

Company No: 6031876
Charity No: 1119544

THE GLOBAL FUND FOR CHILDREN UK TRUST

REPORT AND FINANCIAL STATEMENTS

30 JUNE 2017

The Global Fund for Children UK Trust

**Report and Financial Statements
For the year ended 30 June 2017**

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The Global Fund for Children UK Trust
Reference and administrative details
For the year ended 30 June 2017

Company number	6031876
Charity number	1119544
Registered office	c/o Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Operational address	c/o WeWork 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 Michel Antakly James Channo (resigned 30 th June, 2017) James Esposito (appointed 11 th October, 2016) Susan Goodell (resigned 30 th June, 2017) Nick Grace – Treasurer (resigned 1 st May, 2017) John Hepburn – Vice Chair David Kowitz (resigned 30 th June, 2017) Francesca Lagerberg James Sheridan Vagn Sørensen
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 150 Aldersgate Street London EC1A 4AB

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2017

The trustees are pleased to present their report together with the consolidated financial statements for the year ending 30th June, 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January, 2015).

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 £29 million to over 600 innovative grassroots organisations working in 75 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 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.

Our 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 reprieve.

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 measurable 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.

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 wellbeing 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 very 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 Jim Esposito to our Board. Mr Esposito is chief strategy officer of the Securities Division and co-head of Global FICC Sales at Goldman Sachs. We said goodbye to two longstanding Trustees - David Kowitz and James Channo, to our Treasurer, Nick Grace and to Susan Goodell, CEO of The Global Fund for Children in the US. In December we also bid farewell to our Managing Director, Debra Burke and shortly after to our Development Officer, Danielle Bidos. Despite these challenges, Development Operations Manager, Barbara Davidson and consultant Sara Seims made excellent progress in selling gala tables and taking the DFID application into the second stage (see below for more details).

In December, 2016 GFC welcomed Neil Ghosh as the organisations Executive Vice President. Neil is a thought leader, convener and implementer with more than 20 years' experience in strategy, fundraising, advocacy, brand building, programme management and external relations. Corey Oser also joined the GFC leadership team as its new Vice President for Programmes. Corey has extensive experience in international development with specific emphasis on working with vulnerable populations.

Progress continues to be made in expanding GFC's structural ability to effectively fundraise outside the US and the UK. We are now legally incorporated in Hong Kong and India and have programme officers in both locations.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2017

A Global Structure Committee was formed with an objective of designing an effective, efficient governance structure that advances the mission of GFC and would allow us to benefit from the global experience of a broad range of individuals. After much discussion it was agreed that the UK and US Boards should remain separate boards and no change in legal status or board structure should take place. However Trustees felt that joint board meetings (with the use of video technology) held three times a year, commencing January 2017, would be beneficial. This would be an opportunity to talk about issues that concerned both boards and to discuss more strategic issues.

Government Funding

This year the UK Department for International Development (DFID) reopened its Civil Society Challenge Fund and we are delighted to report that GFC was invited to submit a full proposal, the due date for which was 18th April, 2017. Preparing a proposal for DFID is a complicated undertaking. We are fortunate to have had an extremely able internal coordinator, GFC senior development officer Susan Berkun, and to have benefited from the superb technical skills of Kulsoom Khan, GFC's regional programme director for Asia. Their expertise has been supplemented by other staff members and by two consultants with extensive DFID proposal experience. The proposal was for £693,000 to enable GFC to expand its work with community-based organisations in Bangladesh, Nepal, and Pakistan to combat child slavery.

At the time of writing this report we have learnt that our application for funding has not been successful this time around. We will be receiving feedback in due course from DFID, which will be useful to develop a winning strategy for next time. In the course of preparing the proposal, we have had to sharpen the way we explain our added value and how we measure the impact of our work. We have also tightened up the explanation of the rationale behind our work and the GFC approach and philosophy of working with partners in the Global South. All of this puts GFC in a much stronger position to bid on future opportunities from both governments and larger philanthropies.

We also hired for a short term consultancy a former high level officer from the Dutch Ministry of Development Cooperation to explore the feasibility of GFC mobilizing resources in that country. The report was encouraging and we intend to follow up when the new Managing Director of the London Office takes up her post.

UK Trust Gala

On 26th April this year we held the UK Trust's 3rd Gala dinner at The Great Hall, Middle Temple. This was a record breaking event where just over 200 guests raised almost £593,000 through table sponsorships, the live/silent auctions and donations. The theme of the night was child refugees, and the programme featured moving and inspiring stories from grassroots partner leaders Rados Djurovic, of Asylum Protection Center in Belgrade, and Haley Roffey, of Asphaleia Action in the UK. Michael Daffey made a welcome presentation, and the programme ended with the live auction conducted by Lord Jeffrey Archer.

Several members of the US Board, Susan Goodell and Senior Staff took the opportunity to travel to London to attend the Gala, to visit UK staff and donors and to take part in our joint Board meeting of UK Trustees and US Directors.

Special thanks are due to the UK Trust board members for making this event a huge success!

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 2016 docket composed of 55 grant recommendations, including 5 new partners. The grants docket totalled \$688,000. All the grants in the docket are restricted to a particular funder and meet a deliverable towards the funder's support.

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The May 2017 docket consisted of 114 grant recommendations, of which 108 were for existing grassroots partners and 6 new partners. The grants docket totalled \$973,000. All grants will be funded through restricted funding dedicated to grants.

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 \$99,352 were made during the year, which were made up as follows: \$9,600 Emergency grants, \$49,752 Opportunity grants and \$40,000 Organisational Development 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 our grant support. Our partners recognise our capacity-building support as an important factor in their growth and development.

We have also supported our grassroots partners this fiscal year by organizing regional meetings during which our partners share their on-the-ground experiences and insights on improving the lives of vulnerable children. GFC refers to these events as Knowledge Exchanges (KE's). In the current year, we have conducted KE's in Uganda, India, the US, the UK, Lebanon, and Kyrgyzstan. In India, GFC India programme consultant Dhvani Doshi organised her first KE, with assistance from Americas programme officer Eva Miller. The KE took place in Mumbai in February 2017 and focused on social innovation and transformative leadership. In addition to the 18 GFC grassroots partners that attended, GFC's new executive vice president, Neil Ghosh, took this opportunity to attend his first GFC KE. Regional stakeholders from Ashoka and Goldman Sachs also participated. Further KE's still to be conducted this fiscal year will be taking place in Nicaragua, Nepal, and Ghana.

Financial review

The total income for the year to 30 June 2017 amounted to £783,694 This represents a significant increase in the UK funding as compared to last year. The UK Trust was able to award £446,344 of grants to support its charitable activities. Total charitable expenditure amounted to £674,726 of which less than 15% 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 £154,165 with a further \$365,100 which was paid into GFC's US account. A further \$224,387 was received from other donors who wished to contribute in dollars.

Investment policy

At present, the policy for 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.

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.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2017

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.

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 Financial 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 unforeseeable future. The key factors for this expectation are as follows:-

- The UK Board is delighted to welcome its new Managing Director, Nicola Wynne. Nicola joins us with an impressive CV, with over 28 years' experience in strategic planning, fundraising and marketing and having raised over £50 million for the charitable sector.
- The UK Trust has started to explore how to expand fundraising activities to Europe. As a first step, we contracted with Rebekka van Roemburg (formerly a high-level officer in the Dutch Ministry of Foreign Affairs) to undertake a landscape analysis of potential funding opportunities within the Netherlands. Her report was encouraging about the potential. We also plan to undertake a similar analysis in Denmark and Sweden as these are countries where the fit of GFC is likely to be best. This could also be a significant source of revenue not reflected in the FY18 revenue plan.
- Our three-year grant with Comic Relief to fund our work in the Dominican Republic is ending in December 2017 with a small evaluation grant (£9,000). We are optimistic that our new MD will have the opportunity to reorient this relationship into a possible new grant based on Comic Relief's revised international grants strategy.
- Our current grant with Fondation Les Pâquerettes has ended. We have put forth a new proposal for funding in Senegal and Tanzania (Euros 287,000 over three years), and hope to hear positive news on this very soon.
- The UK Board and management in the UK/US reviews its cash flow positions monthly and are 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 can be low.
- The UK Board is fully committed and is looking forward to another successful year of bringing in new resources, expanding our reach, raising awareness and funding the forefront of social change.

The Global Fund for Children UK Trust
Report of the trustees
For the year ended 30 June 2017

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.

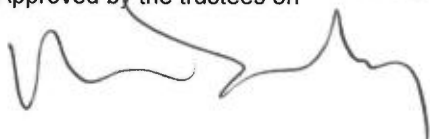
In so far as the Trustees are aware:

- 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 1st Nov, 2017 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 2017 which comprise the Statement of Financial Activities, the Balance Sheet, 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 2017 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; 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.



Nicholas Simkins, Senior Statutory Auditor

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

Date: 13/11/2017

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

For the year ended 30 June 2017

	<u>Note</u>	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2017</u> <u>Total</u> £	<u>2016</u> <u>Total</u> £
Income from:					
Donations and legacies	2	336,042	447,652	783,694	555,024
Total		<u>336,042</u>	<u>447,652</u>	<u>783,694</u>	<u>555,024</u>
Expenditure on:					
Raising funds	3	-	128,818	128,818	153,812
Charitable activities					
Grants awarded	14	216,344	230,000	446,344	296,140
Support costs	4	71,638	27,926	99,564	81,150
Total		<u>287,982</u>	<u>386,744</u>	<u>674,726</u>	<u>531,102</u>
Net income/(expenditure) being net movement in funds	5	48,060	60,908	108,968	23,922
Reconciliation of funds:					
Funds at the start of the year		<u>1,395</u>	<u>104,885</u>	<u>106,280</u>	<u>82,358</u>
Funds at the end of the year	11/12	<u>49,455</u>	<u>165,793</u>	<u>215,248</u>	<u>106,280</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 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	14	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.

The Global Fund for Children UK Trust

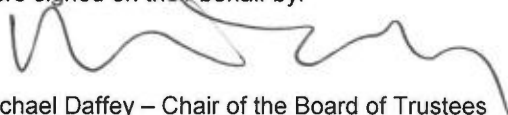
Company No. 6031876

Balance Sheet at 30 June 2017

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
Current Assets			
Debtors	9	108,774	145,446
Cash at bank and in hand		<u>138,959</u>	<u>85,928</u>
		247,733	231,374
Creditors, amounts falling due within one year	10	<u>(32,485)</u>	<u>(125,094)</u>
Net Current Assets		<u>215,248</u>	<u>106,280</u>
Net Assets	11	<u>215,248</u>	<u>106,280</u>
Funds			
Restricted funds		49,455	1,395
Unrestricted funds			
General funds		<u>165,793</u>	<u>104,885</u>
Total Charity Funds	11/12	<u>215,248</u>	<u>106,280</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 11/11/17. They were signed on their behalf by:



Michael Daffey – Chair of the Board of Trustees

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2017

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 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.

(b) 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.

(c) 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:

- 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.

The Global Fund for Children UK Trust

Financial Statements for the year ended 30 June 2017

Notes (Continued)

1. Accounting Policies (Continued)

(d) 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.

(e) 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.

The Global Fund for Children UK Trust**Financial Statements for the year ended 30 June 2017****Notes (Continued)****1. Accounting Policies (Continued)****(f) 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.

(g) 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.

(h) 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.

(i) 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 2018. 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.

Financial Statements for the year ended 30 June 2017

Notes (Continued)

2. Donations and legacies

	<u>Restricted</u>	<u>Unrestricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
General donations	-	440,057	440,057	284,726
Gift aid	-	7,595	7,595	16,944
Grants received	<u>336,042</u>	<u>-</u>	<u>336,042</u>	<u>253,354</u>
Total	<u>336,042</u>	<u>447,652</u>	<u>783,694</u>	<u>555,024</u>

3. Raising Funds

	<u>2017 £</u>	<u>2016 £</u>
Fundraising staff costs	78,201	153,002
Fundraising – Gala event	<u>50,617</u>	<u>810</u>
	<u>128,818</u>	<u>153,812</u>

4. Support Costs

	<u>2017 £</u>	<u>2016 £</u>
Staff costs	52,525	40,954
Other staff costs	425	294
Bank charges	179	287
Insurance	1,238	1,307
Postage	190	949
Stationery	414	855
Telecommunications	1,030	1,039
Professional and legal fees	12,194	1,592
Conference and membership	-	555
Office expenses	1,073	1,928
Staff travel and subsistence	1,487	7,445
Technology costs	380	318
Entertainment and gifts (non-staff)	13	541
Office rent	18,573	15,012
Audit fee	<u>9,843</u>	<u>8,074</u>
	<u>99,564</u>	<u>81,150</u>
	<u>2017 £</u>	<u>2016 £</u>
Summary staff costs (fundraising and support costs)	<u>130,726</u>	<u>193,956</u>

Financial Statements for the year ended 30 June 2017

Notes (Continued)

5. Net Incoming Resources for the year

This is stated after charging:

	<u>2017</u>	<u>2016</u>
	£	£
Auditor's remuneration		
- audit	7,200	8,074
- other services	<u>2,643</u>	<u>266</u>

6. Staff Costs and Numbers

Staff costs were as follows:

	<u>2017</u>	<u>2016</u>
	£	£
Salaries and wages	114,304	156,025
Social security costs	10,007	20,700
Staff benefits	557	970
Pension	<u>5,858</u>	<u>16,261</u>
	<u>130,726</u>	<u>193,956</u>

The average number of staff during the year was 2 (2016: 3).

No employee earned more than £60,000 during the year. In 2016 one employee earned more than £60,000, their annualised emoluments fell within the banding of £90,001 - £100,000.

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 £58,916 (2016: £111,862) 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>2017</u>	<u>2016</u>
	£	£
Grants receivable	105,874	139,739
Prepayments	-	569
Other debtors	<u>2,900</u>	<u>5,138</u>
	<u>108,774</u>	<u>145,446</u>

Included within grants receivable is an amount of £nil (2016: £9,074) which is due in more than one year.

Financial Statements for the year ended 30 June 2017

Notes (Continued)

10. Creditors, amounts falling due within one year

	<u>2017</u> £	<u>2016</u> £
Amounts owing to related parties	11,257	2,644
Accruals	7,596	22,105
Deferred income	9,074	90,739
Grants Payable	-	-
Other creditors	1,569	1,358
Taxes and social security	2,989	8,248
	<u>32,485</u>	<u>125,094</u>

11. Analysis of Net Assets between Funds

	<u>Restricted Funds</u> £	<u>General Funds</u> £	<u>Total Funds</u> £
Net current assets	<u>49,455</u>	<u>165,793</u>	<u>215,248</u>
Net assets at the end of the year	<u>49,455</u>	<u>165,793</u>	<u>215,248</u>

12. Accumulated Funds

	<u>Opening Balance</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Closing Balance</u> £
Restricted Funds				
Cognita Schools	1,395	-	(1,395)	-
Comic Relief	-	81,665	(81,665)	-
Derrill Allat Foundation	-	62,000	(62,000)	-
Fondation Les Paquerettes	-	113,058	(83,231)	29,827
Andrew Wolff	-	19,628	-	19,628
Stars Foundation	-	14,997	(14,997)	-
Michael Daffey	-	39,165	(39,165)	-
FL Smidth	-	5,529	(5,529)	-
	<u>1,395</u>	<u>336,042</u>	<u>(287,982)</u>	<u>49,455</u>
Unrestricted funds				
General Fund	<u>104,885</u>	<u>447,652</u>	<u>(386,744)</u>	<u>165,793</u>
	<u>106,280</u>	<u>783,694</u>	<u>674,726</u>	<u>215,248</u>

Financial Statements for the year ended 30 June 2017

Notes (Continued)

13. Related Parties

In 2016/17, The Global Fund for Children UK Trust received donations of £154,165 (2016: £119,580) from Trustees. Of this £39,165 was restricted donations made by Michael Daffey. The Trustees contributed an additional US\$365,100 (2016: US\$316,160) directly to the US account of The Global Fund for Children all of which were unrestricted.

The Trustees did not receive any emoluments or any reimbursement of expenses during the year (2016: None).

At year end, an amount of £11,257 (2016: £2,644) was owing to The Global Fund for Children for operating expenses paid on behalf of The Global Fund for Children UK Trust's behalf.

Grants transferred to the Global Fund for Children in the year were £446,344 (2016: £296,140).

14. Grants Awarded

As indicated above, grants transferred to the Global Fund for Children in the year were £446,344 (2016: £296,140).

At 30 June 2017, there were no grants payable to other parties (2016: £nil).

No grants were paid to individuals.