



STICHTING ECPAT INTERNATIONAL

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Board of Trustees Report

Operating and financial review

This year demonstrated sustained income flows and expenditure levels, with an annual income of US\$ 3,700,318 (compared to US\$ 3,277,081 in previous year) and an annual expenditure level of US\$ 3,690,942 (compared to US\$ 3,418,764 in previous year).

The unrestricted reserves showed a small increase from US\$ 576,066 to US\$ 584,133. This is still slightly under target of the reserve policy that recommends a continuity reserve of nine months' core operational costs to cover periods with low levels of grant income and to provide a base to respond to unexpected situations. The Board's intent is to use any future unrestricted income to further build the reserves in the coming years towards its targeted level.

The level of Restricted Funds (US\$ 996,124) presents grant disbursements received in advance for programme implementation in the coming year.

With a growth in expenditure level of 8% compared to previous years, the implementation levels of global thematic programmes and regional advocacy and network building initiatives were sustained, while at individual programme areas and regional levels variations did occur related to specific project funding for the different areas. The Board specifically notes the establishment of a Regional Coordinator for Eastern Europe and Central Asia with multi-year dedicated funding.

In this year continuation of core funding for the organisation was successfully secured. In November 2017 an agreement for continuation of four years of core funding with Sida was signed and in June 2018 an agreement was signed with Oak Foundation for 18 months' continuation of core funding.

A key action this year was the organisation of the 7th ECPAT International Assembly in June 2018 in Bogotá, Colombia, coinciding with the International Summit on Child Protection in Travel and Tourism hosted by the Colombian Government.¹ During the ECPAT International Assembly, the ECPAT Network approved the Strategic Framework 2018-2021. During the event, participants from 24 new member organisations who joined the ECPAT network in the last three years were officially welcomed to the network. While the organisation of the Assembly was generously supported by various donors, the 7th International Assembly also demonstrated a wide solidarity across the network. Various ECPAT members and alliances secured financial resources for their participation as well as for other member organisations.

The annual audit carried out by KPMG Thailand for this financial year concluded for the third consecutive year that there were no instances noted of control weaknesses and non-compliances

¹ co-organised by World Travel and Tourism Council, UNODC, UNICEF, the High-Level Task Force on Child Protection in Travel and Tourism, Fundación Renacer- ECPAT Colombia, and ECPAT International.

with established policies and procedures. The Board is pleased with this result and with the efforts of the Management of the organisation to achieve this. The Finance and Audit Committee of the Board will continue to work with Management to review processes and procedures and ensure effective, efficient and transparent processes within the context of a growing organisation and within the global context of transparency and accountability.

The future

Starting from 1 July 2018, a new Executive Director of ECPAT International, Robbert van den Berg, was appointed. The Board is pleased with the smooth transition and thanks Dorothy Rozga for her commitment to ECPAT during her term as ED. The Board looks forward to continued engagement and close collaboration with partners and funders under the new leadership.

During the 7th International Assembly a number of constitutional amendments were adopted with a strong focus on network development, membership criteria, and inclusion of victim's voices in governance. In the coming period, the members of the Board and the Secretariat team will work closely with the membership on the implementation of the new conditions aimed at a stronger and "fit for purpose" network.

The 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), as adopted by the UN General Assembly in September 2015 continues to provide opportunities for ECPAT International to advance its advocacy work at global and regional level. 2019 will be a strategic year, with a meeting of the High-level Political Forum in July under the theme '*empowering people and ensuring inclusiveness and equality*', which will assess progress on implementation of the SDGs, with special attention to SDG 16 and its target 16.2 to end all forms of violence against children. In September 2019 at the General Assembly Summit, world leaders will gather to review progress in the implementation of the 2030 Agenda, provide political guidance, and mobilize action. In the coming period the Organisation will start preparations, join coalitions and establish partnerships, in order to maximize the momentum of these events to advance the child rights agenda.

The key funding contributions that the organisation received this year are linked to multi-year commitments that will continue to generate income in the coming year. However, the organisation's heavy reliance on grant income remains a major concern for the Board. With new leadership in the Organisation this year, the Board continues its conversation on fundraising strategy and priorities. Diversification of funding streams is key to long term sustainability of income sources.

Board of Trustees

In March 2018, the three-year term of all Board Members ended. Elections for the new Board were carried out in accordance with the provisions in the Constitution. Eight Board members were formally elected for a second term in their post. Five new Board members were elected. The Board especially notes that for the first time in ECPAT history, the position of regional representative for Middle East and North Africa is filled.

Members of the Board of Trustees during this financial year:

Position

Chair	Carol Bellamy
Vice-Chair	Katlijn Declercq/ Dorothea Czarnecki
Treasurer	Ann Byrne

Regional Representatives:

East Asia	Bernard Kao
Eastern Europe/ Central Asia	Maya Rusakova
Eastern/ Central Africa	Zingui Messomo/ Barima Akwasi Amankwaah
Latin America	Maria Eugenia Villareal/ Elizabeth Zabala Torres
North America	Carol Smolenski
Pacific	Sandy Thompson
South Asia	Sumnima Tuladhar/ Mohammed Mahuruf
Western Europe	Erika Georg- Monney
Western/ Southern Africa	Justa Mwaituka
Middle East/ North Africa	Hoda Hamwiah Kara

Board Meetings held this year:

- 10 November 2017, Conference call
- 4 June 2018, Bogotá, Colombia

Detailed information on activities and impact can be found in ECPAT's Annual Report 2017-2018, on our website: <http://www.ecpat.org/resources/>

ECPAT International

Financial statements for the year ended
30 June 2018
and
Independent Auditor's Report



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Independent Auditors' Report

To the management of ECPAT International

Opinion

We have audited the financial statements of ECPAT International (the "Organisation"), which comprise the statement of financial position as at 30 June 2018, the statements of revenue and expenditure and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information (together the "financial statements"). The financial statements have been prepared by the management of the Organisation using the basis of preparation and accounting policies described in Note 2 to the financial statements.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis of preparation and accounting policies described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use and Distribution

We draw attention to Note 2 to the financial statements, which describes the accounting policies. The financial statements have been prepared to assist the Organisation to provide financial information to the management of the Organisation and its donors. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Organisation and its donors, and should not be distributed to or used by parties other than the Organisation and its donors. Our opinion is not modified in respect of this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the basis of preparation and the accounting policies 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.



We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Phoomchai Audit Ltd.

KPMG Phoomchai Audit Ltd.
Bangkok
27 September 2018

ECPAT International
Statement of financial position

Assets	<i>Note</i>	30 June	
		2018	2017
		<i>(in USD)</i>	
<i>Current assets</i>			
Cash and cash equivalents	3	1,743,953	1,473,325
Donation receivables		81,365	323,219
Other receivables	4	68,019	47,519
Prepayments		63,832	41,415
Total current assets		1,957,169	1,885,478
<i>Non-current asset</i>			
Deposit		9,931	6,219
Total non-current asset		9,931	6,219
Total assets		1,967,100	1,891,697
Liabilities and fund balances			
<i>Current liabilities</i>			
Accounts payable	5	351,112	297,318
Accrued expenses		35,731	23,498
Total current liabilities		386,843	320,816
<i>Fund balances</i>			
Restricted funds	6, 7	996,124	994,815
Unrestricted funds	6	584,133	576,066
Total fund balances		1,580,257	1,570,881
Total liabilities and fund balances		1,967,100	1,891,697

The accompanying notes are an integral part of these financial statements.

ECPAT International
Statement of revenue and expenditure

		For the year ended	
		30 June	
	<i>Note</i>	2018	2017
		<i>(in USD)</i>	
Revenue			
Donation income	7	3,699,023	3,234,050
Other income		1,295	43,031
Total revenue		3,700,318	3,277,081
Expenditure			
Thematic programme areas			
Sexual Exploitation of Children Online		456,237	383,538
Sexual Exploitation in Travel and Tourism		448,008	417,285
Legal Programme		220,817	111,276
Child and Youth Participation		64,282	344,999
Total thematic programme areas		1,189,344	1,257,098
Network development and global partnership			
Global Strategies and Coordination		264,194	276,188
Regional Programming and Coordination			
- Africa		281,381	450,192
- South Asia		251,592	139,397
- East Asia		182,551	142,633
- Latin America		90,162	49,453
- Eastern Europe and Central Asia		42,213	660
- Middle East and North Africa		40,861	-
- Other Regions		-	3,313
Total network development and global partnership		1,152,954	1,061,836

The accompanying notes are an integral part of these financial statements.

ECPAT International
Statement of revenue and expenditure

	For the year ended	
	30 June	
	2018	2017
	<i>(in USD)</i>	
Research and Policy	185,118	208,207
Communication and Advocacy	206,390	104,188
Executive Office and Strategic Development	349,761	277,761
Administrative and Operational Expenditure	<u>607,375</u>	<u>509,674</u>
Total expenditure	<u>3,690,942</u>	<u>3,418,764</u>
Excess (shortfall) of revenue over expenditure	9,376	(141,683)
Fund balance, beginning of year	<u>1,570,881</u>	<u>1,712,564</u>
Fund balance, end of year	<u><u>1,580,257</u></u>	<u><u>1,570,881</u></u>

The accompanying notes are an integral part of these financial statements.

ECPAT International

Statement of cash flows

	For the year ended	
	30 June	
	2018	2017
	<i>(in USD)</i>	
Cash: Brought forward, 1 July 2017 / 1 July 2016		
Cash and deposits at financial institutions	1,473,325	2,002,864
Addition:		
Revenue		
Income receipts during the year	3,700,318	3,277,081
Non cash receipts/payments:		
Advance to staff for work purposes closing balance	(6,318)	(7,611)
Receivables from ECPAT member groups and partners closing balance	(45,784)	(35,687)
Other receivables closing balance	(15,917)	(4,221)
Accounts payable closing balance	351,112	297,318
Accrued expenses closing balance	35,731	23,498
	<u>318,824</u>	<u>273,297</u>
Deductions:		
Disbursements for various projects	(3,690,942)	(3,418,764)
Change in prepayments and deposits	(26,129)	4,788
Advance to staff for work purposes opening balance	7,611	210
Receivables from ECPAT member groups and partners opening balance	35,687	12,524
Other receivables opening balance	4,221	1,530
Accounts payable opening balance	(297,318)	(335,877)
Accrued expenses opening balance	(23,498)	(26,324)
Change in donation receivables	241,854	(318,004)
	<u>(3,748,514)</u>	<u>(4,079,917)</u>
Cash: Carried forward, 30 June 2018 / 30 June 2017		
Cash and deposits at the financial institutions	<u>1,743,953</u>	<u>1,473,325</u>

The accompanying notes are an integral part of these financial statements.

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

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ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Executive Director on 27 September 2018.

1 General information of the Organisation

ECPAT International (the "Organisation") was established in January 1991 and registered as a Foundation ("Stichting") under Netherlands' law in 2000, statutory domiciled in Amsterdam, with registration number KvK 34139743. ECPAT International's main office is located at 328/1 Phayathai Road, Bangkok, Thailand, with permission from the Thai Ministry of Labour to operate as a foreign entity in Thailand since 2005.

ECPAT International is governed by the Board of Trustees.

The main objective of the Organisation is to end the sexual exploitation of children. 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.

ECPAT International acts as the International Secretariat of the ECPAT International Network, a network consisting of over 100 independent member organisations located in over 90 countries in all regions of the world.

The International Secretariat is the administrative and coordinating unit of the ECPAT Network, including the responsibility for advocacy, campaigning, partnerships and research at the global level and coordination of these activities at regional levels. For this coordination role ECPAT International does not receive membership fees from the Network. Activities are funded through external grants and donations.

2 Summary of significant accounting policies

(a) Basis of preparation

The Organisation maintains its books and records in US Dollars. The financial statements have been prepared in accordance with a modified cash basis of accounting with certain practices considered as appropriate for not-for-profit organisations.

(b) Revenue and expenditure

The Organisation recognises income using the modified cash basis of accounting. The Organisation recognises income when cash is received and when committed funds are due for installment but not yet received. On finalisation or termination of a grant, the Organisation derecognises income when cash is refunded to donor for the unutilised fund balance.

Restricted donation income is allocated to specific projects or programmes depending on the specifics of the project as outlined in the respective donation agreement. Restricted funds made available to the Organisation 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.

Expenditure are recognised as incurred on an accrual basis.

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

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. In cases where partner organisations do not fully expend their advances by the end of the implementation period and remaining balances are refunded to the Organisation, such refunds shall be recognised as negative expenditure in the year of refund.

(c) Equipment

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

For the year ended 30 June 2018, the equipment acquisitions amounted to USD 24,641 (2017: USD 12,983).

(d) Foreign currency transactions

The Organisation operates three currencies - Thai Baht, US Dollar, and Euro - and maintains its accounting records in US Dollar ("USD"). Transactions denominated in Thai Baht and Euro currencies were translated to USD at the rates of exchange of the last day of the preceding month. Transactions denominated in currencies other than Thai Baht and Euro were translated to USD at the exchange rates on the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to USD at the exchange rate ruling at that date.

Gains or losses on foreign exchange arising on settlements and transactions are recognised as revenue or expenditure in the statements of revenue and expenditure as incurred.

(e) Employee benefits

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

3 Cash and cash equivalents

	2018	2017
	<i>(in USD)</i>	
Cash on hand	2,973	4,290
Cash at banks - current accounts	1,501,613	1,218,794
Cash at banks - saving accounts	239,367	250,241
Total	<u>1,743,953</u>	<u>1,473,325</u>

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

4 Other receivables

	2018	2017
	<i>(in USD)</i>	
Receivables from ECPAT Member Groups and Partners	45,784	35,687
Other receivables	15,917	4,221
Advances to staff for work purposes	6,318	7,611
Total	<u>68,019</u>	<u>47,519</u>

Receivables from ECPAT Member Groups and Partners are unspent project funds advanced to partners.

5 Accounts payable

	<i>Note</i>	2018	2017
		<i>(in USD)</i>	
Other accounts payable		142,434	140,009
Staff savings plan	11.2	208,678	157,309
Total		<u>351,112</u>	<u>297,318</u>

6 Fund balances

	<i>Note</i>	Restricted funds	Unrestricted funds <i>(in USD)</i>	Total
Fund balances as at 1 July 2017		994,815	576,066	1,570,881
Donation income	7	3,666,751	32,272	3,699,023
Other income		314	981	1,295
Total funds balances		<u>4,661,880</u>	<u>609,319</u>	<u>5,271,199</u>
Utilisation of funds	7	<u>(3,665,756)</u>	<u>(25,186)</u>	<u>(3,690,942)</u>
Fund balances as at 30 June 2018		<u>996,124</u>	<u>584,133</u>	<u>1,580,257</u>

Unrestricted funds balance

The Organisation aims to ensure a sustainable organisation so that in case of temporarily funding shortage or unforeseen circumstances the ongoing operations of the Organisation are not affected. Therefore, the Organisation aims to maintain an unrestricted reserve of nine months of core operational costs. The Organisation does not wish to build any other reserves than reserves to ensure continuity. The nine months timeframe is based on a prudent assessment of organisational risks and the time required to source additional funding. This reserve is primarily built up from unrestricted donations from private donors and foundations. The Organisation has no investments. The unrestricted funds balance at 30 June 2018 is USD 584,133. This amount is below the targeted continuity reserve. The Organisation has the intention to bring the amount to the targeted level in the coming years.

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

7 Donation income

	For the year ended 30 June 2018		
	Restricted Donations	Unrestricted Donations (in USD)	Total
Accor Asia	-	3,100	3,100
ACTE Global	-	1,980	1,980
Carlson Family Foundation	-	11,580	11,580
Conrad N. Hilton Foundation	25,000	-	25,000
DCI/ ECPAT Netherlands	401,139	-	401,139
ECPAT Germany	11,491	-	11,491
ECPAT Taiwan	5,000	-	5,000
ECPAT USA	1,355	-	1,355
Global Impact	11,250	-	11,250
Human Dignity Foundation	537,545	-	537,545
INTERPOL	55,645	-	55,645
Irish Aid	139,231	-	139,231
Oak Foundation	948,669	-	948,669
Sundry donations	2,149	15,612	17,761
Swedish International Development Cooperation Agency (Sida)	875,442	-	875,442
Taiwan Foundation for Democracy	5,000	-	5,000
Terre des Hommes Netherlands	499,220	-	499,220
The Code of Conduct in Travel and Tourism (TheCode.org)	123,056	-	123,056
UNICEF Thailand	25,559	-	25,559
Total	3,666,751	32,272	3,699,023

	For the year ended 30 June 2017		
	Restricted Donations	Unrestricted Donations (in USD)	Total
Accor Asia	-	3,435	3,435
DCI/ ECPAT Netherlands	299,743	-	299,743
Human Dignity Foundation	830,229	-	830,229
Irish Aid	132,344	-	132,344
Kuoni Global Travel Services	14,862	-	14,862
Oak Foundation	1,065,100	-	1,065,100
SECO (Switzerland)	(93,719)	-	(93,719)
Sundry donations	-	19,255	19,255
Swedish International Development Cooperation Agency (Sida)	749,262	-	749,262
Terre des Hommes Netherlands	67,213	-	67,213
The Code of Conduct in Travel and Tourism (TheCode.org)	109,787	-	109,787
UNICEF Thailand	36,539	-	36,539
Total	3,211,360	22,690	3,234,050

The unutilised restricted donation fund of USD 93,719 has been refunded to SECO (Switzerland) during the year ended 30 June 2017 as the grant period of *Protection of Children in Tourism II Institutional support to the Child Protection Code* had ended and mutually agreed not to extend.

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

Additional Information:

The following information lists the specifics of each restricted donation and the remaining funds for the years ended 30 June 2018 and 2017.

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 2017	Income Financial Year 2017/2018	Expenditure Financial Year 2017/2018	Remaining Funds 30 June 2018
	<i>(in USD)</i>			
Conrad N. Hilton Foundation <i>International Assembly/ Sexual Exploitation of Children in Humanitarian Contexts</i>	-	25,000	(14,552)	10,448
DCI/ ECPAT Netherlands <i>Down to Zero</i>	47,173	136,046	(151,062)	32,157
<i>Girls Advocacy Alliance</i>	52,862	72,504	(116,354)	9,012
<i>Zero Tolerance in Phuket</i>	-	192,589	(84,636)	107,953
ECPAT Germany <i>International Assembly</i>	-	11,491	(11,491)	-
ECPAT France PARLE	-	-	(4,929)	(4,929)
ECPAT Taiwan <i>International Assembly</i>	-	5,000	(5,000)	-
ECPAT USA <i>International Assembly</i>	-	1,355	(1,355)	-
Global Impact <i>Hilton Prize Fellowship</i>	-	11,250	(9,850)	1,400
Human Dignity Foundation <i>Prevention of Commercial Sexual Exploitation of Children</i>	369,494	537,545	(566,874)	340,165
INTERPOL <i>International Child Sexual Exploitation Database Connectivity and Awareness Raising (I-CARE)</i>	203,777	55,645	(259,422)	-

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

Donor and Project	Remaining Funds 30 June 2017	Income Financial Year 2017/2018	Expenditure Financial Year 2017/2018	Remaining Funds 30 June 2018
	<i>(in USD)</i>			
Irish Aid				
<i>Multi-sectoral approach to Sustainable Change for Children 2016-2019</i>	38,906	139,231	(174,960)	3,177
Oak Foundation				
<i>Africa funds 2014-2018</i>	90,396	-	(90,396)	-
<i>Core funds 2014-2018</i>	6,859	-	(6,924)	(65)
<i>Core funds 2018-2019</i>	-	500,000	(126,706)	373,294
<i>Groundwork 2016 Campaign</i>	-	17,344	(17,344)	-
<i>Positioning Sexual Exploitation 2016-2018</i>	264,159	331,325	(595,484)	-
<i>Strengthening Civil Society's Capacity and Effectiveness in Eastern Europe</i>	-	100,000	(32,338)	67,662
Sundry donation for specific use				
<i>Programme in Indonesia</i>	-	2,149	(9)	2,140
Swedish International Development Cooperation Agency (Sida)				
<i>Core funds 2017-2021</i>	-	875,442	(875,442)	-
Taiwan Foundation for Democracy				
<i>International Assembly</i>	-	5,000	(5,000)	-
Terre des Hommes Netherlands				
<i>Regional CSEC Programme (Asia)</i>	(56,819)	224,316	(167,657)	(160)
<i>Myanmar Situational Analysis</i>	(3,043)	39,083	(29,434)	6,606
<i>Girls Advocacy Alliance (Asia)</i>	(33,534)	235,931	(168,879)	33,518
The Code of Conduct in Travel and Tourism (TheCode.org)				
<i>Operational Support The Code Programme</i>	27,885	123,260	(137,399)	13,746
UNICEF Thailand				
<i>Child Protection within Thailand's Tourism Private Sector - The Code</i>	(13,300)	25,559	(12,259)	-
Total	994,815	3,667,065	3,665,756	996,124

Income for the financial year under Terre des Hommes Netherlands and The Code of Conduct in Travel and Tourism (The Code.org) included interest income which is recognised as restricted fund for projects.

ECPAT International
Notes to the financial statements
For the year ended 30 June 2018

8 Remuneration or fees to Board of Trustees

Apart from reimbursement of expenses, the Trustees on the Organisation's Board of Trustees do not receive any financial compensation for their assignment as Trustees. Any work undertaken for the Organisation whereby Trustees perform technical or specialty services for remuneration are not deemed to be in conflict with this policy.

9 Executive director's remuneration

The sum of USD 171,589 were paid as salary, living allowance and other remuneration to the Executive Director of the Organisation during the year ended 30 June 2018 (2017: USD 168,834).

10 Total staff and related expenses

The total amount paid as salaries and allowances and stipends to the staff and interns of the Organisation for the financial year ended 30 June 2018 amount to USD 1,722,720 (2017: USD 1,670,214). These amounts include the sums paid to the Executive Director shown under Note 9 above and the sums paid to the interns of USD 24,176 (2017: USD 19,156).

Staff size averaged 23 and 22 during the financial years ended 30 June 2018 and 2017, respectively, and there were 24 and 18 staff members at the end of the financial years then ended.

The Organisation receives substantial support from interns who contribute to the different programmes and projects of the organisation. During the fiscal years 2017-2018 and 2016-2017 interns supported the Organisation with a total of 77 months and 66 months of work, respectively. 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 by Organisation at USD 94,147 and USD 75,376 respectively.

Overview of employee's emoluments

Annual emoluments per employee (<i>in USD</i>)	Number of employees
Less than 20,000	-
20,000 to 39,999	4
40,000 to 59,999	6
60,000 to 79,999	3
80,000 to 99,999	4
100,000 to 119,999	1
120,000 and more	4

Annual emoluments in this overview includes payroll expenditure (gross salary, housing allowance, and savings plan contribution), plus costs for health insurance provided by the Organisation.

For the purpose of comparison, where employees were working part-time or were not employed for the full 12 months reporting period, the emoluments were re-calculated to the full time equivalent for a 12 months period. Only employees who were employed more than six months in the reporting period are presented here.

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11 Employee benefits

11.1 Termination Gratuity

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, more specifically entitlements for Termination Gratuity. The Organisation's funding is largely based on restricted donation income which can be applied only for actually incurred expenditure.

The liability of Termination Gratuity entitlement for employees upon their termination not reflected in the Statement of Financial Positions has the value of a total accumulated amount of USD 37,442 at 30 June 2018 (2017: USD 35,139).

11.2 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 from 1 January 2014. The balance of saving plan reservations is presented under Accounts Payable (see Note 5). The reservations are held in a Thai Baht bank account and entitlements are defined in Thai Baht.

12 Audit fees

The annual audit fees for the financial years ended 30 June 2018 represented USD 19,438 (2017: USD 17,042).

13 Reclassification of accounts

Certain accounts in the 2017 financial statements have been reclassified to conform to the presentation in the 2018 financial statements.

	2017		
	Before reclassification	Reclassification (in USD)	After reclassification
<i>Statement of revenue and expenditure</i>			
<i>Expenditures</i>			
Network Development and Global Partnership			
Regional Programming and Coordination			
- Eastern Europe and Central Asia	-	660	660
- Other Regions	3,973	(660)	3,313
		<u> -</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Organisation's 2018 budget structuring.



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