ECPAT INTERNATIONAL

Financial Statements 30 June 2014



Auditor's Report to the Board of Trustees of ECPAT International

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We have audited the accompanying statements of financial positions of ECPAT International as at 30 June 2014 and the related statements of income and expenses and cash flow for the year then ended. The financial statements have been prepared by management of ECPAT International in accordance with the principal accounting policies, set out in Note 2 to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the principal accounting policies as described in Note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion in these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The scope of our examination was limited to the verification of ECPAT International's documentation. However, for the expenditures related to the funding commitments to partner organisations in respect of project implementation, we verified the utilisation of funds by the partner organisations with copied supporting documents since the conditions of ECPAT International's funding agreements with partner organisations do not require the submission of original documentation to support the reported expenditure. The original supporting documentations are kept with those partner organisations and accordingly, we were unable to apply the other audit procedures to verify such disbursements by partner organisations.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial positions, receipts and disbursements of ECPAT International for the year then ended in accordance with Note 2 to the financial statements.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw your attention to Note 2 to the financial statements, which describe the basis of accounting that the financial statements were prepared on a modified cash basis which is a basis of comprehensive accounting other than that of generally accepted accounting principles. The financial statements are prepared to assist ECPAT International to meet the requirements of its donors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for ECPAT International and its donors and should not be distributed to or used by parties other than ECPAT International and its donors.

RSM Audit Services (Thailand) Limited

Rum Thailand

Bangkok 29 August 2014

ECPAT INTERNATIONAL STATEMENTS OF FINANCIAL POSITIONS AS AT 30 JUNE 2014 AND 2013

		2014	2013
	Notes	USD	USD
ASSETS			
CURRENT ASSETS			
Cash and Deposits at Financial Institutions		3,698,373	2,873,926
Donation Receivable		81,057	-
Other Receivables	3	8,036	18,493
Prepayments		38,198	10,743
Total Current Assets	-	3,825,664	2,903,162
NON-CURRENT ASSETS			
Deposit		8,927	3,582
Total Non-current Assets	_	8,927	3,582
TOTAL ASSETS	-	3,834,591	2,906,744
LIABILITIES AND FUNDS BALANCES			
CURRENT LIABILITIES			
Accounts Payable	4	73,394	15,234
Accrued Expenses	5	20,559	22,985
Total Current Liabilities	-	93,953	38,219
FUNDS BALANCES			
Restricted Funds	14	2,047,886	1,002,380
Unrestricted Funds	14	1,692,752	1,866,145
Total Funds Balances	_	3,740,638	2,868,525
TOTAL LIABILITIES AND FUNDS BALANCES		3,834,591	2,906,744
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ECPAT INTERNATIONAL STATEMENTS OF INCOME AND EXPENSES FOR THE YEARS ENDED 30 JUNE 2014 AND 2013

		2014	2013
	Notes	USD	USD
INCOME			
Donation income	6.1	3,353,244	3,670,799
Other income	6.2	5,528	6,290
	_	3,358,772	3,677,089
EXPENSES			
Research	12.1	151,110	93,798
Network Development and Stakeholder Collaborations	12.2	925,622	567,434
Monitoring Global Commitments and Advocacy	12.3	653,153	314,314
Promoting and Piloting Innovative Approaches	12.4	230,705	348,554
The Code of Conduct in Travel and Tourism	12.5	526,069	352,683
Total expenses	_	2,486,659	1,676,783
Income in excess of expenses		872,113	2,000,306
Opening fund balance		2,868,525	868,219
Closing fund balance	_ _	3,740,638	2,868,525

ECPAT INTERNATIONAL STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED 30 JUNE 2014 AND 2013

Cash: Brought forward Cash and deposits at financial institutions 2,873,926 942,428 Addition: Income Income receipts during the current year 3,358,772 3,677,089 Non cash receipts / payments: Advance to staff for work purposes closing balance (3,060) (819) Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 Eductions: 85,917 19,726 Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860)	_	2014 USD	2013 USD
Addition: Income Income receipts during the current year 3,358,772 3,677,089 Non cash receipts / payments: Advance to staff for work purposes closing balance (3,060) (819) Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 20,559 22,985 Accrued expenses closing balance 20,559 22,985 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance (15,234) (50,860) Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation re	Cash: Brought forward		
Income Income receipts during the current year 3,358,772 3,677,089 Non cash receipts / payments: 3,358,772 3,677,089 Advance to staff for work purposes closing balance (3,060) (819) Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 85,917 19,726 Deductions: S.917 19,726 Deductions: Change in prepayments and deposits (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493)	Cash and deposits at financial institutions	2,873,926	942,428
Non cash receipts / payments: 3,358,772 3,677,089 Advance to staff for work purposes closing balance (3,060) (819) Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 Accrued expenses closing balance 20,559 22,985 Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Change in donation receivable (81,057) - Cash: Carried forward	Addition:		
Non cash receipts / payments: Advance to staff for work purposes closing balance (3,060) (819) Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 85,917 19,726 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Change in donation receivable (81,057) - Cash: Carried forward 2,873,926	Income		
Advance to staff for work purposes closing balance (3,060) (819) Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 85,917 19,726 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Cash: Carried forward (22,985) (23,873,926)	Income receipts during the current year	3,358,772	3,677,089
Receivables from ECPAT member Groups and Partners closing balance (2,049) (4,181) Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 Accrued expenses closing balance 85,917 19,726 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Chash: Carried forward (28,057) 2,873,926	Non cash receipts / payments:		
Other receivables closing balance (2,927) (13,493) Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 85,917 19,726 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Cash: Carried forward (28,873,926) Cash and deposits at the financial institutions 3,698,373 2,873,926	Advance to staff for work purposes closing balance	(3,060)	(819)
Accounts payable closing balance 73,394 15,234 Accrued expenses closing balance 20,559 22,985 85,917 19,726 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Cash: Carried forward 3,698,373 2,873,926 Cash and deposits at the financial institutions 3,698,373 2,873,926	Receivables from ECPAT member Groups and Partners closing balance	(2,049)	(4,181)
Accrued expenses closing balance 20,559 22,985 85,917 19,726 Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Cash: Carried forward 3,698,373 2,873,926	Other receivables closing balance	(2,927)	(13,493)
Deductions: 85,917 19,726 Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Cash: Carried forward (22,985) (28,73,926)	Accounts payable closing balance	73,394	15,234
Deductions: Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - Cash: Carried forward (22,985) 2,873,926 Cash and deposits at the financial institutions 3,698,373 2,873,926	Accrued expenses closing balance	20,559	22,985
Disbursements for various projects (2,486,659) (1,676,783) Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926		85,917	19,726
Change in prepayments and deposits (32,800) (1,435) Advance to staff for work purposes opening balance 819 5,597 Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926	Deductions:		
Advance to staff for work purposes opening balance Receivables from ECPAT member Groups and Partners opening balance Other receivables opening balance Accounts payable opening balance Accrued expenses opening balance Change in donation receivable Cash: Carried forward Cash and deposits at the financial institutions 819 5,597 4,181 12,579 13,493 1,078 (50,860) (55,860) (55,493) (55,493) (81,057) - 3,698,373 2,873,926	Disbursements for various projects	(2,486,659)	(1,676,783)
Receivables from ECPAT member Groups and Partners opening balance 4,181 12,579 Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926	Change in prepayments and deposits	(32,800)	(1,435)
Other receivables opening balance 13,493 1,078 Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward 3,698,373 2,873,926	Advance to staff for work purposes opening balance	819	5,597
Accounts payable opening balance (15,234) (50,860) Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926	Receivables from ECPAT member Groups and Partners opening balance	4,181	12,579
Accrued expenses opening balance (22,985) (55,493) Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926	Other receivables opening balance	13,493	1,078
Change in donation receivable (81,057) - 3,698,373 2,873,926 Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926	Accounts payable opening balance	(15,234)	(50,860)
Cash: Carried forward 3,698,373 2,873,926 Cash and deposits at the financial institutions 3,698,373 2,873,926	Accrued expenses opening balance	(22,985)	(55,493)
Cash: Carried forward Cash and deposits at the financial institutions 3,698,373 2,873,926	Change in donation receivable	(81,057)	-
Cash and deposits at the financial institutions 3,698,373 2,873,926		3,698,373	2,873,926
	Cash: Carried forward		
<u>3,698,373</u> <u>2,873,926</u>	Cash and deposits at the financial institutions	3,698,373	2,873,926
		3,698,373	2,873,926

1. OPERATIONS AND GENERAL INFORMATION OF THE ORGANISATION

ECPAT International (the "Organisation") was established in January 1991. The main objective of the Organisation is to eliminate child prostitution, child pornography, and the trafficking of children for sexual purposes. The Organisation seeks to encourage the world community to ensure that children everywhere enjoy their fundamental rights free and secure from all forms of commercial sexual exploitation. The Organisation is located in Thailand at 328/1 Phayathai Road, Bangkok 10400.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The Organisation maintains its books and records in US dollars on a modified cash basis with certain practices considered as appropriate for not-for-profit organisations.

The significant accounting practices of ECPAT International are summarized as follows:

2.1 Income and expenses

The Organisation recognizes income using the modified cash basis of accounting. ECPAT International recognizes income when cash is received and when committed funds are due for installment but not yet received.

Restricted donation income is allocated to specific projects depending on the specifics of the project as outlined in the grant agreement. Restricted funds made available to ECPAT International without detailed conditions for specific project purpose are allocated, within the conditions of the grant agreement, to those projects that (partially or fully) are not supported by specific donations.

During the accounting period, expenses are recorded as incurred on an accrual basis.

Expenses related to funding commitments to partner organisations for the purpose of project implementation are considered incurred at the moment of advance payment to partner or, if prior, when expenses are incurred and verified.

2.2 Allocation of Administrative Expenses

Administrative expenses are allocated to projects proportionally based on either direct expenses of projects or staff headcount in each project. Please see Note 13 for the detailed breakdown of administrative expenses.

2.3 Fixed Assets

Purchases of fixed assets are treated as expenses and are matched against the current year receipts of funds. The reason for such treatment of fixed assets is the importance of matching expenses with donation income disbursements.

For the years ended 30 June 2014 and 2013, the fixed assets acquisitions amounted to USD 23,429 and USD 21,004, respectively.

2.4 Foreign Currency Transactions

ECPAT International operates three currencies - Thai Baht, USD, and EURO - and maintains its accounting records in USD. Transactions denominated in the Thai Baht and Euro currencies that took place during the year were translated into USD at the rates of exchange of the last day of the preceding month. However, transactions that occurred in currencies other than the Thai Baht and Euro were translated into USD at the exchange rates on the date of transactions. Monetary assets and liabilities at the statements of financial positions date, denominated in foreign currencies are translated into USD by applying the exchange rate at the statements of financial positions date.

Gains or losses on foreign exchange arising on settlements and translations are recognized as income or expenses in the statements of income and expenses as incurred.

2.5 Employee Benefits

ECPAT International recognises employee severance allowances upon the moment payments are made to the employee in accordance with the Organisation's policy.

3. OTHER RECEIVABLES

	2014	2013
	USD	USD
Advances to staff for work purposes	3,060	819
Receivables from ECPAT member Groups and Partners*	2,049	4,181
Other receivables	2,927	13,493
Total	8,036	18,493

^{*}Receivables from ECPAT member Groups and Partners are unspent project funds advanced to partners to be refunded to ECPAT International.

4. ACCOUNTS PAYABLE

	2014	2013
	USD	USD
Other accounts payable	43,023	15,234
Staff savings plan	30,371	-
Total	73,394	15,234

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5. ACCRUED EXPENSES

		2014	2013
		USD	USD
	Audit fees	15,221	16,529
	Others	5,338	6,456
	Total	20,559	22,985
6.	INCOME		
		2014	2013
		2014 USD	2013 USD
	Donation income		
	Donation income Restricted donations		
		USD	USD
	Restricted donations	3,107,335	USD 2,021,619
	Restricted donations Unrestricted donations	3,107,335 245,909	2,021,619 1,649,180

6.1 Donation Income

Donation income for the year ended 30 June 2014

	Restricted	Unrestricted	Total
	Donations	Donations	Donations
	USD	USD	USD
Accor Asia	-	3,406	3,406
Air France	-	201,032	201,032
Charities Aid Foundation America	72,728	-	72,728
DCI/ ECPAT Netherlands	71,291	-	71,291
Deutsche Gesellschaft für Internationale			
Zusammenarbeit (GIZ)	84,206	-	84,206
ECPAT France	5,215	-	5,215
Irish Aid	202,355	-	202,355
Oak Foundation	300,000	-	300,000
SECO (Switzerland)	505,500	-	505,500
Sundry donations	-	21,178	21,178
Swedish International Development Cooperation			
Agency (Sida)	1,741,690	-	1,741,690

	Restricted Donations USD	Unrestricted Donations USD	Total Donations USD
The Body Shop International	-	13,481	13,481
The Body Shop Norway	-	6,812	6,812
The Code of Conduct in Travel and Tourism			
(TheCode.org)	124,350	-	124,350
,	3,107,335	245,909	3,353,244
Donation income for the year ended 30 June 2013			
	Restricted	Unrestricted	Total
	Donations	Donations	Donations
	USD	USD	USD
Accor Asia	-	1,565	1,565
Acting for Life International	-	123,678	123,678
Conrad N. Hilton Foundation	-	1,500,000	1,500,000
DCI/ ECPAT Netherlands	22,110	-	22,110
Deutsche Gesellschaft für Internationale			
Zusammenarbeit (GIZ)	69,175	-	69,175
ECPAT Taiwan	-	6,400	6,400
Fundación Anesvad	44,675	-	44,675
ICS	5,933	-	5,933
Irish Aid	195,186	-	195,186
Mahidol University	14,587	-	14,587
Oak Foundation	250,000	-	250,000
SECO (Switzerland)	360,000	-	360,000
Sundry donations	-	13,863	13,863
Swedish International Development Cooperation			
Agency (Sida)	901,680	-	901,680
Taiwan Foundation for Democracy	100,000	-	100,000
The Body Shop International	1,664	3,674	5,338
The Body Shop Norway	25,323	-	25,323
The Code of Conduct in Travel and Tourism			
(TheCode.org)	31,286		31,286
	2,021,619	1,649,180	3,670,799

Additional Information:

Donations are recognised as income in the financial year the donations are received.

The following information lists the specifics of each restricted donation and the remaining funds for the years ended 30 June 2013 and 2014.

The remaining funds are intended for expenditure in the following financial year(s) in accordance with the conditions of each donation agreement.

Donor and Project	Remaining Funds 30 June 2013 USD	Income Financial Year 2013/2014 USD	Expenditure Financial Year 2013/2014 USD	Remaining Funds 30 June 2014 USD
Charities Aid Foundation America			(22.722)	
Latin America Programme, 2013-2015	-	72,728	(29,536)	43,192
DCI/ ECPAT Netherlands Combating Child Sex Tourism in Thailand	14,794	(9,766)	(5,028)	_
Reducing Violence against Children, with Special Focus on Sexual Exploitation of Children and Child		(, , ,	(, , ,	
Sex Tourism	-	81,057	-	81,057
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Protection of Children from Sexual Exploitation in Tourism	36,011	84,624	(81,581)	39,054
ECPAT France Africa Regional Consultation on Action to Stop the Commercial Sexual Exploitation of Children in Africa	<u>-</u>	5,215	(5,215)	-
Irish Aid				
Core funds 2010-2013 Core funds 2013-2016	75,377 -	- 202,355	(75,377) (105,055)	- 97,300
Oak Foundation				
Core funds 2012-2013	63,587	-	(63,587)	-
Core funds 2014-2018 Africa funds 2014-2018	-	200,000	(84,569) (20,635)	115,431 79,365

Donor and Project	Remaining Funds 30 June 2013 USD	Income Financial Year 2013/2014 USD	Expenditure Financial Year 2013/2014 USD	Remaining Funds 30 June 2014 USD
SECO (Switzerland)				
Protection of Children in Tourism II- Institutional support to the Child				
Protection Code Protection of Children in Tourism II- Institutional support to the Child	330,528	320,000	(379,821)	270,707
Protection Code, Myanmar	-	185,500	(35,696)	149,804
Swedish International Development Cooperation Agency (Sida)				
Core funds 2012-2016 Child and Youth Participation 2012-	182,444	680,670	(863,114)	-
2016	201,439	302,520	(90,416)	413,543
Combating Exploitation of Children Online 2013-2016	-	758,500	(131,479)	627,021
Taiwan Foundation for Democracy 2012 Asia Democracy and Human Rights			(-2.22)	
Award	58,931	-	(58,931)	-
The Code of Conduct in Travel and Tourism (TheCode.org)				
Operational Support	30,684	124,677	(23,949)	131,412
UBS Optimus Foundation Innovative Global Approach to Child				
Safe Organisations	8,585		(8,585)	
Total	1,002,380	3,108,080	(2,062,574)	2,047,886

^{*}For projects where reported expenditures are in other currencies than USD, the expenditure amount is adjusted for specific grant interest income where applicable and for exchange rate according to the final remaining balance in original grant currency per 30 June 2014.

6.2 Other Income

	2014 USD	2013 USD
Interest income	1,232	634
Expert fee / Honorarium	-	4,725
Miscellaneous income	4,296	931
Total	5,528	6,290

7. REMUNERATION OR FEES TO BOARD MEMBERS

Board members do not earn any remuneration or fees for the work they carry out as Board members. Any work undertaken for ECPAT International whereby a Board member performs technical or specialty services for remuneration are not deemed to be in conflict with this policy.

8. EXECUTIVE DIRECTOR'S REMUNERATION

The sum of USD 116,872 and USD 79,720 were paid as salary, living allowance and other remuneration to the Executive Director of ECPAT International during the years ended 30 June 2014 and 2013, respectively.

During the year ended 30 June 2013, the position of Executive Director was vacant for a period of 4 months.

9. TOTAL STAFF AND RELATED EXPENSES

The total amount paid as salaries and allowance to the staff of ECPAT International for the financial years ended 30 June 2014 and 2013 amount to USD 1,388,060 and USD 1,057,010 respectively. These amounts include the sums paid to the Executive Director shown under Note 8 above.

Staff size averaged 21 and 18 during the financial years ended 30 June 2014 and 2013, respectively, and there were 25 and 20 staffs at the end of the financial years then ended.

ECPAT International receives substantial support from interns who contribute to the different programs and projects of the organisation. During the fiscal years 2013-2014 and 2012-2013 interns supported ECPAT with a total of 132 months and 106 months of work. The interns receive a very modest stipend for their contribution, though the actual value of their work that is not presented in the accounts is estimated at USD 158,126 and USD 130,000, respectively.

10. EMPLOYEE BENEFITS

10.1 Service allowance

In light of the importance of matching expenditure with donation income disbursement and the calculation of restricted fund balances, the Organisation does not have provisions to make reservations for long term liabilities with regard to staff benefit policies, specifically entitlements for Service Allowance. The Organisation's funding is largely based on donation income which can be applied only for actually incurred expenditure.

The liability of Service Allowance entitlement for employees upon their termination not reflected in the Statement of Financial Positions has the value of a total accumulated amount of USD 30,008 and USD 49,954 at 30 June 2014 and 2013, respectively.

10.2 Staff savings plan

Monthly contributions from employer and employees to the staff savings plan are reserved in a dedicated bank account. The staff savings plan is implemented on 1 January 2014. The balance of saving plan reservations is presented under Accounts Payable (see Note 4).

11. AUDIT FEES

The annual audit fees for the financial years ended 30 June 2014 and 2013 represented USD 15,221 and USD 16,529, respectively.

12. PROJECTS FOR THE YEAR

12.1 Research

		For the years er	nded 30 June
	Notes	2014 USD	2013 USD
Expenses: Research Strategy Development		8,832	-
Research Advisory Committee		-	1,152
Field Level Research		7,125	2,103
Research Database		323	2,333
Technical and Funding Support to National and Regional Research		481	8,720
Technical and Funding Support to Youth-led Research Initiatives		2,431	4,011
Personnel Costs		92,787	57,364
Allocated Administrative Expenses	13.1, 13.2	39,131	18,115
Total Expenses		151,110	93,798

12.2 Network Development and Stakeholder Collaborations

	For the years ended 30		ended 30 June
		2014	2013
	Notes	USD	USD
Expenses: Network Development Strategy		9,448	-
3, and a second		-, -	
Online Communications		46,697	23,857
Promotion, Visibility & Fundraising		71,466	29,472
Board Meeting and Board Member Travel		57,871	32,551
Regional Network Meetings		86,051	1,072
Child & Youth Advisory Committee (EICYAC)		10,747	9,061
Secretariat Missions		63,667	32,766
Capacity Building Projects		175	4,096
ECPAT Foundation Thailand		40,623	42,006
Regional Coordination Offices		6,706	15,065
Personnel Costs		348,617	270,995
Allocated Administrative Expenses	13.1, 13.2	183,554	106,493
Total Expenses		925,622	567,434

12.4

12.3 Monitoring Global Commitments and Advocacy

		For the years ended 30 June	
		2014	2013
	Notes	USD	USD
Expenses:			
Advocacy Strategy		12,761	7,581
Country Monitoring Reports		18,662	23,382
Alternative Reports and Journals		6,307	9,448
Regional Advocacy Implementation		96,179	-
Child Protection in Cyberspace		63,066	-
Child Sex Tourism		4,537	-
Personnel Costs		310,771	211,372
Allocated Administrative Expenses	13.1, 13.2	140,870	62,531
Total Expenses		653,153	314,314
Promoting and Piloting Innovative Approaches			
		For the years e	ended 30 June
		2014	2013
	Notes	USD	USD
Expenses:			
Thematic areas		1,681	88,817
Child and Youth Participation		24,654	6,849
Personnel Costs		145,401	184,836
Allocated Administrative Expenses	13.1, 13.2	58,969	68,052
Total Expenses		230,705	348,554

12.5 The Code of Conduct in Travel and Tourism

	For the years ended 30 June		
	2014	2013	
	USD	USD	
Expenses:			
Activities	196,171	124,552	
Administrative Costs	53,080	22,878	
Personnel Costs	276,818	205,253	
Total Expenses	526,069	352,683	

13. ADMINISTRATIVE EXPENSES

13.1 For the year ended 30 June 2014

Allocated Administrative Expenses

Marra.	Total July 2013 – Jun	Barrant	Network Development and Stakeholder	Monitoring Global Commitments and	Promoting and Piloting Innovative
ltem	2014	Research	Collaborations	Advocacy	Approaches
Staff Salaries and Related	224,396	21,444	95,875	74,825	32,252
Meetings Related	2,157	157	1,041	718	3 241
Professional Fees	49,518	3,605	23,891	16,493	5,529
Office Stationery and Supplies	4,422	481	1,749	1,475	717
Office Premises	29,303	3,405	11,053	9,781	5,064
Office Furniture and Equipment	26,454	3,074	9,979	8,830	4,571
Travel and Accommodation	46,521	3,387	22,445	15,495	5,194
Acquisitions	5,917	431	2,855	1,971	660
Representation	699	51	337	233	3 78
Miscellaneous Expenses	2,025	147	977	675	5 226
Financial Expenses	15,186	1,106	7,327	5,058	3 1,695
Communication Costs	15,749	1,830	5,940	5,257	2,722
Mailing and Shipping	177	13	85	59	9 20
Total Administrative Expenses USD	422,524	39,131	183,554	140,870	58,969

13.2 For the year ended 30 June 2013

Allocated Administrative Expenses

ltem	Total July 2012 – Jun 2013	Research	Network Development and Stakeholder Collaborations	Monitoring Global Commitments and Advocacy	Promoting and Piloting Innovative Approaches
Staff Salaries and Related	134,902	9,566	57,073	32,526	35,737
Meetings Related	989	70	•	233	•
Professional Fees	34,622	2,452	14,930	8,155	9,085
Office Stationery and Supplies	3,343	238	1,314	875	•
Office Premises	31,954	2,281	12,328	8,516	8,829
Office Furniture and Equipment	11,815	844	4,558	3,149	3,264
Travel and Accommodation	20,267	1,435	8,740	4,774	5,318
Acquisitions	3,193	226	1,377	752	838
Representation	528	37	228	124	139
Miscellaneous Expenses	2,682	190	1,156	632	2 704
Financial Expenses	3,360	238	1,449	791	882
Communication Costs	7,408	529	2,858	1,974	2,047
Mailing and Shipping	128	9	55	30	34
Total Administrative Expenses USD	255,191	18,115	106,493	62,531	68,052

14. FUNDS BALANCES

	Restricted	Unrestricted	Total Funds
	Funds	Funds	Balance
	USD	USD	USD
Fund balances as at 1 July 2013	1,002,380	1,866,145	2,868,525
Donation income	3,107,335	245,909	3,353,244
Other income	745	4,783	5,528
Total fund balances	4,110,460	2,116,837	6,227,297
Utilisation of funds	(2,062,574)	(424,085)	(2,486,659)
Fund balances as at 30 June 2014	2,047,886	1,692,752	3,740,638

15. SUPPORT FROM SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (Sida)

In 2012, with an amendment in 2013, Swedish International Development Cooperation Agency (Sida) committed to support the work of ECPAT International for the period 1July 2012 through 30 June 2016 with a maximum financial contribution of SEK 19,000,000 for core activities, SEK 7,500,000 for Child and Youth Participation and SEK 5,000,000 for Combating Exploitation of Children Online.

15.1 Core Activities:

ECPAT International received funds for core activities total of USD 680,670 (equivalent to SEK 4,500,000) during the financial year 2013-2014 as part of this support, utilizing these resources as follows:

	For the year ended 30 June 2014
BUDGET Category	USD
1. Research	44,032
2 Network Development and Stakeholder Collaborations	377,255
3. Monitoring Global Commitments	170,741
4. Promoting and Piloting Innovative Approaches	68,010
5. ECPAT International Administration	203,076
Total Funds Spent	863,114
Less : Fund balance brought forward	182,444
Add : Fund balance carried forward	
TOTAL FUND RECEIVED	680,670

15.2 Child and Youth Participation:

ECPAT International received funds for Child and Youth Participation total of USD 302,520 (equivalent to SEK 2,000,000) during the financial year 2013-2014 as part of this support, utilizing these resources as follows:

	For the year
	ended 30
	June 2014
BUDGET Category	USD
1. Research	2,359
2 Network Development and Stakeholder Collaborations	23,540
3. Monitoring Global Commitments	8,018
4. Promoting and Piloting Innovative Approaches	51,118
5. ECPAT International Administration	5,381
Total Funds Spent	90,416
Less: Fund balance brought forward	201,439
Add: Fund balance carried forward	413,543
TOTAL FUND RECEIVED	302,520

15.3 Combating Exploitation of Children Online:

ECPAT International received funds for Combating Exploitation of Children Online total of USD 758,500 (equivalent to SEK 5,000,000) during the financial year 2013-2014 as part of this support, utilizing these resources as follows:

	For the year
	ended 30
	June 2014
BUDGET Category	USD
1 Network Development and Stakeholder Collaborations	22,003
2. Monitoring Global Commitments	96,715
3. ECPAT International Administration	12,761
Total Funds Spent	131,479
Less: Fund balance brought forward	-
Add: Fund balance carried forward	627,021
TOTAL FUND RECEIVED	758,500

16. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the authorized director for distribution on 29 August 2014.