

**Investing in sustainable,
healthy futures**

TRUST FOR AFRICA'S ORPHANS

**Report and financial statements
for the year ended 31 December 2011**

Registered charity no. 1069208
Company registration no. 3473165

Trust for Africa's Orphans

Report of the Directors for the year ended 31 December 2011

The Trustees of Trust for Africa's Orphans, who are also the Directors 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 2011.

The financial statements have been prepared in accordance with the accounting policies set out on page 19 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.

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1 Chairman's message

I ended my report last year with the good news that TAO had been successful in winning project funding from the Department for International Development (DFID) and from Comic Relief; we were delighted with both successes and welcome the confidence placed in us by these and all our previous funders.

Work on these two projects commenced during the latter part of 2011. Both are based in northern Uganda, which has been affected profoundly by conflict, internal displacement and widespread poverty. The projects therefore focus on ensuring access to land and improving the livelihood of women farmers who are caring for orphans. The DFID project, funded under its Global Poverty Action Fund, is entitled "Improved livelihood of women families in northern Uganda through market led development" and will focus on women farmers in Lira, Apac and Oyam districts. The Comic Relief project, entitled "Agri-enterprise in sunflower growing for women headed families", is funded through its CGI Enterprise and Employment programme, and will operate in Pader district.

In early 2012 TAO achieved additional funding from Comic Relief under its Climate Change programme, which will enhance the focus and scope of the Pader project. Our projects have always ensured that farming practices are sustainable in an environmental sense, as well as building sustainable skills and practices. But we are delighted that this funding will enable us to go further in this project, for example by constructing fuel-saving stoves, planting trees and training individuals to educate their communities about climate change.

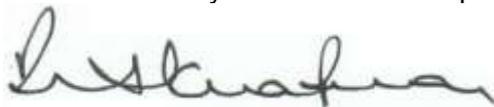
A significant new attribute of our two new projects in 2011 is their focus on increasing the ability of the beneficiary families to generate income by improving their access to commercial markets. Our previous projects have proven their effectiveness in achieving sustainable improvements in agricultural productivity, but without access to larger markets small farmers will always be constrained in the revenue they can earn. Accessing markets is in many ways a much more challenging task and we are delighted that DFID, Comic Relief, the Big Lottery Fund and other donors are recognising its crucial importance.

As reported last year we have signed a Memorandum of Understanding with Kulika Uganda to act as one of our implementing agents within the country. I am pleased to report that Kulika has since been appointed to manage the DFID project and work is underway.

The management and 2012 implementation of the Comic Relief project is being discussed with Trust for Africa's Orphans Uganda (TAOU). TAO provided seed funding and helped to register TAOU in late 2011, although it operates independently of TAO. We are delighted to share our 19 years of experience with this new NGO, including our successful project methodology and management know-how. TAOU will also be well-placed to undertake additional fundraising of its own, including within Uganda. TAOU has a well qualified Ugandan Board of Trustees and will be headed in an executive capacity by Lydia Mbanza (formerly of UWESO). Lydia managed the completion of the Big Lottery Fund and the Baring and John Ellerman Foundation funded projects in 2011, collating the monitoring information collected in field into the review published in May 2011 and summarised in this Report. This evaluation demonstrates how quickly the investment in our projects is paid back in terms of the benefit to the families and communities. I am also pleased to say that we have learnt lessons from the monitoring process and are currently creating an improved data collection system.

The TAO Board has seen changes during the year. Wyn Borger, who has been a stalwart since we started operating in 1993, and Pamela Mounter, who ably led the development of our previous website, both retired as Directors during the year. Wyn, I am glad to report, has agreed to become a Patron. In their place I am delighted to report that Alex Turrall, Robyn Cox and Peter Burnham have joined the Board of Directors. Alex Turrall is an experienced senior development professional who has worked with DFID and the Government of Uganda on its National Agricultural Advisory Service. Robyn Cox has marketing, communication and fundraising skills and has worked in Botswana, South Africa and more recently the Department for Business Innovation and Skills in London. Peter Burnham (who raised funds for us in 2011 by way of a sponsored cycle ride from London to Paris) is a company director with a wide range of planning, creative and fundraising skills. The input of all three new directors is being felt and they are valuable additions to the board.

We will submit fresh project proposals in 2012 to donors with whom we have worked in the past and hope that we will be able to secure a stream of project funding which will provide a sound basis for stability and future development.



Iain Knapman
Chairman, Trust for Africa's Orphans
11 July 2012

2 An urgent need ~ a powerful vision

Throughout Africa, HIV/AIDS, conflict, drought and poor land-use are creating millions of orphans and single-parents, widespread and abject poverty, malnutrition, disease and death. In the often forlorn hope of earning money, millions of people – including lone children – move into Africa's already over-crowded, poverty-stricken and crime-ridden city slums.

TAO is dedicated to over-turning this outlook by creating a much more positive future for Africa's orphans.

Our vision: Orphans and vulnerable children of rural East Africa growing up within their own communities, enjoying good health, food security and future income prospects.

Our mission: Provide funding and expertise to enable and empower communities to establish environmentally-sustainable, small-scale commercial farming operations that generate incomes and good nutrition and health for families with orphans in rural east Africa.

By giving households food security and the ability to earn an income, orphans and vulnerable children can be looked after within their own community and given access to secondary schooling. Despite the welcome increase in the Ugandan Government's support for Universal Secondary Education, families still incur many expenses.

Since we started operating in 1993, our work has focused on Uganda, where **one in six children is an orphan**. Since northern Uganda's 20 years of conflict ended in 2006, we have focused much of our work in this region, which remains deeply affected by extensive internal displacement and deprivation.

Our principles

Every TAO project is:

- Designed and implemented with communities' full involvement and commitment.
- Intended to enable orphans and the families who care for them to remain in their local environs – we never displace children or villages.
- Based on the local values and customs, not on European or Western cultures or styles of charitable assistance.
- Designed to complement – not duplicate – the work of other NGOs working in a given area.
- Undertaken in co-operation with governmental bodies, local and regional.

3 A proven approach

Over our 19 years of operation we have refined our approach to ensure maximum effectiveness. Our monitoring and evaluation system demonstrates that our projects truly put small-scale commercial farming on a sustainable footing – creating lasting change.

Our major projects involve around 600 households across agreed localities within a district, spread in clusters of about ten families. Most of these small land-holders have less than one hectare of land, which due to poor husbandry has previously suffered from diminishing fertility and increasingly stunted crops.

Each household is given agricultural inputs and training over a three to four year period to establish self-sustaining farming ventures by learning productive farming techniques, developing confidence and skills, and creating the networks and infrastructure to store and sell produce. The training also aims to improve understanding of environmental, sanitation, health and dietary issues.

Key to the success of our work is that participants and communities take ownership of the new processes. Participants are also encouraged to share and demonstrate their new skills with neighbours, as farmers learn more quickly from their peers than from 'officials'.

Typical projects

Our major projects typically include:

- Teaching selected local people to train their community in **good farming techniques**, such as using animal and plant waste to fertilise crops, grafting seedling trees to grow improved fruit trees, rearing goats, and/or looking after bees and making honey and beeswax.
- Giving small-holder participants **start-up inputs**, with associated training, typically: seeds for crops &/or tree nurseries, goats &/or pigs, bee hives and farming tools.
- Helping communities to establish local government and commercial **networks and partnerships** to sell their produce, and secure storage facilities and other infrastructure.
- Supporting communities to identify and **address environmental issues**, including the provision of commercially useful tree seedlings.
- Where there is a widespread problem of land dispossession, training locals as Community Legal Aid Providers to **facilitate mediation of land cases**.

Our key aim is to ensure that **orphans have a good diet, health and future prospects**. Our projects therefore typically include education to raise communities' and especially carers' understanding of:

- The importance of good and balanced diet for health – especially for those who are HIV+.
- How HIV and other infectious and water-borne diseases are spread.
- Good hygiene practices, especially in sanitation, food handling, maintaining clean water, and caring for animals.
- Environmental management, such as avoiding deforestation, managing scarce water resources, composting organically and managing water run off to control soil erosion
- Children's, women's and land rights.

To ensure successful farming ventures, we also often help communities meet specific needs, such as establishing land ownership, capturing seasonal rainwater for drinking, or renovating and enhancing boreholes or valley dams. In particular, over the last seven years we have funded more than **250 large (5,000 litre) water tanks** to give households clean drinking water and save countless hours in fetching water – hours during which children could be in school. The water tanks are constructed from ferro-concrete, which has high durability and low maintenance. Furthermore, the construction technique can be taught locally and shared with neighbouring communities.

Achieving lasting success

In May 2011 TAO published a comprehensive monitoring and evaluation report on a three-year project in the Lango sub-region of Uganda, which is a good example of our typical major, integrated projects. There were two parts to this project: a £550,000 investment in agricultural aspects, funded by the UK Big Lottery Fund, La Chiesa Valdese and Guernsey Overseas Aid Commission; and a £210,000 project to resolve land disputes, funded by the Baring and Ellerman Foundations.

The latter part of the project addressed some 280 formal land cases, with all but 20 being resolved through mediation or the involvement of clan leaders, and the remaining 20 through legal support services provided by our partner, Facilitation for Peace and Development (FAPAD). Many additional cases were settled informally within the communities.

The agricultural part of the project supported 525 households, 95% of them headed by widows; 5% by widowers. Each household received:

- *Food crop seeds for both home consumption and higher-value commercial crops (e.g. sunflowers), together with crop production training from field workers and access for each group of five households to a pair of oxen and plough*
- *Bee-hives, of which more than five in every six attracted colonies of bees*
- *Three nanny goats and access to a breeding male goat of a superior breed*
- *Seedlings from the tree nursery established in each participating sub-county, including fruit trees, pine trees for wood production, trees to provide shade and trees to improve soil conservation.*
- *Support in resolving land disputes, if required.*

*The agricultural project investment was £550,000. By its completion, the consumption and sale of produce and animals was **valued at £300,000 during the three years**, with an anticipated **additional £200,000 each subsequent year**. It should be noted that the project was implemented in three waves, such that around one-third of households had five harvests during the three years, one-third had three harvests and the last third only one harvest. It is also clear that the statistics under-record the produce and animals reared, especially where used for home consumption.*

*In addition to the direct benefits to the participating households, the project **improved farming practices**, including through the provision of oxen to greatly expand the acres being cultivated, introduction of stronger goat breeds, and improved animal husbandry and bee-keeping methods. It also **improved hygiene and sanitation, nutrition and food security**.*

Furthermore, although not recorded by the monitoring assessment, the direct beneficiaries of our projects invariably share the lessons they have learnt with their neighbours, thereby spreading the benefits much more widely.

The information collected shows excellent results, but also showed that more needs to be done to ensure comprehensive baseline data and collection of data about production and, especially, home consumption. TAO is responding to this finding by improving our data collection system and participant training programme, which will improve beneficiaries' understanding of the importance of keeping records and ability to record outputs.

4 Projects in 2011

During 2011 TAO received funding from the UK Department for International Development (DFID) and Comic Relief to commence two major projects. Additional funding was received from Scott Bader Commonwealth Ltd, which will support the Comic Relief project.

The two new projects are **(1) Women's commercial farming in Lira, Apac and Oyam Districts** (DFID funded), and **(2) "Establishing commercial sunflower seed producing businesses in Pader"** (funded by Comic Relief, Scott Bader and Guernsey Overseas Aid Commission). Both of these northern Ugandan projects are focused on assisting internally-displaced families, mostly headed by widows, each caring for between five and eight children, including thousands of orphans.

The project in Lira, Apac and Oyam builds on TAO's previous work in this region of northern Uganda to develop communities' agricultural skills. It is a two-year project that will teach the women to grow sunflower, soya and maize as cash crops, and help them gain access to commercial markets.

The Pader project is more challenging as this is a remote and severely deprived district, where conflict has created extreme needs. This project therefore includes support for land cases to ensure that the families gain access to land for farming. It will also build basic agricultural skills and address climate-change issues, such as water conservation and avoiding deforestation, as well as giving the households access to the commercial sunflower market.

The creation of access to commercial markets is the particularly exciting aspect of these new projects. These are the first TAO projects to go beyond improving agricultural processes for the purpose of better consumption and local sale. The projects will achieve market access, and therefore better livelihoods, by:

- Training groups of women in commercial and marketing matters, from how to get information about improved seed varieties to ways to evaluate new agricultural opportunities.
- Building strong relationships between the groups and commercial companies that have corporate missions to help reduce poverty. These companies have guaranteed to buy the women's entire crops and provide inputs and technical and advisory services to the women farmers. They will also give the women access to their farmer field schools to develop their agricultural skills, including in pest management and produce handling and storage.
- Linking the women farmers to other purchasers.
- Building safe storage facilities for the women's produce.

In each of the four districts – Lira, Apac, Oyam and Pader – 600 women-headed households will be supported. We estimate that these 2,400 households will support around **15,000 children**, many of them orphans.

Furthermore, as Ugandan farmers – like most people – learn best from their peers, past experience shows that the direct beneficiaries will help their neighbours to develop the new skills. Thousands of additional households will also benefit from the commercial linkages created and knowledge of more productive agricultural processes. In total, around **5,000 additional households should benefit** from these two projects.

5 Delivery approach and progress

TAO expertise

From our UK base, TAO has generated funding for projects in Uganda and provided the direction, expertise, project and financial management and oversight to ensure that selected local partners deliver highly successful projects.

Project delivery is in accordance with Memoranda of Understanding between TAO and our local partners that set out the obligations of each party in relation to the delivery of the specified projects. Our local partners must use TAO funding solely for the specified project(s) and are financially accountable to TAO and relevant local government authorities in relation to the use of the TAO-supplied donor funds. They must supply monitoring and evaluation information that enables TAO to be sure that projects are being delivered effectively. To support the latter, TAO has developed a tailored monitoring and evaluation system that allows field-workers to enter data on the spot.

TAO is not only a donor. Our 19 years of experience have led to a proven approach and a wealth of knowledge that are crucial to achieving sustainable results. In delivering projects, TAO Directors and staff ensure that this knowledge and the lessons from previous projects in the design and delivery of each new project are applied.

TAO Directors bring personal knowledge of Africa and expertise covering project and financial management, monitoring and evaluation, tropical agriculture and farming, law, communications and other business management skills. This expertise and experience is fed into every project through careful review of all monitoring data and direct visits. TAO Directors and staff visit partners and projects periodically to review progress in person and identify ways the work can be improved, or resolve issues that have arisen.

New partners in 2011

In our 2010 Annual Report we announced that we had entered into a Memorandum of Understanding with **Kulika Charitable Trust (Uganda)**. This Memorandum was finalised on 28 June 2011.

Kulika is a Ugandan NGO that trains farmers in environmentally-friendly farming and land management. Our projects have frequently used Kulika's trained extension workers over several years, giving us experience and confidence in working with this partner.

During 2011 TAO Directors also supported the creation of **Trust for Africa's Orphans Uganda (TAOU)**. TAOU is entirely independent from TAO in the UK, but we are delighted to aid the development of capacity within Uganda to apply our proven approach. TAOU will also be able to capitalise on the funding opportunities within Uganda that are only available to locally registered charities.

TAOU was registered and incorporated on 24 November 2011 as an independent, non-profit-making charitable organisation. It has its own Constitution and Board of Directors. The latter met for the first time and formally agreed a Memorandum of Understanding with TAO on 30 January 2012. TAOU is headed by Lydia Mbanza, who has previously worked on TAO projects.

TAO also continues our partnership with the Ugandan NGO, **Facilitation for Peace and Development (FAPAD)**. FAPAD provides training, legal aid, and mediation and facilitation services regarding awareness and achievement of rights, including land rights and the rights of children and those who are HIV-positive.

In October 2011, two TAO Directors and TAO's Programme Coordinator, Joy Mugisha, visited Uganda. They met with Kulika, Lydia Mbanza and others involved in the set-up of TAOU, local DFID representatives, FAPAD, local government authorities and potential new donors. They also visited the communities in which our two new projects are based, meeting with community representatives and the commercial partners.

As a result of these meetings it was agreed that Kulika should take forward the delivery of the DFID-funded project, 'Women's commercial farming: Lira, Apac and Oyam sub-counties'. For 2012, TAO is negotiating with TAOU to take forward the management and delivery of the project: 'Establishing commercial sunflower seed producing businesses in Pader', funded by Comic Relief, Scott Bader and Guernsey Overseas Aid Commission.

Project progress

Project start-up requires:

- Selection and grouping of the beneficiaries.
- Appointment of the staff who will train the beneficiaries in the field.
- Ensuring that beneficiaries prepare the farms for planting in time for the rainy season
- Collection of the baseline data that will enable subsequent project evaluation.
- Establishment of relationships with local government and the commercial partners who provide the inputs.
- Recruitment of local advisory committees and agreement of their roles.
- Ensuring logistics are in hand, such as the provision of appropriate transport.

By the time TAO visited Uganda in early 2012, these aspects were in hand for both projects. In addition, go-ahead was given for a tailored monitoring and evaluation system to be created for the projects, project and financial management systems were being put in place, and a range of other project issues were being addressed.

6 The year ahead

Our focus during 2012 will be on the implementation of our two new major projects. This process will include ensuring that our new partnership arrangements and the new monitoring and evaluation system are working effectively and delivering excellent results for our projects' beneficiaries.

In early 2012 we received confirmation of additional funding from Comic Relief to expand the climate change aspects of the project, 'Establishing commercial sunflower seed producing businesses in Pader'. From around mid-2012, this project will incorporate elements allowing the communities to reduce their carbon footprint while producing higher yielding crops. These elements include:

- Tree nurseries and tree planting, thereby reducing destructive 'tree harvesting', improving wind-breaks, protecting watersheds, avoiding soil erosion and absorbing carbon.
- Improved soil quality and protection.
- Expanded bee-keeping, which aids pollination.
- Improved collection and storage of rainwater.
- Construction of fuel-saving stoves.
- Communication campaigns to improve understanding of climate change and other environmental issues, and of the importance of conservation and related matters, such as the role of pollinators. We will also select and train individuals to continue educating the community about climate change.

In addition to the existing projects, we will seek funding to commence further projects, predominantly those that apply our full, integrated and proven project approach.

We intend to continue to seek the great majority of our funding from institutional donors. Nevertheless, during 2012 we will also redevelop our website and other marketing materials to aid our fundraising and other activities.

7 Structure, governance and management

TAO is a United Kingdom registered company limited by guarantee with company number 03473165 and is also a UK registered charity with number 1069208. We started operating in 1993 and were registered as an incorporated charity in 1998. We have no religious or political affiliations.

TAO raises funds for projects delivered by African partners, as detailed in section 5 – Project Delivery. Our funding comes principally from Europe and predominantly from institutional donors. As a small charity we do not consider it financially feasible to undertake the substantial marketing required to proactively raise funds from the public. We are, however, highly appreciative of those individuals who have elected to support us financially. Such individual donations are an important source of unrestricted funds.

Trustees

The Directors of TAO are charity trustees as defined by Section 177 of the Charities Act 2011. Collectively they make up TAO's Management Committee.

New Directors are elected by the Board of Directors and serve for three years. One third of members retire annually at each Annual General Meeting and are then eligible for re-election in accordance with the Articles. The Directors do not receive any remuneration.

As set out in section 5 – Project Delivery, the Directors play a crucial role in the delivery of TAO's projects through their expertise and direct involvement, including visiting and scrutinising projects. The appointment of new Directors is therefore based on the relevance of the skills and experience the individuals can bring to the management of the charity and its projects.

As noted in the Chairman's message, there have been two retirements and three new additions to the Board of Directors. A list of the Directors is provided on page 15.

Public benefit

Charity trustees have a duty to report in the Trustees' Annual Report on their charity's public benefit. As demonstrated below, TAO's Directors are confident that TAO meets the public benefit requirements, and confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable.

- ***The benefits generated by charity's activities.*** This report sets out how our projects benefit communities, including providing a summary of a comprehensive evaluation report of a major project completed in May 2011.
- ***That the benefits relate to the charity's objects.*** All activities are intended to further TAO's charitable objects, which are set out in our Memorandum of Association as being "to relieve the poverty of, and to educate orphans and other 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."
- ***That the people receiving support are entitled to do so according to criteria set out in the charity's objects.*** This consideration is the primary factor in the scoping of each TAO project. Furthermore, it is TAO's number one principle that the details of every project are developed with the full involvement and commitment of the communities with which we work, with the aim of ensuring that our projects generate maximum benefit for the orphans and other vulnerable children in need.

Risk management

The Board of Directors has responsibility for managing risks within TAO's UK operations and our overseas projects.

The Directors actively review the major risks which the charity faces on a regular basis and agree appropriate actions to mitigate significant risks. To ensure adequate funding is available in the event of adverse conditions, we have built up a reasonable level of unrestricted reserves

A particularly thorough risk assessment was undertaken during 2011 with respect to our change of partners and the development of TAO-Uganda.

In August 2011 the Board approved a formal Anti-Corruption and Bribery Policy, which addresses the requirements of the UK's Bribery Act 2010.

8 Financial summary

Financial results

During the year to 31 December 2011 TAO raised £335,535 (£331,570 net of costs) from various agencies and the general public. As shown in the restricted funds column in the Statement of Financial Activities, £323,808 of our income was grant income to fund specific projects.

Total expenditure during 2011 was £153,647, of which £146,969 was project expenditure.

Governance costs were £2,713. TAO operates with minimum overheads in the UK, just one Coordinator and one part-time assistant, supported extensively by highly involved, un-paid Directors.

Reserves policy

At year end we had £282,576 (2010: £97,488) available in the restricted funds to support our ongoing projects and an unrestricted fund balance of £41,427 (2010: £44,627).

The level of reserves is determined by TAO's Directors. 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 Directors and management monitor the future needs to ensure that sufficient restricted funds remain to complete the project. If savings are made during the implementation of a project, consideration is given to extending the scope of the project. If reserves are insufficient to complete the project as envisaged, the project is scaled down, unless additional funding can be secured.

Donors usually provide resources to cover expenditure over subsequent periods, up to 18 months. The pattern of expenditure of these funds can be somewhat erratic because it depends on actual progress of the specific projects. Delays frequently occur, especially at the beginning of projects or on phases. 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 running the charity can be covered for a reasonable period until further unrestricted funds are raised. They are also required so that Directors can allocate additional funds to projects where the restricted funds need to be enhanced.

The Directors consider that a cushion of Unrestricted Reserves of around £50,000 to be reasonable. However, the Directors recognise that the method of operating the charity has meant that this target will only be slowly achieved over 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: the build up of unrestricted reserves depends on general donations. In the absence of a significant endowment, Directors 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.

Financial Position

The Board of Directors consider that there is a reasonable expectation that TAO has adequate resources to continue in operational existence for the foreseeable future. The Board of Directors therefore continues to adopt the 'going concern' basis in preparing the accounts.

Investment policy and performance

Under Clause 4(n) of the Certificate of Incorporation, TAO's Directors have wide powers of investment. However, during 2011 all funds have been held in low risk bank accounts and with CCLA Investment Management Ltd.

Independent examiners

A resolution that Menzies LLP be re-appointed as independent examiners of the charity will be put to the Annual General Meeting in 2012.

Approved by the Directors and signed on their behalf by:



Iain Knapman
Chairman
11 July 2012

9 Our people

Directors during 2011

Mr Iain Knapman	Chairman	
Mrs Wyn Borger		Retired 7 December 2011
Ms Robyn Cox		Appointed 7 December 2011
Mr Will Daley		
Mr Nick Hetherington		
Miss Pamela Mounter		Retired 31 December 2011
Mr David Perkin		
Mr Jim Rattray	Treasurer	
Mr Alexis Turrall		Appointed 7 December 2011

Appointed early 2012:

Mr Peter Burnham		Appointed 6 March 2012
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Patrons during 2011

H.E. Mrs Joan Rwabyomere, The Uganda High Commissioner in United Kingdom
Mr Richard Crowson CMG
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
Miss Sheelagh Warren MBE

Appointed early 2012:

Mrs Wyn Borger

Company Secretary & Programme Coordinator

Mrs Joy Mugisha

Registered Office

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Tel. & Fax: 01932 269877
Website: www.trustforafricasorphans.org.uk

Independent Examiners

Menzies LLP, Ashcombe House,
5 The Crescent, Leatherhead, Surrey KT22 8DY

Bankers

CAF Bank Limited, 25 Kings Hill Avenue,
West Malling, Kent ME19 4JQ

10 Independent Examiner's Report

This is the Independent Examiner's Report to the Trustees of the Trust for Africa's Orphans for the year ended 31 December 2011.

I report on the accounts of the trust for the year ended 31 December 2011 which are set out on pages 17 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. They consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent examiner's report

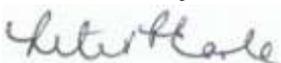
My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
 - a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - b) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Peter P Earle FCA
Independent Examiner
Menzies LLP
Date: 27th July 2012



Ashcombe House
5 The Crescent
Leatherhead
Surrey, KT22 8DY

Statement of Financial Activities

This is the Statement of Financial Activities (incorporating an Income and Expenditure Account) for the Trust for Africa's Orphans for the year ended 31 December 2011

	Notes	Unrestricted Funds £	Restricted Funds £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generated funds					
Donations and similar incoming resources					
Donations	2	10,827	-	10,827	10,864
Grants	3	-	323,808	323,808	238,192
Investment Income	4	900	-	900	711
Total incoming resources		11,727	323,808	335,535	249,767
Resources expended					
Costs of generating voluntary Income	5	3,965	-	3,965	3,303
Costs of charitable activities					
Projects in Uganda – Grants payable to local partner organisation and project expenditure		10,459	136,510	146,969	238,953
Governance costs		503	2,210	2,713	2,709
Total resources expended	7	14,927	138,720	153,647	244,965
Net incoming resources	8	(3,200)	185,088	181,888	4,802
Total funds brought forward		44,627	97,488	142,115	137,313
Total funds carried forward	16,17	41,427	282,576	324,003	142,115

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 2011

	Notes	2011 £	2010 £
Fixed Assets			
Tangible assets	12	-	-
Current Assets			
Debtors	13	1913	2,322
Cash at bank and in hand	14	324,450	142,085
		<u>326,363</u>	<u>144,407</u>
Creditors: Amounts falling due within one year	15	(2,360)	(2,292)
Net current assets		<u>324,003</u>	<u>142,115</u>
Net assets		<u>324,003</u>	<u>142,115</u>
Funds			
Unrestricted funds	16	41,427	44,627
Restricted funds	17	282,576	97,488
		<u>324,003</u>	<u>142,115</u>

For the year ended 31 December 2011 the directors are satisfied that Company was entitled to exemption from the provisions of the Companies Act 2006 relating to the audit of the financial statements by virtue of section 477, and that no member or members have requested an audit pursuant to section 477 of that Act.

The directors acknowledge their responsibility for:

1. ensuring the Company keeps accounting records which comply with section 386 of that Act; 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 393, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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



Signed
Iain Knapman
(Chairman)

Director

11 July 2012



Signed
James Rattray
(Treasurer)

Director

Company registration number: 3473165

Notes forming part of the financial statements

for the year ended 31 December 2011

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 April 2008) and the Companies Act 2006. 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

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 have been 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 Statement of Financial Activities 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.

Notes forming part of the financial statements for the year ended 31 December 2011

2 Donations

	Unrestricted £	Restricted £	2011 £	2010 £
Donations				
Committed giving	1,046	-	1,046	821
Other Donations	9,781	-	9,781	10,043
Total	10,827	-	10,827	10,864

3 Grants

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

	2011 £	2010 £
Contracts for operational programmes		
UK Agencies – Big Lottery Fund - Poverty Alleviation	37,561	142,534
UK Agencies – Comic Relief – Agri-Enterprise	179,785	-
Government. Agencies – Department for International Development (DFID) – improved livelihood market-led development	63,602	-
Non-UK agency – La Chiesa Valdese – Int. Dev. & Water	-	13,617
Non-UK agency – La Chiesa Valdese – Agriculture & Development	17,860	7,321
UK Trusts/Foundations – Baring & John Ellerman Foundations – Empowerment of women & children (land issues)	-	74,720
UK Trusts/Foundations – Scott Bader Commonwealth Ltd. – Agri-Enterprise	25,000	-
Total	323,808	238,192

4 Investment income and interest

	Unrestricted £	Restricted £	2011 £	2010 £
Deposit Interest	900	-	900	711
Total	900	-	900	711

5 Fundraising 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 2011

6 *Projects in Uganda*

Grants payable to local partner organisation and project expenditure

	2011 £	2010 £
Integrated Development – Water & Sanitation (3 districts)	-	15,884
Poverty Alleviation & Empowerment for Land Access (3 districts)	62,684	169,821
Improved livelihood through market-led development	33,136	-
Agri-Enterprise in Sunflower Growing	1,469	-
Total – included in Resources Expended (note 7)	97,289	185,705

7 *Resources expended*

Costs directly allocated to activities	Basis of allocation	Costs of generating funds	Project expenditure	Governance costs	2011	2010
		£	£	£	£	£
Grants payable (note 6)	direct	-	97,289	-	97,289	185,705
Salary costs	time spent	1,528	29,034	-	30,562	30,537
Audit/examination fees	direct	-	-	2,360	2,360	2,357
Payroll preparation costs	direct	-	-	353	353	352
Events costs	direct	1,350	-	-	1,350	-
Support costs						
Office costs	staff time	1,087	20,646	-	21,733	25,514
		3,965	146,969	2,713	153,647	244,965

8 *Net Incoming Resources*

This is stated after charging:

	2011 £	2010 £
Property rental	3,050	3,525
Depreciation	-	-
Auditors' remuneration:		
Independent examination	2,360	2,357
Other services	353	352

9 *Taxation*

As a registered charity, the Trust for Africa's Orphans is exempt from corporation tax on its charitable activities.

Notes forming part of the financial statements for the year ended 31 December 2011

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:

	2011 £	2010 £
Co-ordinator's salary	27,720	27,720
National Insurance (Employer's)	2,842	2,817
	<u>30,562</u>	<u>30,537</u>

11 Directors' remuneration

The Directors received no remuneration for their services (2010 – £nil). Expense claims totalling £4,148 for travel and accommodation incurred on behalf of the Trust were reimbursed to 4 directors (2010 - £2,390 to 4 directors). Indemnity Insurance costs totalled £582 (2010 - £608).

12 Tangible Fixed Assets

Office Equipment

All remaining fixed assets in current use each cost less than £500 and have therefore been written off.

13 Debtors

	2011 £	2010 £
Income tax refund	289	1,111
Prepayments	1,124	711
Rent deposit	500	500
	<u>1,913</u>	<u>2,322</u>

14 Cash at bank and in hand

	2011 £	2010 £
Cash at bank – current account	70,188	(350)
Cash at bank – deposit accounts	254,182	142,383
Cash in hand	80	52
	<u>324,450</u>	<u>142,085</u>

15 Creditors: amounts falling due within one year

	2011 £	2010 £
Accruals	2,360	2,292
	<u>2,360</u>	<u>2,292</u>

Notes forming part of the financial statements for the year ended 31 December 2011

16 Unrestricted funds

	General Reserves	Fixed Assets Funds	Total
	£	£	£
Balance at 1 January 2011	44,627	-	44,627
Surplus for the year	(3,200)	-	(3,200)
Transfers between funds	-	-	-
Balance at 31 December 2011	<u>41,427</u>	<u>-</u>	<u>41,427</u>

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

17 Restricted Funds

	Balance at 1 January 2011	Incoming Resources	Outgoing Resources	Balance at 31 December 2011
	£	£	£	£
Poverty Alleviation & Empowerment	97,488	55,421	(93,474)	59,435
Improved Livelihood through market-led development	-	63,602	(39,906)	23,696
Agri-Enterprise in Sunflower Growing	-	204,785	(5,340)	199,445
Total	<u>97,488</u>	<u>323,808</u>	<u>(138,720)</u>	<u>282,576</u>

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

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fund balances at 31 December 2011 are represented by:			
Fixed assets	-	-	-
Current assets	43,787	282,576	326,363
Current liabilities	(2,360)	-	(2,360)
Total net assets at 31 December 2010	<u>41,427</u>	<u>282,576</u>	<u>324,003</u>

19 Capital Commitments

There were no capital commitments as at 31 December 2011 or 31 December 2010.

20 Operating Lease Commitments

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

	2011 £	2010 £
Expiring:		
Within two to five years	<u>3,050</u>	<u>3,050</u>



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