

# **THE UWESO UK TRUST**

(A company limited by guarantee)

## **Working as Trust for Africa's Orphans**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2006**

**Registered Charity No. 1069208**

**Company Registration No. 3473165**

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**Legal and administrative information**

**Trustees**

Ms Mary-Jane Aladren

Mrs. Wyn Borger

Mr. Richard Crowson CMG (Chairman until 4.4.07)

Mr. William Daley

Mr. Nick Hetherington

Mrs. Joy Kamugasha

Mr. Iain Knapman (appointed Trustee 14.9.06; appointed Chairman 5.4.07)

Miss Beata Kyamanywa

Miss Pamela Mounter (appointed Trustee 4.5.06)

Mr. David Perkin

Mr. James Rattray (Treasurer)

**Patrons**

H.E. Mrs. Joan Rwabyomere, The Uganda High Commissioner in United Kingdom

Mrs. Margaret Daly

Lady Diana de Deney

Mrs. Sharda Madhvani

Mr. Lloyd Mullen

The Earl of Sandwich

Mr. Arthur Scotchmer

Mrs. Helen Taylor Thompson OBE

Mrs. Sugra Visram

Miss. Sheelagh Warren MBE

**Company Secretary & Co-ordinator**

Joy Mugisha

**Registered Office**

1<sup>st</sup> Floor, Sefton House, 2 Molesey Road,

Hersham, Surrey KT12 4RQ

Tel. & Fax: 01932 269877

Website: [www.trustforafricasorphans.org.uk](http://www.trustforafricasorphans.org.uk)

**Auditors**

Menzies Callingham Crane, Ashcombe House,

5 The Crescent, Leatherhead, Surrey KT22 8DY

**Bankers**

Barclays Bank PLC, Barclays Business Centre

6 Clarence Street, Kingston-upon-Thames, Surrey KT1 1NY

CAF Bank Limited, 25 Kings Hill Avenue,

West Malling, Kent ME19 4JQ

### **Report of the trustees for the year ended 31 December 2006**

The trustees, who are also directors of the charity for the purposes of the Companies Act, have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2006. The financial statements have been prepared in accordance with the accounting policies set out on page 12 and comply with the charity's Memorandum and Articles, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

#### **Objects and policies of the Charity**

The UWESO UK Trust is a non-governmental organisation registered on 28 November 1997 as a Private Company Limited by Guarantee. Charitable status was subsequently granted and it commenced operations on 1 August 1998, when it took over the assets and liabilities of an unincorporated charity of the same name and objectives registered in 1993.

On 4 April 2006, the charity registered the name, 'Trust for Africa's Orphans', as its working name with the Charity Commission. Trustees believe that for fund raising purposes the new name will be more recognisable in regard to its principle activities, than the name 'UWESO'

The principal activity of the Trust has been to support the work of its partner UWESO Uganda by raising money outside Uganda which is then remitted to Uganda and used to fund projects to relieve the poverty of orphans and other children.

The Company's aims and objectives, as set out in the Memorandum of Association, are:  
"to relieve the poverty of, and to educate, orphans and other needy children in Uganda and elsewhere in the world who are in conditions of need, hardship and the distress arising therefrom, or who have need of assistance by reason of their youth or infirmity, disablement or social and economic circumstances".

#### **Background**

The devastating civil war in Uganda ended in 1986. It had killed many thousands of people in their prime. By that time the AIDS epidemic had begun. This epidemic is leaving many more dead, despite Uganda's strenuous efforts to control it. As a consequence, enormous numbers of children – currently estimated at nearly two million – have been orphaned. Most have been taken in by relatives, such as a grandmother, aunt or elder sister – themselves almost always already very poor, and often with several children of their own.

To cope with this situation, the President's wife, Mrs. Janet Museveni, founded a non-governmental organisation in Uganda called "The Uganda Women's Effort to Save Orphans" (UWESO), with branches at grass-roots level around the country. The intention was, and remains, to help orphan families through the development of suitable local projects.

The Trust for Africa's Orphans works alongside the Uganda organisation. It seeks to raise funds in the U.K. and elsewhere, principally to develop projects to help orphan families and their carers to earn a decent livelihood, so that the children can be better fed and clothed and money can also be earned for other necessities, such as school fees. The projects also help the children to develop skills of their own and in this regard support has been provided to develop the UWESO vocational and secondary training programme. Increasingly, whenever possible, the projects also seek to improve environmental conditions and the health of families.

The Northern regions of Uganda have suffered for 20 years from the dreadful activities of a terrorist group which calls itself The Lord's Resistance Army. The resulting conflict has displaced an estimated 1.5 million people who have consequently been living in 'Internally Displaced People Camps' where they have been provided with food rations by the World Food Programme. The intensity of the conflict has reduced to some extent, following negotiations by the LRA and the

## **Trust for Africa's Orphans**

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Government of Uganda. This has resulted in many people seeking to return to their homes and to restore their land.

The programmes that have been financed by the Trust for Africa's Orphans are well suited to help the displaced people to restore their land and dwellings and to resume a more normal life. During 2006 a small project was established in the North that provided support – this gave confidence and justified seeking additional funding for other projects in this very needy region. Currently, significant funds are being sought for this work.

Further details of the activities and background can be seen on the Trust's recently updated website - [www.trustforafricasorphans.org.uk](http://www.trustforafricasorphans.org.uk)

### **Organisational Structure**

Trustees are members of the management committee of the charity. All of them are either from, or have had close association with, Uganda and/or other parts of Africa over many years. The committee employs, and from the beginning has heavily relied on, Mrs. Joy Mugisha as Secretary and Co-ordinator. In this capacity she provides detailed direction, support and co-ordination of projects.

Activities in Uganda operate under a Memorandum of Understanding signed with UWESO in Uganda in 2001. UWESO in Uganda has established a separate Programme known as the UWESO UK Trust Programme. In 2003, Mr. Iain Knapman, a retired banker, was appointed as the Chairman of the UWESO UK Trust Programme Liaison Committee. He has now returned to live in the United Kingdom and has been elected Chairman of the UK Trust.

The Liaison Committee controls and manages the projects in Uganda which are sponsored and financed by the Trust. To facilitate co-operation, the National Executive Committee (NEC) of UWESO in Uganda has two representatives as ex-officio members of the Liaison Committee, whose Chairperson also sits on the NEC. The UK Trust may also nominate two members as its representatives on the Liaison Committee - at present Mr David Matovu, former MP for Entebbe Municipality and a Consultant with various international agencies is the sole UK representative. Another will be appointed in due course. The Chairperson of the Liaison Committee is Dr Esezah Kakudidi, previously the Vice Chair. The projects are implemented through local UWESO Branches.

The UWESO UK Trust Programme has its own bank accounts and prepares its own financial accounts under the control of a Finance Officer and an Honorary Treasurer. They are independently audited. Employees are on the payroll of UWESO in Uganda but financed by funds from the UK Trust. During 2006, they consisted of an acting Programme Director and Field Director, Mr. Baker Waiswa; a Finance Officer, Mrs. Schola Kagumire; an Administrator/Secretary, Mrs Jovita Ekoot; and an Administrative Assistant, Miss Susan Barbara Kibenge, together with supporting staff and appropriately qualified Project Staff out in the field.

### **Projects**

Funding is provided for an initial period, usually between two to four years, with the intention that projects should gradually become self-sustaining. They are implemented through local branches of UWESO at grass-roots levels, and each project is supervised by suitably qualified field staff.

The Trust is currently developing a new participatory and result based Monitoring and Evaluation (M&E) system. The aim is to develop a uniform M&E system for all projects that can be used as a management tool for everyone in the organisation ranging from beneficiaries, field workers, the Programme Director and the Liaison Committee to the Board of Trustees in the UK.

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### Beekeeping

Our Beekeeping projects in Luwero, Rakai, Ssembabule and Mbarara Kazo were established in previous years. Whenever possible, we now like to have beekeeping as a component of Sustainable Farming projects (see below), as this improves the yields of both honey and crops.

### Sustainable Farming

Sustainable (organic) farming methods make an enormous difference to participating families – yields can increase four-fold or more. A fully trained Extension Worker provides each family with tools, seeds, seedlings and breeding animals, usually pigs or goats, and modern beehives as well as training, advice and encouragement. The Extension Worker's own farm provides a demonstration of what can be achieved. The results are so impressive that neighbouring families soon want to follow suit, so there is a real multiplier effect.

Such small sustainable farms can support many different crops as well as livestock, honey and beeswax production. The family's nutrition and income are very substantially improved as a result. For example, participating families, who gradually increase the number of hives, could after two or three years be operating up to 30 hives. Each hive should produce two crops of honey and beeswax each year, which can be sold to provide an income for the family. Once the project is operating fully, the initial investment should have been covered in terms of returns to the families, with the prospect of continuing income in the future. Income derived from the sale of these products (including crops) is utilized for specific orphan and family needs such as clothing, shelter, education, medicine, food and transport etc.

Due to our past success with sustainable agriculture, in 2003 we extended Sustainable Farming to Nakasongola and Masindi Districts with funding from the Norwegian Aid Agency (NORAD). The project finished in 2006 and has throughout made good progress. It promoted a more secure livelihood by training beneficiaries in Sustainable Farming techniques as well as providing them with agricultural inputs – including beekeeping equipment. The project had a direct impact on about 6,000 children, the majority of whom are orphans cared for by 600 foster families. This is a self-replicating project, as the foster families will pay back the livestock 'in kind' – which will be passed on to another 600 foster families supporting a similar number of orphans and children in a sequential/cascade system.

### Integrated Development

In August 2005 the Big Lottery Fund in UK approved a grant of £657,000 for an Integrated Development Project to support 600 poor families caring for orphans and vulnerable children, over a period of four years, in Rakai, Ssembabule and Mbarara Districts. Each of the families usually supports on average around 10 children.

The project in these three districts, aims to work with the poorest households to increase access to safe drinking water, improve health and hygiene, increase household incomes and increase women's access to land. This will be achieved by training paralegals; providing rainwater harvesting tanks, improved housing for orphan-headed families, increased tree planting, improved farming practices and support for income-generating activities. The grant will also fund publicity for the project, such as leaflets and radio slots; training for staff and community volunteers, such as paralegals and committees; and the cost of travel and monitoring and evaluation.

It will also provide demonstration housing, 5000 litre water tanks and pit latrines to 60 of the families. The other families will be encouraged to copy the design of the housing, tanks and latrines. To help with the water tanks, additional funding has been secured from La Chiesa Valdese, an Italian Church, and Barclays Bank of Uganda.



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### **Vocational Education**

The modified vocational education project began in June 2002 by providing Vocational Training for orphans initially at Nile Vocational Institute followed by Migyera Vocational Training Centre. The Nile Vocational Institute, which is well established, provided an excellent benchmark.

Funds were raised by the UK Trust principally from the EU and the Elton John Aids Foundation. UWESO in Uganda also raised funds locally and from the United States. There was substantial progress – the Vocational Training Centre building was completed in 2004, together with accommodation for teachers, classrooms, dormitories for both girls and boys and associated infrastructure and a cattle farm on the surplus land. Orphans and destitute children are now being trained in tailoring & garment cutting, brick laying & concrete practice and carpentry & joinery as well as in secondary education. The involvement of the UK Trust came to an end in 2007, as its role as the conduit for start up funding was complete and UWESO Uganda assumed full control of all activities.

### **Tributes**

We again express our gratitude to our various funding agencies – past and present. They include the Australian Aid Agency, Barclays Bank of Uganda, La Chiesa Valdese of Italy, Comic Relief, the Big Lottery Fund, Department for International Development, Elton John Aids Foundation, the European Commission, the Hilden Charitable Fund, the Isle of Man Overseas Aid Committee, the Norwegian Aid Agency (NORAD), Scott Bader Commonwealth Ltd., and the States of Guernsey Overseas Aid Committee. We are also grateful to our Patrons who are listed on page one.

But it was individual supporters who originally enabled us to get started and on whom we continue to rely for a welcome part of our core funding. We are most grateful to all of them. We also extend our thanks to Dr Esezah Kakudidi, Chairperson, and the members and staff of the Liaison Committee in Kampala and to the Chairperson, Members and staff of the UWESO National Executive Committee there, as well as the local branches of UWESO through whom the projects are implemented.

We are sad to record the death in May 2007 of Dr Murray Baker, one of our founder Trustees and a strong supporter for 14 years. He was eminent in the field of tropical medicine and his guidance will be missed.

### **Financial results and future activities -**

During the year to 31 December 2006, the charity raised £216,172 net of costs from the general public and various agencies to carry out the projects outlined above. £300,485 was used during 2006 from this and from funds received in earlier years.

As shown in the restricted funds column in the Statement of Financial Activities, £207,385 of income was for particular projects and we still hold £87,705 which will be used as these projects progress. A number of project proposals have been submitted during 2007 to various bodies, mainly for the extension of our sustainable farming expertise to important projects in the North of Uganda, where the plight of displaced people is extreme and our expertise is particularly suitable. The applications exceed £500,000.

For the forthcoming year we are also pursuing other ways of raising funds and increasing the public's awareness of the work the charity does to help orphans and other vulnerable children and the communities who care for them. This will include utilising our enhanced on-line presence at [www.trustforafricasorphans.org.uk](http://www.trustforafricasorphans.org.uk).

Governance costs of £3,055 are kept to an absolute minimum as the majority of income received is used to support the projects in Uganda.

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At year-end we had £87,705 (2005: £168,750) available in the restricted funds to support our ongoing projects and a general fund balance of £17,691 (2005: £20,959).

### **Investment policy**

Under Clause 4(n) of the Certificate of Incorporation the Trustees have wide powers of investment but in 2006 all funds have been held in Bank Accounts and with CCLA Investment Management Ltd.

### **Reserves policy**

The level of reserves is determined by the trustees. Many of the funds received are for specific projects and these are reflected in the financial statements as restricted funds. The level of unrestricted funds is kept under review and expenditure is limited to ensure that the charity retains an operating contingency to cover unexpected shortfall in the charity's income.

Restricted Funds Reserves are needed to cover the future estimated expenditure on specific projects for which the Restricted Funds were raised. For each restricted fund the Trustees and management monitor the future needs to ensure that sufficient restricted funds remain to complete the project. If there were cases where savings are made during the implementation of a project, consideration would be given to extending the scope of the project. If there were cases where there is insufficient in reserve to complete the project as envisaged, the project would be scaled down.

Donors generally provide resources to cover expenditure over subsequent periods – often the following twelve to eighteen months. The pattern of expenditure of these funds can be somewhat erratic, as it depends on actual progress of the specific projects. Delays frequently occur, especially at the beginning of projects or on phases thereof. The effect is that balances on restricted funds can fluctuate significantly from one year end to another.

Unrestricted Funds Reserves are needed to ensure that the costs of the Charity's infrastructure can be covered for a reasonable period pending the receipt of further unrestricted funds. They are also required so that Trustees can allocate additional funds to projects where the restricted funds need to be enhanced.

The Trustees consider that a cushion of Unrestricted Reserves of around £50,000 to be reasonable. However the Trustees recognise that the method of operating the Charity has meant that achievement of this target will take some years. The Charity concentrates its efforts on raising donations from major donors on a project-by-project basis. Donor agencies allow only a small portion of funding to be used for core organisational costs and the build up of unrestricted reserves is dependent on general donations.

In the absence of a significant endowment, Trustees will continue to explore the possibilities of increasing the Unrestricted Reserves by soliciting appropriate donations. To the extent that the level of reserves falls below the target, greater caution will be exercised.

### **Risk management**

The trustees actively review the major risks which the charity faces on a regular basis and believe that pursuing the policy of a steady build up to a reasonable level of unrestricted reserves as stated above will eventually provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which we face and confirm that they have established systems to mitigate the significant risks. This has been done by undertaking a risk analysis and an assessment report.



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### **Trustees**

The trustees in office during the period and at the date of this report are set out on page 1.

New trustees are elected by the board of trustees and serve for a period of three years. The structure of the board is such that one third of members retire annually at each Annual General Meeting and are eligible for re-election at that time in accordance with the articles. A member can be eligible for re-election until he reaches the age of 78 years.

### **Statement of trustees' responsibilities**

Company and Charity Law require the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. In preparing those accounts, the trustees are required to:-

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed;
- d) prepare the financial statements on a going concern basis.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement as to disclosure of information to auditors**

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

A resolution that Menzies Callingham Crane be re-appointed as auditors of the charity will be put to the Annual General Meeting.

Approved by the trustees and signed on their behalf by:



Date: 5 November 2007  
September

**Report of the Independent Auditors to the Trustees of  
The UWESO UK Trust**

We have audited the financial statements of The UWESO UK Trust for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described on page 7 the charity's trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under s43 of the Charities Act 1993 and report in accordance with regulations made under s44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2006 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

*Menzies Callingham Crane*

Menzies Callingham Crane  
Registered Auditors  
Chartered Accountants  
Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey KT22 8DY

Date: ..... *8<sup>th</sup> October 2007* .....

**Statement of Financial Activities (incorporating an Income and Expenditure Account)  
for the year ended 31 December 2006**

	Notes	Unrestricted Funds £	Restricted Funds £	2006 Total £	2005 Total £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Donations and similar incoming resources					
Gift Aid and Sundry Donations	2	10,582	-	10,582	5,954
Grants	3	-	204,325	204,325	196,731
Investment income	4	<u>1,731</u>	<u>3,060</u>	<u>4,791</u>	<u>8,960</u>
<b>Total incoming resources</b>		<b><u>12,313</u></b>	<b><u>207,385</u></b>	<b><u>219,698</u></b>	<b><u>211,645</u></b>
<b>Resources expended</b>					
<b>Costs of generating voluntary income</b>	5	3,526	-	3,526	2,803
<b>Costs of charitable activities</b>					
Projects in Uganda – grants payable to partner organisation UWESO and project expenditure					
		10,405	287,025	297,430	356,500
Governance costs		<u>1,650</u>	<u>1,405</u>	<u>3,055</u>	<u>3,407</u>
<b>Total resources expended</b>	7	<b><u>15,581</u></b>	<b><u>288,430</u></b>	<b><u>304,011</u></b>	<b><u>362,710</u></b>
<b>Net incoming resources</b>	8	(3,268)	(81,045)	(84,313)	(151,065)
Total funds brought forward		<u>20,959</u>	<u>168,750</u>	<u>189,709</u>	<u>340,774</u>
<b>Total funds carried forward</b>	16,17	<b><u>17,691</u></b>	<b><u>87,705</u></b>	<b><u>105,396</u></b>	<b><u>189,709</u></b>

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

All incoming resources and resources expended derive from continuing activities.

**Balance Sheet as at 31 December 2006**

	Notes	Unrestricted Funds £	Restricted Funds £	2006 £	2005 £
<b>Fixed Assets</b>					
Tangible assets	12	<u>642</u>	<u>-</u>	<u>642</u>	<u>856</u>
		<u>642</u>	<u>-</u>	<u>642</u>	<u>856</u>
<b>Current Assets</b>					
Debtors	13	2,045	-	2,045	1,683
Cash at bank and in hand	14	<u>18,041</u>	<u>87,705</u>	<u>105,746</u>	<u>190,146</u>
				107,791	191,829
Creditors: amounts falling due within one year	15	<u>(3,037)</u>	<u>-</u>	<u>(3,037)</u>	<u>(2,976)</u>
<b>Net current assets</b>		<b><u>17,049</u></b>	<b><u>87,705</u></b>	<b><u>104,754</u></b>	<b><u>188,853</u></b>
<b>Net assets</b>		<b><u>17,691</u></b>	<b><u>87,705</u></b>	<b><u>105,396</u></b>	<b><u>189,709</u></b>
<b>Funds</b>					
Unrestricted funds:					
General reserves	16	17,049	-	17,049	20,103
Fixed assets	-	642	-	642	856
Restricted funds	17	<u>-</u>	<u>87,705</u>	<u>87,705</u>	<u>168,750</u>
		<b><u>17,691</u></b>	<b><u>87,705</u></b>	<b><u>105,396</u></b>	<b><u>189,709</u></b>

Approved by the Board of Trustees and signed on their behalf by:

Trustee



Date: 5 September 2007

Trustee



**Notes forming part of the financial statements  
for the year ended 31 December 2006**

**1. Accounting policies**

Convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for smaller entities (effective January 2005) and the Companies Act 1985. In preparing the financial statements the Charity follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005.

Investment Income

Investment income is accounted for in the period in which the Charity is entitled to receive it.

Resources Expended

Expenditure is included on an accruals basis.

Management and administration costs are those incurred in running the Charity.

Tax Recoverable

Income received where a claim for repayment of tax has or will be made to the Inland Revenue is grossed up for the tax recoverable. The tax recoverable is shown as a debtor until the amount is recovered.

Grants and Other Income

Charitable donations are included when they are received.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Office Equipment and Depreciation

Depreciation is provided at a rate calculated to write off the cost less residual value of each asset evenly over its expected useful life and is now charged as follows:

Office equipment	20% on a straight line basis
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It is the policy of the charitable company to write off in the year of purchase items of office equipment and furniture and fittings costing less than £500 each. There were no items purchased in this category during the year.

Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction.

Operating Leases

Rental in respect of operating leases are charged to the SOFA as the cost is incurred.



**2. Gift Aid and Sundry Donations**

	Unrestricted £	Restricted £	2006 Total £	2005 Total £
<b>Donations</b>				
Committed giving	1,064	-	1,064	1,404
Donations	<u>9,518</u>	<u>-</u>	<u>9,518</u>	<u>4,550</u>
<b>Total</b>	<b><u>10,582</u></b>	<b><u>-</u></b>	<b><u>10,582</u></b>	<b><u>5,954</u></b>

**3. Grants**

The following grants were received by the charity in the year, all of which have been included within restricted funds.

	2006 £	2005 £
<b>Contracts for operational programmes</b>		
UK agencies – Big Lottery Fund - Integrated Development	158,871	111,723
Government. Agencies – States of Guernsey Overseas Aid	30,000	--
Government. Agencies – Isle of Man Overseas Aid	5,500	--
Non-UK agency – La Chiesa Valdese – Int. Dev. & Water	9,954	--
Non-UK agency – Norwegian Aid Agency (NORAD) Poverty Alleviation	<u>--</u>	<u>85,008</u>
<b>Total</b>	<b><u>204,325</u></b>	<b><u>196,731</u></b>

**4. Investment income and interest**

	Unrestricted £	Restricted £	2006 Total £	2005 Total £
Deposit interest	<u>1,731</u>	<u>3,060</u>	<u>4,791</u>	<u>8,960</u>
<b>Total</b>	<b><u>1,731</u></b>	<b><u>3,060</u></b>	<b><u>4,791</u></b>	<b><u>8,960</u></b>

**5. Fund-raising costs**

Represents the costs directly incurred in raising funding for the charity's projects.

## 6. Projects in Uganda

### Grants payable to partner organisation UWESO and project expenditure

	2006 £	2005 £
Masulita Children's Village: Maize Growing for Milling Project	--	1,380
Migyera Institute - Vocational Training Project	42,786	93,688
Nakasongola and Masindi Districts: Poverty Alleviation Project	65,145	148,202
Integrated Development – Water & Sanitation (3 districts)	<u>139,663</u>	<u>62,105</u>
<b>Total – included in Resources Expended (note 7)</b>	<b><u>247,594</u></b>	<b><u>305,375</u></b>

## 7. Resources expended

<b>Costs directly allocated to activities</b>	<u>Basis of allocation</u>	<u>Costs of generating funds</u> £	<u>Project expenditure</u> £	<u>Governance costs</u> £	<u>2006</u> £	<u>2005</u> £
Grants payable (note 6)	direct	-	247,594	-	247,594	305,375
Salary costs	time spent	1,519	28,859	-	30,378	30,396
Audit fees	direct	-	-	3,055	3,055	3,408
Printing and literature	direct	874	-	-	874	106
American Fund	direct	100	-	-	100	100
<b>Support costs</b>						
Office costs	staff time	<u>1,033</u>	<u>20,977</u>	<u>-</u>	<u>22,010</u>	<u>23,325</u>
		<b><u>3,526</u></b>	<b><u>297,430</u></b>	<b><u>3,055</u></b>	<b><u>304,011</u></b>	<b><u>362,710</u></b>

## 8. Net Incoming Resources

This is stated after charging:

	2006 £	2005 £
Property rental	2,938	2,938
Depreciation	214	214
Auditors' remuneration:		
Statutory audit	2,702	2,585
Other services	353	823

## 9. Taxation

As a charity, The UWESO UK Trust, is exempt from tax on income and gains falling within s505 of the Taxes Act 1988 and the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

## Trust for Africa's Orphans

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### 10. Employees and staff costs

The Trust employs a full-time Co-ordinator in the U.K.  
The cost of employing that member of staff was:

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Co-ordinator's salary	27,720	27,720
National Insurance (Employer's)	<u>2,658</u>	<u>2,944</u>
	<b><u>30,378</u></b>	<b><u>30,396</u></b>

### 11. Trustees' remuneration

The Trustees receive no remuneration for their services ( 2005 – £nil ). Expense claims totalling £3,313 for travel and accommodation incurred on behalf of the Trust were reimbursed to 3 trustees (2005 - £1,660 to 2 trustees). Indemnity Insurance costs totalled £521 ( 2005 - £484 ).

### 12. Tangible Fixed Assets

	<b>Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Cost		
As at 1 January 2006	5,606	5,606
Additions	<u>--</u>	<u>--</u>
As at 31 December 2006	<u>5,606</u>	<u>5,606</u>
Depreciation		
As at 1 January 2006	4,750	4,750
Provided in the year	<u>214</u>	<u>214</u>
As at 31 December 2006	<u>4,964</u>	<u>4,964</u>
Net Book Value		
As at 31 December 2006	<u><b>642</b></u>	<u><b>856</b></u>
As at 31 December 2005	<u><b>856</b></u>	<u><b>Nil</b></u>

### 13. Debtors

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Income tax refund	951	488
Prepayments	594	695
Rent deposit	<u>500</u>	<u>500</u>
	<b><u>2,045</u></b>	<b><u>1,683</u></b>

**14. Cash at bank and in hand**

	<b>2006</b>	<b>2005</b>
	£	£
Cash at bank – current account	6,946	2,577
Cash at bank – deposit accounts	98,733	187,374
Cash in hand	<u>67</u>	<u>195</u>
	<b><u>105,746</u></b>	<b><u>190,146</u></b>

**15. Creditors: amounts falling due within one year**

	<b>2006</b>	<b>2005</b>
	£	£
Accruals	<b><u>3,037</u></b>	<b><u>2,976</u></b>

**16. Unrestricted funds**

	<b>General Reserves</b>	<b>Fixed Assets Funds</b>	<b>Total</b>
	£	£	£
Balance at 1 January 2006	20,103	-	20,103
Deficit/Surplus for the year	(3,268)	856	(3,268)
Transfers between funds	<u>214</u>	<u>(214)</u>	<u>--</u>
Balance at 31 December 2006	<b><u>17,049</u></b>	<b><u>642</u></b>	<b><u>17,691</u></b>

**17. Restricted Funds**

	<b>Balance at 1 January 2006</b>	<b>Incoming Resources</b>	<b>Programme Expenditure</b>	<b>Balance at 31 December 2006</b>
	£	£	£	£
Vocational Training	58,534	1,253	(49,348)	10,439
Poverty Alleviation	66,427	681	(67,108)	--
Integrated Development	<u>43,789</u>	<u>205,451</u>	<u>(171,974)</u>	<u>77,266</u>
<b>Total</b>	<b><u>168,750</u></b>	<b><u>207,385</u></b>	<b><u>(288,430)</u></b>	<b><u>87,705</u></b>

**18. Analysis of net assets between funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Fund balances at 31 December 2006 are represented by:			
Current assets	20,086	87,705	107,791
Current liabilities	<u>(3,037)</u>	<u>-</u>	<u>(3,037)</u>
Total net assets at 31 December 2006	<b><u>17,049</u></b>	<b><u>87,705</u></b>	<b><u>104,754</u></b>

**19. Capital Commitments**

There were no capital commitments as at 31 December 2006.