KIDASHA

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Charity Registration: 1106156

Company Registration: 05223851

Priory House

10 Kingsgate Place

LONDON

NW6 4TA

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

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KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

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 (Resigned 30th September 2022) Nidhi Mittal Andrew McKee Anthony Levy Rosie Hazeldine (Appointed 25th October 2022)
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 2023

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the twelve months ended on 30th June 2023.

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 nominated by current members of the Board of Trustees, and approved by a majority vote of the Board. New appointees are 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 impact of the global economy on our operating context is a significant concern. Allocations of federal, provincial and local funding for 2023/24 have either been frozen or reduced, due to a decrease in overall government income. As ever, child protection and social protection are the sectors most impacted by cuts, at a time when the poorest families faced with escalating food and fuel costs and limited earning opportunities are struggling to survive. The resultant risk of an increase in the issues we are constantly striving to reduce - child labour, family breakdown, children out of school, child marriage etc - is greater than ever, hence so is demand for our services. However, our ability to increase our capacity and do more is limited by the impact of inflation on our cost base, coupled with a decrease in charitable giving and increased competition for funding.

TRUSTEES' REPORT Continued

Furthermore, our local implementing partners are increasingly dependent on Kidasha funding due to a change in the approach of bilateral and multilateral donors which is resulting in less funding opportunities for NGOs. This is because the majority of the limited opportunities that are available are for contract implementation of large-scale pre-defined projects (predominantly in rural areas) which invariably fail to adequately consider local context and needs.

Federal and provincial elections in November 2022 caused short-term disruption to programme implementation, e.g., school and transport closures. The elections resulted in a hung parliament which exacerbated the disruption as it took until February 2023 for a minority coalition government to be formed. There have since been a number of leadership changes within ministries, but overall there is continuity in policy and direction.

5. Programme Review

As always, our work during the year focussed on supporting the hardest to reach children and young people living in chronic urban poverty, a population severely affected by the global economic crisis and overlooked by many international organisations due to the relatively high average socio-economic indicators of urban areas.

We extended Life Skills Education (LSE) into a further 30 government schools in Pokhara, with support to the previous 30 schools being successfully phased out and the schools continuing to deliver LSE independently. As previously reported, local authorities have added LSE into the local curriculum for Grades 6-8. We anticipate being able to phase out our support from the 30 new schools in 2024 and instead focus on developing local and provincial government capacity to include LSE in its regular teacher training programme.

We continued our planned expansion in Butwal and started replicating/incubating three projects in the city – Life Skills Education, Community-Based Child Protection and Community Hubs, based on models developed in Pokhara. We also initiated two new pilot projects – Livelihoods & Education and Sports Education. The former is being piloted simultaneously in both Pokhara and Butwal, building on our learning from previous education and livelihoods interventions – but adopting a slightly different approach to increase equitable access to development opportunities for beneficiaries from all our different projects. The aim of Sports Education is to mainstream regular physical education into government school provision. If successful, we will aim to replicate this in Pokhara in the future.

Our child protection services in Pokhara include the only formally recognised statutory 'temporary protection service' in the province, with three tiers of government (local, provincial and federal) now making a small contribution towards the running costs. Whilst there is an undoubted need for similar services in Butwal, an effective case management process generally demands a minimum of a three-year commitment to ensure successful outcomes. As such it would be imprudent to replicate protection services into Butwal without first having sufficient committed investment.

Our timebound Learning for Life (LfL) project for out-of-school girls in Butwal and Pokhara comes to an end this year and we have designed a six-month phase out extension to ensure that girls continue to have access to support within their local communities. This is being achieved by providing additional training to girls who have been identified as emergent leaders of each of the 129 learning groups, enabling them to become 'local champions' to support other girls and be a wider community resource for advice, guidance and referrals to local services. In both cities, local authorities have been very positive about the project and have made commitments to support these communities through these local champions in the future. At the end of the year, our funding partner, Sir Ernest Cassel Educational Trust, visited the project providing positive feedback:

> *"Kidasha's approach to devise and deliver sustainable change including local government policy change through innovative programmes, means that they punch above their weight - something that is much valued as a funder, and something that fits so well with the Cassel Trust's key goal of creating a ripple effect to improve quality of life for future generations, as well as the current one. The commitment and dedication of the whole team is impressive, as too are the relationships they have forged with local stakeholders including delivery partners, which again enable Kidasha to maximise its reach."*

TRUSTEES' REPORT Continued

We invested significant time during the year working with our implementing partners to strengthen their governance and build their capacity particularly in programme and financial management in readiness for future growth. We also facilitated interaction between our three implementing partners to encourage more collaboration and sharing of expertise and learning.

Over the year, our projects supported 12,506 children and young people, including intensive support and case management for 2,456 children. Progress across our three core programme areas was as follows:

- **Fit to Grow: Improving physical and emotional wellbeing**

  Our most notable achievement in the year was replicating the Life Skills Education programme we have been delivering in 60 government schools in Pokhara into 15 schools in Butwal. This means that LSE is now being delivered to over six thousand students per year, across 75 schools. It is important to note that government schools in urban areas serve the poorest populations, including children from slum areas and a larger proportion from excluded castes and ethnicities (c.70% of secondary students in both cities).

  Across the schools in Pokhara there are now 106 teachers with the skills and capability to deliver the LSE course independently, and we are confident that in Butwal we will see similar progress with the participatory teaching approach (rather than the usual 'talk and chalk') positively influencing the teaching of other subjects.

  LSE was also delivered as part of our *Learning for Life* project with out-of-school adolescent girls in Butwal and Pokhara. During the year, 1,054 girls participated in 40 community-based peer groups.

  Thanks to continued support from the MCC Foundation, we were able to deliver the second phase of our *Breaking Boundaries* project. This included expanding to 16 schools in Pokhara with the regular participation of 852 children (including 334 girls). The project has notably contributed to increasing the engagement of girls in sport, giving them the confidence and opportunity to participate in extracurricular activities from which they were traditionally excluded. One girl has now been selected to train with the national women's squad, while 3 progressed to the provincial cricket squad and 11 to the district team.

- **Safe to Grow: Reducing neglect, abuse and exploitation**

  Over the year through our rehabilitation shelter, midway home, six community centres and outreach work in Pokhara and Butwal, we continued to provide protection services to children living in crisis situations including 812 working children, 87 street-involved children and 1,975 at-risk children. We maintained our regular outreach support for working adolescents engaging with 308 businesses and employers, raising awareness on legal provisions and advocating for improvements in working and living conditions. We supported 360 children and adolescents to return to their families or to live independently.

  We continued to deliver information on child protection and how to access services and support reaching 3,977 children and adolescents. We also supported 26 child clubs and 85 adolescent girls' groups and established 12 child protection groups in slum areas, informal settlements and other areas of extreme poverty, providing members with safe spaces to share and respond to child protection issues in their communities.

  At the end of the year, outcomes and learning from community-based child protection activities we have piloted over the last three years enabled us to launch a new initiative supporting local authorities to better identify and respond to child protection issues across all 33 wards of Pokhara. In addition, through our implementing partners we provided intensive support to improve the socio-economic circumstances of 1,554 families existing in extremely challenging circumstances.

TRUSTEES' REPORT Continued

- **Learn to Grow: Increasing participation in learning and/or positive employment**

  We continued to support 944 children whose education had been adversely impacted by the pandemic or family socio-economic issues – this included provision of educational materials as well as continued guidance and counselling to children and families and provision of socio-economic support. At the start of the new academic year (April 2023), 75% of families were willing and able to support their children's education themselves. During the year 2,349 children and adolescents were provided with remedial education through community based after-school study groups to ensure their continued attendance and progression in school, with an average attendance rate of 71%.

  In parallel, we also provided alternative learning opportunities for 1,236 children and young people for whom full-time education is not a viable option, e.g. adolescents forced to work to survive. These were delivered in our shelters, community and learning centres and in young people's workplaces.

  Expanding our support into work and positive livelihoods was also a priority during the year; this included enabling 209 young people to access on-the-job and/or vocational training and providing business start-up guidance and capital to 92 young people to help them set up a microbusiness.

Work to create a stronger centralised Monitoring and Evaluation approach across our overall programme continued throughout the year. As some of our approaches have become more standardised, we have been able to use similar monitoring tools across projects and geographical locations. To gather stronger evidence on the wider impact of our programme in both Pokhara and Butwal we have developed a survey methodology to be used in areas of urban poverty on an intermittent basis – with a strong sampling framework. We anticipate this will capture changes in populations benefitting from direct project interventions as well as in other populations which might only be indirectly impacted. For the first time data will be collected using mobile phones (rather than paper) reducing both costs and timescales. This new methodology has been submitted for ethical approval and will be introduced in 2023/24. We anticipate the resultant information will help us to better understand what is working well and where there are gaps in our approach.

Throughout the year we have continued to collect project outcome data, such as pre- and post-tests for LSE, functional learning etc. measuring changes in knowledge, skills and behaviour. This data continues to show extremely positive changes among participants. We have also developed and trialled a family assessment tool to capture the impact of support provided to strengthen family situations over time. This tool has now been rolled out across all our projects providing family strengthening support and we expect to have a data set of sufficient quality and size to enable meaningful analysis and learning by the end of FY 2023/24.

During the last year we re-evaluated the first cohort of girls from our Learning for Life project. Assessments undertaken at the time these girls completed the course showed extremely encouraging results and we were keen to understand how much of the learning was retained with the passage of time. Results from the re-assessment were extremely positive - the average functional learning rating rose from 1.5 at baseline to 4.0 at the end of the course (out of 5) and one year later, the average remained at 3.9.

Obtaining quality data from schools regarding attendance, progression and drop-out is an ongoing challenge. Given the anecdotal evidence of the positive impact of our interventions on attendance and progression, obtaining credible quantitative data from schools is a priority for the new year.

TRUSTEES' REPORT Continued

6. Financial Overview

- **Income** – Despite the knock-on impact of the global economy and increased cost of living on charitable giving, total income in the year of £446K was only marginally (4.5%) lower than the previous year. However, 75% coming from two large multi-year grants effectively disguises a worrying decline in other income streams, most notably a 90% reduction over the last two years in grants from smaller Trusts and Foundations.
- **Expenditure** – Project expenditure was 12% higher than the previous year, increasing from £419K to £471K, mainly due to extending the reach of our Life Skills Education programme and introducing a new project designed to improve local community responsibility for child protection. As always, we endeavoured to minimise all but essential core expenditure in both the UK and Nepal. Our CEO maintained the same level of voluntary input as the previous year; but considering the ever challenging fundraising environment we recruited some additional part-time fundraising and communications resource. We also moved forward with the planned development of a new website, delayed from the previous year. Whilst this additional investment increased our fundraising expenditure by 58% compared to the previous year, it still only represented 10% of total expenditure.
- **Reserves** – Total reserves at the end of the year of £487K were 13% lower than the end of the previous year and included £363K unrestricted. While this is currently a substantial balance we anticipate it will reduce significantly in the coming FY. This is due to the very challenging fundraising climate and the likelihood that we will be unable to secure sufficient income to cover our forecast expenditure in FY 2023/24 and maintain the same level of reserves. The Board has therefore designated £180,000 of our unrestricted reserves as a contingency to cover any shortfall in income.

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 at least enough free reserves to maintain current activities for a period of three months. The minimum amount required to comply with this policy is £150,000. Free reserves are unrestricted funds not committed or invested in fixed assets and on 30th June 2023, totalled £183,193 (Financial year 2021/22: £267,773).

9. Looking Forward

With two major multi-year grants drawing to a close in the coming year, securing new income streams will be a key priority. However the current global economic and political context means this is likely to be more challenging than ever, with so many charitable organisations facing increasing need for their services and increasing costs, at the same time as reductions in charitable giving and therefore increased competition for income. We therefore plan to increase the reach of our fundraising activities to wider markets, and in particular are looking to establish an efficient vehicle through which to administer support from the US.

In parallel, we will be working to develop our 2024-2029 programme strategy including researching new cities within Nepal to potentially replicate already proven interventions, likely in the first instance to be our Life Skills programme, which has been such a resounding success in Pokhara. Our strategy will also include continuing to extend our reach in Butwal, and increasing our focus on developing more effective community responses to child protection. As our current operating agreement with the Nepal Government is due to end in August 2024, we need to finalise our future plans as soon as possible to allow sufficient time to negotiate a new operating agreement and ensure continuity of operations.

TRUSTEES' REPORT Continued

A closing note from the Chair of Trustees

I am delighted that despite significant challenges within our operating context we are continuing to build on the success of our programmes over the past 25 years, and the skill, innovation and agility we demonstrated as an organisation during the pandemic, remain major strengths as we move forward.

I've been particularly inspired by the success of our work with over 75 government schools In Pokhara and Butwal to create more responsive, safe and inclusive environments for the most disadvantaged in society. This initiative is a perfect example of Kidasha's approach of working in partnership with local organisations, government and communities to achieve long-term change.

I am also very proud of the relationship we have developed with the Marylebone Cricket Club Foundation, which has enabled us to give both boys and girls, who would normally be excluded from any opportunity to play sport, a chance to play cricket. Perhaps more importantly, the project is also helping to develop coaching, teamwork and leadership skills, in turn increasing young people's self-confidence and widening their career aspirations.

All this has been achieved in spite of the continued consequences of the pandemic and global instability. The state of the charitable sector in the UK is such that many organisations like ours are struggling to survive. We are confident that we have managed our financial position prudently during the past few years, but are very concerned about the future and whether we will be able to secure sufficient funding to sustain, let alone expand, the reach and impact of our essential work.

Whilst we have unfortunately seen a reduction in new grant funding, we are very grateful that our existing grant providers have been incredibly supportive, affording us the opportunity to adapt our approach as necessary but still meet all our programme goals and commitments. Raising unrestricted funds continues to be an uphill battle, worsened by the recent dramatic increases in the cost of living, reducing the latitude for charitable giving. At the same time, despite the financial pressure facing so many people, we are incredibly appreciative of the ongoing generosity of our regular donors and the response to specific events by groups of committed supporters.

As an organisation we have previously tended to shy away from self-promotion and instead focus our efforts on our front-line work. Whilst this remains our preference, we recognise that if we are to attract and sustain wider support for our work and reduce our dependence on our current donors we need to improve the effectiveness of our communication and marketing activities and better share the success and impact our approach to a wider audience. Launching a new website www.kidasha.org was the first step to do this.

We will continue to strive to think of new ways to raise funds and recognise a need to increase the focus and momentum of our fundraising activities during the coming year. In parallel, I have been working with individual Board members to explore how we can better leverage their individual skills, experience, personal connections and past networks to support our fundraising activities. We will also continue to review our strategic direction, including our working areas, programme scope and resource allocation to ensure we continue to maximise our impact and return on investment.

On behalf of the board, I would like to recognise the vital role of Janice Miller, our Chief Executive, whose passion, expertise, and commitment have enabled these achievements and I would also like to thank our teams in the UK and in Nepal for their hard work and dedication to our cause. We could not have achieved so much without the individuals and organisations who support Kidasha and its work. We are incredibly grateful for your support and encouragement.

TRUSTEES' REPORT Continued

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 7th December 2023. and signed on their behalf by:

Nicholas Barry

Chairman

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

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 2023 which are set out on pages 12 to 22.

Responsibilities and basis of report

As the charity's trustees of the Company (and 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 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: 14 December 2023

189 Baldwins Lane
Croxley Green
Rickmansworth
Hertfordshire
WD3 3LL

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds 2022/23 £	Restricted Funds 2022/23 £	Total Funds 2022/23 £	Total Funds 2021/22 £
Income and endowments from:					
Donation and legacies	2	70,274	372,212	442,486	464,838
Investments		3,220	-	3,220	1,693
Total		**73,494**	**372,212**	**445,706**	**466,531**
Expenditure on:					
Raising funds	3	47,162	-	47,162	29,696
Charitable activities	3	21,711	449,407	471,117	419,251
Total		**68,873**	**449,407**	**518,280**	**448,947**
Net income (expenditure) before other gains and losses		4,621	(77,195)	(72,574)	17,584
Other recognised gains/(losses):					
Gains/(losses) on revaluation of currency		(67)	1,032	965	7,750
Net income (expenditure) for the year		**4,554**	**(76,163)**	**(71,609)**	**25,334**
Transfers between funds		**(9,134)**	**9,134**	-	-
Net movement in funds		**(4,580)**	**(67,029)**	**(71,609)**	**25,334**
Reconciliation of funds:					
Total funds brought forward		**367,773**	**190,695**	**558,468**	**533,134**
Total funds carried forward		**363,193**	**123,666**	**486,859**	**558,468**

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 15 to 22 form part of these accounts.

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

BALANCE SHEET AS AT 30 JUNE 2023

	Note		30 June 2023 £		30 June 2022 £
Fixed assets:					
Tangible assets	7		-		-
Total fixed assets			-		-
Current assets:					
Debtors	8	20,520		20,172	
Cash at bank and in hand		490,002		560,796	
		510,522		580,968	
Liabilities:					
Creditors: Amounts falling due within one year	9	15,844		13,257	
Net current assets			**494,678**		**567,711**
Total assets less current liabilities			**494,678**		**567,711**
Creditors: Amounts falling due after more than one year	10		7,819		9,243
Total net assets			**486,859**		**558,468**
The funds of the charity:					
Restricted income funds	11/12/13		123,666		190,695
Designated Funds	11/12		180,000		100,000
Unrestricted funds	11/12		183,193		267,773
Total charity funds			**486,859**		**558,468**

The directors are satisfied that for the year ended on 30 June 2023 the charitable company was entitled to exemption from the requirement to obtain an 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 15 to 22 form part of these accounts.

These financial statements were approved by the Trustees and authorised for issue on 7.12.23 and are signed on their behalf by

Nicholas Barry
Chairman
Company Registration No 05223851

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

STATEMENT OF CASH FLOWS

	Notes	30 June 2023 £	30 June 2022 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by operating activities	a	(74,978)	33,189
Cash flows from investing activities:			
Interest from investments		3,220	1,693
Gain/(Losses) on currency		965	7,750
Net cash provided from investing activities		4,185	9,443
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(70,793)	42,632
Cash and cash equivalents brought forward at 1st July 2022, 2021	b	560,796	518,164
CASH AND CASH EQUIVALENTS CARRIED FORWARD AT 30 JUNE 2023, 2022	b	490,003	560,796

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

	30 June 2023 £	30 June 2022 £
Net income/(expenditure) for the year as per the Statement of Financial Activities	(71,608)	25,334
Adjusted for:		
Interest from investments	(3,220)	(1,693)
(Gains)/losses on currency	(965)	(7,750)
Depreciation	-	6,152
(Increase)/decrease in debtors	(348)	(682)
Increase/(decrease) in creditors	2,587	10,263
Increase/(decrease) in gratuity & leave provision	(1,424)	1,564
	(3,370)	7,855
Net cash provided by/(used in) operating activities	(74,978)	33,189

b) Analysis of cash and cash equivalents

	30 June 2023 £	30 June 2022 £
Cash at bank and in hand	490,003	560,796

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

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.

(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 exclude 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 2023

NOTES TO THE ACCOUNTS Continued

2a) Income Analysis

	Unrestricted Donations 2022/23 £	Restricted Donations 2022/23 £	Total Donations 2022/23 £
Government Grants			
FCDO (UK Aid Direct)	-	-	-
Grants over £50,000			
Manan Trust	-	248,546	248,546
Sir Ernest Cassel Education Trust	-	81,570	81,570
Grants and Donations over £10,000	-	30,740	30,740
Grants and Donations under £10,000			
Individuals (inc. Gift Aid)	60,075	8,600	68,675
Trusts & Foundations	5,068	2,756	7,824
Corporate	4,795	-	4,795
Schools & Universities	336	-	336
TOTAL GRANTS AND DONATIONS	**70,274**	**372,212**	**442,486**

2b) Previous Year Comparison

	Unrestricted Donations 2021/22 £	Restricted Donations 2021/22 £	Total Donations 2021/22 £
Government Grants			
FCDO (UK Aid Direct)	-	9,643	9,643
Grants over £50,000			
Manan Trust	-	220,585	220,585
Sir Ernest Cassel Education Trust	-	116,893	116,893
Grants and Donations over £10,000	12,500	22,297	34,797
Grants and Donations under £10,000			
Individuals (inc. Gift Aid)	43,166	7,499	50,665
Trusts & Foundations	10,387	15,009	25,396
Corporate	5,468	-	5,468
Schools & Universities	1,391	-	1,391
TOTAL GRANTS AND DONATIONS	**72,912**	**391,926**	**464,838**

NOTES TO THE ACCOUNTS Continued

3) Analysis of Resources Expended

	Total 2022/23 £	Total 2021/22 £
Raising Funds		
Staff Costs	26,695	16,499
Marketing and Communication Consultancy	17,730	11,385
Fundraising/Events	2,737	1,812
Total Raising Funds	**47,162**	**29,696**
Charitable Activities		
Direct Costs		
Staff Costs	106,348	96,261
Grants to Partners	306,126	260,989
Other Staff Cost incl Travel	9,496	5,783
Monitoring & Evaluation (External)	8,772	7,108
Other Expenses	12,296	20,375
Total Direct Costs	**443,038**	**390,517**
Support Costs		
Staff Costs	13,270	10,732
Office Cost UK	1,763	1,253
Office Cost Nepal	11,103	8,900
Governance	1,943	1,699
Depreciation	-	6,152
Total Support Costs	**28,079**	**28,735**
Total Charitable Activities	**471,117**	**419,251**
TOTAL EXPENDITURE	**518,280**	**448,947**

4) Net Incoming Resources for the Year

This is stated after charging:

	2022/23 £	2021/22 £
Independent Examiner and Nepal Audit Fees	1,578	1,436
Depreciation	-	6,152
Operating lease rentals – property	4,430	4,170

5) Transactions with Trustees and other Related Parties

No remuneration, reimbursement of expenses or other transactions were paid to the Trustees in the year (2021/22: £nil).

The total value of donations received from related parties in the year was £5,145. (2021/22: £3,858).

NOTES TO THE ACCOUNTS Continued

6) Staff Costs

Staff costs were as follows:

	2022/23	2021/22
	£	£
Salaries and Fees – UK	48,695	38,499
Employer's NI - UK	-	-
Salaries - Nepal	97,618	84,993
	146,313	**123,491**

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

	No.	No.
Staff in UK	2.8	2.0
Staff in Nepal	9.0	9.0
Total	11.8	11.0

No employee was paid more than £60,000 in the year (2021/22: same).

The total employee benefits of the key management personnel, including gross salary and employer national insurance contributions were £22,000 (2021/22: £22,000).

7) Tangible Fixed Assets

	Fixtures, Fittings & Equipment	Plant & Machinery	Motor Vehicle	Total
Cost or valuation	£	£	£	£
At 1 July 2022	**20,931**	**14,756**	**24,608**	**60,295**
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 June 2023	**20,931**	**14,756**	**24,608**	**60,295**
Depreciation and impairments				
At 1 July 2022	20,931	14,756	24,608	60,295
Disposals	-	-	-	-
Depreciation for the year	-	-	-	-
At 30 June 2023	**20,931**	**14,756**	**24,608**	**60,295**
Net book value at 1 July 2022	-	-	-	-
Net book value at 30 June 2023	-	-	-	-

NOTES TO THE ACCOUNTS Continued

8) Debtors

	Total 2022/23 £	Total 2021/22 £
Debtors and Prepayments	8,945	2,842
Grant Receivable	10,000	11,557
Gift Aid Claimed	1,575	5,773
	20,520	20,172

9) Creditors: Amounts due within one year

	Total 2022/23 £	Total 2021/22 £
Taxation and social security	147	71
Other creditors and accruals	15,697	13,186
	15,844	13,257

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

	Total 2022/23 £	Total 2021/22 £
Staff Leave Provision	7,819	9,243
	7,819	9,243

10b) Reconciliation of Provisions

	Bal at 1 July 2022 £	2022/23 Provision £	Paid in Year £	Revaluation £	Bal at 30 June 2023 £
Staff Leave Provision	9,243	2,179	(2,883)	(720)	7,819

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

NOTES TO THE ACCOUNTS Continued

11a) Analysis of Assets between Funds

	Unrestricted Funds 2022/23	Designated Funds 2022/23	Restricted Funds 2022/23	Total 2022/23
	£	£	£	£
Fixed Assets	-	-	-	-
Debtors	20,520	-	-	20,520
Cash	186,336	180,000	123,666	490,002
Creditors	(23,663)	-	-	(23,663)
	183,193	180,000	123,666	486,859

11b) Previous Year Comparison

	Unrestricted Funds 2021/22	Designated Funds 2021/22	Restricted Funds 2021/22	Total 2021/22
	£	£	£	£
Fixed Assets	-	-	-	-
Debtors	20,172	-	-	20,172
Cash	270,101	100,000	190,695	560,796
Creditors	(22,500)	-	-	(22,500)
	267,772	100,000	190,696	558,468

12a) Movement of Funds

	B/F	Incoming	Outgoing	Revaluation	Fund transfer	C/F
Restricted funds:	£	£	£	£	£	£
Programme funds	188,635	372,212	(449,407)	1,263	8,017	120,720
Other funds	2,060	-	-	(231)	1,117	2,946
Total restricted funds	190,695	372,212	(449,407)	1,032	9,134	123,666
Total unrestricted funds	267,773	73,494	(68,873)	(67)	(89,134)	183,193
Total designated funds	100,000	-	-	-	80,000	180,000
Total funds	558,468	445,706	(518,280)	965	-	486,859

12b) Previous Year Comparison

	B/F	Incoming	Outgoing	Revaluation	Fund transfer	C/F
Restricted funds:	£	£	£	£	£	£
Programme funds	192,859	391,926	(398,531)	2,471	(90)	188,635
Other funds	7,654	-	(6,152)	78	481	2,061
Total restricted funds	200,513	391,926	(404,683)	2,549	391	190,695
Total unrestricted funds	232,621	74,605	(44,264)	5,201	(391)	267,773
Total designated funds	100,000	-	-	-	-	100,000
Total funds	533,134	466,531	(448,947)	7,750	-	558,468

KIDASHA
FOR THE YEAR TO 30TH JUNE 2023

NOTES TO THE ACCOUNTS Continued

13a) Movement in Restricted Funds

	B/F	Income	Grants to Partners	Other Costs	Exchange G/(L)	Fund Transfers	C/F
Programme Funds	£	£	£	£	£	£	£
Breaking Boundaries	-	20,000	-	(18,489)	406	(97)	1,820
Life Skills Education (LSE)	6,764	-	(6,035)	(729)	-	-	-
Learning for Life	64,384	81,570	(62,940)	(34,406)	5,801	(1,020)	53,389
Inspire to Grow	60,242	248,846	(195,831)	(89,617)	(1,761)	(12,923)	8,956
Street Working Children	45,150	11,056	-	-	(3,633)	(1,563)	51,010
COVID Education	6,510	10,740	(41,320)	-	450	23,620	-
COVID-19 Emergency Response	5,585	-	-	(40)	-	-	5,545
Total Programme Funds	**188,635**	**372,212**	**(306,126)**	**(143,281)**	**1,263**	**8,017**	**120,720**
Other Funds							
Vehicle Replacement	2,060	-	-	-	(231)	1,117	2,946
Total Other Funds	**2,060**	-	-	-	**(231)**	**1,117**	**2,946**
Total Restricted Funds	**190,695**	**372,212**	**(306,126)**	**(143,281)**	**1,032**	**9,134**	**123,666**

13b) Previous Year Comparison

	B/F	Income	Grants to Partners	Other Costs	Exchange G/(L)	Fund Transfers	C/F
Programme Funds	£	£	£	£	£	£	£
Breaking Boundaries	5,040	11,557	-	(19,110)	471	2,042	-
Adolescent Health & Wellbeing	9,768	9,643	(30,140)	(8,625)	(1,046)	20,400	-
Life Skills Education (LSE)	9,445	-	(10,128)	(177)	555	7,069	6,764
Learning for Life	61,633	96,893	(60,121)	(31,830)	(1,710)	(481)	64,384
Inspire to Grow	29,256	238,158	(73,630)	(77,597)	2,939	(58,885)	60,242
Street Working Children	41,321	935	-	(202)	3,096	-	45,150
COVID Education	30,812	34,740	(82,738)	-	(1,835)	25,532	6,510
Community Based Child Protection	-	-	(4,232)	(1)	-	4,233	-
COVID-19 Emergency Response	5,584	-	-	-	1	-	5,585
Total Programme Funds	**192,859**	**391,926**	**(260,989)**	**(137,542)**	**2,471**	**(90)**	**188,635**
Other Funds							
Fixed Asset Management	6,152	-	-	(6,152)	-	-	-
Vehicle Replacement	1,502	-	-	-	78	481	2,061
Total Other Funds	**7,654**	-	-	**(6,152)**	**78**	**481**	**2,061**
Total Restricted Funds	**200,513**	**391,926**	**(260,989)**	**(143,694)**	**2,549**	**391**	**190,695**

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.

NOTES TO THE ACCOUNTS Continued

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.
- **Life Skills Education** – 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 growing up in urban poverty and support core operational costs in Nepal – 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 the pandemic – funded by BFSS and various other donors.
- **COVID Emergency Response** – to provide immediate relief to the poorest children and families directly impacted by the COVID-19 pandemic – funded by various donors.

Other Funds

- **Vehicle Replacement Fund** – capital fund for replacement of Nepal country office vehicle.

15) Share Capital

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

16) Prior Year Statement of Financial Activities

	Note	Unrestricted Funds 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £	Total Funds 2020/21 £
Income and endowments from:					
Donation and legacies	2	72,912	391,926	464,838	329,269
Government Furlough Scheme		-	-	-	6,663
Investments		1,693	-	1,693	11
Other		-	-	-	13
Total		**74,605**	**391,926**	**466,531**	**335,956**
Expenditure on:					
Raising funds	3	29,696	-	29,696	31,468
Charitable activities	3	14,568	404,683	419,251	288,895
Total		**44,264**	**404,683**	**448,947**	**320,363**
Net income (expenditure) before other gains and losses		30,342	(12,758)	17,584	15,593
Other recognised gains/(losses):					
Gains/(losses) on revaluation of currency		5,201	2,549	7,750	(5,275)
Net income (expenditure) for the year		**35,543**	**(10,209)**	**25,334**	**10,318**
Transfers between funds		**(391)**	**391**	-	-
Net Movement in funds		**35,152**	**(9,818)**	**25,334**	**10,318**
Reconciliation of funds:					
Total funds brought forward		**332,621**	**200,513**	**533,134**	**522,816**
Total funds carried forward		**367,773**	**190,695**	**558,468**	**533,134**