

DARJEELING CHILDREN'S TRUST

FINANCIAL REPORT 2014, (including ANNUAL ACCOUNTS)

Summary

The Trust has had another successful year, carrying out a wide range of activities in Darjeeling, and collecting and delivering substantial funds for the 100 Darjeeling Children Appeal (the "Appeal") – supporting the redevelopment of the orphanage in Darjeeling owned and run by the Kripasaran Buddhist Mission. The Trust's forecasts suggest that it will be able to continue this level of activity into the future.

The Year in Figures

Total receipts in the year were £94,679, easily the highest annual level since the Trust was formed. The majority of these receipts, £56,673, were for the Appeal, (a restricted fund). Unrestricted receipts were £38,006, again an increase over 2013. At the end of 2014 the Trust had collected £310,000 since its foundation in 2008.

Payments out of the Trust's bank accounts were £92,646. Of this

- £35,833 was spent on the Trust's general activities in Darjeeling, and
- £56,813 was applied to the Appeal, either to help fund phase 1 of the redevelopment, or to set up related fundraising events.

Total payments since 2008 in support of the children and young people of Darjeeling are £253,000.

Trust year-end balances increased slightly during the year, to £63,690, of which the Appeal fund accounts for £39,545. This will be transferred to the Mission for the construction of phase 2 of the orphanage. The remainder, £24,145, is held in the UK or in Darjeeling and will be spent on the Trust's unrestricted activities during 2015, or held as reserves.

The Trust operates two bank accounts. An account at the Co-operative bank holds funds for the Trust's general activities in Darjeeling, (unrestricted activities), while an account at the Charities Aid Foundation collects for the 100 Darjeeling Children Appeal. The year-end cash balance of £63,690 was made up of:

The Co-operative bank	£17,867
Charities Aid Foundation	£39,545
Cash held in Darjeeling	£6,278 (unrestricted activities)

Each of these balances is in line with forecasts and represents a normal working balance for the activity.

The Trust maintains detailed financial forecasts for two years beyond the year of account. These forecasts show that the Trust will be able to continue its current level of general activities and its

financial support to the orphanage redevelopment. General reserves held in the UK should remain at or above the Trust's recommended minimum level, £5,000.

Trust forecasts are based on an exchange rate assumption of Rupees 95 = £1. This is substantially more favourable than the rates available up to the middle of 2013. The Trust's risk management plan will consider the action it would have to take should the exchange rate worsen considerably.

Further details of the Trust's finances are given in the attached Receipts and Payments and Assets and Liabilities statements, and their notes, and the Trustees' report. These statements will when approved be submitted to the Charity Commission during 2015.

Restricted funds

The Trust operated a single restricted fund during 2014:

The 100 Darjeeling Children Appeal

The Trust originally undertook to raise funds for the orphanage redevelopment over a three year period, in line with the original construction timetable. Due to a number of factors, including on-site conditions, completion will now take longer but this extended timetable should not affect the Trust's ability to support the project.

Receipts

Child sponsorship

Child sponsorship receipts in 2014 were £13,665, an increase of 13% over the previous year. This increase is due to a higher number of sponsors and greater efficiency in collecting contributions.

Fundraising targets

The Trust's target is to raise £12,000 a year for general funds from ad hoc donations and from fundraising events. Despite fundraising efforts in 2014 being directed mainly to the Appeal the Trust was able to exceed the target by £2,800. Ad hoc donations were similar to those in 2013, at £4,358, but income from fundraising events exceeded the previous year, at £11,733. The principal sources were the Golf Day, £7,652, and an ascent of Kilimanjaro, which raised £3,359 before gift aid.

The Trust has no specific targets for fundraising for the Appeal. Receipts have continued to come from standing order and ad hoc donations, but by far the greatest source in the year was the second Bricks and Mortar Ball, held in London on November 22nd. This was a major event, organised by the trustees themselves, that attracted 240 guests. Income from the Ball in 2014 was £47,825. The overall profit from the event was approximately £33,000.

Gift aid

At the time of writing all gift aid claims were up-to-date. The claim for 2014-15 will be made during 2015.

Payments

General activities

The Receipts and Payments statement analyses the £92,646 spent during the year. All the general activities from 2013 continued into 2014. Significant changes in level of spend are:

- School improvements: the improved exchange rate allowed the Trust to provide funding for the re-roofing of the Mahatma Gandhi High School hall, (£4,000). The Trust has a good relationship with this school and funded improvements there in earlier years.
- Child sponsorship: the costs of school uniforms and ancillary items are usually incurred in the autumn of the previous year. Because of conditions in Darjeeling in 2013 these payments were made early in 2014, hence the substantial increase in costs.
- Other activities includes: the travelling library (a literacy scheme); learning through music (music literacy); healthcare and other support to the children at the existing orphanage.

Trust running costs

These are analysed in the notes to the R&P statement. Electronic cash transfer fees continue to be the largest cost. Running costs in 2014 were 1.2% of total expenditure.

The 100 Darjeeling Children Appeal

In 2014 the Trust transferred £41,737 to the Mission to allow phase 1 to be completed. Total trust funding to the end of 2014 for this project is £68,572, of which £57,489 has been for construction and £11,083 for project management fees.

Independent examination

The approved accounts for 2013 were independently examined during 2014. They were approved without qualification.

Recommendation

The Trust is recommended to approve the attached statements Receipts and Payments 2014, and Assets and Liabilities at 31.12.2014, and the Trustees' Report, as the Trust's financial summary for 2014.

Approved March 28th 2015