

Company No: 6031876
Charity No: 1119544

THE GLOBAL FUND FOR CHILDREN UK TRUST

REPORT AND FINANCIAL STATEMENTS

30 JUNE 2016

The Global Fund for Children UK Trust

**Report and Financial Statements
For the year ended 30 June 2016**

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The Global Fund for Children UK Trust
Reference and administrative details
For the year ended 30 June 2016

Company number	6031876
Charity number	1119544
Registered office	c/o Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Operational address	1 Fore Street Moorgate London EC2Y 9DT
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Michael Daffey – Chairman Dina de Angelo (resigned 31 st March 2016) Michel Antakly (appointed 22 nd February 2016) James Channo Susan Goodell Nick Grace - Treasurer John Hepburn – Vice Chairman David Kowitz Francesca Lagerberg (appointed 22 nd February 2016) James Sheridan Vagn Sørensen (appointed 22 nd February 2016) David Zezza (resigned 2 nd March 2016)
Bankers	CAF Bank Limited 25 Kings Hill West Malling Kent ME19 4JQ
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

**The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016**

The trustees are pleased to present their report and the audited financial statements for the year ended 30 June 2016.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements. The financial statements are prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP 2015) "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)", and the Companies Act 2006.

Structure, Governance and Management

The organisation is a charitable company limited by guarantee, incorporated on 18th December, 2006 and registered as a charity on 7th June, 2007.

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.

Established in the USA in 1994, The Global Fund for Children (GFC) has become one of the largest global grassroots grant makers having distributed £27 million to over 700 innovative grassroots organisations working in 79 countries around the world, touching the lives of nearly 10 million children.

The Global Fund for Children UK Trust was registered as an independent charity on 7th June, 2007 to extend the vision and mission of GFC in the UK and mainland Europe.

The UK Trust is governed by a memorandum and articles of association with GFC as the sole member. The CEO of GFC, Susan Goodell, is a member of the board of trustees and attends the UK Trust board of trustees meetings. Meetings of the board of trustees are held three times a year.

The UK Trust purchased the right to use the GFC brand for one pound sterling and is required to adhere to the terms of the License Agreement between the two entities.

Appointment of Trustees: The ultimate vision for the UK Trust Board is to assemble a group of individuals who combine entrepreneurial energy with more established institutional perspectives. The mix is crucial to maintaining the organisations' innovative spirit while developing a sustainable institution. The Board will also become more representative of the national and international communities and individuals the organisation seeks to serve. Board members are desired who represent a balance of ethnic, cultural, national, socioeconomic, gender, age and geographic diversity.

New trustees are nominated by existing board members and/or the managing director. Nominees' biographies/CV's are circulated to all existing members and candidates are then interviewed by two trustees and the chairman. A written resolution is then put before members of the US Board of Directors where a vote is taken. All new trustees receive copies of all key documents relating to the charity's work, and to their duties as a trustee. Trustees are also encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The board of trustees administers the charity. A managing director, appointed by the trustees manages the day-to-day operations of the UK Trust and reports into the CEO of the Global Fund for Children in Washington DC. However, the board continues to review the risks of the charity on a periodic basis.

The Trustees are also directors for Companies Act purposes.

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016

Objectives and Activities

The Global Fund for Children finds and invests in small, locally led organisations that transform the lives of the world's most vulnerable children.

Worldwide, millions of children live on the fringes of society – in places like refugee camps, slums, and prisons – where they have to fight to survive, let alone pursue their dreams. Though these children are the most disadvantaged, governments and large aid organisations struggle to reach them with essential services. As a result, children experience poverty, abuse, exploitation, and discrimination, with little or no relieve.

But thousands of grassroots organisations are filling the gaps, finding innovative ways to reach marginalised children and given them what they need to be safe, healthy and educated. The Global Fund for Children supports and strengthens these local, lasting solutions that transform children's lives. We identify and invest in small organisations with visionary leaders – helping them realise their potential, scale their efforts and reach even more children in need.

Our Programme

Since 1994, The Global Fund for Children has worked to advance the dignity of children and youth around the world by investing small grants and organisational strengthening support in the programmes of innovative community based organisations that engage marginalised and vulnerable children and youth in their communities.

GFC's grant making model focuses on investing directly in local leaders who are addressing the root causes of problems that threaten children in their communities. We invest in leaders with innovative approaches and support their deep desire to build an organisation that will endure. In addition to capital, we provide organisational strengthening support to ensure that our partners develop the internal capacity to serve their communities long after our funding relationship with them has ended. GFC staff builds a one-on-one relationship with each grantee partner to guide and coach them as they grow. We connect them to regional consultants who help them to develop stronger internal processes, to create a strategic plan, and to design many other projects.

GFC supports grantee partners for three to six years, and during this time their budgets may triple in size. This is because GFC staff provides introductions and references for our grantees to receive additional funding and other awards that attract new supporters. We also convene regional workshops for grantee partners, which provide an opportunity for peer organisations to learn from each other's experiences and to network.

We track our grantees' development – it's a measure of our success and that of our donors. Each of our grantee partners produces measureable outcomes, whether it's helping more migrant children stay in school, getting more girls to understand the risks of HIV/AIDS, or providing more counselling sessions to child trafficking survivors. We ensure that our donors' investment produces real outcomes.

The end result of The Global Fund for Children's investment is that these locally based grassroots organisations – founded on local principles and solutions – will be able to engage more marginalised children with better programmes that enable them to learn, grow and thrive.

GFC maintains five portfolios: four core programme portfolios that provide a basis for children/youth development and positive engagement in the world – these include Learning, Enterprise, Healthy Minds and Bodies and Safety. We also have an additional portfolio to support creative problem solving.

1. Learning

Grants made in our Learning portfolio facilitate the ability and opportunity for every child to learn with a focus on providing basic education. Our priorities include safety net schools, early childhood education and providing complementary and supplementary learning within communities. We aim to ensure access to education for traditionally marginalised groups, including girls and women, indigenous populations and remote rural groups, migrants and nomadic populations and people with disabilities.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016

2. Enterprise

We support comprehensive programmes that recognise the range of educational, economic and social skills that vulnerable children and youth require to develop into productive adults. Rather than opposing involvement in any form of labour, we promote opportunities for young people to engage in enterprise and entrepreneurial training that promotes their personal growth and development. Our priorities include youth-led enterprise, children's banking and savings, leadership development and comprehensive livelihood programmes.

3. Healthy Minds and Bodies

We work to ensure that children are healthy and well enough to reach their physical and psychological potential and to participate fully in community life - because many are hampered in achieving their potential through poor health, we provide supplemental health and well being grants to our grantee partners.

We focus on programmes that compliment, fill the gaps in and strengthen healthcare systems, institutions and infrastructure. We support local projects which are successfully tackling the key threats to child survival using local delivery; this includes poor nutrition, malaria, HIV/AIDS and other diseases.

4. Safety

Providing children with a safe environment in which to learn, play, live and grow is a fundamental tenet of our work. Our concept of safety is broadly drawn because of the diversity of problems facing children - hazardous labour practices, child trafficking, armed conflict, exposure to violence in many forms. Our priorities include projects that intercede on behalf of children in immediate danger or harmful circumstances and those that create safe passage for the children to a better future.

5. Creativity

We explore strategic opportunities in new and exciting areas affecting children. This portfolio provides us with the flexibility to invest in areas such as creative arts and peace-building programme, which fall outside the fundamental needs of children but can have an important impact on children's growth as individuals and global citizens.

Achievements and Performance

The UK Trust has had a successful year and has been a key partner in GFC's growth - continuing to raise the visibility and credibility of GFC and its grantee partners and increasing its donor base in the UK and Europe, whilst keeping expenses low.

During the year we welcomed three new trustees, bringing new skill sets to the Board: Michel Antakly – Investment Banker at Morgan Stanley, Francesca Lagerberg – Global Leader, Tax Services at Grant Thornton International and Vagn Sørensen – Corporate Director at Air Canada, SSP Group and several others. We also said goodbye to two longstanding Trustees – Dina de Angelo and David Zezza.

Key positions at GFC were filled with talented individuals: Aektha Wadhwani was appointed regional director, Asia of our newly opened Hong Kong office. Bilal Amin became VP of finance and operations and several positions in the development team were filled, bringing the team to a total of five.

We are continuing with our efforts to gain notification of our formal incorporation in India and hope to open a further office in India in the coming year.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016

Partnerships

We are pleased to report that Grant Thornton's partnership with GFC was officially announced to over 400 senior executives at their Global Conference in Athens in October 2015. Kakenya Ntaiya, founder of our grassroots partner Kakenya Center for Excellence, was the featured speaker at their annual gala and received a standing ovation for her remarks regarding her work with vulnerable Maasai girls. The partnership continues to strengthen and has already yielded significant benefits for GFC over the past year, including strategic planning, consulting, curriculum development for our regional Knowledge Exchanges (HR, finance and governance), culture training and programme officer training in financial best practices and monitoring.

During the current year Goldman Sachs hosted its Fifth and Sixth Annual Goldman Sachs & Global Fund for Children European Golf Invitational at Wentworth Golf Club in Surrey. The events took place on 9th July, 2015 and 27th April, 2016 and raised just over £53,000 for GFC's work.

In addition to the Golf days, Goldman Sachs also hosted a cocktail party on 24th May 2016. Guests were delighted to meet grantee partners from Brazil, Zambia, India and the UK and learn more about their innovative programmes.

Our global partnership with Cognita Schools continues to strengthen. In October 2015 Cognita held its European Leadership Conference – grantee partner Kliptown Youth Programme (South Africa) attended with members of the UK Trust to share information about our work with European head teachers and leadership. This was also an opportunity to launch the second year of our partnership. The UK Trust also visited Spanish schools to run education sessions with students and teachers as well as engagement sessions with parents to find out more about our work.

New grants have been received from Fondation Les Pâquerettes for our work in Ghana and Togo and the The Derrill Allatt Foundation for 2 grantee partners in Ukraine.

We are excited to be part of the global With and For Girls Collective, a group of eight funders—Stars Foundation, NoVo Foundation, Nike Foundation, The Malala Fund, EMpower, Mama Cash, Plan UK, and GFC - who share the belief that girls should be meaningfully involved in decisions that affect them and should be supported as agents of change in their own communities.

In November 2015, we recognized 20 grassroots groups for their extraordinary and innovative commitment to transforming the lives of adolescent girls. The With and For Girls Award includes a cash prize and capacity-building support. GFC is especially pleased that five of the 20 awardees represented GFC current or former partners.

Our relationships with Comic Relief, Capital Group Foundation, Temenos and Dabbous have continued to flourish during the year and we are currently working on new initiatives which we look forward to reporting on in next year's report.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016

GFC's Grant making Programme

Each year, in May and October, two dockets containing grant recommendations are produced, which are presented to the Trustees for consideration at their Board meetings in April and October.

The October 2015 docket consisted of 49 grant recommendations, including 6 new partners. The grants docket totalled \$593,000.

The May 2016 docket consisted of 161 grant recommendations, of which 137 were for existing grassroots partners and 24 new partners. The grants docket totalled \$1,300,000.

As in previous years, regional programme officers made supplemental grants to current grantees to enable them to address emergencies, seize opportunities and benefit from organisational development assistance. Supplemental grants totalling \$428,204 were made during the year, which were made up as follows: \$39,500 Emergency grants, \$66,134 Opportunity grants, \$125,570 Organisational Development Awards and \$197,000 With and for Girl Awards.

Value Added Services:

The capacity-building nature of GFC's model makes it both unique and effective. Our capacity-building services strengthen, connect and convene our grassroots partners, multiplying the impact of each grant. Our partners recognise our capacity-building support as an important factor in their growth and development. We are particularly proud when our local partners are recognised globally with prestigious awards and honour. This recognition puts them in a distinct class of global leaders and social entrepreneurs. Our analysis showed that within our grassroots network, we have 32 Ashoka fellows, 10 laureates of the World's Children's Prize, 9 recipients of the Ford Motor Company International Fellowship, 8 Echoing Green Fellows, 7 CNN Hero honourees, 2 winners of the Equator Prize and 3 winners of the Frederick Douglass Freedom Award to name just a few.

In the current year GFC conducted Knowledge Exchange (KE) workshops in Haiti, Serbia, South Africa (UK Trust Managing Director, Debra Burke attended and hosted a group from Cognita Schools, Estee Lauder Companies and Grant Thornton International), Nepal, Peru, Moldova and Kenya. Through our partnership with Grant Thornton International, we piloted training modules which have now become a standard component of our KE's providing a new level of technical skill training for NGO management.

Financial review

The total income for the year to 30 June 2016 amounted to £555,024. This represents a decrease in the UK funding as compared to last year due to the bi-annual nature of the Trust's Gala Event. The UK Trust was able to award £296,140 of grants to support its charitable activities. Total charitable expenditure amounted to £531,102 of which less than 20% was spent on support costs.

The Board of Trustees, who have all been very generous with their time and financial support, have given generously this year with total donations of £119,580 with a further US\$316,160 which was contributed directly to GFC's US account.

Investment policy

At present, the policy of the Trust is to invest only in cash deposits.

Reserves policy

The Trust has decided that it would be prudent to hold the equivalent of 3 months expenditure on staff and overheads in reserve. However, we are aiming for 6 months for an extra cushion. With an average monthly burn rate of £20,000 in the UK we secured the full 3 months by the end of this fiscal year and the full 6 months by the end of the calendar year.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016

Principal risks and uncertainties

The Trustees carry out an annual Risk Management Review. The Trustees review these risks on an at least annual basis to satisfy themselves that adequate systems and procedures are in place to manage the risks identified, and to ensure that appropriate mitigating actions are taken. When completed, this review is documented in the minutes of the relevant meeting of the Trustees. As the Trust relies on donations, the principal risk is the impact of the economic climate for grant funding and donations. An evaluation is made of potential and actual funding events to ensure trust resources are used in the most effective manner and achieve value for money.

Plans for the future

GFC will continue to help fund the expenses of The UK Trust and provide operational support as needed.

The Board of Trustees will continue to develop, plan and launch new initiatives to expand The UK Trust's donor base.

Next year will be a year of continued growth for the UK Trust as we build and strengthen our corporate partnerships and our individual donor relationships. In April 2017 we will be holding our 3rd UK Trust Gala at Middle Temple, London and hope to raise in excess of £400,000. We look forward to another busy and successful year.

Key management remuneration policy

Key management of the charity are regarded as its Trustees and the Managing Director. The Trustees give their time freely and none of the Trustees received remuneration in the year.

The pay of the Managing Director's remuneration is set by the Finance Committee and is reviewed annually. A number of criteria are used in setting pay:- nature of the role and responsibilities, competitor salaries in the sector and the sector average salary for comparable positions. End of Year Performance Evaluations, where goals and targets are set are reviewed by the Trustees and the CEO of GFC.

Going Concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of period of one year from the date of approval of the financial statements. After reviewing the UK Trust's forecasts and projections, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The key factors for this expectation are as follows:

- A Gala dinner for 250 guests is planned for the end of April, 2017. It is hoped that a total in excess of \$600,000 in unrestricted income will be raised at this event;
- GFC has affiliates/subsidiaries in the UK and Hong Kong and is in the process of establishing one in India. The UK and US Board of Trustees are considering a global structure/advisory board to design an effective and efficient governance structure that can advance the mission of GFC. This will allow GFC to benefit from the global expertise of a broad range of individuals and the synergies that can be gained by board members interacting with each other and with management, keeping board members engaged and excited about GFC's work. The first step towards the global structure will be to have joint board meetings beginning in 2017.
- The UK Board and management in the UK/US reviews its cash flow positions monthly and is aware that the 1st quarter of the fiscal year is always lower than the rest of the year. A designated reserve fund is in place which can be used (at the Trustees discretion) as a backup in such times when cash flow is low.
- The UK Board/CEO of GFC has a contingency plan to cover any changes in key staff.
- The UK Board is fully committed and is looking forward to another successful year.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2016

Trustees' Responsibilities Statement

The Trustees (who are also directors of The Global Fund for Children UK Trust for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and accounting estimates that are reasonable and prudent;
- 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 and 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the trustees on 10th November, 2016 and signed on their behalf by



Michael Daffey – Chair of the Board of Trustees

Independent auditor's report to the Members

We have audited the financial statements of The Global Fund for Children UK Trust for the year ended 30 June 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out in the report of the Trustees, the Trustees (who are also Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2016 and of its incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the Trustees and Members (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Ann Mathias

Ann Mathias, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: *19th November 2016*

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 30 June 2016

	<u>Note</u>	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2016</u> <u>Total</u> £	<u>2015</u> <u>Total</u> £
Income from:					
Donations and legacies	2	253,354	301,670	555,024	724,784
Total		<u>253,354</u>	<u>301,670</u>	<u>555,024</u>	<u>724,784</u>
Expenditure on:					
Raising funds	3	-	153,812	153,812	179,249
Charitable activities					
Grants awarded	17	296,140	-	296,140	474,041
Support costs	4	28,847	52,303	81,150	70,819
Total		<u>324,987</u>	<u>206,115</u>	<u>531,102</u>	<u>724,109</u>
Net income/(expenditure) being net movement in funds	5	(71,633)	95,555	23,922	675
Reconciliation of funds:					
Funds at the start of the year		<u>73,028</u>	<u>9,330</u>	<u>82,358</u>	<u>81,683</u>
Funds at the end of the year	11/12	<u>1,395</u>	<u>104,885</u>	<u>106,280</u>	<u>82,358</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Statement of Financial Activities (incorporating an income and expenditure account)**For the year ended 30 June 2015**

	<u>Note</u>	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2015</u> <u>Total</u> £	<u>2014</u> <u>Total</u> £
Income from:					
Donations and legacies	2	269,893	454,891	724,784	459,496
Investment income		-	-	-	86
Total		<u>269,893</u>	<u>454,891</u>	<u>724,784</u>	<u>459,582</u>
Expenditure on:					
Raising funds	3	-	179,249	179,249	145,041
Charitable activities					
Grants awarded	17	205,034	269,007	474,041	236,627
Support costs	4	7,324	63,495	70,819	73,169
Total		<u>212,358</u>	<u>511,751</u>	<u>724,109</u>	<u>454,837</u>
Net income/(expenditure) being net movement in funds	5	57,535	(56,860)	675	4,745
Reconciliation of funds:					
Funds at the start of the year		<u>15,493</u>	<u>66,190</u>	<u>81,683</u>	<u>76,938</u>
Funds at the end of the year	11/12	<u>73,028</u>	<u>9,330</u>	<u>82,358</u>	<u>81,683</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Global Fund for Children UK Trust

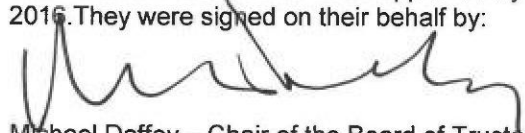
Company No. 6031876

Balance Sheet at 30 June 2016

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
Current Assets			
Debtors	9	145,446	181,764
Cash at bank and in hand		<u>85,928</u>	<u>122,286</u>
		231,374	304,050
Creditors, amounts falling due within one year	10	<u>125,094</u>	<u>221,692</u>
Net Current Assets		<u>106,280</u>	<u>82,358</u>
Net Assets	11	<u>106,280</u>	<u>82,358</u>
Funds			
Restricted funds		1,395	73,028
Unrestricted funds			
General funds		<u>104,885</u>	<u>9,330</u>
Total Charity Funds	11/12	<u>106,280</u>	<u>82,358</u>

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Financial Statements were approved by the Trustees and authorised for issue on 10th November, 2016. They were signed on their behalf by:



Michael Daffey – Chair of the Board of Trustees

Statement of Cash Flows
For the year ended 30 June 2016

	Note	Total <u>2016</u> £	Total <u>2015</u> £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	13	(36,358)	52,014
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(36,358)	52,014
Cash and cash equivalents at the beginning of the reporting period		122,286	70,272
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	14	85,928	122,286
		<hr/> <hr/>	<hr/> <hr/>

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2016

Notes

1. Accounting Policies

The Global Fund for Children UK Trust is a public benefit entity and a company limited by guarantee, company number 6031876, registered in England. The Global Fund for Children UK Trust is also a charity, registered with the Charity Commission (charity registration number 1119544). The registered office is 10 Queen Street Place, London, EC4R 1BE and its principal place of business is 1 Fore Street, Moorgate, London, EC2Y 9DT.

The Global Fund for Children finds and invests in small, locally led organisations that transform the lives of the world's most vulnerable children.

(a) Basis of accounting

The financial statements are prepared in under the historical cost convention unless otherwise stated in the relevant accounting policy notes and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Before 2016, the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" and referred to below as "previous UK GAAP". The financial effects of the transition to FRS 102 are set out below in 1(b) and page 20.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed.

At the date of transition, it was determined that no comparative items require restatement.

(c) Fund accounting

- Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.
- Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities when the Charity becomes legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies also apply:

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2016

Notes (Continued)

1. Accounting Policies (Continued)

- Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received or receivable. Donated services and gifts in kind are not included unless they represent goods or services which would have otherwise been purchased, in which case they are valued and brought in as income and the appropriate expenditure is added.
- Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet conditions the incoming resource is deferred.

(e) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is charged to the Statement of Financial Activities on an accruals basis.

Expenditure includes attributable VAT which cannot be recovered.

- Costs of raising funds relate to the costs incurred by the charitable company in encouraging third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with the publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services to its beneficiaries. It includes governance and support costs.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary overhead costs of the central function, is apportioned on the basis of staff time, of the amount attributable to each activity.

- Grants payable are accounted for in the period in which the award is communicated to the recipient and becomes a contractual commitment.

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2016

Notes (Continued)

1. Accounting Policies (Continued)

(f) Depreciation policy

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are:

Equipment 25% per annum

Depreciation costs are allocated on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

(g) Foreign currencies

Transactions in foreign currencies are translated at a weighted average rate. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end. Exchange differences are taken into account in arriving at the net incoming resources for the year.

(h) Pension scheme

The charitable company makes contributions to the personal pension scheme of the director.

The pension cost charge represents contributions payable under the scheme by the charitable company. The charitable company has no liability under the scheme other than for the payment of those contributions.

(i) Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of period of one year from the date of approval of the financial statements. The Trustees conclude that there are no material uncertainties about the Charity's ability to continue and accordingly the financial statements are prepared on a going concern basis.

(j) Critical judgements and estimate

There are no significant areas of judgement or key assumptions that effect items in the financial statements with respect to the next reporting period for the year ended 30 June 2017. The uncertain economic outlook and willingness of the public to make donations and grant funding is a significant area of financial uncertainty. The trustees have mitigated this by conducting an evaluation of potential and actual funding events to ensure that the trust resources are used in the most effective manner and achieve value for money.

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2016

Notes (Continued)

2. Donations and legacies

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
General donations	-	284,726	284,726	462,220
Gift aid	-	16,944	16,944	3,844
Grants received	<u>253,354</u>	<u>-</u>	<u>253,354</u>	<u>258,720</u>
Total	<u>253,354</u>	<u>301,670</u>	<u>555,024</u>	<u>724,784</u>

3. Raising Funds

	<u>2016 £</u>	<u>2015 £</u>
Fundraising staff costs	153,002	134,502
Fundraising – Gala event	810	44,747
Other fund raising costs	<u>-</u>	<u>-</u>
	<u>153,812</u>	<u>179,249</u>

4. Support Costs

	<u>2016 £</u>	<u>2015 £</u>
Staff costs	40,954	41,922
Other staff costs	294	343
Bank charges	287	530
Insurance	1,307	1,161
Postage	949	389
Stationery	855	2,750
Telecommunications	1,039	959
Professional and legal fees	1,592	3,532
Conference and membership	555	855
Office expenses	1,928	3,741
Staff travel and subsistence	7,445	7,088
Technology costs	318	441
Foreign Exchange (Gain)	-	(46)
Entertainment and gifts (non-staff)	541	-
Office rent	15,012	-
Audit fee	<u>8,074</u>	<u>7,154</u>
	<u>81,150</u>	<u>70,819</u>
	<u>2016 £</u>	<u>2015 £</u>
Summary staff costs (fundraising and support costs)	<u>193,956</u>	<u>176,425</u>

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2016

Notes (Continued)

5. Net Incoming Resources for the year

This is stated after charging:

	<u>2016</u>	<u>2015</u>
	£	£
Auditor's remuneration		
- audit	8,074	7,154
- other services	266	1,000
	<u>8,340</u>	<u>8,154</u>

6. Staff Costs and Numbers

Staff costs were as follows:

	<u>2016</u>	<u>2015</u>
	£	£
Salaries and wages	156,025	151,254
Social security costs	20,700	16,959
Staff insurance benefits	970	911
Pension	16,261	7,301
	<u>193,956</u>	<u>176,425</u>

The average number of staff during the year was 3 (2015: 3).

One employee earned more than £60,000 during the year (2015: one). Their annualised emoluments fell within the banding of £90,001 - £100,000 (2015: £80,001 - £90,000).

No trustee or any person connected with them, received any remuneration or reimbursement of expenses.

7. Key management remuneration

Key management of the charity are regarded as its Trustees and the managing director. Their remuneration amounted to £111,862 (2015: £111,212) for the year.

8. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9. Debtors

	<u>2016</u>	<u>2015</u>
	£	£
Grants receivable	139,739	173,974
Prepayments	569	502
Other debtors	5,138	7,288
	<u>145,446</u>	<u>181,764</u>

Included within grants receivable is an amount of £9,074 (2015: £90,739) which is due in more than one year.

Financial Statements for the year ended 30 June 2016

Notes (Continued)

10. Creditors, amounts falling due within one year

	<u>2016</u> £	<u>2015</u> £
Amounts owing to related parties	2,644	3,432
Accruals	22,105	17,702
Deferred income	90,739	173,974
Grants Payable	-	20,645
Other creditors	1,358	-
Taxes and social security	8,248	5,939
	<u>125,094</u>	<u>221,692</u>

11. Analysis of Net Assets between Funds

	<u>Restricted Funds</u> £	<u>General Funds</u> £	<u>Total Funds</u> £
Net current assets	<u>1,395</u>	<u>104,885</u>	<u>106,280</u>
Net assets at the end of the year	<u>1,395</u>	<u>104,885</u>	<u>106,280</u>

12. Accumulated Funds

	<u>Opening Balance</u> £	<u>Incoming Resources</u> £	<u>Outgoing Resources</u> £	<u>Closing Balance</u> £
Restricted Funds				
COFRA Foundation	7,060	-	(7,060)	-
Cognita Schools	-	16,440	(15,045)	1,395
Comic Relief	22,663	83,235	(105,898)	-
Derrill Allat Foundation	-	11,700	(11,700)	-
Estee Lauder	30,000	-	(30,000)	-
Fondation Les Paquerettes	2,132	25,662	(27,794)	-
Re-Wrap	-	15,000	(15,000)	-
Stars Foundation	-	100,157	(100,157)	-
Other	<u>11,173</u>	<u>1,160</u>	<u>(12,333)</u>	<u>-</u>
	73,028	253,354	(324,987)	1,395
Unrestricted funds				
General Fund	<u>9,330</u>	<u>301,670</u>	<u>(206,115)</u>	<u>104,885</u>
	<u>82,358</u>	<u>555,024</u>	<u>(531,102)</u>	<u>106,280</u>

Financial Statements for the year ended 30 June 2016

Notes (Continued)

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

	<u>2016</u> £	<u>2015</u> £
Net income/(expenditure) for the reporting period	23,922	675
Adjusted for:		
Decrease/(increase) in debtors	36,318	(131,227)
(Decrease)/increase in creditors	(96,598)	182,566
Total cash and cash equivalents	<u>(36,358)</u>	<u>52,014</u>

14. Cash and Cash Equivalents

	<u>2016</u> £	<u>2015</u> £
Cash in hand and bank	85,928	122,286
Total cash and cash equivalents	<u>85,928</u>	<u>122,286</u>

15. First Year Adoption

These financial statements for the year ended 30 June 2016 are the Charity's first financial statements that comply with the FRS 102. The Charity's date of transition to FRS 102 is 1 July 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 30 June 2015.

There has been no material impact on the financial statements resulting from the transition from the previous financial reporting framework.

16. Related Parties

In 2015/16, Global Fund for Children UK Trust received donations of £119,580 (2015: £165,680) from Trustees. The Trustees contributed an additional US\$316,160 (2015: US\$586,775) directly to the US account of The Global Fund for Children.

The Trustees did not receive any emoluments or any reimbursement of expenses during the year (2015: None).

At year end, an amount of £2,644 (2015: £3,432) was owing to The Global Fund for Children for operating expenses paid on behalf of The Global Fund for Children UK Trust's behalf. The UK Trust reimbursed The Global Fund for Children £Nil (2015: £4,604) for expenditure made on its behalf.

Grants transferred to the Global Fund for Children in the year were £296,140 (2015: £453,396).

17. Grants Awarded

As indicated above, grants transferred to the Global Fund for Children in the year were £296,140 (2015: £453,396).

At 30 June 2016, there were no grants payable to other parties (2015: £20,645).

No grants were paid to individuals.