

2012

Annual Report



Investing in sustainable, healthy futures



TAO Annual Report & Independently Examined Financial Statements

www.trustforafricasorphans.org

Registered charity no. 1069208

Prosperous and healthy futures for Africa's orphans

The ultimate aim of the work of Trust for Africa's Orphans (TAO) is to prevent orphans and other vulnerable children from leaving rural villages in the often forlorn hope of earning money in overcrowded, poverty-stricken and crime-ridden city slums.

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- and economically-sustainable, small-scale commercial farming operations that generate incomes and good nutrition and health for families with orphans in rural east Africa.

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 project approach

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.

Our major projects involve around 600 households. 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 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. During 2012 we have particularly sought to support farmers in accessing commercial markets to enable them to generate good income from their produce. Our 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'.

Where there is a widespread problem of land dispossession, our projects also train locals as Community Legal Aid Providers to facilitate mediation of land cases.

Visit www.trustforafricasorphans.org for further details

Front cover: Women beneficiaries in Lira celebrate TAO's visit and the near-completion of a store for their produce.

Trust for Africa's Orphans

Report of the Directors for the year ended 31 December 2012

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 2012. The financial statements have been prepared in accordance with the accounting policies set out on pages 14-15 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

2012 was a demanding year for TAO as we worked hard to deliver two large projects in northern Uganda, building our relationship with our two partners, Kulika Uganda and Trust for Africa's Orphans Uganda (TAOU). As detailed in this Annual Report, Kulika continued to implement our DFID-funded agricultural project in the districts of Lira, Apac and Oyam. TAOU undertook the local management of our three-year project in the remote and severely deprived district of Pader, a project funded largely by Comic Relief. I am pleased to say that, despite a delay in the implementation of the Pader project, both projects have now progressed well and early signs are favourable with good surpluses achieved from the first sale of sunflower seed. The DFID-funded project ends in July 2013 and we are hopeful that it will lead to future opportunities.

Both Kulika and TAOU experienced challenges during the year. Kulika lost its Chief Executive Officer, who died during the year, and it underwent a significant Board change. In establishing itself as a new and functioning NGO, TAOU had a wide range of hurdles to overcome, including personnel changes in two key positions. I am glad to say that the issues are now behind us.

The challenges faced during the year demonstrate the key role TAO plays in overseeing our partners' project management and delivery. Our Programme Coordinator, Joy Mugisha, plays an invaluable role in leading this process, from the UK and through her regular visits to Uganda. She is supported by Directors, both in their role of questioning and challenging reports, and in their own visits to Uganda. During 2012 David Perkin and Jim Rattray both visited our projects in Uganda in 2012 and developed relationships with our new partners. These visits provide comfort to the TAO Board and identified weak areas we then addressed, as well as highlighting success stories. More recently, in early 2013, Robyn Cox, Jim Rattray and I visited Uganda to gain an update on the progress of project implementation and to build on the relationships with Kulika and TAOU.

Late in the year we were delighted to secure funding of around £250,000 for a second women's land advocacy project from The Baring Foundation and The John Ellerman Foundation. The project will be undertaken in Kole and Dokolo Districts in northern Uganda. It will be implemented on our behalf by TAOU and will run over two years.

Our website has been hugely improved during the year and for this I thank Robyn Cox and Peter Burnham who took a leading role in this work; I would ask you all to visit the site to see in more detail what we do.

A suggestion that we widen TAO's areas of operation in Africa has been mooted on more than one occasion, with Tanzania, Kenya and South Sudan coming under consideration. The Directors have postponed any decision on such an expansion until we can be confident that TAO has suitable resources capable of supporting activities in other countries.

I remain, as always, extremely grateful to all Directors for their commitment. Their support has been particularly invaluable during the year under report.



Iain Knapman
Chairman, Trust for Africa's Orphans
24 July 2013

2 Projects in 2012

During 2012 we have focused on implementing the two projects in northern Uganda that we commenced last year. These projects are summarised below.

Both of these projects have drawn on our proven approach to improving the farming productivity and raising awareness of land rights issues. The key new aspect of both has been to test ways of giving small-holders access to commercial markets for their produce. This is a challenging aim and, as we and our donors anticipated, lessons have been learnt along the way. Nevertheless, our new monitoring and evaluation system demonstrates that both projects are proving to be effective.

Women's commercial farming: Lira, Apac and Oyam

Funders: Department for International Development (£230,180 over two years); supported with residual funds from Big Lottery

Local partner: Kulika

Dates: 1 August 2011 – 31 July 2013

Project base: Lira, capital of Lira District, northern Uganda

Project summary:

- **Builds on** previous work in these Districts, using local knowledge, contacts and some staff involved in previous projects.
- **Provides specific inputs** and training to 1,800 households, the majority headed by a woman and have 5-8 children. Inputs provided included tarpaulins, used to dry produce, as moisture content will spoil the seeds and reduce its price.
- **Trains** women farmers to improve the productivity of their farming, both for the families' consumption and to produce for commercial sale. Training includes members of the wider community as well as the households being supported through provision of inputs. Participants are trained in aspects such as:
 - The financial implications of decisions regarding which crop to grow – the cost of different qualities of seed, the likely price received for produce, the different time it takes different crops to mature, and the different input they need to make.
 - The importance of setting aside some of their profits to buy seed for the next season (in the case of hybrids, which are non-fertile).
 - The opportunities of using profits for purchases such as goats, which create fertilizer.
- **Organises groups** of women farmers and trains each group in commercial, marketing and financial matters – including through the creation of a 'marketing committee' in each group and the building of contacts with all the commercial buyers in the area. Many of these groups are also setting up Village Savings and Loans Associations (VSLAs) to pool and lend funds to each other. The longer-term aim is to combine all the groups in a District into a Farmers' Association, large enough to have real negotiating power with companies.
- **Secures land and builds a store** for the women's produce in each of the three sub-counties. This is particularly useful because immediately after the harvest the prices are at their lowest, so the ability to store produce increases chance of higher prices, including by reducing the 'temptation' of farmers

Did you know?

Bricks are typically made locally from the mud – as this is much cheaper than buying them in. But this means they can't be made in the wet season.

This is just one of many issues to be considered in planning complex farming projects.

selling their produce immediately, at local prices, because they cannot store it until commercial buyers are ready to take it.

- **Promotes** productive farming techniques and the value of farmer groups to improve access to commercial markets to share these approaches beyond the beneficiaries.

Establishing commercial sunflower businesses in Pader District

Funders: Comic Relief (£389,298 over three years) + additional Comic Relief funding for a complementary Climate Change project (additional £96,296 approved February 2012 for two years); supported with funding from Guernsey Overseas Aid (£30k – approved February 2012), and Scott Bader Commonwealth (£25k, approved July 2011).

Local partners: TAO-Uganda + FAPAD (Facilitation for Peace and Development) for the land rights aspects

Dates: 1 September 2011 – 31 August 2014

Project base: Puranga, Pader District, northern Uganda

Project summary:

- **First time** working in this District, which was hit particularly badly by civil war, has poor infrastructure and access, and has a harsh climate.
- **Provides specific inputs** and training to 600 households, with dependents and inputs as per the above project.
- **Supports women to gain access to land**, where needed, and trains local people in ways to mediate land cases.
- **Raises the land rights awareness** of 12,000 women, with the aim of improving the access to land for farming for women and children in this conflict-torn area.
- **Trains and organises groups** of farmers, access to commercial markets, and trains in new seed varieties, as for the above project.
- **Provides three stores**, as for the above project.
- **The Climate Change** aspect of this project aims to help address the huge land degradation created by the Internally Displaced Persons (IDP) camps in this area. It is intended to develop and test approaches and includes:
 - Creation of 20 bee training centres, where farmers can be trained in making hives, keeping bees and the value of producing honey for sale.
 - Provision of 1,200 goats to households that first construct their own goat pens.
 - Planting of trees by every farmer participating in this project, including trees for shade and fruit trees.
- **Promote** – beyond the scope of the project participants – productive farming techniques and the value of farmer groups for improving access to commercial markets, as for above project.

3 Project progress

Each of our two projects has been implemented by our local partners according to plan, including:

- Appointment of local staff – Lira and Puranga.
- Selection of beneficiaries and provision of advice and physical inputs, especially seeds, tools and tarpaulins.
- Collection of the baseline data that will enable subsequent project evaluation.
- Creation of farmer groups and training in agricultural, commercial and financial matters.
- Building good relationships with local government and establishing local advisory committees incorporating experts from local authorities.
- Developing relationships with commercial partners, building networks and understanding nuances of the local process for buying farmer produce.
- Identification of land on which to construct three stores for each project, agreement of the appropriate design, appointment of builders and over-seeing of construction of stores.
- Addressing land rights issues in Pader District.

TAO has been particularly impressed with the local advisory committee members, their commitment and advice, and the extent to which they have integrated the work of our projects with the activities being undertaken by local authorities.

The key new aspect of both projects has been to test ways of giving small-holders access to commercial markets for their produce. This is a challenging aim and, as we and our donors anticipated, lessons have been learnt along the way.

An important delivery aspect has been our development of a Monitoring and Evaluation system through a Kampala company, Data Care. Participants in the projects have acted as data collectors and the system is now generating valuable data that will drive subsequent decision-making, as well as enabling project evaluation.

This system is supported by a new project planning and management approach implemented in the last quarter of 2012 to improve processes and ensure at all levels evidence is collected to avoid risk of corruption.

Lessons learnt are being captured in a living manual of good practice.

Did you know?

Hybrid sunflowers reach seed stage in just three months, meaning farmers can get two crops each year instead of one with the traditional seeds? The seeds are also higher quality so fetch a higher price.

However, sunflowers can only be grown for two years before the soil needs to be enriched by growing legumes.

Legumes are plants that have nodules in which the nitrogen gas in the air is converted into nitrogenous compounds which, when the plant is composted back into the soil, act as a natural fertiliser. Nitrogen, along with phosphorus and potash (which are found naturally in soil) are the major nutrients essential for plant growth.

Farmers trained on our programmes learn about seed types and values, soil quality, environmental management and all other aspects vital to productive farming.

4 Local partner update

Trust for Africa's Orphans Uganda (TAOU)

As announced in our 2012 Report, TAOU was registered late 2011. It is independent of TAO, although we have been delighted to share our project experience and approach and aid its establishment. The TAOU Board first met at the end of January 2012.

In the latter part of 2012 there was a need to replace two key posts, causing some delays to the Pader project. These posts have now been filled and the project is back on track.

We expect TAOU to undertake its own fundraising within Uganda during this year.

Kulika

Elijah Kyamuwendo, who was the Chief Executive Officer of Kulika, died in August 2012. Following his sad passing, the whole Board of Directors of Kulika was replaced.

In light of the challenges Kulika was facing, TAO decided to transfer our Pader project to TAOU to ensure Kulika had sufficient resources available to manage our Lira project effectively.

We are delighted that the new Kulika Board of Directors has reviewed Kulika's Constitution, strategy and staffing needs and restructured the organisation. We are now confident that the organisation is well-placed to continue to manage our Lira and other projects.

FAPAD (Facilitation for Peace and Development)

During late 2012 FAPAD started to become involved in the land advocacy aspects of our sunflower project in Pader District. It will be increasingly involved during 2013 and will play a key role in our new land advocacy project in Kole and Dokolo Districts.

We have worked with FAPAD on previous land advocacy projects. It is a very professional organisation, well placed to provide services such as:

- Raising community awareness of rights and reconciliation issues
- Working to influence government and engage the police
- Mediation and negotiation services and training
- Supporting court cases – including through a Legal Aid Desk in Lira
- Training in rights, especially women's and children's rights.

5 The year ahead

During 2013 we will focus on our two new major projects, including completing our DfID-funded project, “Women’s commercial farming: Lira, Apac and Oyam”, at the end of July 2013. Key components of both projects will be our use of the data from our monitoring and evaluation system to inform and assess the effectiveness of the projects. We are also considering introducing to both projects Seed Banks ('banks' to fund seed purchase), to ensure the sustainability of the farming process.

The monitoring information and lessons learnt from the DfID-funded project are already informing progress on our Comic Relief-funded project and the design of new projects.

In November we heard we would receive funding from The Baring and Ellerman Foundations for £249,584 for a Land Advocacy project in Kole and Dokolo Districts. These Districts are in northern Uganda, adjacent to the Districts in which we are currently implementing our DfID-funded project. This project will commence in early 2013 with the recruitment and preparation for project implementation, and will start to be fully operational around mid-2013.

The principal aim of our Kole and Dokolo Land Advocacy project is to raise awareness of land rights throughout the communities, especially among women. We will work with community leaders and others to improve their understanding of women's land rights and their willingness to help women get access to land. Mediation will be provided to resolve disputes, including through trained volunteers. Where necessary, support will be provided to take cases to court.

This project will be implemented by TAO-Uganda, with FAPAD taking a lead on the land rights aspects. The work will complement FAPAD’s existing work in the area.

We are also hopeful of other funding being received during 2013, both to boost existing activities and fund new projects.

6 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 above. 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 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.

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.

One addition was made to the Board of Directors during 2012. A list of the Directors is provided on page 10.

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.
- **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.

7 Financial summary

Financial results

During the year to 31 December 2012 TAO raised £364,398 (£361,809 net of costs) from various agencies and the general public. As shown in the restricted funds column in the Statement of Financial Activities, £352,448 of our income was grant income to fund specific projects.

Total expenditure during 2012 was £310,273, of which £304,898 was project expenditure.

Governance costs were £2,786. TAO operates with minimum overheads in the UK, just one salaried Coordinator and one part-time assistant, supported extensively by highly involved, unpaid Directors.

Reserves policy

At year end we had £341,083 (2011: £282,576) available in the restricted funds to support our on-going projects and an unrestricted fund balance of £37,045 (2011: £41,427).

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 shortfalls 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 accumulation 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.

Investment policy and performance

Under Clause 4(n) of the Certificate of Incorporation, TAO's Directors have wide powers of investment. However, during 2012 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 2013.

Approved by the Directors and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Iain Knapman', written in a cursive style.

Iain Knapman
Chairman
24 July 2013

8 Our people

Directors during 2012

| | | |
|----------------------|---------------|------------------------|
| Mr Iain Knapman | Chairman | |
| Mr Peter Burnham | | Appointed 6 March 2012 |
| Ms Robyn Cox | | |
| Mr Will Daley | Vice Chairman | |
| Mr Nick Hetherington | | |
| Mr David Perkin | | |
| Mr Jim Rattray | Treasurer | |
| Mr Alexis Turrall | | |

Patrons during 2012

H.E. Mrs Joan Rwabyomere, The Uganda High Commissioner in United Kingdom
Mrs Wyn Borger
Mr Richard Crowson CMG
Mrs Margaret Daly
Lady Diana de Denev
Mrs Sharda Madhvani
Mr Lloyd Mullen
The Earl of Sandwich
Mr Arthur Scotchmer
Mrs Helen Taylor Thompson OBE
Miss Sheelagh Warren MBE

Company Secretary & Programme Coordinator

Mrs Joy Mugisha

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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

9 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 2012.

I report on the accounts of the trust for the year ended 31 December 2012 which are set out on pages 12 to 19.

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; 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
26th July 2013*

*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 2012.

Income and Expenditure Account

for the year ended 31 December 2012

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2012 Total £ | 2011 Total £ |
|--|------------|----------------------------|--------------------------|-----------------|-----------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Donations and similar incoming resources | | | | | |
| Donations | 2 | 9,966 | - | 9,966 | 10,827 |
| Grants | 3 | - | 352,448 | 352,448 | 323,808 |
| Investment Income | 4 | 1,984 | - | 1,984 | 900 |
| Total incoming resources | | 11,950 | 352,448 | 364,398 | 335,535 |
| Resources expended | | | | | |
| Costs of generating voluntary Income | 5 | 2,589 | - | 2,589 | 3,965 |
| Costs of charitable activities | | | | | |
| Projects in Uganda – Grants payable to local partner organisations and project expenditure | | 13,075 | 291,823 | 304,898 | 146,969 |
| Governance costs | | 668 | 2,118 | 2,786 | 2,713 |
| Total resources expended | 7 | 16,332 | 293,941 | 310,273 | 153,647 |
| Net incoming resources | 8 | (4,382) | 58,507 | 54,125 | 181,888 |
| Total funds brought forward | | 41,427 | 282,576 | 324,003 | 142,115 |
| Total funds carried forward | 16, 17, 18 | 37,045 | 341,083 | 378,128 | 324,003 |

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 2012

| | Notes | 2012 £ | 2011 £ |
|---|-------|-----------------------|-----------------------|
| Fixed Assets | | | |
| Tangible assets | 12 | - | - |
| Current Assets | | | |
| Debtors | 13 | 1,367 | 1,913 |
| Cash at bank and in hand | 14 | <u>379,510</u> | <u>324,450</u> |
| | | 380,877 | 326,363 |
| Creditors: Amounts falling due within one year | 15 | (2,749) | (2,360) |
| Net current assets | | <u>378,128</u> | <u>324,003</u> |
| Net assets | | <u>378,128</u> | <u>324,003</u> |
| Funds | | | |
| Unrestricted funds | 16 | 37,045 | 41,427 |
| Restricted funds | 17 | <u>341,083</u> | <u>282,576</u> |
| | | <u>378,128</u> | <u>324,003</u> |

For the year ended 31 December 2012 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 

Director – Iain Knapman, Chairman

Signed 

Director – Jim Rattray, Treasurer

Date: 24th July 2013

Company registration number: 3473165

Notes forming part of the financial statements

for the year ended 31 December 2012

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. Items totaling £250 have been 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 2012

2. Donations

| Donations | Unrestricted £ | Restricted £ | 2012 £ | 2011 £ |
|------------------|-------------------|-----------------|--------------|---------------|
| Committed giving | 1,583 | - | 1,583 | 1,046 |
| Other Donations | 8,383 | - | 8,383 | 9,781 |
| Total | 9,966 | - | 9,966 | 10,827 |

3. Grants

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

| | 2012 £ | 2011 £ |
|---|----------------|----------------|
| Contracts for operational programmes | | |
| UK Agencies – Big Lottery Fund – Poverty Alleviation | - | 37,561 |
| UK Agencies – Comic Relief – Agri-Enterprise | 59,582 | 179,785 |
| UK Agencies – Comic Relief – Climate Change Component | 66,980 | - |
| Government Agencies – Guernsey Overseas Aid Commission – Agri-Enterprise | 30,000 | - |
| Government. Agencies – Department for International Development (DFID) – improved livelihood market-led development | 107,421 | 63,602 |
| Non-UK agency – La Chiesa Valdese – Agriculture & Development | - | 17,860 |
| UK Trusts/Foundations – Baring & John Ellerman Foundations – Land Advocacy | 88,465 | - |
| UK Trusts/Foundations – Scott Bader Commonwealth Ltd. – Agri-Enterprise | - | 25,000 |
| Total | 352,448 | 323,808 |

4. Investment income and interest

| | Unrestricted £ | Restricted £ | 2012 £ | 2011 £ |
|------------------|-------------------|-----------------|--------------|------------|
| Deposit Interest | 1,984 | - | 1,984 | 900 |
| Total | 1,984 | - | 1,984 | 900 |

Notes forming part of the financial statements for the year ended 31 December 2012

5. *Fund-raising costs*

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

6. *Projects in Uganda*

Grants payable to local partner organisations and project expenditure

| | 2012 £ | 2011 £ |
|--|----------------|---------------|
| Poverty Alleviation & Empowerment & North projects support | 41,310 | 62,684 |
| Improved livelihood through market-led development | 96,348 | 33,136 |
| Agri-Enterprise in Sunflower Growing | 118,038 | 1,469 |
| Total – included in Resources Expended (note 7) | 255,696 | 97,289 |

7. *Resources expended*

| Costs directly allocated to activities | Basis of allocation | Costs of generating funds | Project expenditure | Governance costs | 2012 | 2011 |
|--|---------------------|---------------------------|---------------------|------------------|----------------|----------------|
| | | £ | £ | £ | £ | £ |
| Grants payable (note 6) | direct | - | 255,696 | - | 255,696 | 97,289 |
| Salary costs | time spent | 1,526 | 29,000 | - | 30,526 | 30,562 |
| Audit/examination fees | direct | - | - | 2,427 | 2,427 | 2,360 |
| Payroll preparation costs | direct | - | - | 359 | 359 | 353 |
| Events costs | direct | - | - | - | - | 1,350 |
| Support costs | | | | | | |
| Office costs | staff time | 1,063 | 20,202 | - | 21,265 | 21,733 |
| | | 2,589 | 304,898 | 2,786 | 310,273 | 153,647 |

8. *Net Incoming Resources*

This is stated after charging:

| | 2012 £ | 2011 £ |
|-------------------------|-----------|-----------|
| Property rental | 2,496 | 3,050 |
| Depreciation | - | - |
| Auditors' remuneration: | | |
| Independent examination | 2,427 | 2,360 |
| Other services | 359 | 353 |

Notes forming part of the financial statements for the year ended 31 December 2012

9. *Taxation*

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

10. *Employees and staff costs*

During 2012 the Trust employed one full-time Coordinator in the U.K.
The cost of employing that member of staff was:

| | 2012 | 2011 |
|---------------------------------|----------------------|----------------------|
| | £ | £ |
| Co-ordinator's salary | 27,720 | 27,720 |
| National Insurance (Employer's) | 2,806 | 2,842 |
| | <u>30,526</u> | <u>30,562</u> |

11. *Directors' remuneration*

The Directors received no remuneration for their services (2011 – £nil). Expense claims totalling £3,786 for travel and accommodation incurred on behalf of the Trust were reimbursed to 5 directors (2011 - £4,148 to 4 directors). Indemnity Insurance costs totalled £513 (2011 - £582).

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*

| | 2012 | 2011 |
|-------------------|---------------------|---------------------|
| | £ | £ |
| Income tax refund | 147 | 289 |
| Prepayments | 720 | 1,124 |
| Rent deposit | 500 | 500 |
| | <u>1,367</u> | <u>1,913</u> |

14. *Cash at bank and in hand*

| | 2012 | 2011 |
|---------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Cash at bank – current account | 83,245 | 70,188 |
| Cash at bank – deposit accounts | 296,114 | 254,182 |
| Cash in hand | 151 | 80 |
| | <u>379,510</u> | <u>324,450</u> |

Notes forming part of the financial statements for the year ended 31 December 2012

15. Creditors: amounts falling due within one year

| | 2012 £ | 2011 £ |
|----------|--------------|--------------|
| Accruals | 2,749 | 2,360 |
| | <u>2,749</u> | <u>2,360</u> |

16. Unrestricted funds

| | General Reserves | Fixed Assets Funds | Total |
|------------------------------------|----------------------|--------------------------|----------------------|
| | £ | £ | £ |
| Balance at 1 January 2012 | 41,427 | - | 41,427 |
| Deficit for the year | (4,382) | - | (4,382) |
| Transfers between funds | - | - | - |
| Balance at 31 December 2012 | <u>37,045</u> | <u>-</u> | <u>37,045</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 2012 £ | Incoming Resources £ | Outgoing Resources £ | Balance at 31 December 2012 £ |
|---|--------------------------------------|----------------------------|----------------------------|--|
| Poverty Alleviation & Support | 59,435 | - | (38,555) | 20,880 |
| Improved Livelihood through market-led development | 23,696 | 107,421 | (113,966) | 17,151 |
| Agri-Enterprise | 199,445 | 156,562 | (141,420) | 214,587 |
| Land Advocacy | - | 88,465 | - | 88,465 |
| Total | <u>282,576</u> | <u>352,448</u> | <u>(293,941)</u> | <u>341,083</u> |

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

Notes forming part of the financial statements for the year ended 31 December 2012

18. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|---|----------------------------|--------------------------|-----------------------|
| Fund balances at 31 December 2012 are represented by: | | | |
| Fixed assets | - | - | - |
| Current assets | 39,794 | 341,083 | 380,877 |
| Current liabilities | (2,749) | - | (2,749) |
| Total net assets at 31 December 2012 | <u>37,045</u> | <u>341,083</u> | <u>378,128</u> |

19. Capital Commitments

There were no capital commitments as at 31 December 2012 or 31 December 2011.

20. Operating Lease Commitments

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

| | 2012 £ | 2011 £ |
|--------------------------|--------------|--------------|
| Expiring: | | |
| Within two to five years | <u>5,000</u> | <u>3,050</u> |



Investing in sustainable, healthy futures

**We have moved offices during the year
Our telephone and email are the same**

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