategy is not revolutionary, but an evolution of our previous and ongoing work with a stronger emphasis on prevention and development rather than filling gaps in main stream service delivery, coupled with a more coordinated cohesive approach to programme and project development.

Regarding new income streams, we secured a four year grant of £1m from Comic Relief to scale up our support to Street and Working children in Kaski, which in turn enabled us to open the door to two additional new donors. We also applied for a three year grant to BLF to expand our safer motherhood and early years work in the Terai.

Our input to CWSN, our longest established partner, reduced during the year as it now has the capacity to be more technically self-sufficient and is also beginning to manage its own funding streams, particularly regarding its vocational training centre and rural day care centres. As part of this transition, one major donor FNEL now provides funding directly and hence the apparent reduction in our grants to CWSN. It is important to recognise however this did not have any adverse impact on service provision or the children and young people it supports.

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However our support to CWSN's Asha health services and the drop in centre for street children continued as before, and is likely to continue as we explore ways to enhance services which support children and young people living within the growing urban slum areas.

Investment performance whilst slightly disappointing, was not surprising considering the wider economic environment, and the relatively small portfolio. However it is the Board's intention to review the effectiveness of the current investment management approach in the next FY.

**Financial Review**

The challenges of the previous year continued into the first half of 2011/12, but eased in the second half as the benefits of the cost savings resulting from the restructuring were fully realised. This coupled with the Comic Relief grant noted above, created a secure financial base on which to build.

Some specific points of note from the financial statements are as follows:-

- Income was lower than the previous year mainly due to the end of some long term grants and FNEL sending grant monies directly to the partner.
- As a direct result of the organisational restructuring, operating expenditure reduced significantly, although there were £20,825 of associated redundancy costs incurred in the year.
- Fundraising expenditure of £80,015 was 12% of total expenditure and governance costs were 3%.
- The balance sheet shows £365,773 in the bank on 30<sup>th</sup> June 2012 (2011: £247,234) Fixed assets were at zero value at the end of the year after depreciation of 25%. No new assets were purchased in the year.
- There was a gain on the value of the investments in the year of £131, compared to a gain in 2010/11 of £6,881. Further information on this expendable endowment fund can be found in note 9.

**Future plans**

Key objectives for next three years are:

Organisational

- Expand our project reach to at least one more district in western Nepal
- Continue to support our partners to achieve sustainability and to increase the scope and scale of our work
- Continue to strengthen our internal capacity in terms of skills, knowledge and processes
- To widen our donor base and the fundraising channels we use
- Develop a more robust communications strategy with increased emphasis on the use of technology and social networks
- Engage with local, national and international forums to increase organisational profile and increase our role in structured advocacy

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Programme Scope

- To develop interventions to improve hygiene and nutrition of marginalised children
- To improve development (physical, social, emotional and cognitive) of marginalised children from birth to five years
- To enhance parenting capacity within marginalised communities
- To improve the health, survival and wellbeing of socially excluded mothers and children
- To improve the health, survival and wellbeing of children without parental care in urban areas
- To increase the effectiveness and efficiency in the reintegration (family, social and educational) of children and young people outside family care
- To improve the protection of children from abuse and exploitation
- To reduce the number of children leaving their families
- To develop a new strategy and approach to training and job creation, as an alternative to the vocational training centre

**Risk Review**

As Trustees, we continually monitor any major risk factors e.g. political instability and exchange rate movements which might adversely impact the organisation and are satisfied that there are appropriate mitigations, systems and processes in place to minimise any exposure.

**Reserves Policy**

The charity relies entirely on voluntary donations and grants for funding and is therefore unable to determine with certainty the consistency and regularity of income. The Trustees consider it prudent to retain sufficient free reserves to maintain current activities for a period between six and twelve months. Free reserves are unrestricted funds not committed or invested in fixed assets and at 30th June 2012, totalled £127,678 – a significant improvement on the previous year (FY 2010/11 : £57,597).

**A closing note from the Chairman**

This has been a busy and challenging year for Kidasha but we are delighted to end the year in such a healthy financial position with some excellent and innovative programmes delivering for so many children and families who desperately need our support. Our thanks for such a successful year go to all our staff who have worked tirelessly and also to our funders for their continuing support and encouragement.

This year our founder Douglas Maclagan stood down as a trustee to pursue other ventures in Nepal and I want to take this opportunity to thank him for the vision and energy that has created the Kidasha of today and to wish him well in his new endeavours.

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**STATEMENT OF TRUSTEES' & DIRECTORS' RESPONSIBILITIES**

The Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3. They are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees as a body on 10<sup>th</sup> December 2012 and signed on their behalf by:



Jon Bosser  
Chairman



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIDASHA**

We have audited the financial statements of Kidasha for the year ended 30<sup>th</sup> June 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> June 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



*Jennifer Tolmie (Senior statutory auditor)*  
For and on behalf of  
**Griffin Stone Moscrop & Co**  
Statutory Auditor

41 Welbeck Street  
London W1G 8EA

Date: 19 December 2012

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**STATEMENT OF FINANCIAL ACTIVITIES**

Note	Unrestricted Funds 2011/12	Restricted Funds 2011/12	Endowment Funds 2011/12	Total 2011/12	Total 2010/11
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Donation and grants	220,375	535,087	-	755,462	1,034,717
Activities for generating funds	53,777	-	-	53,777	23,452
Miscellaneous income	1,039	-	-	1,039	49
Investment income	-	-	1,515	1,515	2,358
<b>Total incoming resources</b>	<b>275,191</b>	<b>535,087</b>	<b>1,515</b>	<b>811,793</b>	<b>1,060,576</b>
<b>Resources expended</b>					
<i>Cost of generating voluntary funds</i>					
Costs of generating voluntary income	63,944	16,071	-	80,015	127,505
<i>Charitable activities</i>					
Operating Costs	131,624	107,252	212	239,088	411,088
Grants to CWSN	-	183,429	-	183,429	489,778
Grants to other partners	-	131,788	-	131,788	227,532
Governance	25,450	-	-	25,450	39,939
<b>Total resources expended</b>	<b>221,018</b>	<b>438,540</b>	<b>212</b>	<b>659,770</b>	<b>1,295,842</b>
<b>Net incoming/(outgoing) resources</b>	<b>54,173</b>	<b>96,547</b>	<b>1,303</b>	<b>152,023</b>	<b>(235,266)</b>
Unrealised gain on investments	-	-	131	131	6,881
Gain/(loss) on disposal of investments	-	-	(2,328)	(2,328)	-
<b>Net Movement in Funds</b>	<b>54,173</b>	<b>96,547</b>	<b>(894)</b>	<b>149,826</b>	<b>(228,385)</b>
Fund balances brought forward at 1st July 2011	59,749	125,583	81,331	266,663	495,048
Fund transfers	13,756	(6,733)	(7,023)	-	-
Fund balances carried forward at 30th June 2012	<b>127,678</b>	<b>215,397</b>	<b>73,414</b>	<b>416,489</b>	<b>266,663</b>

The notes on pages 12 to 23 form part of these financial statements.

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**BALANCE SHEET AS AT 30 JUNE 2012**

	Note	30th June 2012	30th June 2011
<b><u>FIXED ASSETS</u></b>		£	£
Tangible fixed assets	8	-	2,152
Investments	9	69,561	71,970
<b>Total Fixed Assets</b>		<b>69,561</b>	<b>74,122</b>
<b><u>CURRENT ASSETS</u></b>			
Debtors	10	11,627	8,212
Cash at bank and in hand		365,773	247,234
		377,400	255,446
<b><u>CURRENT LIABILITIES</u></b>			
Creditors: amounts due in one year	11	26,910	62,905
<b><u>NET CURRENT ASSETS</u></b>		<b>350,489</b>	<b>192,541</b>
Creditors: amounts due after more than one year	12	3,562	-
<b><u>NET ASSETS</u></b>		<b>416,489</b>	<b>266,663</b>
<b>REPRESENTED BY</b>			
Unrestricted Funds	13/14	127,678	59,749
Restricted Funds	14	215,397	125,583
Endowment funds expendable	12	73,414	81,331
		<b>416,489</b>	<b>266,663</b>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the Trustees and authorised for issue on ....., and are signed on their behalf by



Jon Rosser  
Chairman

Company Registration Number: 05223851

The notes on pages 12 to 23 form part of these financial statements.

**KIDASHA (formerly Child Welfare Scheme)**  
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**NOTES ON THE ACCOUNTS**

**1. Accounting Policies**

**(a) Basis of accounting**

- The financial statements have been prepared under the historical cost convention, with the exception of the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).
- The financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice (revised 2005) Accounting and Reporting by Charities. In accordance with Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement as it is a small company.

**(b) Fund accounting**

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.
- Endowment funds are expendable but any proceeds restricted to supporting day care health centres in the Kaski region of Nepal.

**(c) Incoming resources**

- Grants and other designated project funding and donations are accounted for in the year in which they are received. Such grants are included in voluntary income (donations and grants).
- All incoming resources have been included gross of expenditure.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Income from investments and bank interest are accounted for on a receivable basis.
- Incoming resources from endowment funds are restricted as noted above.

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**NOTES ON THE ACCOUNTS cont'd**

**(d) Resources expended**

- Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

**(e) Investments**

- Investments are stated at their market value at the balance sheet date, with any increase or decrease in values being included in the statement of financial activities as unrealised gains and losses.

**(f) Depreciation of fixed assets**

- Expenditure on office equipment, motor vehicles and furniture and fittings are capitalised if in excess of £2,500 and are depreciated on a straight line basis at 25% per annum.

**(g) Foreign currency translation**

- Foreign currency transactions are translated at an average rate. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any exchange differences are taken to the statement of financial activities.

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**NOTES ON THE ACCOUNTS cont'd**

**2. Donations and Grants**

	Unrestricted Donations 2011/12 £	Restricted Donations 2011/12 £	Total Donations 2011/12 £	Total Donations 2010/11 £
Allan & Nest A Ferguson Charitable Trust	-	15,000	15,000	-
Anonymous Donor	-	-	-	78,618
Anonymous Individual Donor	-	-	-	48,615
Big Lottery Fund	-	15,560	15,560	42,995
British & Foreign School Society	-	15,000	15,000	-
Bryanston School	11,000	-	11,000	10,443
Comic Relief	2,269	171,053	173,322	92,264
CWS Hong Kong Limited	-	149,906	149,906	291,396
Erach and Roshan Foundation	-	-	-	10,000
Fondation Comtesse Moira	13,399	-	13,399	12,820
Hrorthgar	-	49,266	49,266	-
La Fédération Nationale des Eclaireurs et Eclaireuses du Luxembourg	-	24,709	24,709	155,115
Lindsay Cooper	-	34,400	34,400	-
Mövenpick	-	4,975	4,975	17,102
Rice Fund (Singapore)	-	10,836	10,836	21,973
Rowland Family Foundation	80,000	-	80,000	104,662
Sofronie Foundation	-	-	-	51,909
Taurus Foundation	10,000	-	10,000	-
Windfall Trust	-	-	-	8,000
Other (International Childcare Trust)	-	6,108	6,108	12,220
Other (Hearts & Hands for Africa)	5,000	-	5,000	-
<b>Donations under £10,000:</b>				
Schools	5,773	-	5,773	6,979
Trusts and Foundations	1,627	9,212	10,838	17,814
Corporate	1,000	343	1,343	-
Individuals (including Gift Aid)	90,307	28,719	119,026	51,792
<b>GRAND TOTAL</b>	<b>220,375</b>	<b>535,087</b>	<b>755,462</b>	<b>1,034,717</b>

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**NOTES ON THE ACCOUNTS cont'd**

**3. Activities to Generate Funds**

	Unrestricted	Restricted	Total	Total
	2011/12	2011/12	2011/12	2010/11
	£	£	£	£
Annapurna Trek	2,105	-	2,105	7,573
Pennine Way	705	-	705	15,879
Joanna Lumley Dinner	50,967	-	50,967	-
<b>Total</b>	<b>53,777</b>	<b>-</b>	<b>53,777</b>	<b>23,452</b>

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**NOTES ON THE ACCOUNTS cont'd**

**4. Analysis of resources expended**

	Unrestricted 2011/12	Restricted 2011/12	Endowment 2011/12	Total 2011/12	Total 2010/11
	£	£	£	£	£
<b><u>Direct Charitable Costs</u></b>					
Staff salaries, fees and insurance	106,634	71,637	-	178,272	280,008
Staff travel and other expenses	12,032	12,618	-	24,649	41,278
Staff training	-	175	-	175	1,450
Office costs	7,045	9,782	-	16,827	39,322
Other expenses	5,913	13,040	212	18,953	49,030
<b>Total Direct Charitable Costs</b>	<b>131,624</b>	<b>107,253</b>	<b>212</b>	<b>238,877</b>	<b>411,088</b>
<b><u>Costs of generating voluntary income</u></b>					
Staff salaries	34,204	-	-	34,204	73,355
Consultancy fees	19,366	4,800	-	24,166	28,210
Marketing	3,546	-	-	3,546	6,501
Fundraising activities expenditure	3,460	-	-	3,460	6,243
Other	3,368	11,271	-	14,638	13,196
<b>Total Fundraising Costs</b>	<b>63,944</b>	<b>16,071</b>	<b>-</b>	<b>80,015</b>	<b>127,505</b>
<b><u>Governance Costs</u></b>					
Staff	12,350	-	-	12,350	-
Consultancy fees	6,618	-	-	6,618	32,677
Audit fees	4,096	-	-	4,096	3,683
Legal fees	-	-	-	-	665
Bank Charges	1,962	-	-	1,962	1,767
Trustee expenses	-	-	-	-	727
Trustees indemnity insurance	424	-	-	424	420
<b>Total Governance Costs</b>	<b>25,450</b>	<b>-</b>	<b>-</b>	<b>25,450</b>	<b>39,939</b>
<b><u>Partner Costs</u></b>					
CWSN	-	183,429	-	183,429	489,778
Other Partners	-	131,788	-	131,788	227,532
<b>Total Projects Costs</b>	<b>-</b>	<b>315,217</b>	<b>-</b>	<b>315,217</b>	<b>717,310</b>
<b>TOTAL EXPENDITURE</b>	<b>221,018</b>	<b>438,540</b>	<b>212</b>	<b>659,558</b>	<b>1,295,842</b>



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**NOTES ON THE ACCOUNTS cont'd**

**5. Net Incoming Resources for the Year**

This is stated after charging:

	<b>2011/12</b>	<b>2010/11</b>
	<b>£</b>	<b>£</b>
Depreciation	2,152	8,923
Auditors' remuneration	3,780	3,683
Operating lease rentals – property	5,143	19,112

**6. Transactions with Trustees**

Douglas G Maclagan, a trustee of the charity who resigned on 26<sup>th</sup> February 2012, was paid a salary of £8,000 (2011 - £24,000) which is included within salaries and wages costs. This remuneration was made in Mr Maclagan's capacity as Operations Director up until the end of September 2011 and not as a Trustee.

In addition £1,910 (2011 - £7,240) was reimbursed to Mr Maclagan for expenses incurred in undertaking activities on behalf of the charity in his capacity as Operations Director.

There were no other transactions with any other Trustees.

**7. Staff Costs and Numbers**

Staff costs were as follows:

	<b>2011/2012</b>	<b>2010/2011</b>
	<b>£</b>	<b>£</b>
Salaries, fees and wages – UK	115,002	199,811
Employer's NI - UK	4,463	13,034
Redundancy costs	20,825	-
Salaries and wages - Nepal	84,535	134,346
	<b>224,826</b>	<b>347,191</b>
	=====	=====

The average number of staff in the year was as follows:

	<b>No.</b>	<b>No.</b>
Staff in UK	2.5	4
Staff in Nepal	<u>13</u>	<u>20</u>
Total	15.5	24

No employee was paid more than £60,000 in the year (FY 2010/11 - nil)

Salaries, Fees and wages - UK for the previous year has been adjusted as fees were previously inadvertently omitted.

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**NOTES ON THE ACCOUNTS cont'd**

**8. Tangible Fixed Assets**

	Office Equipment	Furniture & fittings	Motor Vehicles	Total
<b>COST</b>	£	£	£	£
At 1 July 2011	12,125	8,806	14,756	35,687
Additions	-	-	-	-
At 30 June 2012	<b>12,125</b>	<b>8,806</b>	<b>14,756</b>	<b>35,687</b>
<b>DEPRECIATION</b>				
At 1 July 2011	12,125	6,654	14,756	33,535
Charge for Year		2,152		2,152
At 30 June 2012	<b>12,125</b>	<b>8,806</b>	<b>14,756</b>	<b>35,687</b>
<b>NET BOOK VALUE</b>				
At 30 June 2012	-	-	-	-
At 30 June 2011	-	2,152	-	2,152

**9. Investments**

The investment portfolio has been managed during the year by Thomas Miller Investment (Isle of Man) Limited.

The movement in the year on the total value of the portfolio can be summarised as follows:

	£
Carrying value (market value) at 1 <sup>st</sup> July 2011	71,970
Additions to investments at cost	40,069
Disposals at carrying value	(42,609)
Net gain / (loss) on revaluation	131
Carrying value (market value) at 30 <sup>th</sup> June 2012	<u>69,561</u>

**KIDASHA (formerly Child Welfare Scheme)**  
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**NOTES ON THE ACCOUNTS cont'd**

**9. Investments (continued)**

A summary of the investments held at the end of the year by sector description is set out below:

Sector Description	APCIMS Balanced Index	30th June 2012		30th June 2011	
		£	%	£	%
UK fixed interest	17.50%	19,168	27.6%	22,468	31.2%
UK equities	42.50%	18,918	27.2%	23,982	33.3%
UK property funds	2.50%	-	-	1,538	2.1%
North American equities	27.50%	4,660	6.7%	6,750	9.4%
European equities	27.50%	1,386	2.0%	3,637	5.1%
Japanese equities	27.50%	-	-	2,079	2.9%
Far Eastern Equities	27.50%	1,593	2.3%	1,637	2.3%
Emerging Markets Equities	27.50%	1,215	1.7%	1,518	2.1%
Rest of World Commodities	27.50%	1,593	2.3%	2,031	2.8%
Rest of World Equities	27.50%	2,356	3.4%	-	-
Rest of World Property Funds	2.50%	2,503	3.6%	-	-
Rest of World Fixed Interest	17.50%	3,358	4.8%	-	-
Cash balances	5.00%	12,811	18.4%	6,330	8.8%
<b>TOTAL</b>		<b>69,561</b>	<b>100.0%</b>	<b>71,970</b>	<b>100.0%</b>

The remit given to our investment managers was as follows:

*The investment objective is to maximise overall returns in sterling terms commensurate with a medium risk investment approach from a balance of both income and capital growth. The timescale for investment may be regarded as medium term, which we would interpret as an investment time horizon of five to seven years. Investment in hedge funds or direct investment in derivatives should be avoided and no more than 20% should be invested in any one investment.*

*For relative performance measurement terms, the returns on the portfolio may be compared to the APCIMS Balanced Index.*

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**NOTES ON THE ACCOUNTS cont'd**

**10. Debtors**

	Total 2011/12	Total 2010/11
	£	£
Other debtors and prepayments	6,496	6,769
Gift Aid Claimed	5,131	1,443
	<u>11,627</u>	<u>8,212</u>

**11. Creditors: Amounts Due Within One Year**

	Total 2011/12	Total 2010/11
	£	£
Taxation and social security	1,839	2,129
Other creditors and accruals	25,071	60,776
	<u>26,910</u>	<u>62,905</u>

**12. Creditors: Amounts Due After More Than One Year**

	Total 2011/12	Total 2010/11
	£	£
Staff Gratuity Provision	3,562	-
	<u>3,562</u>	<u>-</u>

**13. Analysis of Net Assets between Funds**

	Unrestricted Funds 2011/12	Restricted Funds 2011/12	Endowment Funds 2011/12	Total 2011/12
	£	£	£	£
Fixed Assets	-	-	69,561	69,561
Debtors	5,519	6,108	-	11,627
Cash	152,631	209,289	3,853	365,773
Creditors	(30,472)	-	-	(30,472)
	<u>127,678</u>	<u>215,397</u>	<u>73,414</u>	<u>416,489</u>

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**NOTES ON THE ACCOUNTS cont'd**

**14. Movements in Funds**

	B/f	Incoming	Outgoing	Fund transfer	Gains/(Losses)	C/f
	£	£	£	£		£
<b>Restricted funds:</b>						
CWSN	86,366	127,819	(183,429)	(6,733)	-	24,023
Other partners	39,217	283,944	(131,787)	-	-	191,374
Core project costs	-	123,324	(123,324)	-	-	-
<b>Total restricted funds</b>	<b>125,583</b>	<b>535,087</b>	<b>(438,540)</b>	<b>(6,733)</b>	<b>-</b>	<b>215,397</b>
<b>Total unrestricted funds</b>	<b>59,749</b>	<b>275,191</b>	<b>(221,018)</b>	<b>13,756</b>	<b>-</b>	<b>127,678</b>
<b>Total endowment funds</b>	<b>81,331</b>	<b>1,515</b>	<b>(212)</b>	<b>(7,023)</b>	<b>(2,197)</b>	<b>73,414</b>
<b>Total funds</b>	<b>266,663</b>	<b>811,793</b>	<b>(659,771)</b>	<b>-</b>	<b>(2,197)</b>	<b>416,489</b>

A transfer of £13,756 was made from the JVTC restricted fund to unrestricted funds, due to some specific JVTC related project costs being incorrectly paid from unrestricted funds in the two previous years.

There was insufficient funds in the rural day care restricted operating fund to cover the project costs in the year, therefore a transfer of £7,023 was made from the endowment fund which is restricted for the same purpose.

**KIDASHA (formerly Child Welfare Scheme)**  
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**NOTES ON THE ACCOUNTS cont'd**

**15. Schedule of Restricted Funds**

	Bal at 30/06/2011	Income	Grants to Partners	Other Costs	Fund Transfer	Bal at 30/06/2012
	£	£	£	£	£	£
<b><u>CWSN</u></b>						
Asha Health Care	16,267	87,224	73,339	16,653	-	13,499
Jyoti Vocational Training	58,087	33,542	46,823	20,527	(13,756)	10,523
Rural Projects	542	11,883	19,197	251	7,023	-
CWSN Central Office	-	8,022	8,022	-	-	-
CWSN Assets	1,956	-	1,956	-	-	-
Jyoti Street Project	9,514	28,024	34,093	3,445	-	-
<b>Total CWSN</b>	<b>86,366</b>	<b>168,694</b>	<b>183,429</b>	<b>40,875</b>	<b>(6,733)</b>	<b>24,023</b>
<b><u>Other Partners</u></b>						
Consortium	-	137,323	-	19,194	-	118,130
PCCI	663	24,021	24,850	-	166	-
Sathi Nepal	-	55,330	26,134	-	804	30,000
Shakti Samuha	5,092	33,311	30,842	3,800	-	3,761
Star Children	10,323	27,765	17,916	8,262	-	11,910
School for the Deaf	1,286	3,927	3,797	1,415	-	-
REEC	-	6,108	-	6,108	-	-
Moven Pick	8,077	4,975	-	11,915	-	1,137
<b>Total New Start</b>	<b>25,441</b>	<b>292,759</b>	<b>103,539</b>	<b>49,724</b>	<b>-</b>	<b>164,937</b>
Child Nepal	1,506	-	1,368	138	-	-
HHESS	5,714	-	-	-	-	5,714
SSDO	1,882	-	-	382	-	1,500
Seto Gurans - Kapilvastu	3,356	-	-	-	-	3,356
Phase Nepal	-	66,342	26,147	25,450	-	14,745
Namuna Stoves	-	2,459	733	1,726	-	-
<b>Total Best Start</b>	<b>12,458</b>	<b>68,801</b>	<b>28,249</b>	<b>27,696</b>	<b>-</b>	<b>25,315</b>
Misc Small Projects	1,318	33	-	229	-	1,122
BLF Development	-	4,800	-	4,800	-	-
<b>Total Restricted Funds</b>	<b>125,583</b>	<b>535,087</b>	<b>315,216</b>	<b>123,324</b>	<b>(6,733)</b>	<b>215,397</b>

Each restricted fund is an operating fund relating to an individual project.

Grants and donations provided for specific projects by donors are allocated on receipt to the appropriate project operating fund.

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**15. Schedule of Restricted Funds (continued)**

The funds are expended by the allocation of grants to local partners and in some cases by sums being allocated to Kidasha core costs, the values of which are agreed at the outset with individual donors, based on a detailed project budget.

Actual project costs are monitored and reported to Kidasha by the relevant local partners, who then report back to individual donors as required.

The purpose of the various funds can be summarised as follows

- **CWSN**  
These are funds which have been donated specifically for projects delivered by CWSN, Kidasha' local partner in Pokhara, and for which Kidasha also provides technical and capacity building support.
  
- **New Start**
  - Consortium, PCCI, Sathi Nepal and Shakti Samhua funds have been specifically provided for projects which support Street and Working children in Kaski, within our New Start programme .
  - Star Children - supports a home for children suffering from HIV/Aids.
  - Movenpick - supports a vocational training programme for young people to prepare them to go to work overseas.
  
- **Best Start**  
These funds have been specifically provided for projects within our Best Start programme which provides health and early year's development support to babies, children and mothers.

