

Charity Registration No. 1082344

Company Registration No. 03918058 (England and Wales)

CHRISTEL HOUSE EUROPE

(A company limited by guarantee)

**TRUSTEES' ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

WEDNESDAY



A1FUTH02

A15

22/08/2012

#279

COMPANIES HOUSE

CHRISTEL HOUSE EUROPE

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011

Trustees and Directors	J R Haylock Christel DeHaan Lord Anthony St John
Charity number	1082344
Company number	3918058
Registered office	C/o J R Haylock The Porch House, Dingley Hall Market Harborough Leicestershire LE16 8PJ
Reporting Accountants	Mayfield & Company 2nd Floor, 27 The Crescent King Street Leicester LE1 6RX
Bankers	Lloyds TSB Bank Plc 40 The Square Market Harborough Leicestershire LE16 7PE
Solicitors	Withers LLP 16 Old Bailey London EC4M 7EG
Company Secretary	Elizabeth Taylor

CHRISTEL HOUSE EUROPE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

The trustees, who are also the directors of the charity for the purpose of the Companies Act, submit their annual report and unaudited financial statements for the year ended 31 December 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

The trustees who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 28 January 2000, and registered as a charity on 8 September 2000. The company was established under a Memorandum of Association which established the objects and funds of the charitable company and is governed under its Articles of Association.

There are two categories of membership: 'A' members and 'B' members. The sole 'A' member is Christel House International Inc. The directors of the company who are also the charitable trustees for the purpose of charity law are 'B' members. In the event of the company being wound up, each member's liability is limited to £1.

Appointment of Trustees

The trustees and the chairman are appointed at the Annual General meeting by the 'A' member, Christel House International Inc.

Related parties

The charity is associated with similar charities which operate under the Christel House name in the United States, Mexico, India, Venezuela and South Africa.

The charity received funds from Christel House International Inc to cover the administrative expenses of the charity, so that 100% of the donated money in the UK will be used on direct charitable expenditure.

The daily administration of the charity is done by volunteers. An estimate of the value of their time has been provided in the financial statements.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

CHRISTEL HOUSE EUROPE

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Objectives and activities

The objects of the charity are set out in the charity's trust deed and are summarised as follows

To help impoverished children around the world break the cycle of poverty and become self-sufficient, contributing members of their societies by means of education, nutrition, health care, life skills development, character formation and community education programmes

When planning our activities for the year we considered the Charity Commission's guidance on public benefit

The focus of activities remains to fundraise to provide support to Christel Houses around the world in order to transform the lives of impoverished children by providing education, nutrition, health care and a nurturing environment and by empowering their families and communities through outreach services

Achievements and Performance

During the year Christel House Europe paid grants totalling £72,345 (2010 £30,000) to Christel House learning centres in India and South Africa

This fundraising contributed to Christel House in 2011 achieving a worldwide attendance rate of 95.9% and a year to year retention of 94.6%

Christel House presents a variety of workshops on topics to help the families of the children who attend the schools, including family planning, parenting skills, conflict resolution, substance abuse, nutrition and hygiene to help families cope with life's challenges. Christel House parents and families volunteered nearly 60,000 hours at learning centres and a high percentage attended parent-teacher conferences, family nights, and special events and workshops

97% of Christel House graduates participate in the work study programme. Through 2011 more than 500 students have graduated through Christel Houses around the world. 37 are university graduates, half are full time students in university and technical schools, 20% are balancing work and study and the remaining are employed or apprenticed in the formal sector

Financial Review

Review of activities

The surplus for the year amounted to £6,926 (2010 Deficit £11,566)

During the year the charity made donations of £24,429 to Christel House India and £47,916 to Christel House South Africa

Through fundraising efforts, the charity will continue to support and provide funding to other Christel Houses notably in India and South Africa as well as the Christel House Scholars Programmes in Europe

CHRISTEL HOUSE EUROPE

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Financial Review (continued)

Review of activities (continued)

The Executive Director of Christel House India is responsible for development activities within India as well as throughout the Middle East. A portion of his salary is charged to Christel House Europe as development efforts in the Middle East generally flow through Christel House Europe. Christel House Europe in turn forwards these proceeds to support the programs of services provided to impoverished children of Christel House India and South Africa. In recent years, the results of these development efforts in the

Middle East have been provided directly to Christel House India and as such are not reflected as donation revenue on the financial statements of Christel House Europe.

It is important to understand that funds donated through Christel House Europe are forwarded to Christel House India and Christel House South Africa in direct support of programs and services benefiting the children of Christel House. All fundraising, publicity, management and administrative costs incurred by Christel House Europe, including the portion of the salary of the Christel House India Executive Director, is funded by the organisation's founder.

Reserves Policy

Christel House International Inc has undertaken to donate sufficient funds to the company to cover its administrative expenses. Accordingly, the trustees request funds when required.

Therefore, the trustees have decided that reserves can be maintained at a relatively low level, due to limited administrative costs incurred.

Investment policy

The trustees have considered the most appropriate policy for investing funds and believe that, with the current level of funds, it is appropriate to hold the money in bank accounts. However, as funds grow, alternative investments will be considered to ensure the best return is obtained whilst maintaining risk at a low level.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

CHRISTEL HOUSE EUROPE

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of trustees' responsibilities

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period

In preparing those accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on a going concern basis unless it is inappropriate that the company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

This report was approved by the Board on 20th April 2012


J R Haylock

CHRISTEL HOUSE EUROPE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHRISTEL HOUSE EUROPE

I report on the accounts for the year ended 31st December 2011 which are set out on pages 7 to 13

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is required.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to our 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 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met, or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

**David Mayfield
Mayfield & Company
Chartered Accountants
& Statutory Auditors
27 The Crescent
King Street
Leicester**

CHRISTEL HOUSE EUROPE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
<u>Incoming resources</u>					
Donations	2	111,537	21,217	132,754	71,169
Activities for generating funds	3	20,948	-	20,948	22,055
Interest	4	14	-	14	13
Total incoming resources		132,499	21,217	153,716	93,237
<u>Resources expended</u>					
Cost of generating finds					
Fundraising and publicity costs		62,177	-	62,177	62,379
		62,177	-	62,177	62,379
Net incoming resources available		70,322	21,217	91,539	30,858
Charitable expenditure					
Grants payable	5	51,128	21,217	72,345	30,000
Management and administration		12,268	-	12,268	12,424
		63,396	21,217	84,613	42,424
Total resources expended	6	125,573	21,217	146,790	104,803
Net (outgoing)/incoming resources before transfers		6,926	-	6,926	(11,566)
Transfers between funds		-	-	-	-
Net movement in funds		6,926	-	6,926	(11,566)
Fund balances at 1 January 2011		15,038	-	15,038	26,604
Fund balances at 31 December 2011		21,964	-	21,964	15,038

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

CHRISTEL HOUSE EUROPE

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Current assets					
Debtors	9	-		-	
Cash at bank and in hand		72,064		47,198	
		<u>72,064</u>		<u>47,198</u>	
Creditors: amounts falling due within one year	10	<u>(50,100)</u>		<u>(32,160)</u>	
Net current assets			<u>21,964</u>		<u>15,038</u>
Total assets less current liabilities			<u>21,964</u>		<u>15,038</u>
Funds and reserves					
Restricted funds	11	-		-	
Unrestricted funds			<u>21,964</u>		<u>15,038</u>
			<u>21,964</u>		<u>15,038</u>

The trustees are satisfied that the company was entitled to exemption under Section 477 of the Companies Act 2006 relating to small companies

The trustees acknowledge their responsibilities for

- i The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- ii The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities relating to small Companies

The accounts were approved by the Board on 20th April 2012

J R Haylock
Trustee



CHRISTEL HOUSE EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting Policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005

1.2 Incoming resources

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. The value of services provided by volunteers has not been included

1.3 Resources expended

Costs of generating funds are those costs associated with the golf event which takes place annually to raise donations for the charity

Grants payable are recognised in the period in which they are incurred

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable VAT which cannot be recovered

1.4 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources

1.5 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 funds are funds which are to be used in accordance with specific transactions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements

When donor restrictions expire or a purpose restriction is fulfilled, restricted funds are reclassified to unrestricted funds and reported in the statement of financial activities as net funds released from restrictions

CHRISTEL HOUSE EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

2 Donations

	2011 £	2010 £
Donations and gifts	<u>132,754</u>	<u>71,169</u>
Donations and gifts		
Unrestricted funds		
Christel House International Inc	62,160	59,718
General donations	49,377	10,875
Restricted funds		
India	185	576
Sevonoaks	400	-
South Africa	20,632	-
	<u>132,754</u>	<u>71,169</u>

3. Activities for generating funds

	2011 £	2010 £
Golf events	<u>20,948</u>	<u>22,055</u>

4. Interest

	2011 £	2010 £
Bank interest receivable	<u>14</u>	<u>13</u>

5. Grants payable

	2011 £	2010 £
Grants to institutions	<u>72,345</u>	<u>30,000</u>
Grants to institutions comprise		
Donations to India	24,429	15,000
Donations to South Africa	47,916	15,000
	<u>72,345</u>	<u>30,000</u>

CHRISTEL HOUSE EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

6. Total resources expended

	Total 2011 £	Total 2010 £
Costs of generating funds		
Fundraising and publicity	62,177	62,379
Charitable expenditure		
Grants payable	72,345	30,000
Management and administration	12,268	12,424
	84,613	42,424
	146,790	104,803

Management and administration costs includes payments to the independent examiners of £2,040 (2010 - £1,866) for examination fees

The fundraising and publicity costs include the cost of an Asian publicity consultant for Christel House India Christel House International have reimbursed Christel House Europe for the costs incurred

7. Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year

8. Employees

There were no employees during the year

9. Debtors

	2011 £	2010 £
Prepayments and other debtors	-	-
	-	-

10. Creditors

	2011 £	2010 £
Accruals	50,100	32,160
	50,100	32,160

CHRISTEL HOUSE EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

11. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance at 1 January 2011	Incoming resources	Resources expended	Transfers	Balance at 31 December 2011
	£	£	£	£	£
South Africa	-	21,032	21,032	-	-
India	-	185	185	-	-
	<u>-</u>	<u>21,217</u>	<u>21,217</u>	<u>-</u>	<u>-</u>

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2011 are represented by			
Current assets	72,064	-	72,064
Creditors amounts falling due within one year	(50,100)	-	(50,100)
	<u>21,964</u>	<u>-</u>	<u>21,964</u>

CHRISTEL HOUSE EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

13. Related parties

Christel DeHaan is a member of the board of the following charities within the Christel House group: Christel House Europe, Christel House International Inc, Christel House India, Christel House Mexico, Christel House Venezuela, Christel House South Africa and Christel House Academy Inc

Christel House International Inc, which is the 'A' member of the charity, agreed to cover all administrative expenses during the year. An amount of £62,160 (2010 - £59,717) was received during the year.

Grants of £47,916 (2010 - £15,000) have been incurred by Christel House Europe during the year in relation to Christel House South Africa.

Grants of £24,429 (2010 - £15,000) have been incurred by Christel House Europe in relation to Christel House India.

J R Haylock is a director of Christel House South Africa.