



Freedom Matters

(a company limited by guarantee)

Report and Financial Statements
For the Year Ended 31st July 2014

Charity Number: 1148388
Company Number: 08161221

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Reference and Administrative Information

Charity Name Freedom Matters

Charity Registration No 1148388

Company Registration No 08161221

Directors/Trustees

Mrs Sarah Stacpoole (Chairman) - Appointed March 2014

Mr Peter Hardy – Appointed August 2014

Mr Douglas MacLagan

Lt Col (retd) Johnny Fenn – Resigned December 2014

Maj (retd) Tristan Forster

Mr Martin Cheek – Resigned December 2014

Mrs Jan Turner – Appointed August 2014

CEO

Lt Col (retd) Philip Holmes

Country Representative Nepal

Mr Madan Raj Joshi

Registered Office

Hughes Waddell, The White House, 2 Meadow, Godalming, Surrey GU7 3HN

Operational Address

The Old House, Dartmouth Road, Stoke Fleming, Dartmouth, Devon TQ6 0NX

Telephone: 01803 771080 **E-mail:** info@freedommatters.org.uk **Website:** www.freedommatters.org.uk

Independent examiners

Hughes Waddell, The White House, 2 Meadow, Godalming, Surrey GU7 3HN

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

CEO Statement

Freedom Matters has enjoyed a very positive second year with major operational successes in Nepal matched by solid growth in international support and income.

Our main focus has been on addressing the 'Orphan Business' in Nepal, this being the racketeering, child trafficking, exploitation and abuse that is commonplace in so-called orphanages. We have been very pleased to be able to address this at two levels. On one hand we have raised awareness about the problem in the international and national media, including through prominent coverage in the UK Channel Four's 'Unreported World' series. On the other we have worked with the authorities in supporting the rescue of children from rogue orphanages and their subsequent rehabilitation/reintegration within their communities. Central to the latter has been the creation of a 'Child Receiving Home' as an interim care facility through which rescued children can be staged back to their families (many are 'fake orphans') or in advance of more definitive care arrangements being identified. Concurrently we have taken legal action against child abusers. In this regard we have continued to work with Sano Paila as our main implementing partner NGO, but added to this the NGO 'Action for Child Rights International' (ACR-Int). ACR-Int has scored a huge success in working towards the conviction of two paedophiles who had been closely associated with Nepal's biggest orphanage, Bal Mandir.

A challenge of this scale could not be managed by Freedom Matters alone and we have been very pleased to partner this year with Child Welfare Scheme Hong Kong, Happy Home Slovakia and Hatemalo (Germany). This pooling of resources has been critical towards our success. Also we are grateful to our loyal support base in UK and Hong Kong where we have been successful in securing grant funding from a number of major grant-making Trusts and from the 24 Hour Race that is operated each year by Running to Stop the Traffik.

This year we also reached a major milestone in January with our successfully launching Circus Kathmandu as a stand-alone social enterprise. This remarkable group of young people, all but two of whom are trafficking survivors, went on to make international appearances in Dubai, UK (Glastonbury) and Norway. It is gratifying to see this initiative standing on its own feet, so to speak, and raising its own funds rather than relying on continued grant funding from Freedom Matters. We expect to do likewise in 2015 with our other group of trafficking survivors at Himalayan Jewellery.

Finally, I was really pleased that Joanna Lumley has been able to join us as our Patron. Joanna's reputation as an actress goes before her, as does her personal interest in issues in Nepal, including the Gurkhas. I look forward to working with her and with our very engaged Trustees in making an even bigger impact in Nepal in the coming time.



Philip Holmes
Lt Col (retd)
Dartmouth
January 2015

Report of the Trustees

Introduction

The Trustees present their Annual Report and the Financial Statements of Freedom Matters for the period ended 31st July 2014. The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Articles of Association, the Statement of Recommended Practice 2005 and the Companies Act 2006.

Freedom Matters is a charitable company limited by guarantee, incorporated on 30th July 2012 and registered as a charity with The Charity Commission on 31st July 2012. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

History of Freedom Matters

Freedom Matters was registered in July 2012 at the initiative of Tristan Forster and Philip Holmes, both of whom have a long-standing interest in the children and young people of Nepal and share a passion for working against child trafficking, exploitation and abuse. Tristan had been an officer in the Brigade of Gurkhas and the Founder (now the Chairman) of FSI Worldwide, a company that specialises in providing ethical manpower from Nepal for overseas employment. Philip, also a former British Army officer, had founded The Esther Benjamins Trust (EBT) in 1999, a charity providing residential care facilities for vulnerable Nepalese children. From 2004 to 2012 he lived and worked in Nepal, closing down a child trafficking route between Nepal and the Indian circus industry in which Nepalese children were used and abused as performers (modern day slaves). Philip returned to live in the UK on 1 July 2012 and on the same date left EBT to set up Freedom Matters as a platform for building upon this success.

Structure and Governance

Patron

Freedom Matters was delighted when the popular British actress, writer and campaigner Miss Joanna Lumley OBE agreed to become the charity's Patron. Joanna was born in Kashmir to parents who had both spent their lives in India, her father having been an officer in the Gurkhas. The welfare of the people of Nepal, and particularly the children, is a concern she shares with Freedom Matters.

Trustees

There were seven Trustees during the reporting period:

- *Mrs Sarah Stacpoole:* Sarah is a Head of Department and teacher at the prestigious Bryanston School in Dorset. She has a wealth of experience within the charitable sector and of working in Nepal. She has been in charge of school charities for many years and, through the pupils, has raised over \$500,000, mainly for NGOs in developing countries dealing with issues relating to children, health and education. Her prime interest is Nepal which she has visited many times and she speaks some Nepali.
- *Major (retd) Tristan Forster:* See above. Tristan was Chairman of the charity until he handed over the appointment to Sarah in March 2014.
- *Mr Peter Hardy:* Peter is Second Master (Deputy Head) of Bryanston School. As such, he is responsible for pastoral care and also serves as the school's Designated Safeguarding Lead (formerly referred to as Child Protection Officer). As a teacher of Economics, he has also written a book on the macroeconomics of the 1980s. Peter has served as a Magistrate in Dorset for fifteen years. He has led school trips and has travelled extensively in Nepal in a private capacity.

- *Mr Douglas Maclagan:* Douglas Maclagan has lived and worked within the development sector in Nepal for the past 20 years. He has the breadth of experience of the needs and expectations of overseas charities juxtaposed with the challenges of implementing grassroots projects. Douglas founded registered UK charity Child Welfare Scheme (since re-titled Kidasha) in 1995 and is a Board Member of Child Welfare Scheme Hong Kong. In January 2013 he registered Right4Children (R4C) as a Nepali NGO based near his home in Pokhara. Douglas is invaluable in providing on the ground support and monitoring.
- *Mr Martin Cheek:* Martin Cheek is an internationally-acclaimed mosaic artist, teacher and author. It is this invaluable experience that Martin brings to the Board as an advisor for our visual arts activities and he has visited Nepal to teach our beneficiaries.
- *Lt Col (retd) Johnny Fenn:* Johnny Fenn served with the Brigade of Gurkhas from 1988 to 2012, taking early retirement to pursue his passion for photography. He remains a very regular visitor to Nepal for photographic assignments and is a former Trustee of the Gurkha Welfare Trust.
- *Mrs Jan Turner:* After qualifying in general and paediatric nursing, with a Diploma in Tropical Medicine, Jan worked delivering medical care in the developing world for 10 years. She has experience in International Development from front-line delivery in conflict situations to developing and evaluating long-term health care programmes and has previously served as a trustee for two health charities, Health Unlimited (now called Health Poverty Action) and Kidasha. Jan now teaches in a primary school in Kent.

The Trustees have been recruited through personal knowledge of one or more pre-existing Trustees or the CEO. Upon joining the Board, new Trustees are provided with information on the charity's history and plans, the role and responsibilities of Trustees, the governing document, key policies and the minutes of recent Board meetings. Trustee meetings are held at least quarterly. Martin Cheek and Johnny Fenn both stood down in December 2014 as unfortunately their international travelling commitments made it difficult for them to participate as fully as they would have wished, including regular attendance at Trustee meetings.

Staff and volunteers

There are two staff members, Lt Col (retd) Philip Holmes (see above), who is the CEO and Mr Madan Joshi who is the Country Representative for Nepal, based in Kathmandu.

Madan has over 20 years' experience within the Nepal development sector spanning appointments within NGOs, INGOs and UN agencies. These include three years at UNICEF, eight at the International Labour Organisation (ILO) country office Nepal and eight years at Rural Reconstruction Nepal (RRN), a national NGO. Madan has designed and implemented various action projects in Nepal particularly in the field of skills and livelihood enhancement of marginalised communities, youth employment, child labour and trafficking, social research and impact assessments. He is currently assisted by one volunteer, Ms Reeti Sharma, who graduated in 2014 with a BA in political science, economics and management.

The charity's office is at the CEO's home in Devon. He is supported by a number of key central volunteers:

- *Ms Penny MacKay:* A former accountant with KPMG and until recently the Bursar at King's School Chester, Penny is the volunteer accountant for Freedom Matters
- *Mrs Beatrice Sheldrick:* Beatrice is a freelance graphic designer and web developer. Although living in Australia, Beatrice provides website support to the site that she designed herself.
- *Ms Jenny Gilbert:* Jenny is an experienced professional jeweller and silversmith who spent six months in Nepal over 2013/2014 supporting Freedom Matters in the Kathmandu jewellery and mosaic workshops. After returning to the UK Jenny continued to support the workshop from afar, coordinating jewellery orders and providing professional advice as necessary.
- *Ms Lynne Rawlings:* Following a career in Human Resources in the NHS, Lynne has worked successfully for the past 12 years as an independent HR consultant. She has volunteered for several months in Nepal so is

doubly well-placed to ensure good and appropriate employment practices are in place for staff and volunteers in both UK and Nepal.

The charity's network

Nepal partners

Under Nepalese law Freedom Matters must implement its projects through Nepalese NGOs. The principal partner to date has been the NGO "Sano Paila" (Nepali for "Little Step"). There has also been a working link to R4C although this has not involved financial support.

International partners

Freedom Matters has received grants from a number of international grant-making Foundations during this reporting period but there have been close working links with six other charitable organisations; "Happy Home Slovakia", "Hatemalo" (Germany) and "Action for Child Rights International" (ACR-Int), "Child Welfare Scheme Hong Kong", "Running to Stop the Traffik" (Hong Kong) and "The Emancipation Network" (USA). The relationship with these charities will be outlined under Project Areas below.

Objects of the charity

Freedom Matters' Objects as per the Articles of Association are:

The rescue and relief of anyone who may have been victim to human trafficking or exploitation in particular but not exclusively by:

- *The provision of welfare support for example financial, medical or legal*
- *Support to the rehabilitation and reintegration of survivors with their families and communities*
- *Support of education and training into employment and/or independent living*
- *The advancement for public benefit of trafficking and exploitation awareness*
- *Trafficking prevention in at risk communities*

Such charitable purposes for the public benefit as are exclusively charitable to the laws of England and Wales as the Directors may from time to time determine

These have been distilled into the following Mission Statement:

"Freedom Matters fights trafficking and frees Nepalese children and young people from slavery, abuse and exploitation. We provide immediate protection and care to survivors while bringing their abusers to justice."

Although Freedom Matters can work in any part of the world, its initial project work has been focussed upon Nepal with some related trafficking interests in Nepal's southern neighbour, India.

Project areas

The Orphan Business

Freedom Matters and Sano Paila became involved in tackling "The Orphan Business" in July 2013. Essentially this refers to the trafficking of children who have parents and families from rural areas into registered and unregistered "orphanages" where they are exploited, abused and potentially trafficked to other locations. The children – just as much as girls who are trafficked into the sex trade – become a commodity that can be used for financial gain. In the

case of the orphanages this can be to attract donations and sponsorships from overseas donors, as a lure to obtain funds for lucrative capital building projects or to attract volunteers who can be parted from their money. It is telling that 90% of Nepal's orphanages are located within the five of its seventy-five districts that are frequented by tourists. The process is consistent with the trafficking paradigm of "push" and "pull" factors. The former consists of rural poverty, large families and a lack of educational, training and work opportunities. The latter is the allure of having someone else offering to look after poor families' children "free" (although more likely there will be a "placement fee") and the promise (false or otherwise) to provide access to the better education that is undoubtedly available within urban areas. Once children are handed over to unscrupulous orphanage owners they become their "property" who can only be redeemed by parents after buying them back at a ransom price they cannot afford. As per other trafficking scenarios the victims may be moved around from place to place and have their identities changed so that the traffickers cover their tracks. If parents do find their children's location they may be turned away at the gates of the orphanage.

Unfortunately this is a very difficult business to break for the following reasons:

1. The orphanages can enjoy major political support that can offer protection.
2. The orphanages are wealthy while we are not. They can afford to pay for strong legal teams where we cannot.
3. There is a physical threat from the "goons" that some orphanages may employ.
4. Families, out of ignorance, indifference or through financial incentives, may not be willing to collaborate with rescue.
5. Intervening organisations do not have the financial wherewithal – or willingness – to put alternative care/educational provision in place, preferring to return children to families where they belong. Families may resist this reintegration.
6. There is a general public perception that children are "lucky" to find places in orphanages. The general public has not been aware of the exploitation that goes on at facilities that may appear to be like palaces compared to where the children have come from. If exploitation, fraud and racketeering are recognised as having taken place the conclusion may be reached that the end has justified the means.
7. There can also be a general public cynicism about the intentions of NGOs who are too-quickly labelled as "dollar-farmers" or "headline-grabbers". It is very easy for popular media coverage to be turned against organisations to fit this public perception.
8. The Nepalese judiciary is currently very weak.

In conclusion, those who try to address this problem through direct action such as instigating rescue operations by the authorities potentially have to contend with resistance from the orphanage owners, their goons, families and communities, the police, local government bodies (including those charged with child welfare), politicians and the media. The best initial strategy has to be one of influencing opinion in Nepal through focussing on some of the worst orphanage operators and exposing them for what they are while raising awareness internationally about the dangers of providing funds or volunteer support for orphanages.

Action taken this year against Happy Home, Bal Mandir and Aama Ko Ghar

Freedom Matters and its Nepal partner NGO Sano Paila first became involved in the issue through leading on the investigation of "Happy Home", a rogue "orphanage" operated by one of the worst orphanage owners, Bishwa Pratap Acharya. Over several months we collected evidence to indicate that Acharya had engaged in child trafficking, kidnapping and fraud. His victims included not just the children but also well-intentioned foreigners in Slovakia, Dubai, Germany and Spain from whom he was procuring funds ostensibly for child sponsorship or for capital development projects. It was only when volunteers from these countries became suspicious and raised concerns with the authorities (to no avail) that we began to look into his activities. This process linked in with international media coverage when, through working alongside a research team from UK Channel Four's "Unreported World", we were able to expose Acharya through undercover filming and surveillance. An "Unreported World" episode entitled "The Orphan Business" was shown on UK television in November 2013 presenting damning evidence against Acharya

but also against Nepal's biggest orphanage, "Bal Mandir" which had also been involved in child trafficking and the admission of fake orphans for commercial/criminal purposes.

In spite of having compiled a huge body of evidence against Bishwa Acharya it has been extremely difficult to take action against him and to rescue the 70 or so Happy Home children from his control. This is because he had become a very wealthy man through his racketeering and in addition has significant political clout, protecting himself by buying off key elements within the authorities. In early 2014 we had set up a 60 bed capacity Child Receiving Home (CRH) to serve as a transit facility in anticipation of a rescue operation at Happy Home that seemed imminent. This proved to be not the case in the end however a success was still realised when Acharya was arrested in February, caught red-handed in the midst of a child abduction case. He has been remanded in custody ever since and his repeated attempts at being released on bail been rejected. At the time of writing his trial is underway and former Spanish volunteers at Happy Home have returned to Nepal to give evidence against him in person.

In February Nepal's Central Child Welfare Board (CCWB) asked for our support in a rescue operation it wished to mount at short notice at a facility called "Aama Ko Ghar" (AKG) operated by Dil Shova Shrestha, the self-styled "Nepal's Mother Theresa". This followed allegations having appeared in a national newspaper about children being sexually abused at AKG. The CCWB wished to have access to our CRH to accommodate the released children. Although CRH had been set up for the Happy Home case, we felt we had no choice but to comply with a request from the authorities and given the apparent serious nature of the allegations. Our involvement in the rescue resulted in Dil Shova's supporters nationally and internationally (she has a huge following) accusing us of conspiracy or poor judgement. Everyone seemed to agree that the standard of care at AKG was poor but nevertheless Dil Shova was presented as being someone who had been doing her best under difficult circumstances. A subsequent National Human Rights Commission (NHRC) inquiry actually cleared Dil Shova of involvement in sexual abuse although there were other serious offences that NHRC asked that she be brought to account for – especially the sending of children from AKG to take part in (illegal) domestic service at people's homes. Our work to bring Dil Shova to justice continues at time of writing.

Finally it should be noted that the wrongdoings and abuse of children and their rights at Nepalese orphanages has come to the public attention nationally and internationally through huge media interest that we have generated. Major reports have appeared in the Himalayan Times, the Kathmandu Post, the Nepali Times and in Republica. Internationally there has been major coverage in the Guardian and Daily Telegraph in the UK.

The Orphan Business project area has been funded primarily by Running to Stop the Traffik (RTST) which holds the annual sponsored "24 Hour Race" in Hong Kong in November. Additional funding was provided by UK Trusts and Hatemalo towards the setting up of the Child Receiving Home (CRH). The operational costs of the CRH and associated activities were met by CWS HK from May 2014 (for one year) while Freedom Matters continued to fund the associated Sano Paila support costs.

Support to released Happy Home children

During this reporting period we developed a funding link with "Happy Home Slovakia" an organisation that had been previously supporting Happy Home before it came to know of the wrongdoings of Bishwa Acharya. In November 2014 Happy Home Slovakia provided us with grant funding of £9,712 towards the care of children who had been at Happy Home but had since returned to their families. These children had been linked to Happy Home Slovakia individual sponsors. The funds covered welfare/educational costs to approximately 20 children from very poor families and the salary cost of a Sano Paila staff member who has been responsible for their follow up and support.

Other Orphan Business activity

During the period February through to July 2014 we developed a new relationship with the Belgian Charity Action for Child Rights International (ACR-Int) which has a Nepal office. ACR-Int specialises in prosecuting cases involving abuse

at children's homes and has scored some notable successes. ACR-Int gave us some support around the Happy Home case and we have reciprocated by underpinning their work in a major legal case that is ongoing at Bal Mandir (the second home that featured in the Unreported World report). Essentially this involved two of Bal Mandir's staff being allegedly involved in the repeated rape of three autistic girls over the period of a year. That case is going to court imminently.

Silver jewellery/mosaic workshop

The silver jewellery/mosaic workshop in Kathmandu provides training and employment to 13 young people, ten of whom are trafficking survivors who work alongside three deaf young people. The workshop is operated under the auspices of Sano Paila. During the reporting period funding has been provided by Freedom Matters in the form of grants and through wholesale orders to the UK and USA. In addition Freedom Matters has provided three silver jewellery professionals from the UK as volunteer consultants.

Circus Kathmandu/Sapana

Freedom Matters has worked alongside UK-based contemporary circus company "Floorless Productions" in the establishment of Sapana (the Nepali word for "dream") as a contemporary circus training activity with a core performing group "Circus Kathmandu". Floorless Productions has provided the necessary professional input in the design of acts and in identifying appropriate volunteers to lead the training in Kathmandu. Sano Paila has been the NGO implementing partner. The (adult) beneficiaries are trafficking survivors and former street children and their participation in this activity has been hugely therapeutic and been powerful at building confidence.

In January 2014 it was agreed that the time was right for Circus Kathmandu to become a self-funding social enterprise although Freedom Matters continued to provide administrative support until the end of the reporting period. We assisted the launch of the social enterprise through raising a final £15k in the 2013 "Big Give Christmas Challenge", successfully hitting our fundraising target for the Challenge. During the first six months of 2014 Circus Kathmandu went on to prove its capacity by raising its profile and significant funds on the international stage with visits to Dubai (February), Norway (May) and UK (Glastonbury in June). Circus Kathmandu has now registered as a separate charity (CIO) in the UK and the Trustees wish it every success in the future.

Future plans

Kathmandu Child Trauma Management Centre

Following our rescue work this year children who have been at CRH have revealed through counselling sessions that they were exposed to physical, psychological and sexual abuse. In response (and in the absence of any dedicated specialist support facility for this kind of problem) in June we set up a very basic counselling centre near the CRH. This has been funded through agreeing with Hatemalo that their grant towards the purchase of circus equipment should be reallocated to this pressing need. This facility, which is operated by two Nepali clinical psychologists, is supported through consultancy provided by a German clinical psychologist, Maya Boehm, who is based in Nepal. We now wish to build upon this by enlarging the facility to offer residential care for newly-rescued children and potentially for others who might be exhibiting behavioural problems at childcare centres to which we wish to link. The aim is to use the future Centre to provide a range of therapies, including arts-based activities, and in conjunction with academic centres in Kathmandu, UK and Germany. This will be a Joint Venture with Hatemalo and the Nepal NGO "Kopila". It seems likely that jewellery/mosaic activities could be part of the therapeutic methodology with beneficiaries who show the aptitude moving into formal training as young adults. The Project will be launched through funds raised in The Big Give Christmas Challenge 2014. This has a target of £80k with £20k of this pledged from Hatemalo and £20k from The Big Give itself making up £40k in matched funding for online donations made in December.

Orphan Business Research

In 2015 we plan to conduct a full baseline survey of the orphanages that are concentrated in five of Nepal's districts. We hope to be able to do this in conjunction with Central and District Child Welfare Boards.

Silver Jewellery workshop expansion

Funding permitting, we envisage in 2015 an expansion of the current facility to become a two centre workshop with the existing one at Godawari supplemented by a second, more central one, in the major jewellery district of Patan. This new centre will teach more advanced skills (such as stone-setting) while beneficiaries will also learn skills appropriate to the domestic market through day release to selected jewellers in and around Patan area. Moreover the workshop will be closely integrated with a future Child Trauma Management Centre (see below).

Public benefit

During 2013/2014 the public benefit of the various activities could be summarised as follows:

- Anti-trafficking/Orphan Business – 60 children and girls rescued
- Happy Home Slovakia Child Support Project – 20 children supported in communities
- Silver jewellery/mosaic – 13 in training
- Circus Kathmandu/Sapana – 13 in training, total audience numbers estimated at 10,000.

Risk management

The Trustees have considered the risks to which Freedom Matters may be exposed and the risk assessment is part of the charity's business plan. The business plan is updated annually, in line with the Charity Commission's guidelines. Ultimately, the Trustees are content that the overall risks to the Foundation are mitigated to an acceptable level.

Reserves policy

The Trustees remain concerned at the low level of unrestricted funds/reserves, a problem that exists for many new charities. By the year end this had shown as a deficit that reflected a temporary cash flow issue. The response was to combine cost cutting, including agreed deferment of salary payments, until anticipated unrestricted grant income was received and through expected income from participation in the 2015 London Marathon. The position subsequently improved but the Trustees have directed that fundraising for unrestricted income should be a priority for 2015 including through a gala dinner in May 2015.

The Trustees aspire to holding unrestricted funds equating to three months of operating costs by the end of the third year of operation, rising to six months by the end of year four.

Conclusion

At the end of this second year in the life of Freedom Matters the charity stands in a strong position following solid growth in the UK combined with excellent networking with international charities in Hong Kong, Germany, Belgium and Slovakia. In the coming time our operational capacity will also increase as we link with additional implementing partner NGOs in Nepal while working to establish our own in-country (INGO) office, Freedom Matters-Nepal. Our third year of operation promises to be an extremely good one.

Statement of the Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

The Trustees (who are also Directors of Freedom Matters for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

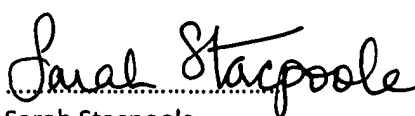
Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Approved by the Trustees on 9th November 2014 and signed on their behalf by:



Sarah Stacpoole

Chairman of the Trustees and Directors

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FREEDOM MATTERS

I report on the accounts of the company for the year ended 31 July 2014 which are set out on pages 13 to 19

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

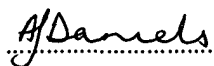
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below:

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
 - have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



A Daniels FCA
Hughes Waddell
Chartered Accountants
The White House
2 Meadow
Godalming
Surrey GU7 3HN

Date: 25 - 2 - 15

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	2	50,414	185,025	235,439	196,361
Investment Income		19	-	19	33
		<u>50,433</u>	<u>185,025</u>	<u>235,458</u>	<u>196,394</u>
Incoming resources from charitable activities					
		-	1,612	1,612	4,405
TOTAL INCOMING RESOURCES		<u>50,433</u>	<u>186,637</u>	<u>237,070</u>	<u>200,799</u>
RESOURCES EXPENDED					
Cost of generating funds					
Cost of generating voluntary income	4	46,634	-	46,634	60,843
		<u>46,634</u>	<u>-</u>	<u>46,026</u>	<u>60,843</u>
Cost of charitable activities					
Project costs	4	-	183,568	183,568	123,614
Governance	5	4,254	-	4,254	4,220
TOTAL RESOURCES EXPENDED		<u>50,888</u>	<u>183,568</u>	<u>234,456</u>	<u>188,677</u>
NET INCOMING RESOURCES		(455)	3,069	2,614	12,122
Transfer between Funds		(7,267)	7,267	-	-
NET MOVEMENT IN FUNDS		<u>(7,722)</u>	<u>10,336</u>	<u>2,614</u>	<u>12,122</u>
Fund balances at 01 August 13		(62)	12,184	12,122	-
FUND BALANCES AT 31 JULY 14	8	<u>(7,784)</u>	<u>22,520</u>	<u>14,736</u>	<u>12,122</u>

The notes on pages 15-19 form part of these financial statements

BALANCE SHEET AS AT 31 JULY 2014
(Company registration no. 08161221)

	Notes	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Tangible assets			-		-
CURRENT ASSETS					
Debtors	6	9,283		1,661	
Cash at Bank		<u>19,697</u>		<u>12,795</u>	
		28,980		14,456	
CREDITORS: Amounts falling due within one year	7	<u>(14,244)</u>		<u>(2,334)</u>	
NET CURRENT ASSETS			14,738		12,122
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,736</u>		<u>12,122</u>
FUNDS OF THE CHARITY					
Unrestricted Funds	8		(7,784)		(62)
Restricted Funds	8		22,520		12,184
TOTAL FUNDS	8		<u>14,736</u>		<u>12,122</u>

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

- i. The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to smaller companies; and
- ii. The trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts were approved by the board on 9th November 2014 and signed on their behalf by:



Lt Col (ret'd) Johnny Fenn
Director and Trustee



Maj (ret'd) Tristan Forster
Director and Trustee

The notes on pages 15-19 form part of these financial statements

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2014

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Incoming Resources

Grants and donations are included in the SOFA when the charity has unconditional entitlement to the resources.

Incoming resources from tax reclaims are included at the same time as the gift to which they relate.

Investment income is included in the accounts when receivable.

Incoming resources from charitable activities is only included in the SOFA in the period in which it is earned.

1.3 Resources Expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Governance costs comprise of the independent examiners fee and professional costs associated with the running of the charity.

1.4 Tangible Fixed Assets

These are capitalised if they can be used for more than one year, and cost more than £500. They are valued at cost or a reasonable value on receipt.

1.5 Accumulated Funds

Restricted funds are subject to specific conditions by donors on how they may be used; the purposes and uses of the restricted funds are set out in the notes to the accounts.

2. Analysis of Incoming Resources

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Donations and Grants				
Circus Kathmandu/Sapana Project	-	14,855	14,855	63,433
Counselling project	-	-	-	8,285
General	50,414	-	50,414	68,199
Jewellery and Mosaic Project	-	22,215	22,215	14,418
HH Child Support	-	11,167	11,167	-
Other Projects	-	10,176	10,176	103
Office Costs	-	-	-	7,940
Anti-trafficking Project	-	126,612	126,612	33,483
Vocational Training Project	-	-	-	500
Total Voluntary Income	50,414	185,025	235,439	196,361

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2014 (CONT.)**3. Employees****Employee Costs**

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Gross wages and salaries	33,201	5,859	39,060	44,815
National Insurance	3,673	648	4,321	4,729
Total	36,874	6,507	43,381	49,544

Employee costs of £6,400 included under restricted funds relate to salary costs attributed directly to the Rescue Agency Project and are included within the project costs of £116,911 (note 4).

No pension contributions were paid

Number of employees

The average number of employees during the period was:

	Total 2014 Number	Total 2013 Number
General administration	1.00	1.33

4. Analysis of Resources Expended

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Costs of Generating Funds				
Staff Costs	36,874	-	36,874	43,032
Training Costs	7	-	7	67
Travel & Subsistence	8,139	-	8,139	6,891
IT	-	-	-	986
Equipment	736	-	736	329
Administration	878	-	878	9,538
Total	46,634	-	46,634	60,843
Project Costs				
Circus Kathmandu/Sapana Project	-	22,122	22,122	66,664
HH Child Support Project	-	11,167	11,167	-
Jewellery and Mosaic Project	-	24,327	24,327	18,823
Office Costs	-	1	1	7,939
Other Projects	-	8,933	8,933	103
Anti-trafficking Project	-	117,018	117,018	30,085
Total	-	183,568	183,568	126,614

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2014 (CONT.)**5. Governance Costs**

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Independent Examiner's Fee	840	-	840	840
Other Professional Costs	3,306	-	3,306	3,260
Bank Costs	108	-	108	120
Total	4,254	-	4,254	4,220

6. Debtors and Prepayments

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014 £	2013 £	2014 £	2013 £
Other debtors	9,283	1,661	-	-
Total	9,283	1,661	-	-

7. Creditors and Accruals

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014 £	2013 £	2014 £	2013 £
Other creditors	10,278	1,364	-	-
Accruals and deferred income	3,966	970	-	-
Total	14,244	2,334	-	-

8. Restricted Funds**8.1 Funds held**

Fund Name	Purpose
Circus Kathmandu/Sapana Project	The establishment of a social circus "Sapana", with a core performing group "Circus Kathmandu". The group is made up of trafficking survivors and two former street children. They were taught contemporary circus skills for the entertainment of the general public in tandem with advocacy about the dangers of trafficking.
Counselling project	Grant funding received from Hatemalo originally for the purchase of a circus rig, reallocated to the operation of a small child counselling centre.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2014 (CONT.)**8.1 Restricted Funds (Cont.)**

Fund Name	Purpose
Jewellery and Mosaic	Funding support for a workshop in Kathmandu for trafficking survivors and deaf school leavers. The workshop teaches mosaic and silver jewellery techniques, producing products for the international wholesale market.
Office	Funding support for the set up of the Sano Paila project office in Kathmandu
Anti-trafficking project	Funds received for the broad range of anti-trafficking operations, including research, rescue and rehabilitation of trafficking victims. This year it included expenditure on "Orphan Business" activities.
Vocational Training	Grant funding received for general vocational training purposes
HH Child Support	Funds allocated towards the welfare of former children at "Happy Home" through grant support from Happy Home Slovakia.

8.2 Movement of Funds

	Fund balances b/f £	Incoming resources £	Resources expended £	Transfers £	Fund balances c/f £
Restricted Funds					
Circus	-	14,855	(22,122)	7,267	-
Counselling Centre	8,285	-	-	-	8,285
HH Child Support	-	11,167	(11,167)	-	-
Jewellery and Mosaic	-	23,827	(24,327)	500	-
Office	1	-	(1)	-	-
Other Projects	-	10,176	(8,933)	-	1,243
Anti-trafficking project	3,398	126,612	(117,018)	-	12,992
Vocational Training	500	-	-	(500)	-
Total Restricted Funds	12,184	186,637	(183,568)	7,267	22,520
Unrestricted Funds					
General	(62)	50,433	(50,888)	(7,267)	(7,784)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2014 (CONT.)**8.3 Analysis of Net Assets between Funds**

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Fixed Assets	-	-	-	-
Current Assets	(7,784)	22,520	14,736	12,122
Creditors due in more than one year	-	-	-	-
Total Net Assets	(7,176)	22,627	14,736	12,122

9. Transactions with Related Parties

No remuneration was paid directly or indirectly out of the funds of the charity to any trustee or to any person known to be connected with any of them.

No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the period.