

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 2007

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
Mr. William Daley
Mr. Nick Hetherington
Mrs. Joy Kamugasha
Mr. Iain Knapman (Chairman)
Miss Beata Kyamanywa
Miss Pamela Mounter
Mr. David Perkin
Mr. James Rattray FCA (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 & Programme Co-ordinator

Joy Mugisha

Registered Office

1st Floor, Sefton House, 2 Molesey Road,
Hersham, Surrey KT12 4RQ
Tel. & Fax: 01932 269877
Website: www.trustforafricasorphans.org.uk

Independent Examiners

Menzies LLP, 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 2007

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 independently examined financial statements for the year ended 31 December 2007. The financial statements have been prepared in accordance with the accounting policies set out on page 11 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 principal activities, than the name 'UWESO'

The principal activity of the Trust has been to support the work of its partner UWESO Uganda. It does this in a number of ways including:

- 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.
- And by providing technical advice, as well as helping in project management and direction.

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."

Background

The devastating civil war in Uganda ended in 1986. It had killed many thousands of people in their prime. By 1986 the AIDS epidemic had begun. This epidemic, although past its peak, continues to be a major cause of early death, 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 income generated 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 displaced an estimated 1.5 million people who live/lived in 'Internally Displaced People Camps' where they are/were provided with food rations by the World Food Programme. The intensity of the conflict

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has recently reduced following negotiations between the LRA and the Government of Uganda. This has resulted in many people seeking to return/returning to their homes to restore their land and to resume a normal way of life.

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 2007 funding of some £499,203 was confirmed from the Big Lottery Fund and £210,000 from The Baring Foundation in conjunction with The John Ellerman Foundation for a project in the North. The project will support the returning population to secure their former land and re-establish agricultural production - which is the main economic activity in the region, providing food, employment and income. It will restore and improve agricultural activity by training returnees in sustainable farming methods and in the use of animal traction - enabling them to open larger areas for production. It will promote natural resource management by facilitating village and district environmental committees to monitor and enforce existing regulations (setting new standards where appropriate), by-laws, a-forestation and re-forestation. Further details of the activities and background can be seen on the Trust's website - 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. Their backgrounds range from law, finance, diplomacy, business and PR to tropical agriculture and farming expertise. There are currently eleven Trustees - all have personal relevant knowledge and experience of Uganda and know the country's needs and problems. The Trustees regularly visit the country to monitor the projects and help move them forward and perform essential roles:

- they monitor and evaluate the implementation of the projects. Working with their partner, UWESO to develop a sound monitoring and evaluation system the UK Trust ensures, by demanding and receiving regular feedback, that the projects are being correctly implemented and evaluated.

- they monitor and control the flow of funds to the partner in response to quarterly budget requests to cover the project activities - ensuring that they have the necessary manpower resources to manage the projects effectively.

The committee employs, and from the beginning has heavily relied on, Mrs. Joy Mugisha as Secretary and Programme 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 was elected Chairman of the UK Trust in 2007. He took over from Mr Richard Crowson in April.

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, a Professor at Makerere University in the Department of Botany, and previously the Vice Chair. The projects are implemented through local UWESO Branches.

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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 reported upon. Employees are on the payroll of UWESO in Uganda but financed by funds from the UK Trust. During 2007, 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 a limited period, usually between two to four years, with the intention that projects should gradually become self-sustaining. They are implemented in conjunction with 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.

Beekeeping

Our Beekeeping projects in Luwero, Rakai, Ssembabule and Mbarara Kazo were established in previous years. Whenever possible, we now 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. Generally, 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 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.

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.

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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, totalling approx £66,000 has been secured from La Chiesa Valdese, an Italian Church, Barclays Bank of Uganda and Hilden Charitable Fund

Vocational Education

The 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, The Baring Foundation and The John Ellerman Foundation, 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 have also received support for our work from several smaller UK Trusts and Foundations. 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.

Financial results and future activities -

During the year to 31 December 2007, the charity raised £221,674 net of costs from the general public and various agencies to carry out the projects outlined above. £230,002 was used during 2007 from this and from funds received in earlier years.

As shown in the restricted funds column in the Statement of Financial Activities, £209,091 of income was for particular projects and we still hold £84,854 which will be used as these projects progress. Two project proposals were approved during 2007 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 total of these grants is £709,203 over a three-year period.

Governance costs of £2,173 are kept to an absolute minimum as the majority of income received is used to support the projects in Uganda.

At year-end we had £84,854 (2006: £87,705) available in the restricted funds to support our ongoing projects and a general fund balance of £12,214 (2006: £17,691).

Investment policy

Under Clause 4(n) of the Certificate of Incorporation the Trustees have wide powers of investment but in 2007 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 – sometimes 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.

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 financial statements 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 financial statements, 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Independent Examiners

A resolution that Menzies LLP be re-appointed as independent examiners of the charity will be put to the Annual General Meeting.

Approved by the trustees and signed on their behalf by:



Iain Knapman
Chairman

Date: 17-9-08

Accountants' Report to the Members on the Unaudited Accounts of The Trust for Africa's Orphans

We report on the accounts of the Company for the year ended 31 December 2007 which are set out on pages 9 to 16.

Respective responsibilities of the directors and the reporting accountants

As described in the Statement of Trustees' Responsibilities, the Company's Directors (Charity Trustees) are responsible for the preparation of the financial statements and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the Company under s221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in s249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the financial statements for the year, specified in s249A(4) of the Act as modified by s249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in s249B(1).

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

10 October 2008

Menzies hlf

MENZIES LLP
Reporting Accountants and
Chartered Accountants

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 December 2007

	Notes	Unrestricted Funds £	Restricted Funds £	2007 Total £	2006 Total £
Incoming resources					
Incoming resources from generated funds					
Donations and similar incoming resources					
Gift Aid and sundry donations	2	13,075	-	13,075	10,582
Grants	3	-	206,496	206,496	204,325
Investment income	4	<u>2,027</u>	<u>2,595</u>	<u>4,622</u>	<u>4,791</u>
Total incoming resources		<u>15,102</u>	<u>209,091</u>	<u>224,193</u>	<u>219,698</u>
Resources expended					
Costs of generating voluntary income	5	2,519	-	2,519	3,526
Costs of charitable activities					
Projects in Uganda – grants payable to partner organisation UWESO and project expenditure					
		17,517	210,312	227,829	297,430
Governance costs		<u>543</u>	<u>1,630</u>	<u>2,173</u>	<u>3,055</u>
Total resources expended	7	<u>20,579</u>	<u>211,942</u>	<u>232,521</u>	<u>304,011</u>
Net outgoing resources	8	(5,477)	(2,851)	(8,328)	(84,313)
Total funds brought forward		<u>17,691</u>	<u>87,705</u>	<u>105,396</u>	<u>189,709</u>
Total funds carried forward	16,17	<u>12,214</u>	<u>84,854</u>	<u>97,068</u>	<u>105,396</u>

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 2007

	Notes	2007	2006
		£	£
Fixed Assets			
Tangible assets	12	<u>428</u>	<u>642</u>
		428	642
Current Assets			
Debtors	13	4,421	2,045
Cash at bank and in hand	14	<u>94,295</u>	<u>105,746</u>
		98,716	107,791
Creditors: amounts falling due within one year	15	<u>(2,076)</u>	<u>(3,037)</u>
Net current assets		<u>96,640</u>	<u>104,754</u>
Net assets		<u>97,068</u>	<u>105,396</u>
Funds			
Unrestricted funds	16	12,214	17,691
Restricted funds	17	<u>84,854</u>	<u>87,705</u>
		<u>97,068</u>	<u>105,396</u>

For the year ended 31st December 2007 the Company was entitled to exemption under section 249A(1) of the Companies Act 1985. No Members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

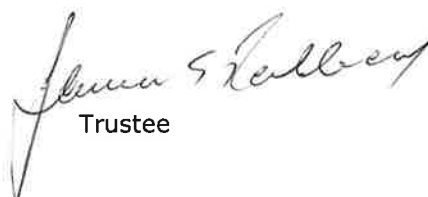
The Trustees acknowledge their responsibility for:

1. ensuring the Company keeps accounting records which comply with section 221; and
2. preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit and loss for each financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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


Trustee


Trustee

Date: 17-9-08

Notes forming part of the financial statements for the year ended 31 December 2007

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 2007) 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.

Grants Payable

Expenditure on grants payable is recorded once the Trust has made an unconditional commitment to pay the grant and this is communicated to the beneficiary, or the grant has been paid, whichever is the earlier.

Trust for Africa's Orphans

Notes forming part of the financial statements for the year ended 31 December 2007

2. Gift Aid and Sundry Donations

	Unrestricted £	Restricted £	2007 Total £	2006 Total £
Donations				
Committed giving	910	-	910	1,064
Donations	<u>12,165</u>	<u>-</u>	<u>12,165</u>	<u>9,518</u>
Total	<u>13,075</u>	<u>-</u>	<u>13,075</u>	<u>10,582</u>

3. Grants

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

	2007 £	2006 £
Contracts for operational programmes		
UK agencies – Big Lottery Fund - Integrated Development	188,540	158,871
Government. Agencies – States of Guernsey Overseas Aid	--	30,000
Government. Agencies – Isle of Man Overseas Aid	--	5,500
European Union – Vocational Training	2,698	--
Non-UK agency – La Chiesa Valdese – Int. Dev. & Water	10,258	9,954
UK Trusts/Foundation – Hilden Charitable Fund	<u>5,000</u>	<u>--</u>
Total	<u>206,496</u>	<u>204,325</u>

4. Investment income and interest

	Unrestricted £	Restricted £	2007 Total £	2006 Total £
Deposit interest	<u>2,027</u>	<u>2,595</u>	<u>4,622</u>	<u>4,791</u>
Total	<u>2,027</u>	<u>2,595</u>	<u>4,622</u>	<u>4,791</u>

5. Fund-raising costs

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

**Notes forming part of the financial statements
for the year ended 31 December 2007**

6. Projects in Uganda

Grants payable to partner organisation UWESO and project expenditure

	2007	2006
	£	£
Migyera Institute - Vocational Training Project	7,646	42,786
Nakasongola and Masindi Districts: Poverty Alleviation Project	--	65,145
Integrated Development – Water & Sanitation (3 districts)	<u>171,663</u>	<u>139,663</u>
Total – included in Resources Expended (note 7)	<u>179,309</u>	<u>247,594</u>

7. Resources expended

Costs directly allocated to activities	<u>Basis of allocation</u>	<u>Costs of generating funds</u>	<u>Project expenditure</u>	<u>Governance costs</u>	2007	2006
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Grants payable (note 6)	direct	-	179,309	-	179,309	247,594
Salary costs	time spent	1,523	28,933	-	30,456	30,378
Audit/examination fees	direct	-	-	1,820	1,820	2,702
Payroll preparation costs	direct	-	-	353	353	353
Printing and literature	direct	-	-	-	-	874
Events costs	direct	16	-	-	16	-
American Fund	direct	85	-	-	85	100
Support costs						
Office costs	staff time	<u>895</u>	<u>19,587</u>	<u>-</u>	<u>20,482</u>	<u>22,010</u>
		<u>2,519</u>	<u>227,829</u>	<u>2,173</u>	<u>232,521</u>	<u>304,011</u>

8. Net Incoming Resources

This is stated after charging:

	2007	2006
	£	£
Property rental	2,938	2,938
Depreciation	214	214
Auditors' remuneration:		
Statutory audit	-	2,702
Independent examination	1,820	-
Other services	353	353

9. Taxation

As a charity, The Trust for Africa's Orphans, 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.

**Notes forming part of the financial statements
for the year ended 31 December 2007**

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:

	2007	2006
	£	£
Co-ordinator's salary	27,720	27,720
National Insurance (Employer's)	<u>2,736</u>	<u>2,658</u>
	<u>30,456</u>	<u>30,378</u>

11. Trustees' remuneration

The Trustees receive no remuneration for their services (2006 - £nil). Expense claims totalling £2,204 for travel and accommodation incurred on behalf of the Trust were reimbursed to 2 trustees (2006 - £3,313 to 3 trustees). Indemnity Insurance costs totalled £422 (2006 - £521).

12. Tangible Fixed Assets

	Office Equipment	Total
	£	£
Cost		
As at 1 January 2007	5,606	5,606
Additions	<u>--</u>	<u>--</u>
As at 31 December 2007	<u>5,606</u>	<u>5,606</u>
Depreciation		
As at 1 January 2007	4,964	4,964
Provided in the year	<u>214</u>	<u>214</u>
As at 31 December 2007	<u>5,178</u>	<u>5,178</u>
Net Book Value		
As at 31 December 2007	<u>428</u>	<u>428</u>
As at 31 December 2006	<u>642</u>	<u>642</u>

13. Debtors

	2007	2006
	£	£
Income tax refund	2,010	951
Prepayments	1,911	594
Rent deposit	<u>500</u>	<u>500</u>
	<u>4,421</u>	<u>2,045</u>

Notes forming part of the financial statements
for the year ended 31 December 2007

14. Cash at bank and in hand

	2007	2006
	£	£
Cash at bank – current account	4,639	6,946
Cash at bank – deposit accounts	89,579	98,733
Cash in hand	<u>77</u>	<u>67</u>
	<u>94,295</u>	<u>105,746</u>

15. Creditors: amounts falling due within one year

	2007	2006
	£	£
Accruals	<u>2,076</u>	<u>3,037</u>
	<u>2,076</u>	<u>3,037</u>

16. Unrestricted funds

	General Reserves £	Fixed Assets Funds £	Total £
Balance at 1 January 2007	17,049	-	17,049
Deficit/Surplus for the year	(5,477)	642	(4,835)
Transfers between funds	<u>214</u>	<u>(214)</u>	<u>--</u>
Balance at 31 December 2007	<u>11,786</u>	<u>428</u>	<u>12,214</u>

The unrestricted funds of the charity may be applied for charitable purposes at the discretion of the trustees.

17. Restricted Funds

	Balance at 1 January 2007 £	Incoming Resources £	Programme Expenditure £	Balance at 31 December 2007 £
Vocational Training	10,439	2,941	(10,480)	2,900
Integrated Development	77,266	201,150	(200,962)	77,454
Water – Health Centres	<u>--</u>	<u>5,000</u>	<u>(500)</u>	<u>4,500</u>
Total	<u>87,705</u>	<u>209,091</u>	<u>(211,942)</u>	<u>84,854</u>

The restricted funds represent the balances on the relevant projects after the expenditure authorised by the trustees.

**Notes forming part of the financial statements
for the year ended 31 December 2007**

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 December 2007 are represented by:			
Fixed assets	428	-	428
Current assets	13,862	84,854	98,716
Current liabilities	<u>(2,076)</u>	<u>-</u>	<u>(2,076)</u>
Total net assets at 31 December 2007	<u>12,214</u>	<u>84,854</u>	<u>97,068</u>

19. Capital Commitments

There were no capital commitments as at 31 December 2007 or 31 December 2006.

20. Operating Lease Commitments

The following operating lease payments are committed to be paid within one year:

	2007 £	2006 £
Expiring: One to two years	<u>4,866</u>	<u>4,653</u>