

**THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)**  
**TRUSTEES REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Charity Registration No. 1120038**

# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

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For the year ended 31 August 2018

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# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## LEGAL AND ADMINISTRATIVE INFORMATION

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For the year ended 31 August 2018

### Trustees

B V R Thomas  
R Redding  
A Bathurst  
A Griffiths (resigned 31st December 2018)  
A Barbour (resigned 2nd October 2018)  
C Clare (appointed 30th January 2018)  
C Thomas (appointed 30th January 2018)

### Principal address

Monmouth Court  
Southampton Road  
Ringwood  
Hampshire  
BH24 1HE

Telephone: 01425 481504  
Website: [www.caimtrust.org](http://www.caimtrust.org)

### Independent Examiner

P Clay FCA  
Dawkins Lewis & Soar  
Chartered Accountants  
Unit 40, Basepoint Centre  
1 Winnall Valley Road  
Winchester  
Hampshire  
SO23 0LD

### Bankers

Royal Bank of Scotland  
PO Box 391, 40 Islington High Street  
London  
N1 8JX

# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## TRUSTEES REPORT

### For the year ended 31 August 2018

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This report and the financial statements for the year ending 31 August 2018 have been prepared by the Trustees of The CAIRN Trust, based on the accounting policies set out herein and comply with the charity's deed of trust and the requirements of the Charity Commission.

#### Reference and administrative details

The CAIRN Trust, charity registration number 1120038, has its principal office at Monmouth Court, Southampton Road, Ringwood, Hampshire, BH24 1HE. The names of all those who were the charity's trustees on the date this report was approved or who served as a Trustee in the reporting period are as follows:

Mrs Amanda Bathurst

Mr Aaron Barbour (Resigned 2nd October 2018)

Mrs Anne Griffiths (Resigned 31st December 2018)

Mr Benjamin Thomas

Mrs Rebecca Redding

Mrs Carol Clare (Appointed 30th January 2018)

Mr Charlie Thomas (Appointed 30th January 2018)

#### Objectives and Activities of The CAIRN Trust (CAIRN)

The CAIRN Trust, CAIRN being an acronym for Child Aid In Rural Nepal, believes that every child deserves an enriching education. Established in 2007 by David Thomas, a former Gurkha officer and his wife Joanna, with whom he founded the Thomas's London Day Schools, CAIRN aims to improve educational opportunities for some of the poorest children in the rural hill villages of Nepal. The co-founders, David and Joanna Thomas, resigned from the trustee board in 2016, but remain Presidents and act as advisors to the trustee board.

Steered by a Board of Trustees with a wealth of pertinent experience, primarily of Nepal and education, CAIRN has, to date, delivered four core programmes through four key Non-Governmental Organisations in Nepal:

CAIRN Construction – 23 nursery, primary and secondary schools have been either constructed or refurbished, and equipped.

CAIRN Libraries – 42 libraries have either been constructed and equipped, or installed and equipped in existing school buildings on the basis of needs and community commitment. Librarians and teachers are trained in their use and CAIRN's programme includes the resupplying of the library and mentoring of staff over 5 years.

CAIRN Educational Awards (CEA) - some of the most disadvantaged children have been identified and supported by the provision of essential educational supplies, uniform, fees and on-going social worker support and basic medical care to ensure that children continue to attend school. CAIRN has sponsored 800 children in this way in this financial year. CAIRN has supplied Emergency Educational Materials to 1,600 further children in Gorkha who are still affected by the earthquake.

CAIRN Early Years (CEY) - the standard of teaching and learning in primary schools is being enhanced by CAIRN's teacher training programme. Cairn completed a four year teacher training programme in October 2017 through which 140 teachers in 19 schools were trained, supported by full-time, salaried resource co-ordinators. 115 classrooms in these schools have also benefited from a rolling refurbishment programme. An independent evaluation of this programme was also completed in October 2017.

CAIRN is currently working as an educational partner with the Gurkha Welfare Trust to deliver teacher training as part of a wider community pilot project, with the intention that this be replicated more widely after evaluation.

#### Achievements and Performance

##### i) CAIRN School Construction

CAIRN continues to support its existing 23 schools, but its focus, since the earthquakes in 2015, is concentrated on its educational programmes, ensuring that the least advantaged children can attend school, with all the equipment they need and, when at school, have access to books through the provision of libraries, and receive interactive and enjoyable lessons through the provision of well trained teachers and appropriately resourced classrooms.

# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## TRUSTEES REPORT

### For the year ended 31 August 2018

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#### ii) CAIRN Educational Awards

800 pupils were able to enrol at school for another academic year because they received bi-annual supplies of school uniform and essential educational supplies together with social worker support to ensure continued attendance. This programme is critical to providing access to education for the very poorest children and reducing the migration of children to urban areas. An additional 1,600 children affected by the earthquake received emergency educational materials and sweaters.

#### iii) CAIRN Libraries

Within the year to August 2018 we completed the installation of Bhawani Secondary School Library in Manbu, providing additional and improved learning space for 742 children and 25 teachers within a community of 3,000. The new library building was constructed by the Ghurka Welfare Trust. CAIRN also completed 5 further library installations, funded by KADOORIE Charitable Foundation benefitting 1,452 pupils and 77 teachers as well as the wider village communities. CAIRN libraries are equipped with age-appropriate books of a suitable level. The library provides pupils with access to up to 3,000 books and resources. Library use is timetabled weekly per class and regular access to books improves reading habits and literacy. The wider community uses the libraries for access to news, research and improving their learning. Of its 42 libraries, CAIRN has successfully handed back 15 to the community, exiting after 5 years. CAIRN continues to support, monitor and evaluate 27 libraries within its 5 year programme.

#### iv) CAIRN Early Years

The CAIRN Early Years programme completed its fourth year in partnership with Global Action Nepal in this financial year. The programme has trained teachers, provided resources and equipped classrooms to create an environment for interactive learning in 19 schools across 4 clusters. Project visits and analysis show the programme has been successful with increasing pupil attendance, increasing teachers' motivation and their ability to deliver interactive lessons and increased parental awareness of the importance of education.

CAIRN has taken the learnings from the Early Years programme and its independent evaluation to implement a pilot teacher training project in partnership with The Gurkha Welfare Trust at Shree Siddhartha School, Bhimad, Tanahun.

#### Structure, governance and management

The CAIRN Trust is governed by a trust deed dated 18 June 2007, and is an unincorporated association. CAIRN relies upon a small UK office (partly funded by the Thomas's London Day Schools) with programme oversight in Nepal. The charity benefits from the close involvement of a Chairman who understands well both Nepal and our partners. This level of investment significantly enhances the impact of our programmes, as evidenced by the success of the CEY programme, which has flourished under the guidance of these experienced educationalists.

Since the end of this reporting period in October 2018, Mr Aaron Barbour stood down as Trustee in December 2018. Mrs Anne Griffith stood down as Trustee to become CAIRN's Nepal Programme Director from 1 January 2019.

Trustees have traditionally been identified from the Trustees' personal and professional networks, and this is likely to continue, are proposed by the Chair, and only appointed on receipt of the unanimous approval of the existing Board.

The charity continues to receive pro-bono support from the financial and IT teams of the Thomas's London Day Schools.



# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## TRUSTEES REPORT

For the year ended 31 August 2018

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### Financial Review

#### Income

CAIRN's income from all sources for the year was £473,511, an increase of £128,907 over the previous year. The school communities of Thomas's London Day Schools continue to be the main regular source of funds, but funding from other sources including private donors, sports events, trusts and foundations is increasingly significant. A new fundraising programme is being developed to strengthen income over the next 5 years.

#### Expenditure

Total expenditure for the year was £451,021. £370,102 (82%) was spent directly on projects in Nepal and the annual Trek, while fundraising costs amounted to £7,132 (1.5%) and administrative and audit costs were £73,787 (16.5%).

This year income exceeded expenditure by £22,490. The balance sheet stood at £331,005 at the year end, with 42% of this balance being held in Restricted Funds for ongoing projects.

#### Reserves

The Board do not consider there to be a need to hold reserves since the Thomas family have pledged their long-term commitment to the CAIRN Trust and, in particular, have committed to underwrite the charity's financial obligations in the event that the charity is no longer deemed to be a going concern.

#### Funds held as Custodian Trustees on Behalf of Others

At the end of this accounting period, the CAIRN Trust held funds to the value of £14,900 on behalf of David Hill. As agent, the trustees have no discretion about the use to which these funds received are put. As a result, these funds are not recognised in these accounts.

### Summary and the Future

As a result of the earthquakes and the increase in international funding for construction work in Nepal, in 2016 CAIRN turned its focus away from school construction, to concentrate on raising funds for improving the quality of education for pupils within the classrooms in the remote rural areas of Central West Nepal. It achieves this through the combination of its educational awards, libraries and teacher training.

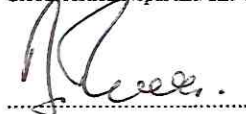
Future plans include expansion of CAIRN educational awards to a further 200 children in Syangja, and addressing the issue of menstrual hygiene through the provision of sanitary pads to girls on the programme who have reached puberty. There are also plans to incorporate CAIRN Educational Awards into the pilot teacher training project in Tanahun.

There are plans for continued expansion to the library programme with 6 new library building constructions and installations, 4 funded by KADOORIE Charitable Foundation and 2 by individual donors, and continued educational material support in areas still affected by the earthquakes.

Phase 1 of CAIRN's Early Years Programme drew to a close on 31 October 2017. In October 2017 an independent evaluation was conducted assessing the impact of the programme, its successes and challenges. CAIRN is currently developing Phase 2 of its teacher training project, with an initial pilot project planned for 2019. Since the end of this reporting period 9 teachers from Shree Siddhartha School in Tanahun have attended a 15 day teacher training course, delivered by Fulbari Foundation in Pokhara.

CAIRN continues to look at how its programmes can benefit the community as a whole and strives to implement its programmes in such a way that they complement each other and deliver a holistic educational support to communities in the hill villages of rural Nepal. Teacher training is integral to the holistic educational offering that CAIRN is striving to provide in its rural communities.

We look forward to continuing this work into the future in conjunction with our valued partners, The Pahar Trust, SATHI Nepal, Global Action Nepal and The Gurkha Welfare Trust.



BEN THOMAS  
Trustee, CAIRN Trust  
19 JUNE 2019

## **THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**For the year ended 31 August 2018**

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The Trustees prepare financial statements for each year which give a true and fair view of the state of affairs of the Trust as at the end of the financial year, and of its incoming resources and application of resources for the period. In preparing the financial statements, appropriate accounting policies are used and applied consistently and reasonable and prudent judgments and estimates are made. Applicable accounting standards followed are the requirements of the Charities Act 2011 and the Charities FRSE SORP (effective January 2015). The Trustees are also responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities. Proper books of account are kept in respect of the affairs of the Trust. The financial statements are prepared on a going concern basis.

## THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

### INDEPENDENT EXAMINER'S REPORT

For the year ended 31 August 2018

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Independent examiner's report to the trustees of The CAIRN Trust.

I report on the accounts of the Trust for the year ended 31 August 2018, which are set out on pages 6 to 11.

#### Respective responsibilities of Trustees and Examiner

As described on page 4, the charity's Trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- a) examine the accounts under section 145 of the 2011 Act;
- b) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- c) to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### Independent examiner's statement

The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- a) the accounting records were not kept in accordance with section 130 of the Charities Act; or
- b) the accounts did not accord with the accounting records; or
- c) the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

P Clay FCA  
Dawkins Lewis & Soar  
Chartered Accountants  
Unit 40, Basepoint Centre  
1 Winnall Valley Road  
Winchester  
Hampshire  
SO23 0LD



Date: 21 June 2019



## THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018

				2018	2017
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	2	297,173	176,241	473,414	344,010
Transfer from Unrestricted Funds	3	-	10,000	10,000	-
Interest receivable		97	-	97	594
<b>Total incoming resources</b>		<b>297,270</b>	<b>186,241</b>	<b>483,511</b>	<b>344,604</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	4	79,479	51,240	130,719	130,991
Charitable expenditure	4	285,422	33,440	318,862	317,308
Governance costs	4	1,440		1,440	1,372
Transfer to Restricted Funds	3	10,000	-	10,000	-
<b>Total resources expended</b>		<b>376,341</b>	<b>84,680</b>	<b>461,021</b>	<b>449,671</b>
<b>Net incoming/(outgoing) resources</b>		<b>- 79,071</b>	<b>101,561</b>	<b>22,490</b>	<b>- 105,067</b>
<b>Total funds brought forward</b>		<b>270,293</b>	<b>38,222</b>	<b>308,515</b>	<b>413,582</b>
<b>Total funds carried forward</b>		<b>191,222</b>	<b>139,783</b>	<b>331,005</b>	<b>308,515</b>

# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## BALANCE SHEET AS AT 31 AUGUST 2018

				2018	2017
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
<b>Fixed assets</b>					
Tangible assets	6	-	-	-	-
Intangible assets	7	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Current assets</b>					
Stock	8		-	-	-
Debtors	9	65,627		65,627	15,352
Cash at bank and in hand		141,895	139,783	281,678	313,243
<b>Creditors</b>					
Amounts falling due within one year	10	(16,300)		(16,300)	(20,080)
		<u>191,222</u>	<u>139,783</u>	<u>331,005</u>	<u>308,515</u>
<b>Net current assets/(liabilities)</b>					
		<u>191,222</u>	<u>139,783</u>	<u>331,005</u>	<u>308,515</u>
<b>Total assets less current liabilities</b>					
		<u>191,222</u>	<u>139,783</u>	<u>331,005</u>	<u>308,515</u>
<b>Funds</b>					
Unrestricted funds				191,222	270,293
Restricted funds				139,783	38,222
				<u>331,005</u>	<u>308,515</u>

Approved by the Trustees on

June 2019



BVR Thomas (Trustee)

# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with 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 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011

#### 1.2 Incoming resources

Voluntary income is recognised where there is entitlement, certainty of receipt and the amount can be recognised with sufficient reliability.

#### 1.3 Resources expended

Expenditure is recognised when a liability is incurred.

Governance costs include those primarily associated with constitutional and statutory requirements.

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction.

#### 1.4 Fixed assets and amortisation

Intangible and tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Logo and Web Site Design	15% on cost
Computer	33% on cost

### 2 Voluntary income

	Unrestricted Funds	Restricted Funds	Total for 2018	Total for 2017
	£	£	£	£
Appeals and donations	<u>297,173</u>	<u>176,241</u>	<u>473,414</u>	<u>344,010</u>

### 3 Transfers From Unrestricted Funds to Restricted Funds

During the year ended 31 August 2018, £10,000 was transferred from Unrestricted Funds to Restricted Funds in relation to uncompleted projects.

## THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

#### 4 Total resources expended

	Staff Costs £	Grants £	Depreciation £	Other Costs £	Total 2018 £	Total 2017 £
Costs of generating voluntary income	110,792			19,927	130,719	130,991
Charitable expenditure (see note 11)		318,862			318,862	317,308
Other expenditure: Governance costs				1,440	1,440	1,372
	<u>110,792</u>	<u>318,862</u>	<u>0</u>	<u>21,367</u>	<u>451,021</u>	<u>449,671</u>

Total staff costs for the period were as follows:

	£
Wages and salaries	95,214
Social Security costs	10,827
Employer's contribution to defined contribution pension schemes	4,750
Total	<u>110,792</u>

These figures include salary payments of £51,240 reimbursed by Thomas's London Day Schools Unlimited, which is deemed to be a related party because it is an entity which is jointly controlled by two of the trustees. This arrangement exists to reflect the value which the Charity's staff contribute to the schools' communities. The average head count during the period was 3. Two of these individuals were employed on a full-time basis, and one was part-time. The equivalent number of full-time staff was 2.1. No employee received a salary of £60,000 or above in this period.

#### 5 Trustees

None of the trustees has been paid any remuneration or received any other benefits from an employment with the Charity or related entity, and no trustee expenses have been incurred.

Trustees pay their own expenses when travelling to Nepal on CAIRN business. As no visits were undertaken this year, there were no expenses for the trustees to waive in this regard.



## THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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#### 6 Tangible fixed assets

	Computer £
<b>Cost</b>	
At 1 September 2017	978
Additions	-
	<hr/>
<b>At 31 August 2018</b>	<b>978</b>
	<hr/>
<b>Amortisation</b>	
At 1 September 2017	978
Charge for the year	-
	<hr/>
<b>At 31 August 2018</b>	<b>978</b>
	<hr/>
<b>Net book value</b>	
At 31 August 2018	-
	<hr/> <hr/>
<b>At 31 August 2017</b>	<b>-</b>
	<hr/> <hr/>

#### 7 Intangible fixed assets

	Web Site And Logo £
<b>Cost</b>	
At 1 September 2017	14,236
Additions	-
	<hr/>
<b>At 31 August 2018</b>	<b>14,236</b>
	<hr/>
<b>Amortisation</b>	
At 1 September 2017	14,236
Charge for the year	-
	<hr/>
<b>At 31 August 2018</b>	<b>14,236</b>
	<hr/>
<b>Net book value</b>	
At 31 August 2018	-
	<hr/> <hr/>
<b>At 31 August 2017</b>	<b>-</b>
	<hr/> <hr/>

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# THE CAIRN TRUST (CHILD AID IN RURAL NEPAL)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

<b>8</b>	<b>Stock</b>		<b>2018</b>	<b>2017</b>
			£	£
	Boxes of leaflets		-	-
	Folders		-	-
	Charity clothing		-	-
	Inserts		-	-
			<u>-</u>	<u>-</u>
			<u>-</u>	<u>-</u>
<b>9</b>	<b>Debtors</b>		<b>2018</b>	<b>2017</b>
			£	£
	Other debtors		3,122	2,500
	Prepayments and accrued income		62,505	12,852
			<u>65,627</u>	<u>15,352</u>
<b>10</b>	<b>Creditors: amounts falling due within one year</b>		<b>2018</b>	<b>2017</b>
			£	£
	Other creditors		14,900	18,680
	Accruals		1,400	1,400
			<u>16,300</u>	<u>20,080</u>
	Other creditors include funds held as agent as follows:		£	
	Balance at 1 September 2017		14,410	
	Receipts in year			
	Payments in year			
	Balance at 31 August 2018		<u>14,410</u>	
<b>11</b>	<b>Grantmaking</b>			
		<b>Grants to institutions</b>	<b>Grants to individuals</b>	<b>Total 2018</b>
		£	£	£
	<b>Grants made include those for the following purposes:</b>			<b>Total 2017</b>
	Sathi Nepal	200,803		118,722
	School Project Costs			-
	CAIRN Early Years (CEY)	6,184		59,966
	Kadoorie Projects	33,162		51,011
	Earthquake Response	16,675		-
		<u>256,824</u>	<u>-</u>	<u>229,699</u>
			<u>256,824</u>	<u>229,699</u>