

CHILDREN IN CROSSFIRE
(A company limited by guarantee and not having a share capital)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

NI 054061

Moore Stephens
(NI) LLP

Charity Reference NIC 101412

CHILDREN IN CROSSFIRE
(A company limited by guarantee and not having a share capital)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

NI 054061

CHILDREN IN CROSSFIRE

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CHILDREN IN CROSSFIRE

CHARITY INFORMATION

Incorporated 26th February 2005

Company number NI 054061

Charity reference number NIC 101412

Trustees Marcus O'Neill Chairman
Anne Duffy
Seamus Farrell
Dominic Joseph Fitzpatrick
Rose Kelly
Dr Joan McGuinness
Don McLeish
Joseph Murray
Helen Henderson
Ashlev Young

Liam Nellis

Registered Office 2 St. Joseph's Avenue
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Derry ~ Londonderry
BT48 6TH

Auditors Moore Stephens (NI) LLP
21/23 Clarendon Street
Derry ~ Londonderry
BT48 7EP

Bankers Bank of Ireland
15 Strand Road
Derry ~ Londonderry
BT48 7BT

Danske Bank
Shipquay Place
Derry ~ Londonderry
BT48 6DF

CHILDREN IN CROSSFIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

The Trustees are pleased to present their report together with the financial statements for the year ended 31 March 2017.

Our aims and objectives

Purposes & Aims

Established in 1996 borne out of a conviction that children everywhere have the right to develop to their full potential and live a happy life, Children in Crossfire has undergone transformational change over recent years while retaining its identity and commitment to respond to the needs and rights of young children caught in the crossfire of global poverty and injustice.

Children In Crossfire's current strategic plan, developed after an extensive inclusive review process, is entitled "Present for the Future" 2015-2019 and lays out a strategic direction which builds on our previous successes whilst reminding us of the purposes and aims for which Children in Crossfire exists.

Vision

A compassionate world where every child can reach his or her potential

Mission

To work with other to tackle the Injustices of poverty affecting children

Values

- *Compassion* - a core concern for the wellbeing of others leading to action for a fairer world;
- *Accountability* - using our resources effectively and efficiently to build openness and trust with our supporters, partners and the communities where we work;
- *Partnership* - working together to bring about sustainable change;
- *Equality* - where everyone is treated fairly and respected, and where rights are protected.

Ensuring our work delivers our aims

Children in Crossfire will focus more specifically on improving "School Readiness" in our target countries. We will ensure that children enter school with the necessary social and cognitive competencies to achieve, whilst also ensuring schools, families, communities and governments are providing the necessary learning environment so that young children have the best possible chance to benefit from the schooling opportunities available to them.

However we do recognise that working in a 'development' context is complex with multi-dimensional needs/barriers hindering programme delivery and preventing communities from fully participating in helping achieve our outcomes. Therefore identification of and addressing these barriers/needs, for example through support for micro-projects at community level such as health and nutrition, will be an integral complimentary component of our work.

Children in Crossfire further believes that development education and public engagement in Ireland is the catalyst to a wider understanding of global issues and that an engaged global citizenry will in turn increase public support for international development.

CHILDREN IN CROSSFIRE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

In order to ensure our work delivers our aims Children in Crossfire has invested heavily over the last few years in strengthening organisational structures in relation to governance, resource management and results-based management. This institutional commitment to results management is underpinned by strong monitoring and evaluation mechanisms across a range of performance indicators which focus on the expected changes from our work and how these results contribute towards the overall outcomes and objectives of the organisation.

Children in Crossfire acknowledge that change is dependent on people, communities, services and governments all working together to ensure that the right social and political conditions are in place so that every child has the best possible chance to reach his or her full potential. Children in Crossfire seeks partnerships both locally and globally in working towards this goal.

The focus of our work

For Children in Crossfire, the focus is on sustainable change and a belief that this can only be fully realised through a programmatic approach to our work. Aligned to Sustainable Development Goal No 4 "to ensure inclusive and equitable quality education and promote life-long learning opportunities for all", our interventions are designed to promote collaboration between vulnerable families, communities, civil society and government.

Children in Crossfire's policy framework also aligns closely with Ireland's One World One Future (OWOF) policy and Framework for Action, reflecting the core values of equality and human rights and specifically the Outcome 7 which identifies "improved access to and attainment of quality education outcomes by poor and marginalised citizens".

We do however recognise that in the broader context we only have the capacity to focus on certain aspects that affect a child's development, and hence our 'niche' focuses our efforts on a "School Ready" approach, which primarily impacts positively on the social and cognitive development of young children.

In both Tanzania and Ethiopia, Children in Crossfire will attend to young girls and boys aged 0-6 years, to help them reach their development potential. We will focus on quality early childhood care and education (ECCE) programmes, which include stimulation in the home and age appropriate education in pre-school centres and pre-primary schools.

Programme Interventions

1. Tanzania Programme

Our Tanzanian programme will build on the successes of the individual pre-school and pre-primary programmes, delivering an integrated approach which continues to focus on children ranging 0-6 years old developed across two main pillars:-

- **direct programming and service delivery through local partners** delivered at community and regional/local government levels addressing community issues and 'barriers' to education; and
- **advocacy and national strategic partnerships** – seeking to catalyse improvements in coverage and quality of national provision of ECCE in Tanzania.

2. Ethiopia Programme

Our Ethiopia programme, although operating in a different context and environment to Tanzania, will however benefit from the many commonalities and cross-learning opportunities. The 'twin-track' approach will involve:-

- **project development and extension** with current implementing partners; whilst
- **development of a more strategically coherent ECCE focus** building on the school readiness pilot already underway.

Similar to Tanzania there will also be the ongoing need to understand and respond appropriately to 'ECD barriers' and support community projects such as health, nutrition and safe water supply.

CHILDREN IN CROSSFIRE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

3. Development Education / Public Engagement Programme

Our Development Education (DE) programme will continue to increase cultivation of global citizenship through the formal education sector working in partnership and utilising an innovative and ground-breaking approach through our 'TIDAL Educating the Heart' brand. We will simultaneously develop a Public Engagement (PE) programme which seeks to increase understanding of the importance of supporting International Development fostered amongst the wider Irish public.

How our activities deliver public benefit

As an International non-governmental organisation (INGO) our activities are primarily focused on benefitting the lives of young children in our target countries by promoting collaboration between vulnerable families, communities, civil society and government towards meeting agreed needs. For example, at the national level in Tanzania we have been a significant player in the campaign advocating for both recognition and more investment in the rights of young children which has seen greater funding in pre-primary education and development of national child protection systems in Tanzania.

In the UK/Ireland our development education and public engagement programmes seeks to benefit the general public through engagement in increasing understanding of and taking action to change the underlying causes of global justice issues that have given rise to our international programmes.

Financial Review

Total incoming resources for the year were £1,845,023 (a 9% reduction on 2016). The reduction has been exclusively due to grant income receipts in the year and two instances in particular, one unanticipated withdrawal of grant, and one rescheduling of grant-supported activities which will result in increased funding next year. Unrestricted income, while down on what was budgeted for the year, is up 1% on last year and this reflects a more stable fundraising environment compared to a few years ago.

The largest single donor accounted for approximately 31% of income (2016 – 37%). While any reduced exposure to any single donor is to be welcomed, the concentration on two significant programme funders remains a concern and an area of strategic focus as Children in Crossfire engages in expanding its activities through an ambitious growth and development plan focusing on securing additional multi-annual programme donors. Occasional fundraising activities have contributed to the growth in unrestricted income while the plan remains to develop more sustainable future sources using the catalyst of the 20th anniversary of Children in Crossfire.

Total resources expended were £1,975,485. Approximately 84% (2016 - 87%) of this was expended on charitable activities, with the remaining 16% (2016 - 13%) on generating funds. These figures represent a sustained high level of direct charitable interventions balanced by the parallel need to invest in developing unrestricted resources to complement and bolster grant income.

Principal Funding Sources

Restricted funds continues to be underpinned by two major multi-annual government/institutional sources supported by several lower-value shorter-term Trust/Foundation donors. Unrestricted income has increased by 1% and remains at around 31% of total income and comprises both occasional and regular givers.

Reserves Policy

Unrestricted Reserves are defined by the Trustees as those funds freely available for use as the organisation so determines and thereby excludes any restricted or designated funds. Specifically, the Reserves are required to:

- maintain the equivalent of three months' running costs in case of any unforeseen or statutory commitments;
- have a reasonable level of bridge funding to support cash-flow for projects or programmes where donor funding may be delayed or funded in arrears;
- have a level of contingency funds to protect against any shortfall in expected donor funding.

CHILDREN IN CROSSFIRE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Finance and General Purposes Committee (F&GPC), which monitors Reserves on behalf of the Trustees, have noted that Unrestricted Reserves have levelled off this year and attribute this to below budget performance and also some investment in 'Raising Funds'. Unrestricted Reserves has therefore averaged 9% over the last two years and the F&GPC have determined to maintain the 12½% target over a 3-year term while agreeing to monitor this target biannually against determining performance indicators.

Major Achievements in the Year

In its 20th year Children in Crossfire has continued to go from strength to strength as an organisation committed to giving children the chance to reach their full potential in life. Throughout the year we have worked tirelessly to ensure schools, parents, services, and children themselves are 'school ready', and in the best possible position to reach their full potential through a good start in education.

In addition to sharpening of our strategic plan with a subtle shift from early childhood development to a more focused 'School Readiness' approach, 2016 has marked the end of a five year programme grant from Irish Aid which has enabled us to directly reach over 40,000 beneficiaries including enabling 24,000 children to have a better start in life.

The securing of a second multi-annual programme fund from Irish Aid following a very robust appraisal process has been one of the highlights of the year and provides independent endorsement of the work we continue to do.

The pre-primary programme in Tanzania supported by Dubai Cares completed its pilot phase by training over 120 teachers in 60 schools and improving pre-primary education for around 4,000 children. In 2017 this programme will grow significantly as it is extended to another 120 schools.

The School Readiness Initiative (SRI) in Addis Ababa, Ethiopia is working in 54 schools to improve pre-primary education of around 10,000 children, with almost 3,000 specifically vulnerable children also receiving nutritional support.

Our ongoing health and nutritional partnership with St Luke's in the Wolisso area of Ethiopia has helped provide life-saving therapeutic feeding to 500 severely malnourished children, trained over 150 health extension workers and provided access to safe water for over 10,000 people.

Our Development Education programme has evolved our practice towards a new model which addresses global citizenship at a much more holistic level. We have designed and piloted a new approach to Educating the Heart Initiative, which nurtures the emotional well-being of young people alongside building their capacity for critical thinking and active citizenship. Key development education results in 2016 were:-

- Over 10,000 students engaged in global citizenship through our DE interventions;
- Trained over 240 teachers in Global Citizenship methods in partnership with the Global Learning Programme (GLP), offering training and resource support to schools.
- Impacted up to 800 initial teacher education (ITE) students through collaboration with 2 ITE colleges; and
- Partnered with 10 sector organisations to collaborate on delivering the DE agenda.

Fundraising ambitions have not been realized in the reporting period, with shortfall in both anticipated grant income and unrestricted funding. Programmes and projects have been realigned to take account of the resourcing implications without any major consequence. The slow build towards developing a fundraising platform in the US continues alongside the pursuit of other sustainable fundraising opportunities.

Future Plans

Children in Crossfire has just marked the milestone of 20 years of commitment to giving children the chance to reach their full potential in life. Rather than pause to reflect on the significant achievements over this period, we are very much looking to the future across all the main areas of work ensuring a coherent and resourced plan is in place to achieve maximum potential results over the next planning cycle.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

In Tanzania 2017 will very much be a transitioning year as the platform for the next integrated programme implementation is established parallel to the close out of the current pre-primary intervention. It is anticipated that the new programme will provide a more donor-centric, scalable model which will ultimately increase the reach and impact of the overall Tanzanian Intervention.

There is a real emphasis towards evolving the project approach to date in Ethiopia into a more cohesive programme of work. Much preparatory work has already been undertaken this calendar year in developing a programme of work and preliminary identification of funder prospects.

In Development Education we anticipate scaling up our formal education intervention reaching up to 500 teachers, in order to impact the teaching and learning of up to 70,000 students across Ireland. A specific Public Engagement plan has also been developed and resourcing of this will enable rollout in the second half of 2017.

Structure, Governance and Management

Governing Document

The organisation is a company limited by guarantee incorporated in February 2005 and established under a Memorandum and Articles of Association where the objects and powers of the organisation and its directors are defined. The directors of the company are also charity trustees for the purposes of charity law.

Organisational Structure

The business of the Charity, which comprises three legal entities in UK, Ireland and Tanzania, is directed by what is effectively the same Board of Trustees. The Board, which meets 4 times per year, aims to have a minimum of 10 members with a variety of experience and skill-sets to help define and implement the strategic direction of the organisation.

The Board is further supported by a number of sub committees such as Finance & General Purposes (FGPC) and International Programme (IPC). These committees comprise both Board and relevant staff representatives and provide a mechanism for more effective governance and input of the Board on executive matters. Furthermore the Annual Strategic Review, attended by board members and management, provides the forum to share results and track progress towards the organisation's long term goals and objectives

Management

A scheme of delegation is in place and operational responsibility has been assigned to the Executive Director, appointed by but not a member of the Board, who is supported by a team of department managers. The management team meets monthly and the Executive Director also meets with each department manager quarterly to review performance based on RBM management tools. A number of working groups of staff drawn from different functions, such as Communications & Messages, also exist to provide specific guidance and enhance cohesion across the organisation.

Collectively these measures enable a clearer focus on results throughout the organisation and wider understanding of how the organisation works together towards overall Outcomes and Impact.

Associations

Additionally, the Charity is an active member of a number of relevant sector networks including Institute of Fundraising (IoF), Community Association for Development Action (CADA) and Dochas, the Irish Association of Non-Governmental Development Organisations. The Charity uses these associations to both develop and benchmark its governance activities against peer organisations

Risk Management

The Trustees are aware of the risk to which the company is exposed and therefore seek to effect appropriate monitoring systems to mitigate exposure to those risks. To this end a comprehensive risk management programme, overseen by the Finance and General Purposes Committee, exists to monitor, evaluate and implement mitigating actions where necessary to manage risks in the areas of governance, operational, financial, programme and regulatory matters.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

There has been significant attention given to risk management over the last year to address perceived weaknesses especially in linkages between Head Office and country office, and more specifically with regard context-relevant programmatic issues. Some of the outcomes of this review have been:-

- Alignment between Head Office and Tanzania country office - establishment of a central management review group which monitors cross-cutting functions of strategy, HR and finance to ensure integrity and consistency in development;
- Programme partnering – the development of a more comprehensive synopsis of prospective programme partners retaining key governance and financial detail but incorporating more programme-related elements including M&E, results & knowledge management.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the Statement of Recommended Practice "Accounting and Reporting by Charities". Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net movement in funds for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure Information to Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity's auditors are unaware; and
- The Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of the information.

Small company exemption - Companies Act 2006

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

By order of the Trustees



Marcus O'Neill
Chairperson

Date: 3, 6, 17

CHILDREN IN CROSSFIRE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES ON THE FINANCIAL STATEMENTS OF CHILDREN IN CROSSFIRE

We have audited the financial statements of Children in Crossfire for the year ended 31st March 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), including Financial Reporting Standard 102.

This report is made solely to the Charity'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 Charity's Members those matters which 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 Charity and the Charity's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibility Statement, the Charity's Trustees (who are also the 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 (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the 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 charity'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 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 31 March 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 requirements of 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.

CHILDREN IN CROSSFIRE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES ON THE FINANCIAL STATEMENTS OF CHILDREN IN CROSSFIRE

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 of the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



John Bradley FCA
Senior Statutory Auditor
For and on behalf of Moore Stephens (NI) LLP
Chartered Accountants and Statutory Auditors

21/23 Clarendon Street
Derry/Londonderry
BT48 7EP
Date: 3/6/17

CHILDREN IN CROSSFIRE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017**

		Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	Note	£	£	£	£
Income					
Donations and legacies		565,261	-	565,261	559,913
Charitable activities		1,793	1,277,969	1,279,762	1,459,132
Total income	3	567,054	1,277,969	1,845,023	2,019,045
Expenditure					
Charitable activities		252,150	1,405,697	1,657,847	1,604,283
Raising Funds		317,638	-	317,638	249,224
Total expenditure	4	569,788	1,405,697	1,975,485	1,853,507
Net movement in funds	5	(2,734)	(127,728)	(130,462)	165,538

Reconciliation of funds

CHILDREN IN CROSSFIRE

**BALANCE SHEET
AS AT 31 MARCH 2017**

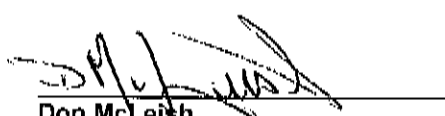
	<u>Note</u>	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	7		8,940		8,915
Current assets					
Debtors	9	847,151		925,716	
Cash at bank and on hand		144,677		199,768	
		<u>991,828</u>		<u>1,125,484</u>	
Liabilities					
Amounts falling due within one year	10	<u>(24,317)</u>		<u>(27,486)</u>	
Net current assets			<u>967,511</u>		<u>1,097,998</u>
Net assets			<u>976,451</u>		<u>1,106,913</u>
Funds of the charity:					
Unrestricted funds	11		192,268		195,002
Restricted funds	12		<u>784,183</u>		<u>911,911</u>
Total charity funds			<u>976,451</u>		<u>1,106,913</u>

These 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 signed on their behalf by:



Marcus O'Neill
Chairperson



Don McLeish
Trustee

Date: 3-6-17

Company No. NI 54061

Charity Reference XR 85661

The notes on pages 12 - 20 form part of these financial statements and should be read in conjunction therewith.

1. Accounting Policies

Charity Information

Children In Crossfire is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 2 St Joseph's Avenue, Abercorn Road, Derry~Londonderry, BT48 6TH.

1.1 Accounting convention

The financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified where applicable to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of Children In Crossfire prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees on activities that further any of the purposes of the charity, unless the funds have been designated for other purposes.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

1.4 Incoming resources

Income is recognised and included in the statement of financial activities when the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the charity has been notified on an impending distribution, the amount is known and the receipt is expected.

CHILDREN IN CROSSFIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of childcare and educational services undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

	% P.A
Office equipment	20
Motor vehicles	25

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net movement in funds for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

CHILDREN IN CROSSFIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Taxation

The company is a charity and is recognised as such by HM Revenue & Customs under the charity tax reference NIC 101412. As a result there is no liability to taxation on any of its income.

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<i>(a) Donations and legacies</i>				
Donations	565,261	-	565,261	559,913
	<u>565,261</u>	<u>-</u>	<u>565,261</u>	<u>559,913</u>
<i>(b) Charitable activities</i>				
Dubai Cares	-	580,134	580,134	752,399
Irish Aid	-	475,163	475,163	418,346
GMB	-	2,000	2,000	75,250
Meg Roper Trust	-	150,000	150,000	100,000
Apex	-	13,474	13,474	31,035
Other	-	57,198	57,198	80,692
Management Charge	1,393	-	1,393	928
Bank interest	400	-	400	482
	<u>1,793</u>	<u>1,277,969</u>	<u>1,279,762</u>	<u>1,459,132</u>
Total income	<u>567,054</u>	<u>1,277,969</u>	<u>1,845,023</u>	<u>2,019,045</u>

CHILDREN IN CROSSFIRE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. Expenditure

	Unrestricted Income Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<i>(a) Charitable activities</i>				
Wages & salaries	176,082	77,685	253,767	302,249
Staff costs & recruitment	2,822	2,822	5,644	12,538
Promotions & publications	2,317	9,267	11,584	8,335
Rent & rates	-	11,025	11,025	11,025
Insurance	794	1,588	2,382	2,227
Heat & Light	1,538	3,075	4,613	4,379
Cleaning	295	591	886	1,022
Repairs & maintenance	463	926	1,389	2,561
Printing, postage & stationery	1,249	2,498	3,747	3,837
Grants	-	1,207,095	1,207,095	1,088,543
Bank Charges	6,011	-	6,011	5,707
Telephone	3,021	6,042	9,063	5,153
Computer running costs	3,753	3,752	7,505	7,761
Travelling expenses	11,720	21,380	33,100	32,336
Legal & Professional	18,935	56,806	75,741	95,289
Audit fees	7,800	-	7,800	7,800
Trustees expenses	3,302	-	3,302	7,732
Subscriptions & membership	1,067	-	1,067	800
Sundry expenses	5,738	1,145	6,883	1,164
Depreciation	5,243	-	5,243	3,825
	252,150	1,405,697	1,657,847	1,604,283
<i>b) Raising Funds</i>				
Fundraising expenses	159,254	-	159,254	105,761
Wages and salaries	158,384	-	158,384	143,463
	317,638	-	317,638	249,224
Total resources expended	569,788	1,405,697	1,975,485	1,853,507

CHILDREN IN CROSSFIRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Net Movement In Funds

The net movement in funds for the year is stated after charging:

	2017	2016
	£	£
Auditors remuneration	7,800	7,800
Depreciation of tangible fixed assets	5,243	3,825

6. Analysis of staff costs and trustee remuneration and expenses

The average number of persons employed by the charity during the year was:

	2017	2016
	14	15

The Total Remuneration was:

	2017	2016
	£	£
Wages and Salaries	378,746	411,088
Social Security Costs	32,353	34,624
Pension contributions	1,052	-
	<u>412,151</u>	<u>445,712</u>

There were no employees with emoluments in excess of £60,000 (2016 - nil).

The trustees were not paid or received any other benefits from employment with the charity (2016 - £nil). No trustee was reimbursed expenses during the year (2016 - £nil). No trustee received payment for professional or other services supplied to the charity (2016 - £nil).

CHILDREN IN CROSSFIRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. Tangible Fixed Assets

	Office Equipment £	Vehicles £	Total £
Cost			
At 1 April 2016			
Additions	21,210	12,500	33,710
At 31 March 2017	5,268	-	5,268
	<u>26,478</u>	<u>12,500</u>	<u>38,978</u>
Depreciation			
At 1 April 2016			
Charge for the period	18,545	6,250	24,795
At 31 March 2017	2,118	3,125	5,243
	<u>20,663</u>	<u>9,375</u>	<u>30,038</u>
Net book value			
At 31 March 2017	5,815	3,125	8,940
At 31 March 2016	<u>2,665</u>	<u>6,250</u>	<u>8,915</u>

8. Financial Instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	847,151	925,716
Carrying amount of financial liabilities		
Measured at amortised cost	24,317	27,486

9. Debtors

	2017 £	2016 £
Grant debtors	788,587	913,297
Other debtors	58,564	12,419
	<u>847,151</u>	<u>925,716</u>

10. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	24,317	27,486
	<u>24,317</u>	<u>27,486</u>

CHILDREN IN CROSSFIRE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Unrestricted Funds	Unrestricted Funds	Total 2017
	£	£
At 1 April 2016	195,002	195,002
Incoming Resources	567,054	567,054
Resources Expended	(569,788)	(569,788)
At 31 March 2017	192,268	192,268

12. Restricted Funds	1 April 2016 £	Incoming Resources £	Outgoing Resources £	31 March 2017 £
Dubai Cares	707,254	580,134	(722,396)	564,992
Irish Aid	146,738	475,163	(441,184)	180,717
Elma Philanthropies	13,919	-	(13,919)	-
GMB	24,000	2,000	(26,000)	-
Other Restricted Grants/ Donations	20,000	207,198	(202,198)	25,000
Apex	-	13,474	-	13,474
	911,911	1,277,969	(1,405,697)	784,183

Nature of restricted funds

Dubai Cares

Core support for the charity to support pre-primary education programmes in Tanzania, targeting mainly children aged between 5 and 6 in two regions of Tanzania.

Irish Aid

Core support for the charity to support pre-primary education programmes in Tanzania, targeting mainly children aged between 3 and 4 in three regions of Tanzania.

GMB

Core support for the charity to support nursing scholarships as part of their on-going health project to assist in Ethiopia.

Apex

This project delivers focus on providing a safe water supply to a village community in the Moshi region of Tanzania.

CHILDREN IN CROSSFIRE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. Analysis of Net Assets between funds

	Unrestricted Funds General	Restricted Funds £	Total Funds 2017 £
Tangible Fixed Assets	8,940	-	8,940
Current Assets	203,241	788,587	991,828
Current Liabilities	(19,913)	(4,404)	(24,317)
	<u>192,268</u>	<u>784,183</u>	<u>976,451</u>

14. Capital Commitments

The charity has not entered into any capital commitments at the year end.

15. Contingent Liabilities

Certain grants received and receivable may become repayable to the funder if the charity is no longer able to meet the conditions under which they were awarded. Due to the nature of these contingencies it may not be possible to quantify the potential financial effect or give an indication of the timing as to the liabilities that may arise.

16. Auditors' Ethical Standards

In common with many businesses of its size and nature the charity uses its auditors to assist with the compilation of the statutory financial statements.