



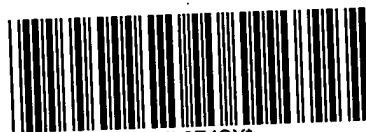
Freedom Matters

(a company limited by guarantee)

Report and Financial Statements
For the Year Ended 31st July 2015

Charity Number: 1148388
Company Number: 08161221

SATURDAY



A4L3E4SX

A25

28/11/2015

#243

COMPANIES HOUSE

Content	Page
Reference and administrative information	2
CEO Statement	3
Report of the Trustees	4-11
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15-18

Reference and Administrative Information

Charity Name Freedom Matters

Charity Registration No 1148388

Company Registration No 08161221

Directors/Trustees

Mrs Sarah Stacpoole (Chairman)

Mr Peter Hardy

Mr Douglas MacLagan

Major (retd) Tristan Forster

Mrs Jan Turner

Mr Tim Lewis (appointed 30th April 2015)

Major Prem Ale (appointed 27th July 2015)

Ms Gina Agnew (appointed 28th August 2014, resigned 14th October 2014)

Lt Col (retd) Johnny Fenn (resigned 1st January 2015)

Mr Martin Cheek (resigned 1st January 2015)

CEO

Lt Col (retd) Philip Holmes

Accountant (volunteer)

Ms Penny MacKay

Country Representative Nepal

Mr Madan Raj Joshi

Registered Office

Hughes Waddell, The White House, 2 Meadrow, 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 examiner

Nicholas Dodd FCA

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

Bankers

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

CEO Statement

At the end of Freedom Matters' third year our position has strengthened across the board and our prospects for the coming year appear to be very good indeed. The charity now has a full complement of very committed Trustees in support of me and in turn of our Country Representative in Nepal, Madan Joshi. Our presence in Nepal is about to be extended to become a full International NGO (INGO) that will further enhance operational support to our two main partner NGOs, Right4Children (R4C) and Kopila. Thanks to our growing strength in depth and the personal involvement of our Patron, Miss Joanna Lumley, we have seen our support base increase with income doubling over the previous year. Our reserves position has improved but much more needs to be done in this regard to ensure we can plan ahead with confidence.

Our operational progress was overshadowed by the tragic earthquakes that struck Nepal in April and May, leaving almost 9,000 people dead, 23,000 injured and half a million homes destroyed. Freedom Matters rose to the challenge of providing emergency relief to the worst-affected Districts. Trustee Jan Turner, who has extensive experience of disaster relief, flew out immediately to join Trustee Douglas MacLagan (who is based in Nepal) in designing and overseeing our response. It was one of my proudest moments in my time with Freedom Matters to witness the outcome of their efforts as I travelled with two of the 12 food convoys into Sindhupalchok District in highly efficient operations.

Another highlight from this year has been our really successful involvement in The Big Give Christmas Challenge 2014 when we joined with our German partner organisation, Hatemalo, in raising funds towards our new Kathmandu Child Trauma Management Service project that launched in April. The supporter response was staggering with a total of £46,840 being raised, placing us second within our sector. And this proved to be very timely as it meant our Service was in place and ready to operate at the time the earthquake struck, allowing us to support children who had been traumatised for that reason too.

Finally a huge personal thank you from me to our volunteers in UK and abroad without whose time, expert advice – and patience – I would really have struggled at various points during the year. We can all reflect now on the scale of what has been achieved and on the very positive future that lies ahead of us. And a particular word of thanks to the supporters whose sponsorship of my participation in the 2015 London Marathon led to my raising a massive £25,000 towards our work. Next year I will see if I can improve on the effort by running both the London and Paris Marathons in April as part of my "Tale of Two Marathons" challenge.

Philip Holmes
Lt Col (retd)
Dartmouth
August 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 2015. 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 (updated 2008) 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 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 in 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 its 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.
- *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 macroeconomies 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.
- **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. Prior to her retirement in 2015 Jan had been a teacher in a primary school in Kent.
- **Mr Tim Lewis:** Tim and his wife Maggie have been supporters of Philip and the work he has been doing in Nepal since meeting him in Hong Kong in 2000. At the time, Tim was a partner with KPMG Hong Kong, having arrived there in 1981 after qualifying as a chartered accountant in its London office in 1979. He retired in 2001, after 15 years as a partner in the Hong Kong firm, and returned to the UK. Since then, he has undertaken four treks in Nepal and India to raise funds for Freedom Matters and the Esther Benjamins Trust, and has become involved with various charitable or non-profit making bodies in a financial capacity or as a trustee.
- **Major Prem Ale:** Prem is a serving officer of the Brigade of Gurkhas and is currently assigned to Blandford Garrison Support Unit as the Second-in-Command. A keen supporter of Freedom Matters, he has also worked extensively with a number of charities such as the Gurkha Welfare Trust, The Royal Signals' Benevolent Fund, Hopad and Maiti Nepal. His heart is in Nepal and with his fellow countrymen. Prem will retire from the Army in mid-2016 to give more time for his research study at Oxford Brookes University. He holds a BSc (Hon) in Politics and International Relations and an MSc in International Security. He has travelled extensively during his military career and has gained ample experience and knowledge in national defence and security.

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.

Staff and volunteers

There are two permanent 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. Ms Binita Paudel became Madan's Programme Manager in September 2015.

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. A key achievement from this year has been Madan's preparation of the necessary paperwork to apply for International NGO (INGO) status that will give us a full country office with associated enhanced operational capacity. That application was approved on the 7th September 2015.

The charity's office is at the CEO's home in Devon. Philip is supported remotely 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 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. Freedom Matters has two project partners, Right4Children (R4C) and Kopila. R4C is currently leading on earthquake relief and reconstruction and is establishing a training/community centre in Pokhara (the "FAB School"). Kopila is implementing our Kathmandu Child Trauma Management Service (KCTMS) project. During the reporting period Freedom Matters also worked with the NGO Sano Paila but this relationship ended in December 2014 as we adopted a different strategy in addressing the "Orphan Business" (see below under "Project Areas").

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 four other charitable organisations; "Hatemalo" (Germany), "Child Welfare Scheme Hong Kong", "Running to Stop the Traffik" (Hong Kong) and ONGD-FNEL (Luxembourg-based Scouts and Guides Association). The relationship with these organisations is 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 may work in any part of the world, its project work is essentially focussed upon Nepal.

Project areas

The Orphan Business

Freedom Matters and Sano Paila first became involved in addressing “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. It should be noted that the devastation caused by the earthquakes has added to the “push” factors in rural areas. Strong evidence is emerging that trafficking is on the increase from these communities, including attempts to procure children for fake orphanages.

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.

Freedom Matters and its former Nepal partner NGO Sano Paila 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 proved to be extremely difficult to take action against him. Although eventually arrested and remanded in custody in February 2014 after being caught red-handed in a child kidnapping situation, his associates and wife continued to be allowed to operate "Happy Home". The District Prosecutor was not prepared to charge him with child trafficking, but instead with the lesser charges of fraud, kidnapping and severe torture of two girls at the facility. During his time in jail witnesses were intimidated such that by the time the case came to trial the witnesses had changed their statements to deny that there had been any kidnapping. In the end Acharya and his wife were found guilty only of severe torture and given modest fines. In spite of this conviction for serious child abuse they continue to operate "Happy Home".

Our conclusion has been that there is little to be achieved by prosecuting expensive court cases against the backdrop of orphanage corruption and public attitudes to orphanages. The best that can be done is to raise awareness in the national and international media about abuse of children and their rights in these facilities and the perils of becoming financially involved with orphanages, including through voluntourism. In this way we can hope to change public perceptions in Nepal while turning off the cash flow from abroad. Freedom Matters has been very active in this regard through the media and in social media. Looking ahead we are currently planning a major survey of the orphanages for late 2015/early 2016 that will shed more light upon this shadowy world.

Operational costs of supporting Sano Paila (including managing the welfare of rescued children) were shared with CWS HK and with Hatemalo. During this period we terminated our relationship with the charity "Happy Home Slovakia" which necessitated the write off of childcare costs that we had expected this organisation to fund.

Finally we also provided some modest financial support to the Belgian charity Action for Child Rights International (ACR-Int) in prosecuting a legal case against Bal Mandir (the second home that featured in the Unreported World report). Essentially this involved two of Bal Mandir's staff being accused of the repeated rape of three autistic girls over the period of a year. This led to convictions of two leading paedophiles, Rabin Shrestha and Rabin Chalise, with their being sentenced to 16 years in prison last December.

Kathmandu Child Trauma Management Service

Following our rescue of children from abusive orphanages in 2014 it became apparent that there was little provision for management of child trauma. So we responded by designing the Kathmandu Child Trauma Management Service (KCTMS) project, with Trustee Jan Turner spending time in Nepal to directly oversee and support the project design. The Project was designed to run over three years with the following objectives:

- To provide access to specialist therapeutic services to psychologically-traumatised children and adolescents in Nepal.
- To train agencies and childcare staff on identification of trauma cases, their management and referral.
- To sensitise families, communities and the general public on the impact of trafficking, abuse and psychological trauma on the lives of children and adolescents.

Year one costs were fully met through the Big Give Christmas Challenge and the project launched in April 2015. It was fortuitous that the Service was in place when the major earthquakes struck, allowing the Service to be extended to children who had been traumatised by the disaster. In the coming time we will explore how the project might reach out to children from more remote areas, including those worst-affected by the quakes.

Earthquake Relief

Two devastating major earthquakes struck Nepal on 25th April and 12th May 2015. According to government data, a total of 505,745 houses were completely destroyed and 279,330 partially damaged. The total number of fatalities reached 8,702 with over 23,000 people injured. The earthquake severely impacted 14 out of the 75 districts in the central and western region including Kathmandu valley. Freedom Matters was able to respond immediately thanks to the presence on the ground of Trustee Douglas MacLagan, who was supported by Trustee Jan Turner when she joined him a few days after the first earthquake. Most of our effort was focused on Duwarchaur Village Development Committee (VDC) area in Sindhupalchok District which lies northeast of Kathmandu. Working through R4C we were able to fund emergency supplies such as tarpaulins and mosquito nets along with providing food security for three months to all the people in the VDC area. Essentially over a period of 12 days in May we supported 10 relief convoys into all 9 Wards (boroughs) within the VDC area, benefiting 8,000 people. At the end of the month we funded most of the costs of an emergency relief convoy that delivered 33 tonnes of supplies to 5,000 people in Dolakha District, reaching desperate communities that had been previously cut off by landslides.

Looking ahead, our plan is to collaborate with CWS HK and ONGD-FNEL in reconstruction of a VDC area, Marpak, in another District, Dhading. This can only begin after the 2015 monsoon in mid-September, with Freedom Matters contributing an estimated £200,000 towards an overall budget of £532,000. This will benefit approximately 5,000 people.

Silver jewellery workshop

The silver jewellery workshop in Kathmandu operated by Sano Paila provided training and employment to 13 young people, ten of whom are trafficking survivors who worked alongside three deaf young people. At the end of 2014 this was established as an independent enterprise, the Nepalese company "Himalayan Jewellery".

Financial Review

This has been an extremely positive year for the charity financially with income of £462,613 being almost double the previous year's total of £235,439. Of this year's income £239,635 was expended, only slightly more than the previous year's expenditure of £234,456, leading to an operating surplus of £222,895.

Reserves policy

Although the situation has improved over the reporting period, the Trustees remain concerned at the low level of unrestricted funds/reserves, a problem that exists for many new charities. The Trustees aspire to holding unrestricted funds equating to three months of operating costs and will continue to work towards achieving that goal through donations, grants, challenges and events.

Public Benefit

The Trustees believe that Freedom Matters has complied with the Public Benefit provisions of the Charities Act. During 2014/2015 the Public Benefit of the various activities could be summarised as follows:

- Orphan Business – support given to 70 children who had once been inside rogue orphanages.
- Kathmandu Child Trauma Management Service – support services provided to 467 beneficiaries.

- Earthquake relief - support to Sindhupalchok District benefitted 8,000 people in Duwarchaur VDC, while the relief convoy to Dolakha District benefitted 5,000 villagers.
- Silver jewellery – 13 trained into employment.

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 Trustees are content that the overall risks to the Foundation are mitigated to an acceptable level.

Conclusion

In conclusion this has been a highly successful year for Freedom Matters although huge challenges remain in both UK and Nepal. The charity has become significantly stronger throughout the reporting period, with its work supported by a passionate Patron, committed Trustees, staff and volunteers and excellent international partners. In Nepal projects are implemented by high calibre NGOs now underpinned by a dedicated INGO. We look forward to a bright 2015/2016.

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).

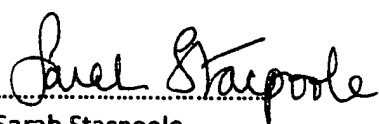
Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the Trustees 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 20/09/2015 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 2015 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants for England and Wales.

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.



N Dodd FCA
Hughes Waddell
Chartered Accountants
The White House
2 Meadrow
Godalming
Surrey GU7 3HN

Date: 19/11/15

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	2	93,603	368,927	462,530	235,439
Investment Income		83	-	83	19
		<u>93,686</u>	<u>368,927</u>	<u>462,613</u>	<u>235,458</u>
Incoming resources from charitable activities		-	-	-	1,612
TOTAL INCOMING RESOURCES		<u>93,686</u>	<u>368,927</u>	<u>462,613</u>	<u>237,070</u>
RESOURCES EXPENDED					
Cost of generating funds					
Cost of generating voluntary income	4	31,907	-	31,907	46,634
		<u>31,907</u>	<u>-</u>	<u>31,907</u>	<u>46,026</u>
Cost of charitable activities					
Project costs	4	-	205,347	205,347	183,568
Governance	5	2,381	-	2,381	4,254
TOTAL RESOURCES EXPENDED		<u>34,228</u>	<u>205,347</u>	<u>239,635</u>	<u>234,456</u>
NET INCOMING RESOURCES		59,398	163,580	222,978	2,614
Transfer between Funds		(20,525)	20,525	-	-
NET MOVEMENT IN FUNDS		<u>38,873</u>	<u>184,105</u>	<u>222,978</u>	<u>2,614</u>
Fund balances at 01 August 14	7	(7,784)	22,520	14,736	12,122
FUND BALANCES AT 31 JULY 15		<u>31,089</u>	<u>206,625</u>	<u>237,714</u>	<u>14,736</u>

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

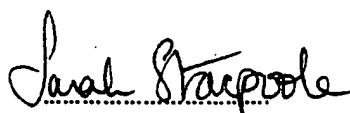
BALANCE SHEET AS AT 31 JULY 2015
(Company registration no. 08161221)

	Notes	2015 £	2015 £	2014 £	2014 £
CURRENT ASSETS					
Debtors		1,425		9,283	
Cash at Bank		<u>238,363</u>		<u>19,697</u>	
		239,788		28,980	
CREDITORS: Amounts falling due within one year					
	6	<u>(2,074)</u>		<u>(14,244)</u>	
NET CURRENT ASSETS			237,714		14,738
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>237,714</u>		<u>14,736</u>
FUNDS OF THE CHARITY					
Unrestricted Funds	7		31,089		(7,784)
Restricted Funds	7		<u>206,625</u>		<u>22,520</u>
TOTAL FUNDS	7		<u>237,714</u>		<u>14,736</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 20/09/2015 and signed on their behalf by:





~~XXXXXXXXXXXXXXXXXXXX~~
MRS S STACPOOLE - DIRECTOR

~~XXXXXXXXXXXXXXXXXXXX~~
M. P. HARDY - DIRECTOR

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2015

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, updated 2008), 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 are only included in the SOFA in the period in which they are earned.

1.1 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. Overhead costs including fundraising costs are managed at 15% of grant income. Governance costs consist of the independent examiner's fee and professional costs associated with the running of the charity. Costs are either allocated directly to the Charity's activities or apportioned between different activities at the discretion of the Trustees.

1.3 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.

1.4 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 2015 £	Total 2014 £
Donations and Grants				
Orphan Business (Rescue Agency)	-	7,924	7,924	126,612
Kathmandu Child Trauma Management	-	46,840	46,840	-
Earthquake Relief	-	288,020	288,020	-
Jewellery and Mosaic Project	-	1,629	1,629	22,215
Freedom Matters Nepal	-	3,477	3,477	-
Circus Kathmandu	-	-	-	14,855
General	91,253	-	91,253	50,414
Happy Home Child Support	-	(1,995)	(1,995)	11,167
Other Projects	-	23,032	23,032	10,176
Total Voluntary Income	91,253	368,927	460,180	235,439

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2015 (CONT.)**3. Employees****Employee Costs**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Gross wages and salaries	22,134	23,613	45,747	39,060
National Insurance	658	116	771	4,321
Total	22,792	23,729	46,521	43,381

Employee costs of £4,022 included under restricted funds relate to salary costs attributed directly to the Orphan Business Project, £10,714 relate to salary costs attributed directly to the Earthquake Relief Project and £8,993 relate to salary costs within Freedom Matters Nepal all of which are included within total project costs of £205,347 (note 4). The increased salary costs reflect the employment of the Nepal Country Representative.

Number of employees

The average number of employees during the period was:

	Total 2015 Number	Total 2014 Number
General administration	2.00	1.00

4. Analysis of Resources Expended

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Costs of Generating Funds				
Staff Costs	22,792	-	22,792	36,874
Training Costs	-	-	-	7
Travel & Subsistence	4,206	-	4,206	8,139
IT	968	-	968	-
Administration & Equipment	1,591	-	1,591	1,614
Total	29,557	-	29,557	46,634

Project Costs

Orphan Business (Rescue Agency)	-	18,649	18,649	117,018
Kathmandu Child Trauma Management	-	24,660	24,660	-
Earthquake Relief	-	136,375	136,375	-
Jewellery and Mosaic Project	-	1,014	1,014	24,327
Freedom Matters Nepal	-	8,993	8,993	-
Circus Kathmandu	-	6,166	6,166	22,122
Happy Home Child Support Project	-	1,250	1,250	11,167
Office Costs	-	-	-	1
Other Projects	-	8,240	8,240	8,933
Total	-	205,347	205,347	183,568

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2015 (CONT.)**5. Governance Costs**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Independent Examiner's Fee	840	-	840	840
Other Professional Costs	1,503	-	1,503	3,306
Bank Costs	38	-	38	108
Total	2,381	-	2,381	4,254

6. Creditors and Accruals**Amounts falling due within
one year**

	2015 £	2014 £
Accruals and deferred income	1,080	3,966
Other creditors	994	10,278
Total	2,074	14,244

7. Restricted Funds**7.1 Funds held**

Fund Name	Purpose
Orphan Business (Rescue Agency)	<i>Residual funds held for the rescue of children from orphanages, their subsequent care.</i>
Kathmandu Child Trauma Management	<i>Funds for the operation of a psychosocial support service for children who have been traumatised for a range of reasons</i>
Earthquake Relief	<i>Funds to be used for the relief and reconstruction of communities affected by the earthquakes of April and May 2015</i>
Jewellery and Mosaic Project	<i>Residual funds from the Himalayan Jewellery initiative which trained deaf young people and trafficking survivors into the arts and crafts sector</i>
Other Projects:	
FAB School (£18,994)	<i>Funds to be used for the building of a vocational training/community centre at Pokhara</i>
FM Research (£2,300)	<i>Funds to be used for a survey of orphanages and associated child trafficking in Nepal</i>
Vocational training (£384)	<i>Funds for general vocational training purposes</i>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2015 (CONT.)**7.2 Movement of Funds**

	Fund balances b/f £	Incoming resources £	Resources expended £	Transfers £	Fund balances c/f £
Restricted Funds					
Orphan Business (Rescue Agency)	12,992	7,924	(18,649)	-	2,267
Kathmandu Child Trauma Management	8,285	46,840	(24,660)	-	30,465
Earthquake Relief	-	288,020	(136,675)	-	151,645
Jewellery and Mosaic	-	1,629	(1,014)	-	615
Freedom Matters Nepal	-	3,477	(8,993)	5,516	-
Circus Kathmandu	-	-	(6,166)	6,166	-
Happy Home Child Support	-	(1,995)	(1,250)	3,200	-
Other Projects	1,243	23,032	(8,240)	5,643	21,678
Total Restricted Funds	22,520	368,927	(205,347)	20,525	206,625
Unrestricted Funds					
General	(7,784)	91,336	(31,938)	(20,525)	31,089

7.3 Allocation of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Net Current Assets	31,089	206,625	237,714	14,736
Total Net Assets	31,089	206,625	237,714	14,736

8. 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.

9. Taxation

The charity is not liable to taxation on the revenue from its primary activities or on its investment income as it is a registered charity.

10. Controlling party

The charity was controlled by the board of Trustees throughout the current and preceding year.