

KIDASHA

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Charity Registration: 1106156

Company Registration: 05223851

**Priory House
10 Kingsgate Place
LONDON
NW6 4TA**

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

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**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number	1106156
Company Registration	05223851
Abbreviated Name	Kidasha
Trustees and Directors	Nicholas Barry (Chair) Alun George Elizabeth Waterman Marco Rimini Alexander Fahie (Resigned 8 th December 2021) Nidhi Mittal Andrew McKee Krishna Upadhyaya Anthony Levy (Appointed 24 th March 2021)
Chief Executive and Company Secretary	Janice Miller
Registered and London Administrative Office	Priory House 10 Kingsgate Place London NW6 4TA
Website	www.kidasha.org
Independent Examiner	Nicola Anderson FCA FCIE 189 Baldwins Lane Croxley Green Rickmansworth Herts WD3 3LL
Principal Bankers	HSBC Bank PLC 60 Queen Victoria Street London EC4N 4TR
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

KIDASHA FOR THE YEAR TO 30TH JUNE 2021

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the twelve months ending on 30th June 2021.

1. Objectives & Activities

Kidasha is a UK-registered charity dedicated to improving the equality of opportunity for children in western Nepal. It works in partnership with local NGOs to reduce the causes and impact of entrenched poverty and social exclusion, stopping exploitation and violence against children in Nepal by:

- Improving physical and emotional wellbeing
- Reducing neglect, abuse and exploitation
- Increasing participation in learning and positive employment

Each partnership is governed by an individual project agreement, within which the local partner is responsible for the delivery of services and interventions and Kidasha for providing capacity-building assistance; technical support; monitoring and evaluation; and advocacy.

Kidasha has a five-year operating agreement with the Nepal government which means that all its work is regularly monitored and evaluated at the local and national level.

2. Governing Instruments

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

3. Structure, Governance & Management

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 the Chief Executive and the Board of Trustees.

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

4. Nepal Context

The COVID-19 pandemic continued to have an enormous impact on our operating context during this year. The second wave of which was much more severe with high infections rates resulting in hospitals being overburdened and critical shortages of oxygen and other key medical supplies. Furthermore, imposed national mitigation measures including strict lockdowns (for three months of the year) and restrictions on movement and public gatherings (for a further three months) severely disrupted the implementation of planned activities and daily operations and increased the anxieties and challenges facing our staff and our beneficiaries.

Whilst the social and economic impacts of the pandemic continued to create difficulties for the whole population, the impact on the poorest and most marginalised in urban areas was far worse. For children and families in slums, with extended families living together in small single rooms with no running water, social distancing and handwashing is not easy. Furthermore, severe hunger, overcrowded conditions and mounting anxiety within slum families is a toxic mix that sadly puts children at greater risk of neglect

KIDASHA FOR THE YEAR TO 30TH JUNE 2021

TRUSTEES' REPORT Cont'd

and harm. Also, day rate labour opportunities and remittances sent by family members working abroad effectively dried up leaving thousands of families with no income, with the inherent risks of starvation, being evicted from homes by unscrupulous landlords and/or mounting debt. Whilst the government has been providing some very limited support, it has not always been reaching those most in need, leaving many families struggling to cope and at risk of serious crisis, overlaid with an increasing fear of a major humanitarian crisis.

Based on our learning from our efforts at the start of the crisis at the end of the previous year, we were more readily able to adapt our approach and implement new activities to ensure that our beneficiaries and communities continued to benefit from support. Looking forward, the situation looks extremely challenging due to many sources of livelihood or supplementary income being lost or likely to take a long time to recover, notably tourism and migrant labour opportunities (primarily to Malaysia and Gulf countries), the latter being the largest source of income for families in Nepal. Without effective social protection schemes or safety nets nor a diversified economy, the struggle for survival for many families will significantly increase the risks, particularly for children, of family breakdown or separation, trafficking, child labour, unnecessary institutionalisation, abuse and exploitation.

5. Programme Review

Our strategy during the year remained as always focussed on supporting the hardest to reach children and young people living in chronic urban poverty, a population severely affected by the pandemic and overlooked by many international organisations due to the relatively high socio-economic indicators of urban areas, which result from higher wealth disparities and where poverty is hidden in averages.

As previously, much of our work remained largely based in and around Pokhara Metropolitan City - Nepal's second largest city, a popular tourist destination and a provincial capital within the new federal structure. A city in which the number of slum communities and informal settlements continues to grow each year, as more and more families and unaccompanied children migrate from rural villages in search of improved livelihood opportunities. However, we also continued to expand our activities in Butwal, a rapidly growing city in the south of Nepal, which being very close to the Indian border was particularly impacted by the pandemic due to the number of migrants returning home after being laid off from work in India.

Over the year our work directly supported 9,832 children and young people and in many cases despite the challenges of the pandemic we exceeded our targets for the number of direct interventions.

• Fit to Grow

Despite our plans to deliver Life Skills Education in 30 government schools serving poor urban areas of Pokhara being disrupted by extended school closures, 2,166 children still attended the course over the year. Also given the prolonged school closures we expanded our peer education approach, training 90 peer educators in slum areas to deliver information on life skills and child protection to 6,211 adolescent peers and 2,268 adults in their communities.

We also managed to continue to deliver training to 68 teachers thereby enabling their ongoing development to deliver the course independently when schools re-open. Furthermore we received very positive feedback from teachers, students and families indicating an ever increasing belief in the value of the LSE course, with many participants expressing a wish for continued delivery and if possible, expansion from Grade 8 into other school years.

We expanded our work in a partnership with the local health authority to improve the facilities and services provided by ten urban health centres, with the aim of making them more accessible for marginalised and vulnerable adolescents. This included infrastructure improvements to ensure privacy and sanitation in eight centres and training 26 front-line health workers to deliver adolescent-friendly health services.

However, an unexpected decision by the Foreign, Commonwealth and Development Office to prematurely terminate funding for this work, due to reductions in aid commitments placed this work at risk in the next FY. We were however able to redesign activities and allocate funding to ensure

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TRUSTEES' REPORT Cont'd

we fulfil our commitment to local governments and communities and complete the development of this new sustainable model as we had originally envisaged.

School closures also disrupted our *Breaking Boundaries* project which we launched in the previous year in partnership with the Marylebone Cricket Club Foundation. However when restrictions permitted we did everything possible to continue to provide cricket coaching in 15 schools in Pokhara as originally planned, with 457 children actively engaged in the programme, including 209 girls. Feedback has been very positive and we are planning to further develop this initiative in the coming years.

• **Safe to Grow**

Over the year through our rehabilitation shelter, midway home, six community centres and outreach work in Pokhara and Butwal, despite the challenges of the pandemic restrictions we were able to continue to provide protection services to children living in crisis situations including:

- 667 Working Children
- 81 Street-Involved Children
- 2,389 At Risk Children

This resulted in us helping 347 children and adolescents to return to their families or to live independently. The continued operation of our protection services and rehabilitation centre, including management of COVID quarantine and isolation facilities throughout the year, was possible due to the commitment, dedication and flexibility of our partner staff, working tirelessly in extremely challenging circumstances. Another notable success was for the first time our implementing partner managed to secure some match-funding from national and provincial government agencies towards the running costs of our rehabilitation centre for street-involved children

We also continued to support 96 child clubs (1,150 children), 44 adolescent girls' groups (522 girls) and 96 parents' and women's groups in slum areas, informal settlements and other areas of extreme poverty, providing members with a safe forum in which to share and discuss any significant issues and challenges they face, particularly regarding their protection and wellbeing. We delivered training to local authorities and community leaders on child protection, identifying and training 20 Child Protection Advocates, and supporting the development of community-based child protection mechanisms (child protection committees, referral mechanisms) in ten wards of Pokhara.

Furthermore, we maintained our regular outreach support for working adolescents engaging with 387 employers, raising awareness on legal provisions and advocating to improve working and living conditions for working adolescents.

• **Learn to Grow**

Given the closure of schools for four months at the start of the school year, we established and facilitated 27 learning groups in 'community bubbles' in slum areas in Pokhara and Butwal over a period of five months, enabling 1,536 children to benefit from a routine during lockdown, access to learning and to support and guidance.

Our priority when schools reopened was conducting extensive outreach to identify those children unable or unwilling to return to school, and supporting 569 children back in to school. In parallel, as restrictions permitted we also provided alternative learning opportunities for children for whom full time education is not a viable option e.g. adolescents forced to work to survive

- 674 children and young people benefitted from courses delivered in our shelters, community and learning centres and in young people's workplaces.
- We enabled 23 young people to access on-the-job training, vocational training or business start-up support.
- Our Children's Development Bank continued to promote and support positive livelihoods for young people with 777 active account holders during this year.

KIDASHA FOR THE YEAR TO 30TH JUNE 2021

TRUSTEES' REPORT Cont'd

- **Emergency Relief**

Throughout the year we continued to provide emergency pandemic-related support to our most vulnerable beneficiaries based on individual needs as they arose. 1,400 children and their families were regularly provided with advice and counselling regarding the risks and impact of the pandemic; advice on home quarantine and isolation; and information on how to access emergency relief and support. We also provided food relief, PPE and personal hygiene items to 788 families (1,525 children) who for various reasons were not able to access relief from other local sources.

6. Financial Overview

Income - total income in the year reduced by 39% from £555K to £336K, this was due to the conclusion of a grant from with the Manan Trust which in the previous year contributed £120K, together with a 20% reduction in income from other sources. The latter due to delivery constraints reducing or delaying scheduled restricted grant payments; a reduction in the usual level of ad-hoc grants from charitable Trusts and Foundations; lockdown restrictions preventing our ability to host fundraising events; and increased competition for public support particularly from UK causes. The reduction would have been even greater had we not benefitted from c £40K of unexpected support from the corporate sector and exceptional support from some of our long term committed supporters. The latter enhanced by changing our communication strategy and increasing the use of technology to enable direct dialogue between supporters and our team on the ground in Nepal.

Expenditure - as always, we endeavoured to minimise all but essential expenditure during the year, and further reduced our UK operating costs by our CEO increasing her voluntary input, putting our Fundraiser on part-time furlough and permanently closing our London office.

In Nepal, we incurred previously unplanned expenditure providing specific COVID related support, but at the same time expenditure on planned projects was lower than anticipated due to certain activities having to be suspended or postponed due to prolonged lockdown restrictions.

Reserves – despite significantly reduced income and unplanned expenditure on COVID related support, project delays and savings in operating costs meant that total reserves remained largely at the same level as that at the start of the year. This meant that we were in a relatively secure position as we moved into the new FY and were able to commit to getting all our planned projects back up to full speed as and when any remaining COVID restrictions are eased.

Looking Forward – FY 2021/22 is expected to be equally challenging, exacerbated by the UK government's decision to cut overseas aid, including terminating a grant that was funding our major Adolescent Health and Wellbeing project planned to continue until April 2022. A decision that came as a total shock, not only depriving us of £75,000 of income but risking the integrity of the project and the planned benefits to over 6,000 vulnerable young people.

As previously reported, securing investment for international development is an ever-increasing challenge and with the wider economic impact of the COVID crisis, coupled with negative media headlines about international development, more and more individuals and foundations are choosing to give closer to home. Furthermore, awareness of the severity of issues faced by children and families living in poverty in Nepal is very low, with a large proportion of the public recognising Nepal only as home to Everest and the Gurkhas and not as one of the poorest countries in Asia. Nepal is often excluded from the funding criteria set by many charitable institutions, which in turn makes it even more difficult to attract support.

However, with tourism remaining devastated by the pandemic, a dearth of labour opportunities for the poorest and most marginalised and little government support, the demand for Kidasha's work will continue to increase as the most vulnerable struggle to recover from the long-term impacts of the pandemic. Hence, without additional income, responding to the increased need for support risks rapidly depleting our reserves, creating a need to rationalise our objectives and reduce our impact. Therefore, we urgently need to adopt alternative ways to increase awareness of the desperate situation in Nepal and to secure the necessary investment to sustain our support in the longer term for some of the poorest and most over-looked children and families in the world.

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FOR THE YEAR TO 30TH JUNE 2021**

TRUSTEES' REPORT Cont'd

7. Risk Review

As Trustees, we 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 mitigation systems and processes in place to minimise any exposure.

8. 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 enough free reserves to maintain current activities for a period of three months. Free reserves are unrestricted funds not committed or invested in fixed assets and on 30th June 2021, totalled £332,621 (Financial year 2019/20: £250,662). This includes £100,000 that has been designated by the Board as a contingency to be used to sustain our core services in the short to medium term, should income levels fail to recover in the ongoing pandemic

A closing note from the Chair of Trustees

Despite all the challenges arising from the COVID 19 pandemic, i.e. extended periods of lockdown and school closures, food shortages, little or no income, mounting debts and fears about contracting the virus, the stoicism and resilience of the people of Nepal has been amazing.

The response of our staff has been equally incredible, with the impacts of pandemic requiring us to be innovative and agile and support our beneficiaries in new innovative ways. Our flexible approach has helped hundreds of families get through the worst of times.

Thankfully our major donors have been very understanding about our inability to deliver projects as originally planned and have honoured grant commitments and allowed us to either adapt our approach or postpone some activities until restrictions eased. We are also very grateful to our wider supporter base for their generous donations and also the efforts of various individuals making/selling masks, cakes, cards or undertaking personal challenges to raise additional funds for us.

Looking ahead, we anticipate that fundraising in the coming year is likely to be very difficult, with many smaller organisations struggling to survive despite an increased need for their services. As always, we will continue to be very prudent and work hard to minimise our overheads but at the same time need to find new and innovative ways to secure consistent funding to support and sustain our work in the coming months and years.

Whilst being an International NGO in Nepal remains a challenge we continue to work with the Nepal government (national and local) and other agencies to ensure that our programme of work meets the needs of the country. We shall continue to do this during 2022 and beyond.

It has also been an unusual year for our Board, particularly as we have appointed two new Trustees and were unable to meet in person between since March 2020 and September 2021. However, I am now looking forward to the new team meeting regularly during 2022 and building the strength of the Board to face the challenges ahead.

Furthermore, our CEO has not been able to make her usual regular visits to Nepal since February 2020 and although our team on the ground has performed admirably, it is important for Janice to visit projects, partners and our team regularly to be able to give first hand feedback to donors and supporters, meet key stakeholders and provide face to face support to the team. Hopefully the success of the vaccination programme in Nepal will allow visits to resume in early 2022.

In a perverse way, our response to the enforced restrictions over the past 18 months has strengthened the skills of our extraordinary team. It has also reinforced the key relationships we have with our fantastic donors. Finally, I would like to say an enormous thank you to all those individuals and organisations that have contributed towards our work over the last year - your time and generosity is very much appreciated.

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FOR THE YEAR TO 30TH JUNE 2021**

TRUSTEES' REPORT Cont'd

Statement of Trustees' & Directors' Responsibilities

The Trustees, who are the 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, 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 accounting estimates that are reasonable and prudent; 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.

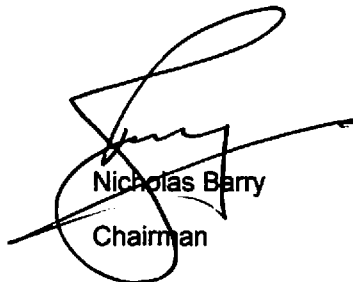
Provision of information to Independent Examiners

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that, so far as the Trustees are aware:

- There is no relevant information of which the charitable company's independent examiners are unaware; and
- The Trustees have taken all steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's independent examiners in connection with preparing their report and to establish that the charitable company's independent examiners are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities 2015 FRS102.

Approved by the Trustees as a body on 8 December 2021 and signed on their behalf by:


Nicholas Barry
Chairman

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

INDEPENDENT EXAMINER'S REPORT

I report to the charity trustees on my examination of the accounts of Kidasha (co. no. 5223851 and charity no: 1106156) for the year ended 30 June 2021 which are set out on pages 11 to 21.

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 the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I 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


Nicola Anderson FCA FCIE

dated: 10 December 2021

189 Baldwins Lane
Croxley Green
Rickmansworth
Hertfordshire
WD3 3LL

KIDASHA
FOR THE YEAR TO 30TH JUNE 2021

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds 2020/21 £	Restricted Funds 2020/21 £	Total 2020/21 £	Total 2019/20 £
Income and endowments from:					
Donation and legacies	2	126,375	202,894	329,269	554,031
Government Furlough Scheme		6,663	-	6,663	-
Investments		11	-	11	1,230
Other		13	-	13	536
Total		133,062	202,894	335,956	555,797
Expenditure on:					
Raising funds	3	31,468	-	31,468	36,666
Charitable activities	3	14,828	274,067	288,895	382,587
Total		46,296	274,067	320,363	419,253
Net income (expenditure) before other gains and losses		86,766	(71,173)	15,593	136,544
Other recognised gains/(losses):					
Gains/(losses) on revaluation of currency		15,714	(20,989)	(5,275)	(2,179)
Net income (expenditure) for the year		102,480	(92,162)	10,318	134,365
Transfers between funds		(20,520)	20,520	-	-
Net Movement in funds		81,960	(71,642)	10,318	134,365
Reconciliation of funds:					
Total funds brought forward		250,661	272,155	522,816	388,451
Total funds carried forward		332,621	200,513	533,134	522,816

All amounts relate to continuing activities. There are no recognised gains and losses other than those dealt with in the above Statement of Financial Activities.

The notes on pages 14 to 21 form part of these accounts.

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FOR THE YEAR TO 30TH JUNE 2021**

BALANCE SHEET AS AT 30 JUNE 2021

BALANCE SHEET AS AT 30 June 2021

	Note	30 June 2021 £	30 June 2020 £
<u>Fixed assets:</u>			
Tangible assets	7	6,152	12,304
Total fixed assets		6,152	12,304
<u>Current assets:</u>			
Debtors	8	19,490	4,797
Cash at bank and in hand		518,164	540,889
		537,654	545,686
<u>Liabilities:</u>			
Creditors: Amounts falling due within one year	9	2,993	26,981
Net current assets		534,661	518,705
Total assets less current liabilities		540,813	531,009
Creditors: Amounts falling due after more than one year	10	7,679	8,193
Total net assets		533,134	522,816
The funds of the charity:			
Restricted income funds	.11/12/13	200,513	272,155
Unrestricted funds	11/12	332,621	250,661
Total charity funds		533,134	522,816

The directors are satisfied that for the year ended on 30 June 2021 the charitable company was entitled to exemption from the requirement to obtain and audit under section 477 of the Companies Act 2006 and that no member or members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparations of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 14 to 21 form part of these accounts.

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

8 December 2021


Nicholas Barry
Chairman
Company Registration No 05223851

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

STATEMENT OF CASH FLOWS

	Notes	30 June 2021 £	30 June 2020 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	(17,461)	134,595
Cash flows from investing activities:			
Interest from investments		11	1,230
Purchase of Fixed Assets		-	-
Gain/(Losses) on currency		<u>(5,275)</u>	<u>(2,179)</u>
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(22,725)	133,646
Cash and cash equivalents brought forward at 1st July 2020, 2019	b	540,889	407,243
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 30 JUNE 2021, 2020	b	<u>518,164</u>	<u>540,889</u>

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

	30 June 2021 £	30 June 2020 £
Net income/(expenditure) for the year as per the Statement of Financial Activities	10,318	134,365
Adjusted for:		
Interest from investments	(11)	(1,230)
(Gains)/losses on currency	5,275	2,179
Depreciation	6,152	6,152
(Increase)/decrease in debtors	(14,693)	(2,963)
Increase/(decrease) in creditors	(23,989)	20,908
Increase/(decrease) in gratuity & leave provision	<u>(514)</u>	<u>(24,815)</u>
	<u>(27,779)</u>	<u>230</u>
Net cash (used in)/provided by operating activities	<u>(17,461)</u>	<u>134,595</u>

b) Analysis of cash and cash equivalents

	30 June 2021 £	30 June 2020 £
Cash at bank and in hand	<u>518,164</u>	<u>540,889</u>

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

NOTES TO THE ACCOUNTS

1) Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities FRS102" (effective January 2019), applicable accounting standards and the Companies Act 2006.

(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 subject to expenditure restrictions imposed by donors or the terms of an appeal. The aim and use of each fund are detailed in note 14.
- Designated funds are unrestricted funds which have been set aside by Trustees as a contingency for a future purpose.
- Endowment funds are expendable, but such funds are restricted to supporting day care health centres in the Kaski district of Nepal.

(c) Incoming resources

- Grants and other designated project funding and donations are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.
- 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 but excludes the value of any services provided by volunteers.
- Income from investments and bank interest are accounted for on a receivable basis.
- Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of donation.

(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. Where necessary, expenditure incurred is allocated to various resources expended categories on a reasonable basis, appropriate to that expenditure, for example staff time is one basis used by the charity.
- 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 and independent examination fees and costs linked to the strategic management of the charity.
- Provision is made for staff gratuity calculated based on number of service years completed. Nepal staff are entitled to receive one-month equivalent salary for each completed service year.
- Nepal staff can carry forward up to 10 days of unused annual leave per year, which can be accumulated up to 60 days. Provision for this is made based on current basic salary scales.

(e) Depreciation of fixed assets

Expenditure on office equipment, motor vehicles and furniture and fittings is capitalised if more than £2,500 and is depreciated on a straight-line basis at 25% per annum.

(f) Foreign currency translation

Foreign currency transactions arising in the year for the Nepalese branch are translated at the year end based on an average exchange rate applicable across the financial year. 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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FOR THE YEAR TO 30TH JUNE 2021**

NOTES TO THE ACCOUNTS cont'd

2a) Income Analysis

	Unrestricted Donations 2020/21 £	Restricted Donations 2020/21 £	Total Donations 2020/21 £	Total Donations 2019/20 £
Government Grants				
FCDO (UK Aid Direct) **	-	77,337	77,337	70,175
Grants over £50,000				
Manan Trust	-	-	-	151,671
Sir Ernest Cassel Education Trust	-	77,648	77,648	73,083
Wallace Curzon Charitable Trust	-	-	-	52,500
Grants and Donations over £10,000	42,762	-	42,762	109,617
Grants and Donations under £10,000				
Individuals (inc. Gift Aid)	72,483	11,364	83,847	58,312
Trusts & Foundations	8,145	36,546	44,690	26,671
Corporate	1,667	-	1,667	6,806
Schools & Universities	1,319	-	1,319	5,195
TOTAL GRANTS AND DONATIONS	126,375	202,894	329,269	554,031

** There were no unfulfilled conditions or contingencies attached to this grant in the year

2b) Previous Year Comparison

	Unrestricted Donations 2019/20 £	Restricted Donations 2019/20 £	Total Donations 2019/20 £	Total Donations 2018/19 £
Government Grants				
FCDO (UK Aid Direct)	-	70,175	70,175	-
Grants over £50,000				
Manan Trust	-	151,671	151,671	124,739
Sir Ernest Cassel Education Trust	-	73,083	73,083	-
Wallace Curzon Charitable Trust	52,500	-	52,500	-
Grants over £10,000	15,000	94,617	109,617	77,897
Grants and Donations under £10,000				
Individuals (inc. Gift Aid)	44,820	13,492	58,312	100,738
Trusts & Foundations	8,938	17,733	26,671	32,738
Corporate	6,806	-	6,806	7,422
Schools & Universities	5,195	-	5,195	5,473
TOTAL GRANTS AND DONATIONS	133,260	420,771	554,031	349,007

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

NOTES TO THE ACCOUNTS cont'd

3) Analysis of Resources Expended

	Total 2020/21 £	Total 2019/20 £
<u>Raising Funds</u>		
Staff Costs	19,557	22,283
Marketing and Communication Consultancy	10,981	12,180
Fundraising/Events	930	2,203
Total Raising Funds	31,468	36,666
<u>Charitable Activities</u>		
Direct Costs		
Staff Costs	90,450	96,546
Grants to Partners	162,231	220,918
Other Staff Cost incl Travel	2,649	7,447
Monitoring & Evaluation (External)	1,064	6,616
Other Expenses	1,842	1,514
Total Direct Cost	258,236	333,041
Support Costs		
Staff Costs	8,620	21,836
Office Cost UK	4,072	8,771
Office Cost Nepal	9,679	9,857
Governance	2,136	2,930
Depreciation	6,152	6,152
Total Support Costs	30,659	49,546
Total Charitable Activities	288,895	382,587
TOTAL EXPENDITURE	320,363	419,253

4) Net Incoming Resources for the Year

This is after charging:

	2020/21 £	2019/20 £
Independent Examiner and Nepal Audit Fees	1,710	1,720
Depreciation	6,152	6,152
Operating lease rentals – property	4,902	9,557

5) Transactions with Trustees and other Related Parties

No remuneration, reimbursement of expenses or other transactions were paid to the Trustees in the year (2019/20: £nil).

The total value of donations received from related parties in the year was £5,622 (2019/20: £5,399)

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

NOTES TO THE ACCOUNTS cont'd

6) Staff Costs

Staff costs were as follows:

	2020/21	2019/20
	£	£
Salaries and Fees – UK	35,069	51,203
Employer's NI - UK	725	3,240
Salaries - Nepal	82,833	86,222
	118,627	140,665

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

	No.	No.
Staff in UK	2.0	2.0
Staff in Nepal	9.0	9.0
Total	11.0	11.0

No employee was paid more than £60,000 in the year (2019/20: same).

The total employee benefits of the key management personnel, including gross salary and employer national insurance contributions were £18,700 (2019/20: £30,625).

7) Tangible Fixed Assets

	Fixtures, Fittings & Equipment	Plant & Machinery	Motor Vehicle	Total
	£	£	£	£
Cost or valuation				
At 1 July 2020	20,931	14,756	24,608	60,295
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 June 2021	20,931	14,756	24,608	60,295
Depreciation and impairments				
At 1 July 2020	20,931	14,756	12,304	47,991
Disposals	-	-	-	-
Depreciation	-	-	6,152	6,152
At 30 June 2021	20,931	14,756	18,456	54,143
Net book value at 1st July 2020	-	-	12,304	12,304
Net book value at 30th June 2021	-	-	6,152	6,152

**KIDASHA
FOR THE YEAR TO 30TH JUNE 2021**

NOTES TO THE ACCOUNTS cont'd

8) Debtors.

	Total 2020/21 £	Total 2019/20 £
Debtors and Prepayments	403	797
Grant Receivable	14,745	-
Gift Aid Claimed	4,342	4,000
	<u>19,490</u>	<u>4,797</u>

9) Creditors: Amounts due within one year

	Total 2020/21 £	Total 2019/20 £
Taxation and social security	6	7
Other creditors and accruals	2,987	3,027
Gratuity Fund	-	23,947
	<u>2,993</u>	<u>26,981</u>

10a) Creditors: Amounts due after more than one year

	Total 2020/21 £	Total 2019/20 £
Staff Leave Provision	<u>7,679</u>	<u>8,193</u>
	<u>7,679</u>	<u>8,193</u>

10b) Reconciliation of Provisions

	Bal at 30th June 2020 £	2020/21 Provision £	Paid in Year £	Revaluation £	Bal at 30th June 2021 £
Staff Leave Provision	8,193	1,749	(1,174)	(1,089)	7,679

KIDASHA
FOR THE YEAR TO 30TH JUNE 2021

NOTES TO THE ACCOUNTS cont'd

11a) Analysis of Assets between Funds

	Unrestricted Funds 2020/21 £	Restricted Funds 2020/21 £	Total 2020/21 £
Fixed Assets	-	6,152	6,152
Debtors	19,490	-	19,490
Cash	323,804	194,360	518,164
Creditors	(10,672)	-	(10,672)
	<u>332,621</u>	<u>200,513</u>	<u>533,134</u>

11b) Previous Year Comparison

	Unrestricted Funds 2019/20 £	Restricted Funds 2019/20 £	Total 2019/20 £
Fixed Assets	-	12,304	12,304
Debtors	4,797	-	4,797
Cash	281,038	259,851	540,889
Creditors	(35,174)	-	(35,174)
	<u>250,661</u>	<u>272,155</u>	<u>522,816</u>

12a) Analysis of Net Assets between Funds

	B/F £	Incoming £	Outgoing £	Revaluation £	Fund transfer £	C/F £
Restricted funds:						
Programme funds	258,584	202,894	(267,915)	(20,907)	20,203	192,859
Other funds	13,571	-	(6,152)	(82)	317	7,654
Total restricted funds	<u>272,155</u>	<u>202,894</u>	<u>(274,067)</u>	<u>(20,989)</u>	<u>20,520</u>	<u>200,513</u>
Total unrestricted funds	150,661	133,062	(46,296)	15,714	(20,520)	232,621
Total designated funds	100,000	-	-	-	-	100,000
Total funds	<u>522,816</u>	<u>335,956</u>	<u>(320,363)</u>	<u>(5,275)</u>	<u>-</u>	<u>533,134</u>

12b) Previous Year Comparison

	B/F £	Incoming £	Outgoing £	Revaluation £	Fund transfer £	C/F £
Restricted funds:						
Programme funds	146,826	421,306	(301,872)	(7,231)	(445)	258,584
Other funds	19,336	-	(6,152)	(58)	445	13,571
Total restricted funds	<u>166,162</u>	<u>421,306</u>	<u>(308,024)</u>	<u>(7,289)</u>	<u>-</u>	<u>272,155</u>
Total unrestricted funds	182,326	133,323	(71,863)	6,780	(99,905)	150,661
Total designated funds	-	-	-	-	100,000	100,000
Total endowment funds	39,963	1,167	(39,365)	(1,670)	(95)	-
Total funds	<u>388,451</u>	<u>555,796</u>	<u>(419,252)</u>	<u>(2,179)</u>	<u>-</u>	<u>522,816</u>

KIDASHA
FOR THE YEAR TO 30TH JUNE 2021

NOTES TO THE ACCOUNTS cont'd

13a) Movement in Restricted Funds

	Bal at 1 July 2020	Income	Grants to Partners	Other Costs	Exchange (G/L)	Fund Transfers	Bal at 30 June 2021
	£	£	£	£	£	£	£
<u>Programme Funds</u>							
Breaking Boundaries	1,969	-	1,222	-	360	(4,653)	5,040
Adolescent Health & Wellbeing	(3,466)	77,337	36,625	23,529	(742)	4,691	9,768
Butwal LSE Mainstreaming	10,472	-	-	-	1,027	-	9,445
Learning for Life	44,191	77,648	50,704	16,716	5,610	(12,824)	61,633
Inspire to Grow	148,869	21,550	53,160	64,695	10,208	13,103	29,256
Street Working Children	45,547	240	-	-	4,466	-	41,321
COVID Education	-	12,000	-	-	(12)	(18,800)	30,812
COVID-19 Emergency Response	11,002	14,119	20,520	744	(8)	(1,720)	5,584
Total Programme Funds	258,584	202,894	162,231	105,684	20,907	(20,203)	192,859
<u>Other Funds</u>							
Fixed Assets Management	12,304	-	-	6,152	-	-	6,152
Vehicle Replacement	1,267	-	-	-	82	(317)	1,502
Total Other Funds	13,571	-	-	6,152	82	(317)	7,654
Total Restricted Funds	272,155	202,894	162,231	111,836	20,989	(20,520)	200,513

13b) Previous Year Comparison

	Bal at 1 July 2019	Income	Grants to Partners	Other Costs	Exchange (G/L)	Fund Transfers	Bal at 30 June 2020
	£	£	£	£	£	£	£
<u>Programme Funds</u>							
Breaking Boundaries	-	38,752	33,061	3,888	(166)	-	1,969
Adolescent Health & Wellbeing	450	70,711	53,870	22,817	(3,027)	967	(3,466)
Butwal LSE Mainstreaming	194	28,598	14,195	7,049	768	(3,693)	10,472
Learning for Life	-	73,083	19,668	10,623	(96)	(1,302)	44,191
Inspire to Grow	130,232	151,671	-	75,528	7,897	49,609	148,869
Street Working Children	15,950	40,860	54,976	305	1,118	(45,138)	45,547
COVID-19 Emergency Response	-	17,632	5,793	100	737	-	11,002
Total Programme Funds	146,826	421,306	181,563	120,309	7,231	445	258,584
<u>Other Funds</u>							
Fixed Assets Management	18,444	-	-	6,152	-	(12)	12,304
Vehicle Replacement	892	-	-	-	58	(433)	1,267
Total Other Funds	19,336	-	-	6,152	58	(445)	13,571
Total Restricted Funds	166,162	421,306	181,563	126,461	7,289	-	272,155

14) Restricted Fund Allocation and Purpose

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

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.

KIDASHA
FOR THE YEAR TO 30TH JUNE 2021

NOTES TO THE ACCOUNTS cont'd

The purpose of each fund is as follows:

Programme Funds

- **Breaking Boundaries** – developing cricket to promote the personal development and resilience of children living in chronic urban poverty in Nepal – funded by the MCC Foundation.
- **Adolescent Health & Wellbeing** – to improve the health and wellbeing of children and adolescents living in urban poverty in Pokhara Lekhnath Metropolitan City (PLMC) funded by UK Aid Direct.
- **Butwal LSE Mainstreaming** – mainstreaming Life Skills Education into government schools – funded by the Evan Cornish Foundation.
- **Learning for Life** – to provide alternative learning opportunity for ‘out of schools’ girls living in urban poverty – funded by the Sir Ernest Cassel Educational Trust.
- **Inspire to Grow** – to increase the aspiration and resilience of vulnerable children and young people growing up in urban poverty in PLMC and support the programme and operational team in Nepal office – funded by the Manan Trust.
- **Street and Working Children** – to support the protection, development and wellbeing of street, working and at-risk children in Nepal – funded by various donors.
- **COVID Education** – to support the poorest children to return to school in the aftermath of terk pandemic
- **COVID Emergency Response** – to provide immediate relief to the poorest children and families directly impacted by the COVID-19 pandemic - funded by various individuals and organisations.

Other Funds

- **Fixed Asset Management** – funding provided by the Nelumbo Foundation to purchase new vehicle.
- **Vehicle Replacement Fund** – capital fund for replacement of Nepal country office vehicle.

15) Share Capital

The nine members of the charity agree to contribute £1 in the event of the charity being wound up.

16) Prior Year Statement of Financial Activities

	Unrestricted Funds 2019/20 £	Restricted Funds 2019/20 £	Endowment Funds 2019/20 £	Total 2019/20 £
Income and endowments from:				
Donation and legacies	133,260	420,771	-	554,031
Investments	63	-	1,167	1,230
Other	-	536	-	536
Total	133,323	421,307	1,167	555,797
Expenditure on:				
Raising funds	36,666	-	-	36,666
Charitable activities	35,197	308,025	39,365	382,587
Total	71,863	308,025	39,365	419,253
Net income (expenditure) before other gains and losses	61,460	113,282	(38,198)	136,544
Other recognised gains/(losses):				
Gains/(losses) on revaluation of currency	6,780	(7,289)	(1,670)	(2,179)
Net income (expenditure) for the year	68,240	105,993	(39,868)	134,365
Transfers between funds	95	-	(95)	-
Net Movement in funds	68,335	105,993	(39,963)	134,365
Reconciliation of funds:				
Total funds brought forward	182,326	166,162	39,963	388,451
Total funds carried forward	250,661	272,155	-	522,816