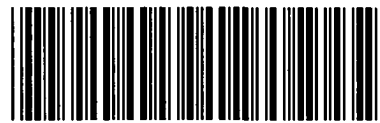


Charity Registration No. 1082344

Company Registration No. 03918058 (England and Wales)

CHRISTEL HOUSE EUROPE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



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COMPANIES HOUSE

CHRISTEL HOUSE EUROPE

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|-----------------------------|---|
| Trustees | Christel DeHaan Lord Anthony St John Mr Declan Kenny Ms Diana Aitchison |
| Secretary | Elizabeth Taylor |
| Charity number | 1082344 |
| Company number | 03918058 |
| Registered office | Hayloft Cottage 15 Richardsons Lane Loddington Northamptonshire NN14 1LD |
| Independent examiner | Mayfield & Co. 2 Merus Court Meridian Business Park Leicester LE19 1RJ |
| Bankers | Lloyds TSB Bank Plc 40 The Square Market Harborough Leicestershire LE16 7PE |
| Solicitors | Withers LLP 16 Old Bailey London EC4M 7EG |

CHRISTEL HOUSE EUROPE

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CHRISTEL HOUSE EUROPE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees present their report and accounts for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

The charity's objects are set out in the charity's trust deed and are summarised below.

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.

Christel House Schools do not house their students, they continue to live in their very modest homes, but Christel House provides free nutritious meals and free transport to and from the student's communities.

The children remain at school until graduation, normally at 18 year of age, when they either go on to higher education or transition into the workplace to become contributing members of their society. Students are further supported and mentored for up to 5 years post graduation by the College and Careers Program operated by each school.

There are now over 4000 students supported by Christel House Learning Centres through out the world.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

When planning our activities for the year we considered the Charity Commission's guidance on public benefit. The focus of activities remains to raise funds to provide support to Christel House Centres around the world as they work to transform the lives of impoverished children through a holistic programme of education and nurture while empowering their families and communities through outreach services.

Christel House Europe solicits and channels donations for the Christel House Centres in India and South Africa. During the year Christel House Europe paid grants totalling £188,918 (20145 £132,052) to Christel House Schools in India and South Africa.

100% of all donations go directly to the provision of programs that directly benefit the children. Christel House International Inc funds the entire administrative and overhead costs of running the Christel house Europe organisation.

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, at the discretion of Christel House International Inc., to the Christel House Scholars program in Europe. For the avoidance of doubt Christel House Europe does not solicit third party donations for the Christel House Scholars' Program in Serbia.

These donations are made by Christel House International and passed through Christel House Europe for ease of administration.

It is important to understand that third party 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 are funded by Christel House International Inc.

CHRISTEL HOUSE EUROPE

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

Financial review

The deficit for the year amounted to £24,853 (2015: Surplus £33,369).

During the year the charity made grants of £141,759 to Christel House South Africa and £47,159 to Christel House India.

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.

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.

The trustees has 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.

Structure, governance and management

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' 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.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Christel DeHaan

Lord Anthony St John

Mr Declan Kenny

Mr Keith Whitesides

(Resigned 28 June 2016)

Ms Diana Aitchison

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees report was approved by the Board of Trustees.



Mr Declan Kenny

Trustee

Dated: 11 April 2017

CHRISTEL HOUSE EUROPE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHRISTEL HOUSE EUROPE

I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 4 to 12.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Christel House Europe for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified Chartered Accountant.

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

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

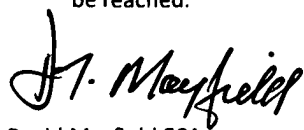
Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning 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 next statement.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



David Mayfield FCA
Mayfield & Co.
2 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Dated: 11 April 2017

CHRISTEL HOUSE EUROPE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2016 £ | Total 2015 £ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <u>Income from:</u> | | | | | |
| Donations and legacies | 3 | 120,833 | 83,557 | 204,390 | 161,044 |
| Raising funds | 4 | 39,876 | 10,043 | 49,919 | 63,254 |
| Investments | 5 | 1 | - | 1 | 5 |
| Total income | | 160,710 | 93,600 | 254,310 | 224,303 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 6 | 72,387 | - | 72,387 | 42,707 |
| <u>Charitable activities</u> | | | | | |
| Management and administration | 7 | 17,858 | - | 17,858 | 16,174 |
| Grants expense | 7 | 70,289 | 118,629 | 188,918 | 132,052 |
| Total charitable expenditure | | 88,147 | 118,629 | 206,776 | 148,226 |
| Total resources expended | | 160,534 | 118,629 | 279,163 | 190,933 |
| Net income/(expenditure) for the year/ Net movement in funds | | 176 | (25,029) | (24,853) | 33,370 |
| Fund balances at 1 January 2016 | | 14,035 | 25,029 | 39,064 | 5,694 |
| Fund balances at 31 December 2016 | | 14,211 | - | 14,211 | 39,064 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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 2016

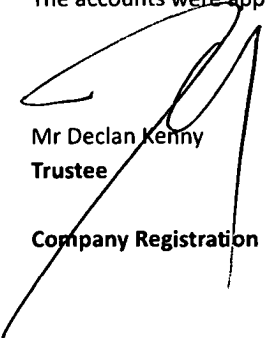
| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|----------------|---------------|---------------|---------------|
| Current assets | | | | | |
| Debtors | 12 | 95 | | 25,079 | |
| Cash at bank and in hand | | 162,668 | | 16,693 | |
| | | <u>162,763</u> | | <u>41,772</u> | |
| Creditors: amounts falling due within one year | 13 | (148,552) | | (2,708) | |
| Net current assets | | | <u>14,211</u> | | <u>39,064</u> |
| Income funds | | | | | |
| Restricted funds | 15 | | - | 25,029 | |
| Unrestricted funds | | | 14,211 | 14,035 | |
| | | | <u>14,211</u> | <u>39,064</u> | |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 11 April 2017


Mr Declan Kenny
Trustee

Company Registration No. 03918058

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Charity information

Christel House Europe is a private company limited by guarantee incorporated in England and Wales. The registered office is Hayloft Cottage, 15 Richardsons Lane, Loddington, Northamptonshire, NN14 1LD.

1.1 Accounting convention

These accounts have been 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 charity is a Public Benefit Entity as defined by FRS 102.

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 principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2016 are the first accounts of Christel House Europe 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 January 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 in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

Expenditure is recognised in the year in which it is incurred and includes attributable VAT which cannot be recovered.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. 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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2016 | Total 2015 |
|--|-----------------------|---------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Donations and gifts | 120,833 | 83,557 | 204,390 | 161,044 |
| | <u>120,833</u> | <u>83,557</u> | <u>204,390</u> | <u>161,044</u> |
| For the year ended 31 December 2015 | <u>68,973</u> | <u>92,071</u> | | <u>161,044</u> |
| Donations and gifts | | | | |
| Christel House International Inc | 87,074 | - | 87,074 | 59,652 |
| General donations | 33,759 | - | 33,759 | 9,321 |
| India | - | 11,592 | 11,592 | 14,548 |
| South Africa | - | 71,965 | 71,965 | 76,596 |
| Christel House Academy - Indianapolis | - | - | - | 927 |
| | <u>120,833</u> | <u>83,557</u> | <u>204,390</u> | <u>161,044</u> |

4 Raising funds

| | Unrestricted funds | Restricted funds | Total 2016 | Total 2015 |
|--|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Golf events | 39,876 | 10,043 | 49,919 | 63,254 |
| | <u>39,876</u> | <u>10,043</u> | <u>49,919</u> | <u>63,254</u> |
| For the year ended 31 December 2015 | <u>52,748</u> | <u>10,506</u> | | <u>63,254</u> |

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Investments

| | 2016 | 2015 |
|--------------------------|------|------|
| | £ | £ |
| Bank interest receivable | 1 | 5 |

6 Raising funds

| | 2016 | 2015 |
|----------------------------------|--------|--------|
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Golf events | 6,023 | 10,948 |
| Other fundraising costs | 66,364 | 31,759 |
| Fundraising and publicity | 72,387 | 42,707 |

7 Grants payable

| | 2016 | 2015 |
|---------------------------------------|---------|---------|
| | £ | £ |
| Grants to institutions: | | |
| Donations to India | 47,159 | 45,148 |
| Donations to South Africa | 141,759 | 85,526 |
| Donation to Serbia | - | 451 |
| Christel House Academy - Indianapolis | - | 927 |
| | 188,918 | 132,052 |

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Support costs

| | Support costs £ | Governance costs £ | 2016 £ | 2015 £ |
|--|--------------------|-----------------------|-----------|-----------|
| Independent examination fees | - | 2,100 | 2,100 | 1,980 |
| | - | 2,100 | 2,100 | 1,980 |
| Analysed between Charitable activities | - | 2,100 | 2,100 | 1,980 |

Governance costs includes payments to the independent examiners of £2,100 (2015- £1,980) for examination fees.

9 Trustees

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

10 Employees

There were no employees during the year.

11 Financial instruments

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 95 | 25,079 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 148,552 | 2,708 |

12 Debtors

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 95 | 25,079 |

13 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 148,552 | 2,708 |

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,023 (2015 - £10,948).

15 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 2016 | Movement in funds | | Balance at 31 December 2016 |
|--------------|------------------------------|-----------------------|-----------------------|--------------------------------|
| | £ | Incoming resources | Resources expended | £ |
| South Africa | 25,029 | 79,014 | (104,043) | - |
| India | - | 14,585 | (14,585) | - |
| | <u>25,029</u> | <u>93,599</u> | <u>(118,628)</u> | <u>-</u> |

16 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Total |
|---|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31 December 2016 are represented by: | | | |
| Current assets/(liabilities) | 14,211 | - | 14,211 |
| | <u>14,211</u> | <u>-</u> | <u>14,211</u> |

17 Related party transactions

None of the key management personnel received an remuneration during the year (2015 £Nil).

No guarantees have been given or received.

CHRISTEL HOUSE EUROPE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Related party transactions

(Continued)

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 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 £87,074 (2015 - £59,962) was received during the year.

Grants of £141,759 (2015 - £85,526) have been incurred by Christel House Europe during the year in relation to Christel House South Africa.

Grants of £47,159 (2015 - £45,418) have been incurred by Christel House Europe in relation to Christel House India.

Grants of £Nil (2015 - £451) have been incurred by Christel House Europe in relation to the Christel House Scholars' Program in Serbia.

Grants of £Nil (2015 - £927) have been incurred by Christel House Europe in relation to the Christel House Academy in Indianapolis.