

Registered Charity No. 1078187

THE ESTHER BENJAMINS TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2010

**THE ESTHER BENJAMINS TRUST
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**THE ESTHER BENJAMINS TRUST
CHARITY DETAILS AND TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

Trustees:	Mr Mike McCurry – Chairman Ms Madeline McGill Mr Robert Bahns Mr Andrew Scadding
Charity number:	1078187
Registered office and address:	Third Floor 2 Cloth Court London EC1A 7LS
Principal bankers:	CAF Bank PO Box 289 West Malling Kent ME19 4TA
Accountants:	Wilkins Kennedy Chartered Accountants Gladstone House 77-79 High Street Egham Surrey TW20 9HY

**THE ESTHER BENJAMINS TRUST
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

On reflection, my first complete year as Chairman has been an enjoyable experience. I am grateful to my fellow Trustees, Madeline McGill, Robert Bahns and Andrew Scadding for their valuable support and advice in assisting me to undertake my responsibilities. My thanks also go to colleagues in the London office: Ian Kerr (Development Director), Chris Kendrick (Head of Fundraising), and Lois Clarkson (Head of Administration).

During the year, we addressed the many issues raised by the needs of the children and young adults in Nepal who are dependent on the Trust's activities and the allocation of much-needed funding. We were successful in maintaining the required level of income to maintain our activities, due in no small part to the tremendous efforts made by Philip Holmes, Founder/CEO, who has been prolific in raising awareness and funding in Nepal and other parts of the world including Australia, USA, Germany, Dubai, Hong Kong and The Netherlands.

I made a visit to Nepal in June 2010 and saw, at first hand, the impressive outcomes of all aspects of the Trust's work in Godawari, Hetauda and Bhairahawa and realised the immense value of the volunteer input in Nepal to the permanent staff in all locations.

We have ambitious plans for 2011 and it is essential that we, as Trustees, continue to review the Trust's organisational needs and implement the best possible means to continue the growth of The Esther Benjamins Trust and enable us to achieve our objectives and targets.

M G McCurry
Chairman of Trustees
London
February 2011

**THE ESTHER BENJAMINS TRUST
DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

The Esther Benjamins Trust's remarkable success story has continued in this reporting year in spite of the scale of the challenges that it has had to contend with in both Nepal and abroad. More children than ever before have been helped and the huge fundraising effort required to meet that need has resulted in an 8% increase in income over the previous reporting year. That is no mean achievement in the midst of deep economic recession.

In Nepal we worked hard to develop a new operational focus that would have international significance while paying due attention to the (lesser) needs of the communities within which our partner NGOs operate. The requirement for a new major focus arose because of the apparent end of The Circus Children Project which had taken up so much of our effort between 2002 and 2008. By the end of that period it seemed that the problem had become a historical one with the agents who had been trafficking to the circuses in jail or police custody and the demand for little Nepali girls as "circus performers" all but dried up. However in the final months of 2010 we were advised of one or two rogue circuses that necessitated our launching successful rescue operations in Assam and Andhra Pradesh, resulting in the release of more children and new legal actions being initiated against circus owners and traffickers. There is every possibility that this kind of intervention may be needed again in the future, particularly given the number of tiny circuses in India which are well-nigh impossible to track but one of which could come to our attention at any time. This operational requirement will be absorbed into the objectives of a new Nepalese Children's Rescue and Rehabilitation Agency (NCRRA) that launches in January 2011. This will rescue and rehabilitate not only trafficked Nepalese children but also displaced ones who find themselves in whatever circumstances beyond Nepal's 1,800km open border with India. These include displaced children like those we rescued from very grim Indian children's homes throughout 2010, reuniting them with their families in Nepal.

Minor projects in Nepal have included a pilot project which saw the establishment of a crèche to help the pre-school children of migrant workers at the brick kilns in Godawari (Kathmandu valley) and school building projects in Makwanpur and Rupendehi Districts. For the first time the Trust's implementing partner NGO, Esther Benjamins Memorial Foundation (EBMF) has hosted a medical camp, providing services to almost 1,100 people over three days in Makwanpur District. All of these community initiatives will be expanded in 2011 under the umbrella of an EBMF Small Grants Programme.

Finally we have been acutely aware of the care requirements of the growing number of refugee children who are in the care of EBMF. Currently 132 children of prisoners, former street children and child trafficking survivors are in such care and this is becoming increasingly expensive as children become older (and therefore more costly to feed and clothe) and with high inflation in Nepal and a devalued pound. Moreover there is a pressing need to provide for the higher education and training of children who are close to leaving the refuge. This too is very expensive; for example we agreed to fund the training of two girls as health assistants and one as a nurse. Each three-year placement costs approximately £4,000 per girl per course. On the other hand these girls have earned their places. All are trafficking survivors who had been freed by us from circuses in 2004 and who with our support had gone from having had no previous education to passing the coveted Grade 10 School Leaver's Certificate (SLC) in the summer of 2010.

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FOR THE YEAR ENDED 30 SEPTEMBER 2010**

Organisationally we have also had an excellent year. Regular staff at the London office, Chris Kendrick and Lois Clarkson have been managed very successfully by the very experienced Ian Kerr (who is employed on a two day per week basis) and assisted by five committed volunteers. In Nepal I have received the support of four highly-motivated young Nepali staff members at our Kathmandu office while no fewer than 49 overseas volunteers have passed through Nepal in 2010 making a massive contribution to local administration and childcare. I would like to express my personal gratitude to full-time volunteer Kathryn Carr who has been outstanding in coordinating this huge volunteer effort. Sadly Kathryn will be moving on in February 2011 but I wish her all the very best for her further career and hope that she will re-join us once again in the future.

Finally I would also like to offer my thanks to those supporters who were so generous in this past year with a special mention to those who so kindly sponsored me as I raised £14,486 in my 50th Birthday Challenge last April that took me over Thorong La in the Annapurnas, this being the world's highest pass. In April 2011 I will be taking on my first Marathon event at the age of 51 as I join 35,000 runners in the Virgin London Marathon. Already I am pleased to say that my sponsorship for that has passed the £10,000 point and that generosity in these tough times is as impressive as any physical effort that I could make.

Philip Holmes
Founder/Director
Kathmandu
4th January 2011

**THE ESTHER BENJAMINS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

The Trustees are pleased to present their report together with the Director's Report and the financial statements of the charity for the year ended 30th September 2010. Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements and the Statement of Recommended Practice - Accounting and Reporting by Charities (2005).

Organisational Structure and Governance

The Esther Benjamins Trust (EBT) is a UK charity constituted by a Declaration of Trust on 27th September 1999. There are currently four Trustees and appointment of Trustees is made by a resolution of the Trustees. One new Trustee was appointed, Andrew Scadding, and one Trustee, Chris Haworth, resigned during the year. It is expected that one new Trustee will be appointed in 2011.

The Trustees meet three to four times a year and decisions are taken by majority vote, with the Chairman holding a casting vote.

EBT's office is located in London where the charity is administered and fundraising activities are coordinated. The office head is a Development Director, Ian Kerr, who works on a two day per week basis. He supervises and supports two full-time staff; Chris Kendrick is the Head of Fundraising and Lois Clarkson is the Head of Administration. The office is supported by regular volunteers Joanne Fernandes (Treasurer), Liz Partridge (who manages the accounts), Susan Wright, Stephanie Jones and Paul Robinson. Both Joanne and Liz are qualified accountants.

EBT works in Nepal through its operational office, the INGO Esther Benjamins Trust-Nepal (EBT-N), which exists under a renewable five-year agreement that was signed with the government of Nepal in November 2009. The Director, Philip Holmes, (who is based in Nepal and is also the Founder of the charity) is appointed by the Trustees to conduct the operational activities of the Trust and manage staff. He reports to the Trustees at Trustee meetings and is also in regular contact by email and telephone. The charity recognises the importance of a proper division of responsibilities between the Director and the Trustees. The Director discusses key strategic and operational decisions with the Trustees who delegate to the Director the authority to take appropriate action. In Nepal Philip Holmes has the additional responsibility of being Country Director EBT-N. He has been assisted by four local full-time staff members and overseas volunteers who have included Megan McFarlane and latterly Kathryn Carr in the post of Programme Coordinator. In all 49 volunteers have passed through Nepal in 2010 providing support in administrative, teaching and childcare roles.

EBT-N exists to support autonomous "implementing partner" NGOs. These have been the Nepal Child Welfare Foundation (NCWF), based at Bhairahawa in the southwest, and Esther Benjamins Memorial Foundation (EBMF) which is based in Kathmandu. EBMF has a branch office in Hetauda, Makwanpur District. This District has been a main child trafficking area and the Hetauda office serves as an invaluable local presence in the fight against trafficking. Kathmandu is also the location of EBMF's children's refuge which provides full-time care to 130 "at risk" children and EBMF's art workshops. June 2010 saw a redefining and refocusing of NGO relationships with all of the children transferred from the NCWF's local refuge in Bhairahawa to the EBMF's Kathmandu refuge. Likewise a rural art workshop at Bhairahawa was closed and the trainee artists there combined with students at the EBMF workshop in Kathmandu. This rationalisation led to significant cost savings while leading to markedly improved care, education and training opportunities for beneficiaries. EBMF will be EBT's

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FOR THE YEAR ENDED 30 SEPTEMBER 2010**

main local partner NGO in future with other NGOs, including NCWF, supported indirectly through a new EBMF Small Grants Programme.

In India EBMF has worked alongside several NGOs in its work against trafficking and the repatriation of Nepali children. As a separate activity the Trust has continued to provide funding to the Baas Educational Trust (BET) a Delhi-based NGO that provides funding to a school at Baas near Gurgaon.

Trustee Induction & Training

New Trustees are recruited through open recruitment as well as through personal contacts of the Director and Trustees and other supporters of the Trust. It is intended that the Trustees are able to bring a range of skills to the charity and provide guidance on issues including childcare management practices, volunteer programmes, finance and human resource management. All new Trustees receive an induction in The Esther Benjamins Trust office which is supplemented with support materials. Trustees are encouraged to visit the charity's counterparts in Nepal when possible with at least one Trustee making a visit each year.

Objectives and Activities

EBT's objectives as set out in the Declaration of Trust are to provide relief to children and young persons directly or indirectly anywhere in the world who are in conditions of need, hardship or distress (beneficiaries) in such a way as the Trustees from time to time think fit.

Work implemented by EBMF has consisted of:

- a. Residential care of "at-risk" children – At-risk children are cared for at the EBMF children's refuge in Godawari, on the outskirts of Kathmandu. Care consists of providing for basic needs (food, accommodation, clothes), education (the children attend school locally) and developmental needs (sport, recreation and community work through the International Award scheme – www.intaward.org). Where possible, and if it is safe to do so, children are returned to families but for most the organisation will remain responsible for them until they come of age or are able to fend for themselves. The children's immediate carers, bar one, are former circus girls who considered themselves too old to join school post release. Refuge accommodation is in rented premises, although it is now an aim to fundraise for the purchase of land and building of owned premises beginning in 2011.
- b. Work against child trafficking – From its branch office in Hetauda EBMF has provided a small local refuge for at-risk children and teenagers from the local community; the refuge caters for basic needs and offers non-formal education and training in tailoring. EBMF field staff members have also provided educational and medical support within this trafficking-prone community. The former involved the paying of school fees for vulnerable children who have been rescued from circuses and their siblings along with the construction of classrooms at two schools. The latter included hosting and facilitating a medical camp that was conducted by U.S. clinicians from Medical Outreach of America. This kind of tangible service delivery builds strong bridges with community leaders and has helped dramatically in the tracking, capture and conviction of child trafficking agents.

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c. Retrieval of displaced and trafficked Nepalese children from India – In 2009/2010 EBMF rescued displaced Nepalese children from various locations in India. Two innocent boys were retrieved from a young offenders centre near Kolkata (Calcutta) while 25 boys were brought out of Indian children's homes and returned to families who believed them to be dead. In many cases these boys were economic migrants or runaways who had crossed the open border with India in search of work or a better life to be picked up by the police and detained (against their will) in government-sponsored childcare centres that were particularly grim. EBT highlighted this hitherto undocumented problem in the Nepali media in August 2010. A circus rescue was conducted in Assam in September 2010 that led to the release of 12 trafficking victims and the charging of the circus owner and an agent in Nepal who had trafficked one of the releasees 14 years previously. Another circus rescue in November 2010 saw 28 girls being brought out of a circus in Andhra Pradesh and the circus owner there being brought to book with the local authorities, paying compensation to those whom he had been exploiting. The calendar year was rounded off with a circus rescue in Kerala that saw 30 trafficking victims being freed on New Year's Eve. EBMF has established itself as a point of contact for Indian NGOs that find Nepali children in the course of their work and gladly helps with the return of these to their families in Nepal. From January 2011 EBMF's rescue work will be formalised and expanded in the creation of a new Nepalese Children's Rescue and Retrieval Agency (NCRRA).

d. Training of vulnerable young adults – EBMF has sponsored the vocational training of two refuge leavers (former street children) as vehicle mechanics and one circus returnee in electronics. These courses are for one year and outsourced to a training centre in Kathmandu. Three girls rescued by us from circuses in 2004 have been supported by EBMF towards passing the 10th Grade School Leaver's Certificate (SLC) examination in 2010; one of these girls has now started a three-year course in nursing while the other two girls have started three-year courses as health assistants. EBMF continues to train in the arts and crafts with deaf school leavers and circus returnees being trained to make silver jewellery and in printmaking. These courses are conducted by overseas volunteers at the recently-opened Kathmandu Contemporary Arts Centre.

e. Brick kiln crèche pilot project – Each year a large migrant community arrives in Kathmandu valley to work in the brick kilns that fuel the burgeoning building schemes that are underway in Kathmandu. This is seasonal work and conditions are tough. The welfare of the workers' children has been a subject of concern for many NGOs particularly as the children are taken out of school to travel with their parents and many end up as child labourers working in hazardous conditions. In March EBMF set up a crèche at one kiln community that would provide care to pre-school-age children of workers in that area. The main reason for this project was to build the confidence of the workers who are cynical of NGOs who send field workers to study their circumstances but do little else to help improve their lives. EBMF interactions with the migrant workers have been much more constructive than they would have been otherwise and in 2011 EBMF will build upon research findings to establish an educational project that will benefit all of the children in this community.

f. Other educational projects – From January 2010 EBMF assumed responsibility from the Dutch development agency SNV for managing educational projects (mainly sponsorships) sponsored by the Dutch foundation Stichting Nepal. It has been agreed that once Stichting Nepal's historical commitments have been completed Stichting Nepal will directly support educational projects that have been planned by EBMF.

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NCWF project work (until June 2010) has consisted of:

- a. Residential care of children – NCWF operated a small refuge for children of prisoners, some children from local slum areas and some orphans or children who have lost parents in the recent armed conflict. The children were mostly in the age group 4-12. In June 2010 with the agreement of NCWF these children were transferred to the EBMF Kathmandu refuge.
- b. Support to local schools – NCWF has been in support of the Bhairahawa School for Deaf Children since 1999. During that time the school attendance has jumped from 89 to well over 200. NCWF has historically channelled EBT funding support to the school in the form of revenue funding (scholarships for children from the poorest families and paying for some teacher salaries) and capital funding (building classrooms, dining and accommodation blocks, a playground and purchasing a bus). In a new project for 2010 EBT funded the construction of new classrooms, the installation of a water supply and the purchase of furniture and classroom materials at a school for children in the slums of Butwal. These were funded through a bequest received from the estate of Miss Constance Roberts and in part by German trust Hatemalo, which supports our work.
- c. An integrated mosaic art workshop – NCWF hosted an integrated mosaic art workshop for older trafficking survivors (former circus girls) and deaf young people until June 2010 when the teaching of mosaic and other arts was centralised in Kathmandu. The Bhairahawa workshop may reopen in future if the funding situation improves sufficiently.

EBMF Achievements and Performance

- a. Residential care of “at-risk” children:
 - (i) Public Benefit: There are 119 children in care at the Kathmandu refuge at time of writing which are represented by:
 - Child trafficking survivors who have been rescued from Indian circuses (44) and their vulnerable siblings (23)
 - Dependent children of prisoners (17)
 - Former street children (6)
 - Miscellaneous – e.g. abandoned children (22)
 - Indian homes (7)

A further 13 children are being looked after at the EBMF refuge in Hetauda. These at-risk children consist of:

- Child trafficking survivors who have been rescued from Indian circuses (3) and a vulnerable sibling (1)
- Two children of a former EBMF employee (and circus worker) who was very seriously injured in a motoring accident and is unable to work
- An AIDS orphan – both parents deceased
- Five orphans
- A victim of sexual abuse

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FOR THE YEAR ENDED 30 SEPTEMBER 2010**

(ii) Education: All children have attended local schools and are progressing well. Six children passed the Grade 10 School Leaver's Certificate (SLC) examination in April.

(iii) Sport: Twelve children go to the National Stadium in Kathmandu each morning to take part in athletics or gymnastic training. Six children from Godawari refuge participated in Nepal Open Gymnastic Championship competition. They won thirteen medals in total out of which Aman Tamang won three gold medals, two silver medals and one bronze. Similarly, Bijay Limbu and Lalita Rai won three bronze medals each while Rachana Lama won a bronze.

(iv) International Award: 22 children have now completed their bronze qualifications in the International Award.

(v) Admission and discharge: 15 refuge children were successfully reunited with families and 32 new children were admitted to care. 15 children were transferred from the NCWF refuge in Bhairahawa in June 2010.

b. Work against child trafficking:

In Hetauda, as part of EBMF's support to a trafficking prone community, 400 vulnerable children receive educational, financial and material support to reduce the chance of them dropping out of school and being trafficked. EBMF Hetauda branch office staff visit families at least once a year at the start of the academic year to provide books, school uniforms (on alternate years) and where necessary funds towards meeting school fees. Children in classes 8,9 and 10 receive financial support towards extra tuition costs in the run up to the crucial SLC examinations. In 2010 four children from this community passed SLC with EBMF support and are now attending college.

EBMF staff members are proactive in monitoring the children's progress at schools to ensure that the children are responding positively to this investment in their safety and future. Staff visits to schools are combined with awareness-raising lessons regarding the dangers of trafficking. During the reporting period school classrooms have been built at two schools which are attended by 350 children. The Medical Outreach of America medical camp that was supported by EBMF was attended by 1,097 patients over three days.

7 child trafficking agents were apprehended by EBMF field staff in 2009/2010 and are awaiting trial.

c. Retrieval of trafficked and displaced Nepali children from India:

70 children were rescued from Indian circuses and 25 boys from children's homes. A further child was retrieved from India after being handed over to EBMF by Indian NGOs.

d. Training of vulnerable young adults:

- Two refuge leavers (former street children) joined a one-year vocational training course as vehicle mechanics
- One male circus returnee joined a six-month vocational training course as an electronics technician

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- One female circus returnee joined a three-year course to train as a nurse
- Two female circus returnees joined a three-year training course as health assistants
- Eight students (six deaf, two former circus girls) are learning how to make silver jewellery
- Three students (two deaf, one former circus girl) are learning printmaking

e. Brick kiln pilot project:

15-20 pre-school children attended the crèche each day. This facilitated research access to a community of several hundred migrant workers.

f. Other educational projects:

Stichting Nepal funding support through EBMF benefitted nine children through the scholarship programme. Out of those nine, seven are studying in rural school of Helambu while two are studying in Kathmandu.

NCWF Achievements and Performance

a. Residential care of children:

NCWF provided full-time care for 20 children up until June 2010.

b. Support to local schools:

Through NCWF, EBT has continued to provide scholarships for 30 children from the poorest families and paid the salaries of two extra teachers at the Bhairahawa School for Deaf Children. The school has an attendance of 220. 176 children attend the Butwal slum school and have benefitted directly from the construction of classrooms, the installation of a water supply and the purchase of classroom furniture.

c. The Integrated Mosaic Art Workshop:

Training of 12 deaf school leavers and trafficking survivors (former circus girls) continued at the Workshop until June 2010 and a course for 12 new students was conducted at the start of 2010. When the Workshop was suspended 14 students were transferred to centralised training in Kathmandu.

Summary of Public Benefit

Residential care – 132 children in full-time care at the time of writing.

- 22 young people have completed bronze qualifications in the International Award.
- 3 refugee children completed SLC and 4 non-refuge children were supported through SLC
- 5 children have left the refuge and been supported into vocational and other training
- 25 school leavers have been trained in in-house arts and crafts projects
- 320 children in receipt of educational scholarships
- 400 children (estimate) have benefitted from school development work in Makwanpur and Rupendehi districts
- 30 children at the School for Deaf Children in Bhairahawa have benefitted through financial support to the school, 30 of them through educational scholarships

**THE ESTHER BENJAMINS TRUST
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FOR THE YEAR ENDED 30 SEPTEMBER 2010**

- 70 trafficked children were rescued from Indian circuses
- 26 other displaced Nepali children were repatriated to Nepal and reunited with families
- 15-20 children per day benefitted from crèche facilities at Godawari brick kilns
- 1,097 patients were seen at an EBMF-supported medical camp
- 9 children benefitted through Stichting Nepal support that was channelled through EBMF

Financial Review

This has been a good year financially in spite of the recession with an income of £471,068 compared with the previous year's income of £436,071. Public donations increased to £194,225 from the previous year's £164,150. £26,442 of this was for Baas Educational Trust (2009/2010 BET income was £28,907) of which £25,000 was transferred to the project from the previous year's income. Trust income was excellent at £163,650, up markedly from the previous year's income of £120,451. Child sponsorship income increased from £25,076 to £35,804; this being a reflection of a major fundraising event that was held at Westminster Abbey in June to recruit new child sponsors. Unfortunately, corporate income showed a significant drop from £45,927 in 2008/2009 to £13,291 this being due to a reduced return on royalties from Joules Clothing. However new corporate support has joined over the past year and we fully expect this proportion of income to increase in 2010/2011. Challenge events income at £46,923 was down on the previous year's £50,159 but this was due principally to the Director's personal challenge fundraising being down from £29,877 in 2008/2009 to £14,486 in 2009/2010.

Direct spending on our projects in Nepal and India increased from £276,294 to £315,469.

Overall we had a surplus for the year of just £11,852 with the cash balance at year end standing at £185,108 compared to the previous year's £213,252. Although the situation could have been much worse the lack of growth in unrestricted reserves remains a source of concern. Standing at £134,616, unrestricted reserves equate to 3.5 months' worth as opposed to the Trustees' target of six months of operating costs.

The Trustees are very conscious of the continuing difficult economic times ahead, which include continuing inflation in Nepal, and will monitor the Trust's financial position particularly closely. During the coming year we are planning on increased income from countries apart from the UK - most notably the USA, Germany, Holland, Hong Kong, the Gulf States and Australia. The Trustees, however, remain satisfied with the current financial position of the Trust.

Investment Powers

Under the trust deed, the charity has the power to make any investment which the Trustees see fit.

Reserves Policy

It is the Trustees' policy to have reserves of no less than six months and no more than twelve month's operating costs.

**THE ESTHER BENJAMINS TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

Trustees' responsibilities

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those accounts the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993 or as amended by the 2006 Act. 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.

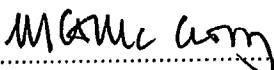
In so far as the Trustees are aware there is no relevant information of which the charity's examiners are unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the examiners are aware of that information.

Examiners

Wilkins Kennedy Chartered Accountants are the charity's examiners and have expressed their willingness to continue in that capacity.

Approved by the Board on 23 March 2011

And signed on its behalf

..... 

Mike McCurry
Chairman

**THE ESTHER BENJAMINS TRUST
INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

I report on the accounts of the charity for the year ended 30 September 2010 which are set out on pages 15 to 23.

Respective responsibilities of trustees and examiner

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 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with 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 any 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

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met; or

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INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS
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- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M Izquierdo

Wilkins Kennedy Chartered Accountants
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

Mrs M Izquierdo
FCA
31 March 2011

**THE ESTHER BENJAMINS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds	2				
Voluntary income		237,957	185,799	423,756	380,284
Activities in generating funds		46,923	-	46,923	50,159
Investment income		389	-	389	5,628
TOTAL INCOMING RESOURCES		285,269	185,799	471,068	436,071
RESOURCES EXPENDED					
Cost of generating funds	6	53,441	-	53,441	68,661
Charitable activities	5	222,725	173,605	396,330	333,028
Governance	3	9,445	-	9,445	6,964
Total resources expended		285,611	173,605	459,216	408,653
NET (OUTGOING) / INCOMING RESOURCES FOR THE PERIOD		(342)	12,194	11,852	27,418
Transfers between funds	7	(26,680)	26,680	-	-
Fund balances brought forward at 1 October		161,638	57,062	218,700	191,282
FUND BALANCES CARRIED FORWARD AT 30 SEPTEMBER		£134,616	£95,936	£230,552	£218,700

The notes on pages 17 to 23 form part of these accounts

**THE ESTHER BENJAMINS TRUST
BALANCE SHEET
AS AT 30 SEPTEMBER 2010**

	Notes	2010 £	2009 £
FIXED ASSETS	8	4,269	6,461
CURRENT ASSETS			
Debtors & accrued income	9	55,504	35,987
Cash at bank		185,108	213,252
		240,612	249,239
LIABILITIES			
Amounts falling due within one year	10	(14,329)	(37,000)
Net Current Assets		226,283	212,239
NET ASSETS		£230,552	£218,700
RESERVES			
Unrestricted funds	11	134,616	161,638
Restricted funds	11	95,936	57,062
		£230,552	£218,700

The notes on pages 17 to 23 form part of these accounts.

Approved by the Trustees on 23/3/11 and signed on their behalf:



Mr Mike McCurry

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

1. Accounting policies

a. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with Statement of Recommended Practice 2005 for charity accounting and Charities Act 1993 and applicable accounting standards.

b. Depreciation

Depreciation is provided on all fixed assets at rates calculated to write-off the cost of the asset over its expected useful life as follows:-

Fixtures and fittings – 20% straight line per annum on cost

c. Income

Income consists of grants, donations, and other income due for the period whether received in the period or outstanding at the period-end and is reflected in the appropriate heading in the statement of financial activities according to whether its use is unrestricted or restricted.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to a project. Gifts donated for resale are included as income when they are sold. No amounts are included in the accounts for services donated by volunteers.

d. Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted reserves consist of funds whose use is restricted as a condition of receipt.

e. Investment Income

All Investment income is derived from bank interest.

f. Resources Expended

Expenditure is recognised when a liability is incurred and is allocated in accordance to the policies below.

g. Governance Costs

Consist of those expenses related to Trustees and meetings, the annual audit cost and relevant allocated support costs for running and developing the charity.

h. Support Costs

Support staff salary costs are allocated as appropriate to Charitable Activities-UK Support & Direct Project Expenditure, Cost of Generating Funds and Governance.

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

2. Analysis of incoming resources

	2010	2009
	£	£
Incoming resources from generated funds		
Voluntary income:		
Public Donations	194,225	164,510
Corporate Donations	13,291	45,927
Child Sponsorship	35,804	25,076
Grants received	163,650	120,451
Legacies	12,597	23,500
Miscellaneous	4,189	820
	<hr/>	<hr/>
	423,756	380,284
Activities for generating funds:		
Events	46,923	50,159
Investment income	389	5,628
	<hr/>	<hr/>
	£471,068	£436,071
	<hr/> <hr/>	<hr/> <hr/>

3. Analysis of Governance Costs

	2010	2009
	£	£
Accountancy fees	2,700	2,013
Meeting costs	-	81
Trustees' Expenses	131	71
Trustees' Indemnity Insurance	378	-
Support Staff Costs	6,236	4,799
	<hr/>	<hr/>
	£9,445	£6,964
	<hr/> <hr/>	<hr/> <hr/>

No remuneration was paid to an individual during the period in their capacity as Trustees.

4. Personnel and volunteer resources

	2010	2009
	£	£
Support Staff Costs		
Wages and salaries	92,429	95,519
Social security costs	9,643	9,297
	<hr/>	<hr/>
	£102,072	£104,816
	<hr/> <hr/>	<hr/> <hr/>

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

The cost of support staff has been allocated to the activities of – UK Support Costs, Direct Project Expenditure, Cost of Generating Funds and Governance Costs. The average number of employees during the year was 4 (2009: 4) and no employee was paid more than £37,500 during the year. The average number of volunteers during the year was 50 (2009: 49) including 5 Trustees (2009: 5). The cost of volunteers was £2,835 (2009: £1,853), which includes 5 flights to Nepal.

5. Analysis of charitable resources expended

	2010	2009
	£	£
Direct Project expenditure	315,469	276,294
UK support costs:		
Staff costs	38,613	33,223
Premises costs	7,420	5,671
Office running costs	11,770	11,436
Consultancy costs	16,018	91
Other	7,040	6,313
	<hr/>	<hr/>
Total UK support costs	80,861	56,734
Total resources expended in furtherance of Charity's Objectives	<hr/> £396,330 <hr/>	<hr/> £333,028 <hr/>

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

6. Analysis of Costs of Generating Funds

	2010	2009
	£	£
General Fundraising	9,419	10,953
Public Relations	67	696
Challenge Events	10,540	20,925
Promotional Material	1,923	6,411
Support Staff Costs	31,492	27,091
Consultancy Costs	-	2,585
Total	£53,441	£68,661

7. Restricted Funds Analysis of Project Income and Expenditure

Analysis Description	B/fwd Funds £	Restricted Income £	Resources Expended £	Core Funds Used £	C/fwd Funds £
Residential Care of Risk Children ^a	3,518	101,203	(89,115)	-	15,606
Work Against Child Trafficking ^b	669	-	(9,427)	8,758	-
Retrieval of Displaced and Trafficked Nepalese Children from India ^c	26,193	23,358	(12,265)	-	37,286
Training of Vulnerable Young Adults ^d	-	775	(18,697)	17,922	-
Brick Kiln Creche Project ^e	-	7,466	(6,236)	-	1,230
Other Educational Projects ^f	14,336	26,555	(12,825)	-	28,066
BAAS ^g	11,778	26,442	(25,040)	-	13,180
CSC/NCWF Development Costs ^h	93	-	-	-	93
Pradep Surgery ⁱ	475	-	-	-	475
Restricted Funds/(Costs)	57,062	185,799	(173,605)	26,680	95,936
Core Funds/(Costs)	161,638	285,269	(285,611)	(26,680)	134,616
TOTAL	£218,700	£471,068	£(459,216)	-	£230,552

Following the year end, it was decided that an amount of £15,715 currently included in Other Educational Projects was to be reallocated to the building of a new refuge in Kathmandu. This decision was taken following consultation with the donor and agreement by the Trust's board of trustees.

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

- a. **Residential Care of At-Risk Children (formerly Refuge Children)**
EBT funds the full-time care of school age children at refuges in Bhairahawa and in Kathmandu. The children concerned are the children of prisoners, former street children, rescued trafficked children and vulnerable siblings.
- b. **Work against Child Trafficking (formerly Circus Children)**
The Trust undertakes the rehabilitation and care of trafficked Nepalese children from Indian circuses. The Trust also takes legal action against the traffickers and circus owners and raises awareness of the issue at local, national and international levels.
- c. **Retrieval of displaced and trafficked Nepalese children from India (formerly Circus Rescue)**
EBT funds the costs of retrieval of trafficked children from Indian circuses through grants to ChildLine India Foundation and to Esther Benjamins Memorial Foundation in Nepal. This year this has also included funds to research the possible rescue and repatriation of Nepali children from Indian children's homes and those working in coal mines in NE India.
- d. **Training of Vulnerable Young Adults (includes the Deaf School Mosaic Course)**
The Trust pays for the various training courses for refuge leavers and circus returnees, ranging from mechanics, electronics, nursing and printmaking.
- e. **Brick Kiln Creche Pilot Project**
This project funds the care of pre-school-age children of migrant workers. The parents were able to work in the brick kilns for the season.
- f. **Other Educational Projects (includes School for Deaf Children)**
EBT provides revenue and capital funding to a large government school for deaf children at Bhairahawa, southwest Nepal. There is also a scholarship programme funded by Stichting Nepal.
- g. **BAAS**
The Trust sends grants to the BAAS Educational Trust School (www.betsinfo.org) at Gurgaon, Delhi. The school provides education of an exceptionally high standard to local school children. All donations arise from visitors to the school.
- h. **CSC/NCWF Development Costs**
EBT secured a grant in 2009 from the Consortium of Street Children (CSC) which was utilised towards research and development at its partner organisation Nepal Child Welfare Foundation (NCWF). The grant has covered the costs of a new Development Officer and NCWF core costs for one year.
- i. **Pradep surgery**
This is a fund to provide surgery for Pradep Lama who suffered very bad facial injuries as a result of a mine blast left over after the recent Maoist conflict. Pradep is currently in the Trust's Kathmandu refuge.

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

8. Fixed Assets

	Furniture & Fixtures £	Equipment £	Total £
<u>Cost</u>			
At 1 October 2009	5,213	24,030	29,243
Additions in period	-	-	-
At 30 September 2010	<u>5,213</u>	<u>24,030</u>	<u>29,243</u>
<u>Depreciation</u>			
At 1 October 2009	4,687	18,095	22,782
Charged in period	526	1,666	2,192
At 30 September 2010	<u>5,213</u>	<u>19,761</u>	<u>24,974</u>
<u>Net Book value</u>			
At 30 September 2010	-	4,269	4,269
At 1 October 2009	<u>526</u>	<u>5,935</u>	<u>6,461</u>

9. Debtors

	2010 £	2009 £
Prepayments and Accrued income	<u>55,504</u>	<u>35,987</u>
	<u>£55,504</u>	<u>£35,987</u>

10. Creditors

	2010 £	2009 £
Other Creditors	11,776	18,000
Accruals and deferred income	<u>2,553</u>	<u>19,000</u>
	<u>£14,329</u>	<u>£37,000</u>

**THE ESTHER BENJAMINS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

11. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	2010 £	2009 £
Represented by:				
Tangible fixed assets	4,269	-	4,269	6,461
Current assets	144,676	95,936	240,612	249,239
Current liabilities	(14,329)	-	(14,329)	(37,000)
	£134,616	£95,936	£230,552	£218,700

12. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments as at 30 September 2010 or 2009.