

### **Annual Report and Accounts 2017**



Kids in Kathmandu Nepal supports orphaned and underprivileged children and young people in Kathmandu by providing facilities and activities that assist in advancing their education to improve their life chances

# KIDS IN KATHMANDU NEPAL LTD (A company limited by guarantee) REPORT AND FINANCIAL STATEMENTS 01 JANUARY 2017 TO 31 DECEMBER 2017

**Company Registration Number: 07517465** 

**Charity Registration Number: 1142150** 

### Kids in Kathmandu Nepal Ltd

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Cover photo shows children from Ishwor School, which we started to support in 2017.

# KIDS IN KATHMANDU NEPAL LTD REFERENCE AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

#### **Trustees/Directors:**

• Lai See Chew Founder/Chief Officer

John Crowe

• Janet Davies Chair

Marjorie Jackson, OBE

Kate Pottinger (Appointed 25/05/2017)

• Stephen Smith

#### **Company Registration Number**

07517465

#### **Charity Registration Number**

1142150

#### **Registered Office**

58 Durban Road, Beckenham, Kent, BR3 4EZ

#### **Bankers**

HSBC Bank, 141 High Street, Beckenham, Kent, BR3 1BX

#### TRUSTEES' REPORT

The Trustees, who are also Directors of the charitable company for the purpose of the Companies Act 2006, submit their annual report and the financial accounts for Kids in Kathmandu Nepal Ltd (KIKN) for the year ended 31 December 2017.

The Trustees confirm that the annual report and financial accounts comply with the current statutory requirements, the requirements of the company's governing documents and the provisions of the Charities Commission Statement of Recommended Practice (SORP) FRS 102.

#### STRUCTURE AND GOVERNANCE

#### **Organisational Structure**

Kids in Kathmandu Nepal Ltd was incorporated as a company limited by guarantee on 02 February 2011 (company number 7517465) and registered as a charity with the Charity Commission on 27 May 2011 (charity number 1142150). The charity is governed by its Articles of Association. Legal responsibility for the management of the charity is vested in the Board of Trustees.

The charity has no members, other than the Trustees. It has no ties with any other organisation. The Board of Trustees makes all strategic decisions.

Mrs Janet Davies is the Chair.

Ms Lai See Chew acts as the Chief Officer of the charity and co-ordinates activities, including providing agendas and minutes of meetings, reporting to sponsors on the children they support and liaising with the orphanage and schools that we support in Nepal.

Ms Kate Pottinger attended the January 2017 Trustees' meeting as an observer. She was appointed as a Trustee on 25 May 2017.

The Save Lives Foundation Orphanage is the hub of the charity's work in Kathmandu. Uma Mathema, House Mother, is our key contact in Nepal. She liaises with the schools and with parents or families of sponsored children who live in their family homes, monitors operational projects and brings to our attention any matter she considers the charity needs to know. She assists the Chief Officer to identify and prioritise potential new projects. During the year, on our behalf, she purchases authorised goods for the children or schools from our Nepal bank account.

We do not give any money directly to the sponsored children, their families or the schools. We pay fees and pay for the goods and services directly to the providers, so we have control over how the money is spent.

Bank transfers of funds from our UK bank account to Nepal require the authorisation of the Chief Officer, the Chair or Mr Stephen Smith, after approval by Trustees. We have a dedicated bank account in Nepal, operated by Uma Mathema, and we receive copies of the bank statements, so that we are able to monitor expenditure.

The Charity's Annual General Meeting, in accordance with the Articles of Association, was held on 29 July 2017, when children's sponsors, friends and donors to the charity were invited to attend a 'thank you' lunch.

#### **Chief Officer Annual Visit to Nepal**

Each September, the Chief Officer, visits Nepal for a month, at her own expense, staying at the orphanage in Kathmandu, visiting the schools and meeting all sponsored children, to ensure that the transferred funds have been utilised as directed. She is also able to identify any matters of which the

Trustees should be made aware, including new children to be sponsored or additional requirements for funding at the orphanage or schools.

Prior to the Chief Officer's annual visit, the Trustees agree a budget for spends and projects, including a contingency, and on her return a detailed report on expenditure is provided to Trustees. Sponsored children's new clothing is purchased and distributed at the annual KIKN Open Day, during this visit. In September 2017, whilst the Chief Officer was in Kathmandu, Trustee, Mr John Crowe, also visited Nepal, at his own expense.

The Chief Officer writes a blog and regularly updates the KIKN Facebook site whilst in Nepal, and on her return sends out a newsletter to sponsors and donors on the charity's work in Kathmandu. The main aim is to keep the on-going interest and commitment of sponsors and donors by sharing with them news and events in the children's lives. We also send out e-newsletters and provide photographic displays and videos at the Annual General Meeting.

#### Staff

Kids in Kathmandu Nepal charity does not employ any staff and has no premises costs. All its administrative duties and fund-raising efforts are carried out voluntarily by the Trustees and by supporters of the charity.

#### **Recruitment and Appointment of Trustees**

The Articles of Association provide that Trustees (Directors) are appointed for a period of four years, when they must retire, but can be re-appointed in accordance with the rules outlined in clause 31 of the Articles of Association. The minimum number of Trustees is three, with no maximum number stated. Trustees can be appointed at any general meeting, under the terms of the Articles of Association.

Trustees are generally also sponsors of children supported by KIKN, or donors to the charity. We ask that all potential new Trustees attend a Board meeting and meet with the other Trustees, before consideration of appointment.

The Board of Trustees holds quarterly Trustees' meetings. The Chief Officer, Chair or other Trustees meet at least monthly, to oversee the administrative duties of the charity, to deal with financial matters and to plan activities, such as fund-raising events and publicity.

Induction and Training of Trustees: New Trustees are provided with detailed information about Trustee responsibilities, and provided with Trustee guidance material sourced from the Charity Commission. We refer to this guidance and to our Articles of Association, particularly when new Trustees are appointed.

A Trustee has attended a report writing course this year.

As the charity provides for the needs of children, albeit in Nepal, we have a Child Protection Policy which is given to Trustees and all sponsors of individual children.

#### **OBJECTS AND ACTIVITIES**

#### **Summary of Objects**

The charity's Objects are as follows:

- To relieve the poverty of orphaned and underprivileged children and young people up to the age
  of twenty-four (24) years in Kathmandu Nepal by the provision of clothing, equipment and other
  goods for daily living; and
- To advance in life and relieve the needs of orphaned and underprivileged children and young people up to the age of twenty-four (24) years in Kathmandu Nepal by providing support, facilities and activities which assist in advancing their education and developing their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.

#### Summary of the Main Activities Undertaken in Relation to these Objects

#### **Sponsored Children**

In December 2017 the charity was sponsoring a total of 40 children and young people. Eight sponsored children are cared for at the Save Lives Foundation Orphanage, five girls and one boy live in Parapokar Orphanage (said to be the oldest orphanage in Kathmandu) and the other children and young people are pupils from the Shree Neel Barahi School, Jana Sudhar School, Lubhoo School, other local schools, universities or teacher training colleges.

Nepal is one of the poorest countries in the world. Not all the children we support are orphans, but those who are not orphans are from destitute families, who would be unlikely to access educational opportunities without our support, particularly the ability to attend years 11 and 12 (sixth form in Nepal) and further education or university.

For sponsored children, the funding ensures that they have adequate summer and winter clothing, school uniforms and essential equipment for schooling, and pays for any school fees. For children who live with their families, we also provide a table and a large solar rechargeable battery lamp to enable them to do their homework during the intermittent power cuts (some homes have no electricity at all).

The majority of the sponsored children whom we support are girls. The Trustees have agreed that any further children we sponsor should preferably (but not exclusively) be female. Nepali girls from poor families are sometimes 'sold' and trafficked. They generally have less opportunity to access education. We consider that by supporting girls and young women, they will have greater opportunities to gain life skills for future employment and are less likely to be seen as a burden to their families.

All children put forward for sponsorship are carefully considered by the Chief Officer and the orphanage House Mother. Only children who come from truly destitute families can be considered, as they are the ones least able to access education.

However, we now have several sponsored children who are coming up to sixth form age, and who hope to go on to university, where fees are much higher. Therefore, Trustees have agreed that when a currently sponsored young person completes their education at school or university (whichever is the highest they achieve), we will not take on a new child, but ask the child's sponsor to join together with another sponsor to jointly help fund sixth form or higher education for one young person. To date, we have had a positive response from sponsors.

The majority of sponsors for individual children are friends, acquaintances, or contacts of the Trustees, and others have come via fund-raising events and publicity. Sponsors agree to provide

regular funding for a named child. The sponsors receive reports on their sponsored child's progress at school. In accordance with our Child Protection Policy, any communication from a sponsor to a child must be vetted by the Chief Officer.

#### Institutions

In addition to our sponsored children, we also continue to provide support to the Save Lives Foundation Orphanage, the Shree Neel Barahi Secondary School, Jana Sudhar Lower Secondary School, and Lubhoo School. Since September 2017, we have also supported Ishwor School.

The orphanage is in Bafal and the Shree Neel Barahi School is in Kalimati, impoverished next door neighbourhoods of Kathmandu where many of the families live below subsistence level. Jana Sudhar School is in Kimdole and Ishwor School is in nearby Swayambhu, again very poor areas in Kathmandu. Lubhoo School is in Lubhoo village in the Kathmandu Valley, where families similarly struggle to survive.

The schools are very appreciative of the support we have provided and each year, when the Chief Officer visits, they go to great lengths to put on wonderful welcome events to thank Kids in Kathmandu Nepal.

#### Summary of the Main Achievements during the Year

#### **Sponsored Children and Young People**

In December 2017, we were continuing to sponsor the education of 40 children and young people. One young woman, Asmita, whom we sponsored for several years, was studying accountancy at Kathmandu University, but changed to Business Studies in her final year and graduated in 2017. We are very proud of Asmita, particularly as she was elected as a local councillor in the 2017 national Nepal elections.

Two other sponsored young women are currently at university, one studying accountancy and the other teacher training.

Two sixth form sponsored students, who live at the Save Lives Orphanage, volunteer at Neel Barahi School, which is nearby to where they live. Another sponsored young person, who was living with her father, step-mother and two younger siblings in one over-crowded room, moved into the Save Lives Orphanage in 2017, and helps with chores before and after school. Living at the orphanage enables her to study more easily, but she continues to have contact with her family, who live close by.

We fund physiotherapy for a severely physically disabled sponsored sixth form student.

Each year, when the Chief Officer travels to Nepal, she visits all the sponsored children and takes a personal greeting from each sponsor to their sponsored child. She returns with letters from the children to their sponsors. The children at Save Lives Orphanage have good English language skills, and they often help those children who are less able to write English to compose their sponsor's letter.

#### **Save Lives Foundation Orphanage**

Our Chief Officer stays at the Orphanage whilst visiting Kathmandu each year. All eight children in the orphanage are supported by KIKN. The orphanage is in Kalimati, an impoverished area of Kathmandu where many of the families live below subsistence level.

We make a contribution to the rent and utilities for the Save Lives Foundation Orphanage. Previously we have funded the installation of solar panels, to improve access to power during power cuts and to have less reliance on the generator and its costly fuel. Following the 2015 earthquake, in view of the

badly contaminated water supply, we funded a water filtration system, and we increased the number of solar panels from three to five to enable continuous use of the fridge and the water pump.

We fund Nepali dancing, karate classes and maths tuition for the orphanage children.

During the Chief Officer's annual visit to Kathmandu, the Charity funds an Open Day at the orphanage for all sponsored children. The mothers (and occasionally fathers) of those children who live with (or have contact with) their families come together for the Open Day. All but one of our 40 sponsored children and young people attended the Open day in 2017, some travelling long distances with their families to reach the orphanage.

The sponsored children receive their new winter clothing (jackets, track suits, mufflers, vests, etc.) at the Open Day. The event is great fun and much food is consumed, as though they have not eaten so whole-heartedly for a long time.

In 2017, the Open Day was held immediately before Dashain, the most auspicious festival in the Nepali calendar, and which lasts for 15 days, celebrating the victory of good over evil, and observed by both Hindus and Buddhists. Schools are closed for 3-4 weeks over this period.

In view of all the unpaid work that Uma undertakes in Kathmandu on behalf of KIKN, the Trustees identify a small sum of money in the budget of the Chief Officer's annual visit to purchase a thank you gift for Uma Mathema. This might be something such as a new laptop computer or a washing machine – something of benefit to her daily living. KIKN could not function without her goodwill.

#### **Shree Neel Barahi Secondary School**

Shree Neel Barahi Secondary School is in Kalimati, a short distance from the Save Lives Orphanage.

The school takes children from nursery school age to sixth form. The school had some 700 pupils, when Kids in Kathmandu first began providing support in 2011, but the school has increased in size substantially since that time, very much in part due to the equipment and infrastructure that KIKN has funded over the years. In 2011, there were only 8 students in the sixth form, and now there are more than 200, with a total school population of around 1,000 pupils.

In past years, in addition to refurbishment & equipment projects, we have provided the school with a total of 35 desktop computers and computer desks, photocopier and solar panels. We fund 50% of the salary of a computer/science teacher, to enable the school to recruit a suitable candidate. During 2017, we were able to re-instate the full 50% funding, which we were forced to reduce in 2016, due to the falling exchange rate between the GB pound and the Nepali rupee, at that time.

Since January 2013 we have funded a breakfast club for nursery children and now 100 young children receive a daily nutritious breakfast. The school has reported that the children have benefited greatly from a regular meal at the start of the school day.

We continue to fund a member of staff to care for children who become unwell at school, so that they do not have to be sent home.

From a grant from Futures for Kids, we were able fund the purchase of an invertor (mini-generator) for the school in December 2017.

We fund extra-curricular karate classes and traditional Nepali dancing classes at the Shree Neel Barahi School. These classes are for the benefit of any child attending the school. The dancing and karate classes are very popular. During the Chief Officer's visit in September 2017, we funded the purchase of Nepali dance costumes, so that the school does not have to hire expensive costumes whenever they give a performance.

In September 2017, the Chief Officer was a guest at the school's 64<sup>th</sup> anniversary celebration, which was graced by the attendance of the President of Nepal, with very tight security in evidence. Some of our sponsored children attend Neel Barahi Secondary School, and took part in the karate and Nepali dancing demonstrations on the day.

#### Jana Sudhar Lower Secondary School

Jana Sudhar Lower Secondary School is in Kimdole district, close to the revered Swayambhu Temple (often known as the Monkey Temple, due to the large number of monkeys living in the vicinity). Kimdole is another impoverished neighbourhood in Kathmandu, and we started to support the school in 2013. There are around 400 pupils from nursery to fifth form age. Its school population is also expanding, again partly due to facilities KIKN has been able to provide.

Since 2013 we have funded the provision of flooring, tables and cushions for the nursery classrooms, furnished the school library, and funded a water purification plant after the 2015 earthquake. We have also purchased 25 computers and associated desks and chairs, and commenced funding 50% towards the salary of a computer teacher. We have funded the installation of solar panels, to ensure that the computers could be used during the regular power cuts.

We fund the school's annual supply of exercise books for the pupils, although in 2017 the school had sufficient left from the previous year, so during the Chief Officer's visit Trustees agreed to fund three tables and benches, for one classroom, instead. With a grant from Futures for Kids in December 2017, we were able to fund a further five tables and benches for the classroom.

In December 2017, the grant from Futures for Kids also enabled us to fund the purchase of a PA system and a glass trophy cabinet for the school. Some of this funding had been requested for stacking chairs, but the school decided that a trophy cabinet was more important to them. The trophy cabinet may appear less important to us, as funders, than school chairs, but we considered that we should respect the wishes of the school. They will take pride in being able to adequately display trophies received for their pupils' achievements.

In early 2014 we commenced a breakfast club for 80 nursery class children, although the school stretched the money to feed 100 children every school day, and in 2015, after the earthquake, we increased the funding to provide breakfast for another 100 children. The school reports much improved attendance since the breakfast club has been in operation. During 2017, we increased the breakfast club funding to fully cover the cost for 200 children per day.

KIKN sponsors several children who attend Jana Sudhar School.

#### **Lubhoo School**

KIKN has supported Lubhoo School since 2016. Lubhoo is a poor Newar village in the Lalitpur district of the Kathmandu Valley, east of Kathmandu, some 7 kilometres from the capital city (but 13 kilometres via potholed roads).

From grants and donations, we have previously been able to purchase 20 computers, desks and chairs, and to provide solar panels that would support the use of the computers during power cuts.

In 2016, we also commenced funding a much-needed breakfast club for 100 children at the school.

During the Chief Officer's visit in 2017, the Lubhoo School Principal spoke about the nursery class being more akin to providing a childminding, rather than an educational, function. It is difficult for the school to attract nursery teachers, as they are paid at a lower grade than other teachers. We have previously funded furnishings for the nursery classroom, but the Chief Officer saw no evidence of play activities when she visited, although the children enjoy nursery rhymes and cartoons on the television.

During 2017, we have funded the purchase of play equipment for the playground (swings, slide and two see-saws), two basketball poles and a PA system, mostly funded by a grant from Futures for Kids.

We sponsor several children who attend Lubhoo School.

#### **Ishwor Adharbhot School**

Ishwor Adharbhot School is a very small school near to Jana Sudhar School. In September 2016, when the Chief Officer was first introduced to this school, there were only 50 pupils. The school is very poorly furnished in a small compound serving an extremely poor community, where there are many beggar children. No school fees are payable.

In August 2017, after some debate amongst Trustees as to whether we had the resources to take on another project, the Trustees agreed to set up a breakfast club, having received a very generous gesture by one of our current sponsors to fund the breakfast club on an on-going basis.

From September 2017, we have funded breakfasts for 50 children, and intend to increase this to the whole school population in 2018.

During the Chief Officer's visit in 2017, we purchased a computer, printer, table and chair for the school, and purchased food for the families of the 30 beggar children.

In December 2017, from a grant from Futures for Kids, we purchased flooring and equipment for the beggar children's classroom.

#### Benefits to the Wider Community in Kathmandu

Almost all the goods and services we fund in Nepal are locally sourced in Kathmandu. The children's school uniforms and other clothing are tailored or purchased in the neighbourhood. Most tables, desks, cushions or any other furniture we purchase, are made by local carpenters and craftspeople.

The dancing and karate teachers have a regular source of income, as do the massage therapist and the Save Lives Foundation Orphanage maths teacher. In addition, the breakfast clubs at the four schools provide employment for the cooks, and all the raw food ingredients are sourced locally.

The computer teachers at Shree Neel Barahi Secondary School and at Jana Sudhar Secondary School and health care assistant at Shree Neel Barahi School have secure employment due to our funding.

The Chief Officer buys craft goods whilst in Nepal to sell in the UK to raise more funds.

We are pleased to report that the funds we raise in the UK not only enriches the lives of impoverished children in Kathmandu, but also benefits the wider economy through the provision of employment for local people and by supporting local businesses.

For sponsored children and young people whom we support, their educational opportunities assist them to go onto higher education or obtain employment, so that they are better able to support their own and their extended families, in the future.

We have asked those young people whom we support and are already in further education, that when they eventually have employment (and a suitable income) to consider supporting a young person still at school, so that the circle of educational opportunity continues.

#### **FUNDRAISING**

We have had another successful fundraising year.

All the children we sponsor are funded by individual sponsors, who donate a regular monthly or annual sum of money to the charity. We have also attracted more regular donors, who donate monthly or annually, but do not sponsor a named child. The sponsors and other regular donors are the backbone of our fundraising, and we are pleased that the number has increased during the year.

We are particularly thankful for the grant funding and support that we have received from Futures for Kids (since 2011) and from the John Horseman Trust (since 2015). In 2017, Futures for Kids granted us £10,000, some of which we used to purchase equipment for schools. We have kept some of this grant on account to help fund increased school and university fees expected in 2018. In 2017, The John Horseman Trust increased our funding from £2,000 to £5,000 and this has assisted greatly with the exchange rate pressures and increased school fees.

We also receive some smaller regular donations, and some sizable one-off donations, from friends and supporters of the charity.

Since June 2016, the fall in the exchange rate has impacted on our ability to fund our sponsored children and projects. We used to see an exchange of 150 to 160 Nepali rupees (NPR) per GB pound. This rapidly fell to 130 NPR in July 2016, where it has remained until the latter part of 2017, when it had risen slightly. Fortunately, with increased sponsorship and donations, we have been able to sustain all our ongoing sponsorships and projects.

During 2017 the Trustees and friends have organised several fundraising events. At some of the events we have sold the Nepali goods brought back from Nepal by the Chief Officer. The key fundraising events undertaken were as follows:

- Chinese New Year Celebration February 2017. The Chief Officer held a Chinese New Year food event.
- Supporters' Summer Lunch & Annual General Meeting July 2017. Sponsors and donors were invited to a lunch provided by the Chief Officer to thank them for their continued support. We held our Annual General Meeting at this event. Attendees often make a donation or buy Nepali goods, even though it is a 'thank you' event.
- Charity Cricket Match June 2017. Bromley Town Cricket Club hosted our annual charity cricket
  match against the Weekenders Cricket Club and we raised funds from raffle tickets, tombola, and
  cake sales.
- Cake Sales –June 2017 & December 2017. Homemade cake & Nepali craft sales were held at Lower Marsh, an NHS headquarters building.
- Christmas Dance November 2017. We held a pre-Christmas disco dance and raised funds from the sale of entrance tickets, raffle tickets and craft sales.

Other events where funds have been raised are:

- Golden Anniversary Celebration September 2017. Mary & Tony Gosden, KIKN donors, asked for donations to Kids in Kathmandu Nepal, in lieu of presents.
- Cake Sale & Raffle September 2017. Lewisham Social Care & Health, organised by Trustee Kate Pottinger.
- Italian Food Evening October 2017. Barbara Scott, a KIKN donor, hosted a charity evening of Italian food and drink.

 Craft sales at Stewart Fleming Primary School in Penge – December 2017. The Chief Officer and Trustee Stephen Smith attended to sell Nepali craft.

We would like to take this opportunity to give our sincere and grateful thanks to all our sponsors, friends, donors, and organisations who have contributed to our successful fund-raising activities during the year.

We especially thank the following individuals and organisations who have contributed to our fundraising:

- Futures for Kids Charity
- The John Horseman Trust
- Lyn and Sarah Noves
- Lewisham Council Social Care & Health Department
- · Lower Marsh NHS Staff, London SE1
- Mary & Tony Gosden
- Yoon Eng Pam (Malaysia)
- Barbara Scott
- Bromley Town Cricket Club
- Weekenders Cricket Club
- Stewart Fleming Primary School, Penge, London

#### **PUBLICITY**

#### Website, e-Newsletter and other Technology

Trustee Mr Stephen Smith regularly updates the KIKN website (<a href="www.kidsinkathmandu.com">www.kidsinkathmandu.com</a>) which is very user-friendly, publicizes our projects in Nepal, and provides a background to the charity and our Trustees.

During the past year our Chief Officer has continued to make regular postings on our Facebook page to further publicise events and to inform all of our followers about how we are spending their sponsorship monies and donations in Kathmandu. We have found this a powerful medium, especially the ability to guickly upload photographs from Nepal with the narrative.

Both the website and Facebook page have links to our Big Give charity fundraising web-page, and we find that we receive a regular stream of small and larger donations via that route.

We send out quarterly e-newsletters, which greatly enhances our ability to reach a wide audience and to keep our regular supporters aware of the progress of KIKN projects and of fund-raising events.

We also publicise our work and events on Twitter, but it remains unclear how effective this is, but it does create more publicity when tweets are retweeted to a wider audience.

The use of our card reader at cake and craft sales and other events has greatly enhanced KIKN's ability to sell goods. We have significantly increased our sales at fund-raising events, where potential buyers may not have enough cash, but have credit/debit cards available.

#### **RISK MANAGEMENT & OTHER POLICIES**

Trustees regularly review and update our Risk Management plan and other policies.

In addition, Marjorie Jackson, Trustee, has agreed to review Charity Commission updates, and to report back to Trustees on any matters that are relevant to KIKN, to ensure that Trustees are aware of and act upon such matters, as appropriate.

#### **Risk Management**

The KIKN Risk Management plan was reviewed in May 2017 and changes approved by Trustees in July 2017. The main area of risk considered was succession planning for both the Chief Officer/Founder, Lai See Chew, in UK, and Uma Mathema in Nepal. Both aspects have been explored and potential resolutions found, to the satisfaction of Trustees.

We also agreed that the bank account in Nepal should have a second signatory, in addition to Uma Mathema, who holds the account on KIKN's behalf. A second signatory in Nepal, Om Shrestha, Chair of the Saves Lives Foundation, and known to the Chair and Chief Officer, was added to the Nepal account in December 2017.

#### **Other Policies**

We have the following policies, all of which are posted on our website:

Child Protection (Revised January 2017)

Privacy and Data Protection (Revised May 2015)

Banking Information and Scheme of Delegation (Revised October 2017)

Reserves (Revised July 2017)

#### **OBJECTIVES AND PLANNED ACTIVITIES**

#### **Objectives and Planned Activities for 2018**

We aim to undertake the following activities in 2018 to meet our charitable objectives:

- 1. *Trustees* to maintain the current number of Trustees and to identify potential new Trustees who will contribute to the work of the charity.
- 2. Regular Donors to increase the number of other regular donors.
- 3. *Sponsors* to maintain the current number of sponsors, to enable sponsored children and young people to remain in education until at least school leaving age.
- 4. *Higher Education* to fund university and higher education courses for our sponsored children, as required and if affordable.
- 5. *Extra-curricular Classes* to continue funding Nepali traditional dancing and karate classes at Neel Barahi School and Save Lives Foundation Orphanage.
- 6. On-going Support to Current Projects to raise sufficient funds to continue support of on-going projects (e.g. breakfast clubs for nursery children at the four schools, plus funding salaries of computer teachers, massage therapist and school health assistant).
- 7. Exchange Rate to maintain our projects within the restraints on funds due to the fluctuations in exchange rates between GB Pound and Nepali Rupee.
- 8. New Projects to prioritise any newly identified projects with regards to available funding.
- 9. *Local Resources* to continue sourcing goods that we purchase in Kathmandu from local suppliers and crafts people to contribute to the local economy.
- 10. Futures for Kids & the John Horseman Trust keep both organisations fully informed about the projects we fund from their grants.
- 11. Other Grant-making Organisations to identify and make applications to other funding bodies to increase the funds available for ongoing or new projects.
- 12. *Fundraising activities* to organise fundraising activities to raise additional funds and to engage friends, supporters, and local communities in the work of the charity.
- 13. Publicity and Technology to regularly update our website and Facebook page, to send out regular e-newsletters, to ensure that as many ongoing supporters and others are aware of fundraising events, know how to make donations to the charity, and receive updates on our work and projects in Nepal.
- 14. *Policies* to review and update, as required, KIKN's policies and Risk Management plan. This is particularly relevant to the Privacy Policy and Data Protection, in view of new guidelines.

The six Trustees volunteer their time, personal skills and resources to ensure that the charity continues to thrive and achieves its objectives. We aim to maintain our income streams from sponsors, other donors and fundraising events so that we can continue to meet our commitment to support and benefit the children at the Save Lives Foundation Orphanage, Shree Neel Barahi School, Jana Sudhar School, Lubhoo School, Ishwor School and other children and young people whom we support through individual sponsorship.

The Chief Officer will return to Nepal in September/October 2018, staying at the orphanage and undertaking business on behalf of the charity relating to the orphanage, schools and sponsored children and young people. She will identify any new project requests for Trustees to consider on her return.

It is expected that a total of three Trustees and a sponsor will be traveling to Kathmandu in September 2018.

### KIDS IN KATHMANDU NEPAL LTD TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2017

#### **FINANCIAL REVIEW**

Our total expenditure for the period was £40,973 and with an income of £59,564 we have net incoming resources of £18,591. Together with funds carried forward from the previous year, there is a sum of £27,399 at year end on 31 December 2017.

This surplus includes a sum of £4,800 Gift Aid reclaimed for 2017, but not yet received, and a scheduled quarterly payment of £6,181 to Nepal due to be transferred in January 2018. In addition, some of the grant funding received is to be held on account to help fund university fees for five young people currently in 6<sup>th</sup> form at their respective schools.

The Balance Sheet shows current assets as £27,399, when the Gift Aid reclaim of £4,800 due from HMRC is taken into account.

Whilst it might appear that the income raised during this period is considerably less than funds raised during the period of the previous accounts. This is due to the previous accounting period covering eighteen months.

Funding for all activities is raised by donations, from friends of the charity, from fundraising events or from grants. Sponsors of individual children make payments of regular donations to support a named child.

#### **Policy on Reserves**

In July 2017, the Trustees approved an increase of the reserve from £2,000 to £5,000.

The rationale for this increase of the reserve was because there are an increased number of sponsored children entering sixth form and higher education, where education costs are higher, and also more school projects are being funded in Nepal. Thus, if we lose any sponsors or regular donors, we have more funds in reserve to cover a shortfall.

#### **Funds Materially in Deficit**

We have no funds in deficit.

#### **Funds held as Custodian Trustee**

We hold no funds as Custodian Trustee.

#### Trustees' Responsibilities in Relation to the Financial Statements

The Trustees (Directors) 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 gives a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

 Appoint an Independent Examiner to examine the accounts and to provide an Independent Examiner's Report.

The Trustees are responsible for keeping adequate 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.

As a smaller company, under the terms of the Companies Act 2006, the Trustees have not required the accounts to be audited, but we are required by the Charity Commission to have the accounts independently examined.

This report was approved by the Trustees on 18 April 2018 and signed on their behalf by:

**Janet Davies** 

J. Daviel

Director

Lai See Chew

hSchen

**Director** 

### KIDS IN KATHMANDU NEPAL LTD STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

#### **Statement of Financial Activities**

	Notes		£
		2017	2016
Incoming Resources		Unrestricted Funds	Unrestricted Funds
Donations and grants	2	53,258	67,760
Fund-Raising Income	3	6,306	11,102
Other income	4	0	25
Total incoming resources		59,564	78,887
Resources Expended			
Charitable activities: supporting sponsored children, an orphanage and four schools in Kathmandu	5	36,241	74,119
Purchase of Nepali Goods		684	925
Fees	6	263	545
Governance Costs	7	2,406	476
Administration Costs	8	188	1,156
Fundraising Costs	9	1,191	1,408
Total Resources Expended		40,973	78,629
Not Incoming Poscuroes		18,591	258
Net Incoming Resources			
Other Gains and Losses		0	0
Cash at bank & in hand at start of year		8,808	15,850
TOTAL FUNDS CARRIED FORWARD		27,399	16,108

The notes found on pages 17-19 form part of this Statement of Financial Activities and of the Balance Sheet on the following page.

The Independent Examiner's Report can be found on page 20.

#### KIDS IN KATHMANDU NEPAL LTD

#### **BALANCE SHEET**

#### FOR THE YEAR ENDED 31 DECEMBER 2017

#### **Balance Sheet**

		£	£
		2017	2016
Fixed Assets			
Tangible Assets		0	0
Investments		0	0
Total Fixed Assets		0	0
Current Assets			
Stock and work in progress		0	0
Debtors	10	4,800	7,300
Cash at bank and in hand at year end	11	22,599	8,808
Total Current Assets		27,399	16,108
Creditors: amounts due within a year		0	0
Liabilities and charges		0	0
Net Assets		27,399	16,108
Funds of the Charitable Company			
Unrestricted funds	12	22,399	14,108
Designated Reserve Fund - unrestricted		5,000	2,000
TOTAL AVAILABLE FUNDS		27,399	16,108

#### Audit Exemption Statement

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to smaller companies.

#### Directors' responsibilities:

- The Trustees have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006
- The Directors acknowledge their responsibility for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts,
- These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS 102 SORP.

Janet Davies, Director

Lai See Chew, Director

hSchen

# KIDS IN KATHMANDU NEPAL LTD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1. Accounting Policies

#### 1.1 Basis of preparation

These accounts have been prepared on the basis of historic cost convention in accordance with:

- the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, to be used for accounts commencing on or after 01 January 2016.
- and with the Charities Act 2011.

#### 1.2 Change in basis of accounting

The accounts for 2017 are for a period of twelve (12) months. The previous accounts covered a period of eighteen (18) months, following a change in the charity's Accounting Reference Period.

Cash at Bank at the start of year included a Reserve Fund of £2,000 and at the end of year now includes a Reserve Fund of £5,000. Both include a float of £100 held as cash for fund-raising events.

#### 1.3 Changes to previous accounts

None

#### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources
- · the Trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Donations and Grants are only included in the SoFA when the charity has unconditional entitlement to the resources.

Gift Aid Tax reclaims are included to the value expected to be reclaimed from HMRC with regards to eligible donations received since registration with the Charity Commission on 27 May 2011.

The charity has no investments.

#### 1.5 Expenditure and liabilities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities for its beneficiaries.

Fund-raising costs are those costs incurred in setting-up events to attract income.

The charity has no fixed assets.

There are no liabilities or charges due.

#### 2. Donations and Grants

Donations and grants are from the following sources:

	£
Sponsor & Other Donations	26,021
Grants from Futures for Kids	10,000
Grants from John Horseman Trust	5,000
Gift Aid Reclaim 2016	7,437
Gift Aid Reclaim 2017 (Estimated)	4,800
Total	53,258
	,

### KIDS IN KATHMANDU NEPAL LTD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 3. Fund-raising Income

Fund-raising income includes income from and donations towards all events held during the accounting period. It also includes the sale of Nepali goods at these events.

#### 4. Other Income

No other income has been received.

#### 5. Resources Expended on Charitable Activities

Expenditure is broken down for sponsored children, Saves Lives Foundation Orphanage and projects at four schools

	£
Sponsored children (including school fees, educational equipment & clothing)	4,999
Additional 6th form tuition fees for 5 sponsored young adults	2,268
University fees and subsistence allowance for two students	1,107
Open Days for children & families at Save Lives Foundation	595
Karate & dancing class teachers at Shree Neel Barahi School	1,098
Breakfast Club for 100 nursery children at Shree Neel Barahi School	3,688
Nepali traditional dance costumes at Shree Neel Barahi School	276
Salary 0.5 computer/science teacher at Shree Neel Barahi School	960
Health care assistant at Shree Neel Barahi School	1,200
Invertor (generator) for Shree Neel Barahi School	823
Breakfast Club for 200 nursery children at Jana Sudhar School	7,332
Salary 0.5 computer/science teacher at Jana Sudhar School	960
PA system for Jana Sudhar School	380
8 long classroom desks & bench seats for Jana Sudhar School	1,168
Glass-fronted trophy cabinet for Jana Sudhar School	150
Breakfast club for 100 nursery children at Lubhoo School	3,688
Play equipment for Lubhoo School playground	462
Basketball poles for Lubhoo School	303
PA system at Lubhoo School	380
Breakfast club for 50 children at Ishwor School (started September 2017)	461
Flooring seating cushions & play equipment for Ishwor School	500
PC, printer, desk & chair for Ishwor School	738
Contribution to rent & utilities at Save Lives Foundation Orphanage	1,800
Thank you gift for Uma Mathema, Save Lives Foundation	350
Therapist for Laxmi, disabled sponsored young person	380
Taxi fares to visit sponsored children and projects in Nepal	175
Total	36,241

# KIDS IN KATHMANDU NEPAL LTD NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 6. Fees

Fees are for web-site hosting, bank charges for transferring monies to Nepal, and filing at Companies House.

#### 7. Governance Costs

Governance costs include costs for the Annual General Meeting and printing the Annual Report. Also included are travel costs for the Chief Officer's visit to oversee the Charity's projects in Nepal in September 2017. The money was reimbursed by the Chief Officer as a donation to the Charity.

#### 8. Administration Costs

These costs include postage, printing and stationery.

#### 9. Fundraising Costs

This includes hall hire and ticket printing for 2017 dance, and food and refreshments for fundraising events. The charity also purchased an awning for use at outside events.

#### 10. Debtors

The sum of £4,800 is the amount the charity expects to receive from HMRC from the Gift Aid reclaim for 2017.

#### 11. Cash at Bank and In Hand

On 31 December 2017, the sum of £22,599 is cash in our bank account, including the £5,000 reserve fund, and a £100 cash float.

#### 12. Unrestricted Funds

There are no restrictions on any of the expenditure of the donations and grants received, provided such expenditure complies with the Objects of the charity. The Reserve Fund of £5,000 is identified separately as an unrestricted Designated Fund.

#### 13. Company Status and Corporation Tax

The company is limited by guarantee and does not have a share capital. The liability of the members, in the event of winding up, is limited to £10 each.

#### 14. Corporation Tax

The Charitable Company submits a Corporation Tax return to HMRC, as and when requested. To date, as a registered charity, we have been exempted from any charges.

# KIDS IN KATHMANDU NEPAL LTD INDEPENDENT EXAMINER REPORT FOR THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### Independent examiner's report to the trustees of Kids in Kathmandu Nepal Ltd

I report on the accounts of the Kids in Kathmandu Nepal Ltd (Charity no 1142150), which are set out on pages 15-19, for the period ended 31 December 2017.

#### Respective responsibilities of trustees and examiner

The Charity's 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 year under section 144 of the Charities Act 2011 ("the Charities 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 Charities Act
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act), and
- · to state whether particular matters have come to my attention

#### Basis of independent examiner's statement

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 the 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 material matters have come to my attention which gives me reasonable cause to believe that, in any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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 the
- the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

I 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.

Name: Tracy Richardson

**Relevant professional qualification or body:** ACMA (Associate Member of Chartered Institute of Management Accountants)

Address: 85 Norman Road, Leytonstone, E11 4PY

Signature:

Date: 31 March 2018

### KIDS IN KATHMANDU NEPAL LTD TRUSTEES' REPORT 2017 APPENDIX A – CASE STUDY

#### BREAKFAST (TIFFIN) CLUBS FUNDED BY KIDS IN KATHMANDU NEPAL

Kids in Kathmandu Nepal funds breakfast clubs at each of the four schools that we support in Kathmandu, feeding up to 450 of the youngest children every school day.

KIKN's journey into providing breakfast clubs at the schools we support, started in September 2012, during the Chief Officer's annual visit to Nepal. The Principal of Shree Neel Barahi School reported that many of the pupils came to school hungry, and that this was impacting on their learning abilities. Trustees agreed to fund a trial breakfast club for 52 of the neediest children and this first KIKN-funded breakfast club started in January 2013.

The food would be basic, but we specified that it should include some protein, such as eggs, several times a week. The food was prepared in a kitchen at the school, by women employed by the school to prepare and cook the food.

It should be noted that In Nepal, the breakfast club food is called 'tiffin', which is an old British Colonial word used in India and Nepal to denote a light meal taken around midday. The origin of the word 'tiffin' is thought to come from 'tiffing', an obsolete form from the verb 'tiff', meaning 'to sip'. As tiffin implies, the breakfast club meal is taken late morning at the schools, rather than before the start of the school day.

When the Chief Officer visited Shree Neel Barahi School in September 2013, two issues became apparent. Firstly, some of the older children felt stigmatised by attending the breakfast club and were not attending school, and secondly, the Chief Officer was unhappy with the quality of the food being offered, with regards to the funding we were providing.

It was agreed to concentrate the breakfast club resources to provide nourishment to the youngest children in the school. The Principal also requested that the number of children funded for breakfast be increased to 100 pupils. Trustees agreed, and since January 2014 we have provided daily breakfasts for 100 nursery children at Shree Neel Barahi School, during the school terms.



With regards to the quality of the food being offered at Shree Neel Barahi School, the women originally preparing the food were replaced by women who understood KIKN's ethos to provide nourishing food for the children. Uma Mathema, of Save Lives Foundation Orphanage was a great source of support and practical advice with regards to setting up the breakfast club. She was very helpful in discussions with the school to ensure that the quality and delivery of food was the best we were able to provide within the resources.

Initially, it had been thought that we might roll out the breakfast club to the whole school, but with Neel Barahi School's increasing pupil roll, it became clear that we did not have the financial resources to do this. Also, we were growing as a charity, and had more schools calling upon our funds. We agreed to concentrate on providing food for the youngest children only.

### KIDS IN KATHMANDU NEPAL LTD TRUSTEES' REPORT 2017 APPENDIX A – CASE STUDY

In January 2014, we commenced funding a breakfast club at Jana Sudhar School. We provided



funding for 80 young children to have breakfast every day, but the school stretched this to feed 100 children daily. Following the April and May 2015 earthquakes, when Jana Sudhar School was severely damaged and many local families and children attending the school were traumatised, we began to fund daily breakfast for an additional 100 children.

The initial funding came from our successful earthquake appeal. Subsequently, with additional donations, and particularly from annual grant funding from the John Horseman Trust, we have been able to continue the breakfast funding for

180 children (with the school actually feeding 200 children). From January 2017, we have been able to fully fund breakfast for 200 children at Jana Sudhar School.

We recognised that breakfast for school children was an important means of encouraging parents to send their children to school. Both Shree Neel Barahi and Jana Sudhar Schools had reported that the lure of daily food increased attendance and also improved the concentration of the school children.

In early 2016, when we received a generous donation from a sponsor, we were able to start funding a breakfast club for 100 pupils at Lubhoo School.

At the schools, the food is prepared daily on the school site, in fairly rudimentary kitchens. The children are encouraged to take their own bowls to school for the food and they queue patiently and



excitedly for their tiffin. There is little protein on offer at home for most families whose children attend the schools we support.



### KIDS IN KATHMANDU NEPAL LTD TRUSTEES' REPORT 2017 APPENDIX A – CASE STUDY

We commenced funding a breakfast club at Ishwor School in September 2017, when one of our sponsors generously agreed to provide on-going funding for this breakfast club.



A local community worker and activist (in photo above) had been trying tirelessly to secure the agreement of the mothers of 30 beggar children to attend school. The incentive of a daily breakfast club meal was enough to get the beggar children into regular schooling, and now the school roll has 80 pupils. The beggar children still go begging before and after school, but they are receiving nutritious daily food and an education.

We consider it a huge achievement to have been able to fund the breakfast clubs from scratch, to have incrementally set up a breakfast club in each school we support and to have been able to raise enough donations to maintain the delivery of daily meals at the four schools.

#### Some of KIKN's Sponsored Children and Young People

Seven of the eight young people from Save Lives Foundation Orphanage.





Lai See Chew, Chief Officer, first met most of these children when she stayed at Save Lives Foundation Orphanage in Kathmandu in 2008, whilst volunteering at a local hospital.

Asmita (centre) our first graduate, and now local councillor, catching up with friends at KIKN's 2017 Open Day.

Asmita attended Neel Barahi School when we first started to sponsor her.



Young women & one young man from Neel Barahi Secondary School at the 2017 KIKN Open Day. We have sponsored them since 2010 (just before becoming a registered charity in 2011).



Some of the same young people with their mothers, and Lai See Chew, Chief Officer.



Santosh, a sponsored young man from Neel Barahi School, with his grandmother.



Santosh and his family live in a shack in a slum along the polluted riverside in Kathmandu.

Like many families in Kathmandu, they have no access to clean running water or electricity.



Sponsored girls from Lubhoo School





Manu, one of the Lubhoo girls, with her mother, outside the family shack home, standing by the winter wood pile.

Christina, another of the Lubhoo girls, with her grandmother outside the family shack home and shop.



These children walk long distances along muddy paths to reach the bus to get to school.

Sponsored girls, Mina and Kusma from Jana Sudhar School.



MSU



Above – Sponsored Girls from Parapokar Girls Orphanage.

Right – Deepak (centre front) sponsored boy with his friends from Parapokar Boys Orphanage.

#### Neel Barahi School



Nursery children at Neel Barahi School

Science Room at Neel Barahi School, which KIKN has helped furnish over the years.

We also fund 50% of the salary of science/computer studies teacher.





#### Jana Sudhar School



Above - Principal & computer/science teacher at Jana Sudhar School. KIKN purchased computers in previous years from FFK grants and we fund 50% computer/science teacher's salary.

Above – Senior pupils at Jana Sudhar School

Left- benches provided by KIKN in 2017 with help from FFK grant.

Right – nursery children in room furnished by KIKN.



#### **Lubhoo School**



Lubhoo main school building



Lubhoo School playground equipment purchased from grant received from FFK in 2017.



#### **Ishwor School**

A classroom at the small Ishwor School.
There is no glass in the window, so it will be very cold in winter.





Books, paper and writing materials donated by KIKN to Ishwor School.

Food donated by KIKN to the families of the 30 beggar children for the Dashain festival.



#### **Shopping for the Sponsored Children's New Winter Clothes**



Uma in the market streets in Tamil, Kathmandu.

#### KIKN Open Day at Save Orphanage September 2017





Above left – Receiving new winter clothes.

Above right – children & mothers eating lots of food.

Left – Lai See Chew and Uma Mathema