

The Kindu Trust Annual Report 2010/2011



Welcome

2010-11 has been a great and fulfilling year for us. We have continued to see substantial financial growth of the charity, which has enabled us to not only strengthen our sponsorship project but also to start new initiatives for our sponsored families. We are proud of the achievements of the team in Gondar in their first year without Kate's leadership.

The growth that we have experienced over the past year has led to office moves in both the UK and Ethiopia, enabling us to move forward in a positive direction.

We are excited about the future and hope that you are too!

The Kindu Trust

The Year at a Glance

249 children sponsored!

4 new projects started - including 3 income generating projects!

£77,908 UK income—up 24% from last year!

£60,221 sent to Ethiopia—up 16% from last year

6 new staff members

2 office moves in the UK and Ethiopia

270 reports sent to Sponsors



**Our Mission is to support
Ethiopian children, young
adults, and families to
create a sustainable
future**

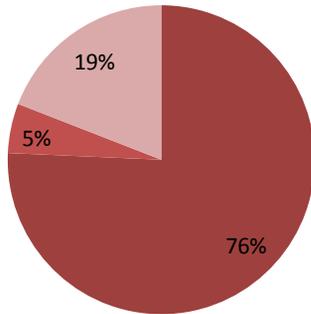
Where we work

The Kindu Trust's work is focused in Northern Ethiopia, with the main office based in Gondar where the majority of our sponsored children live. We also support a small number of families in Addis Ababa, Lalibela, and Debarq.



Projects: Child Sponsorship Programme

Proportion of families covered by sponsorship - March 2011



- Sponsored Children** (children linked with overseas supporters)
- High priority** (monthly payments covered by The Kindu Trust)
- Waiting list** (children waiting for sponsorship)

The Child sponsorship Programme is the core project of The Kindu Trust, supporting families in Gondar, Lalibela, Debarq and Addis Ababa. By March 2011, a total of **249** children in these areas were sponsored through The Kindu Trust and a further **17** high priority cases (orphans, HIV+, disabled, twins etc) were provided with financial support by the charity. However, with **63** children still on our waiting list, and many more needy people in Ethiopia besides, we have plenty of work to do in the coming year.

Last year the team in Ethiopia sent out 270 information packs to the supporters of our sponsored children, fulfilling our promise to send out at least one pack per child annually!



Sponsorship Expenditure

Last year The Kindu Trust spent **£42,500*** directly on sponsored families in Northern Ethiopia. The chart provides a breakdown of how this money was used.

4% Education

Schooling is free in Ethiopia but children must have a school uniform and school books in order to attend. Each sponsored child receives one school uniform and set of school books and pens each year



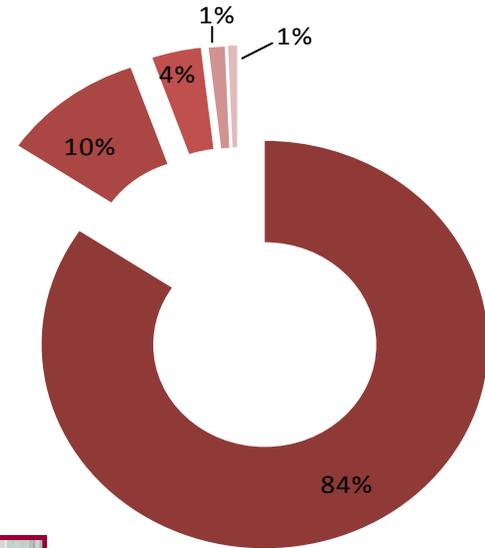
10% Gifts to Beneficiaries

Many supporters send additional gifts to their sponsored families to supplement the sponsorship. This comes in the form of monetary gifts or material gifts such as tap installation, illustrated here



84% Direct Financial Support

Money is paid directly to the mothers/guardians of the sponsored child each month. This is used to cover the costs of food and shelter for the child and also benefits the child's family



1% training, 1% medical

The cost of medical expenses for the sponsored child, and members of their household, are covered by The Kindu Trust, as are vocational training courses

*figure calculated from Ethiopian Birr using monthly bank transfer exchange rates

Projects: Income Generation

The Bead Making Project was launched in Gondar in October 2010, employing 2 women - relatives of beneficiaries - on a base salary. The beads are made using old, glossy magazines cut into strips, which are then rolled and varnished. These beads are then used to make jewellery, necklaces, bracelets and earrings, which are sold to tourists visiting the Kindu Gift Shop. After costs are accounted for, all profits from the project are divided between commissions for the ladies making the beads and investment into other Income Generating Activities.



Next year our focus is on expanding the markets for the jewellery, thereby enabling this project to expand and for us to employ more women.



Bead making project

Basket Weaving

There is a strong tradition of basket weaving in Ethiopia - a skill passed down from one generation to the next. The Kindu Trust's basket weaving training programme in March 2011 was designed to help of 10 women to improve their weaving and design skills. The graduates from the programme are now able to weave products to sell to tourists both in The Kindu Gift Shop and in the local market.



Tailoring

Mulualem is the disabled father of one of our sponsored children and he has been training as a tailor in a local vocational training centre. The Kindu Trust is helping Mulualem to pay for a new sewing machine, matching all funds that he pays towards the cost. One of our overseas volunteers in Gondar has been teaching Mulualem how to make bags and these are now on sales in the Kindu Gift Shop. This is an important source of revenue for him, enabling him to provide for his family.



Projects: HIV+ Coffee Morning

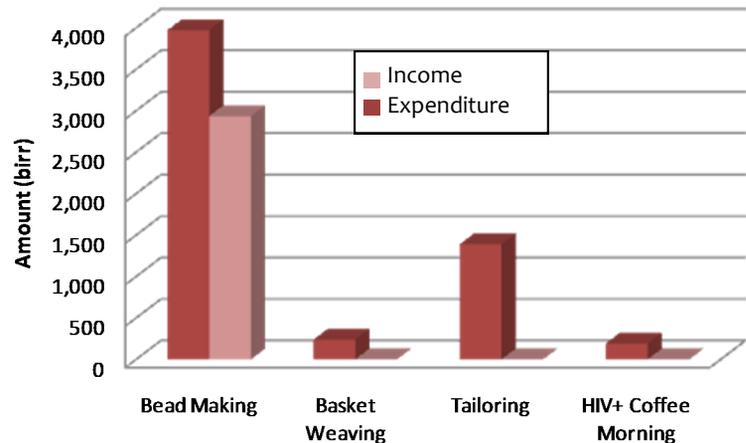
In March 2011, The Kindu Trust started a Coffee Morning to bring the approximately 15 HIV+ mothers and guardians of our sponsored children together for regular meetings. During these meetings the women socialise and participate in discussion with visiting educators and also use the time to spin cotton thread, by hand, out of raw cotton. In a country where there is a social stigma attached to HIV infection, the Coffee Morning provides a relief from the daily struggles faced by these women.



Project Funding

Funding for income-generating and community-based projects comes from general donations that we receive from our supporters. Sponsorship money is not used for these purposes. Many of these projects were newly started at the end of the year, once the team had moved to the new compound, and have only had low levels of income and expenditure recorded to date. Amounts shown are in Ethiopian Birr; the exchange rate in March 2011 was approximately 27Birr/£.

Chart to show Income-Generating Project income and expenditure in Ethiopia, April 2010-March 2011



Office moves in Ethiopia and the UK

As The Kindu Trust has continued to grow, the charity has needed more office space, both in Gondar and in London.



In March 2011, the team in Gondar moved from a small 3 room office to a much larger compound. The new office has a large amount of outdoor space, some of which has been converted into a vegetable garden and a number of good-sized rooms. The increase in space means that Ethiopian team will be able to start (or re-start in some cases) new projects in the coming years.

For the past few years, the small London team has relied on the goodwill of partner charity Link Ethiopia for a single desk in a shared office. As both charities have grown so has the need for space, so in February 2011 we all moved to a new office in London together. The Kindu Trust now has 3 permanent desk spaces, increasing our capacity to grow and strengthen the charity. We are all very excited about such a positive move!

The new address is The Kindu Trust, Peel Centre, Percy Circus, London, WC1X 9EY



The UK Team and Trustees

In June 2010 we were able to employ our first UK staff member for 1 day a week! This is a great step towards sustainability for the UK office.



Hannah Marczazo
Director of Operations
(part-time employee)
Hannah spends most of her time working in the UK office, visiting Gondar twice a year to ensure the charity is running smoothly.



Lord Brian Hamilton
Trustee
(Chairman)
Brian met Kate during a visit to Gondar in 1997 and subsequently joined the trustee team as Chairman



Matt Stockdale
Trustee
Matt is Director of The Kindu Trust's partner charity, Link Ethiopia. He has visited Ethiopia on many occasions and has an in depth knowledge of the country



Tom Caldwell
Trustee
(Treasurer)
Tom keeps a close eye on the charity's finances, working hard to make sure that the accounts are balanced and the expenses on budget

The Ethiopian Team

The Kindu Trust team in Gondar has grown from 6 employees in April 2010 to 11 in March 2011. The commitment and dedication of all of the team members is a credit to the charity and the work we are doing in Ethiopia



Kassahun Demissie
General Manager



Marta Bekele
Financial Controller



Fente Bitew
Child Sponsorship Coordinator



Tadele Demissie
Child Sponsorship Coordinator



Lainie Belay
Project Coordinator

Terefu Melese
Bead Makers



Hanna



Wubit
Cook



Ababech
Cleaner



Wagnew



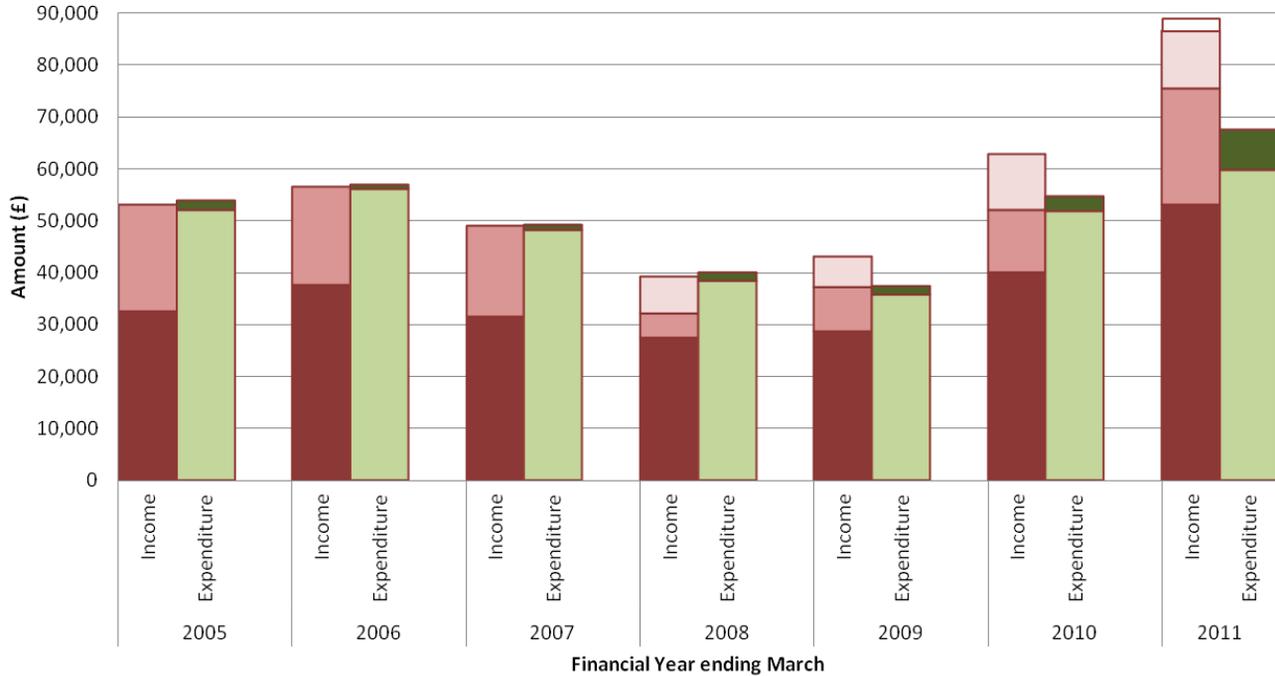
Guards

Abate



Finances

Income and Expenditure since 2005



n.b. 2011 includes income in Ethiopia

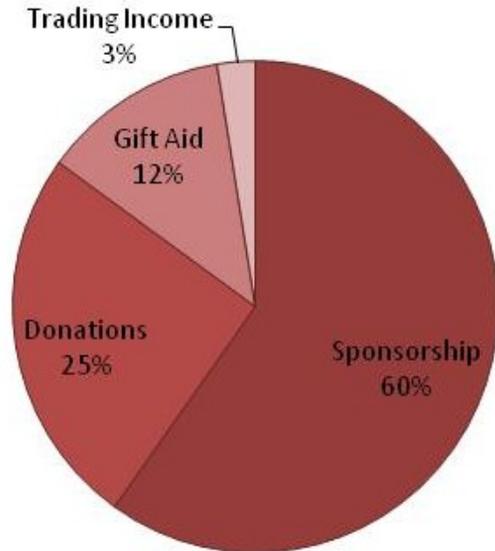
Income Sources

- Sponsorship & Monetary Gifts
- Donations and Fundraising
- Gift Aid
- Other

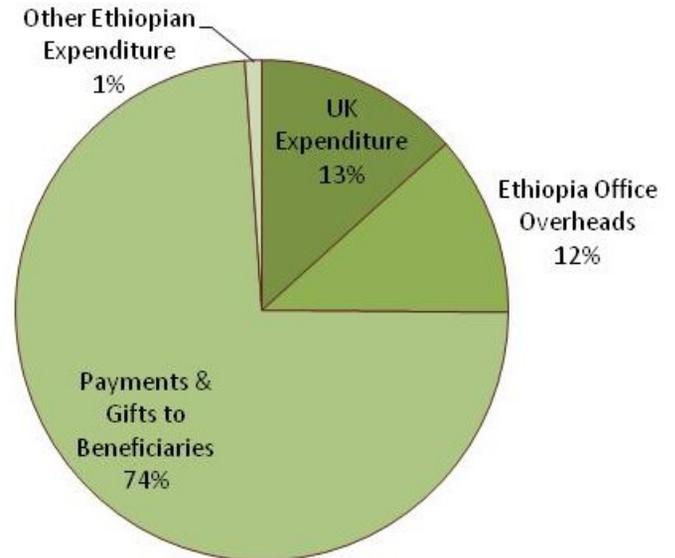
Expenditure

- Ethiopian Expenditure
- UK Expenditure

Ethiopia and UK consolidated income in 2011



Ethiopia and UK Expenditure in 2011



Consolidated Income and Expenditure Accounts

	Note	Unrestricted Funds (£)	Restricted Funds (£)	2011 Total (£)	2010 Total (£)
Incoming resources					
Generated Funds					
Voluntary Income					
<i>Donations and Legacies</i>		22,291	0	22,291	11,793
Activities for Generating Funds					
<i>Sponsorship & Monetary Gifts</i>		0	53,152	53,152	40,190
<i>Trading Income</i>		795	1,461	2,256	0
Investment Income		4	0	4	1
Gift Aid		11,087	0	11,087	10,749
Total incoming resources		34,177	54,613	88,790	62,732
Cost of Generating Funds					
Fundraising trading		297	114	410	0
Net incoming resources available for charitable activities		33,880	54,499	88,380	62,732
Charitable Activities					
	2				
Beneficiary Aid		10,363	46,739	57,102	51,824
Projects for beneficiaries		1,842	763	2,605	0
Governance	2	0	0	0	0
Total resources expended		12,205	47,501	59,707	51,824
Net incoming (outgoing) resources from operations		21,675	6,998	28,673	10,909
Gains and (-)losses on currency exchange		-1,444	-3,837	-5,281	409
Net incoming (outgoing) resources for the year		20,232	3,161	23,392	11,317
Total funds brought forward		12,421	7,781	20,202	8,885
Total funds carried forward		32,653	10,942	43,595	20,202

Cash Flow Statement

	2011	2010
Net Cash inflow/(Outflow) from operating activities	23,392	11,317
Changes in Working Capital		
(Increase)/ Decrease in debtors	-3,349	-453
Increase/(Decrease) in creditors	-173	173
Increase/ (decrease) in cash in the year	19,870	11,037
Net cash resources brought forward	18,238	7,201
Net cash resources carried forward	38,108	18,238
In the UK	19,335	14,715
In Ethiopia	18,773	3,523

The notes form part of these Accounts

Approved by the Trustees and signed on their behalf by

Balance Sheets

	Notes	The Group		The Charity	
		2011	2010	2011	2010
ASSETS					
Current assets					
Debtors	4	5,485	2,136	5,485	2,136
Cash at bank and in hand	5	38,108	18,239	19,335	14,716
		43,594	20,375	24,821	16,852
Current Liabilities					
Creditors falling due within one year	6	0	173	0	173
Net assets		43,594	20,202	24,821	16,679
FUNDS					
	7				
Unrestricted funds					
General funds		32,653	12,421	28,484	12,421
Restricted funds		10,942	7,781	-3,663	4,258
		43,595	20,202	24,821	16,679

Matt Stockdale

Tom Caldwell FCA

Accounts and Governance Notes

1. Accounting Policies

The principal accounting policies, all of which have applied consistently throughout the year, are set out below. Where a change of accounting policy or treatment has occurred, the prior year figures have been adjusted to reflect the new treatment.

a Basis of Accounting

The consolidated financial statements are prepared using the historical cost convention and are in accordance with trust law, applicable accounting standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, as amended.

b Fund Accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of any of the objectives of the charity. Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the funds can only be used for specific projects or activities.

c Income

Represents the amounts donated in cash.
The Charity's unrestricted Fund consists of funds which the Charity may use for its charitable purposes.

d Donated Goods, Volunteer and other Donated Services

Those donated and acquired for onward transmission to beneficiaries (chiefly clothing, toys and medical supplies) are included in the statement of financial activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity paid.

e Foreign Currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. The Charity makes month payments in Sterling to Ethiopia which has a closed currency, the Birr.

At the start of the year the exchange rate was 20Birr per £ but in July 2010 there was a devaluation and by the end of the year the rate was 27Birr per £. This resulted in the exchange loss recorded. This was allocated to the funds on a pro rata basis.

The charity does not own any non-monetary assets abroad.

f Governance costs including Trustee's remuneration and Expenses

No remuneration was paid by the Charity to any of the Trustees for their services during the year. Trustees may receive out-of-pocket expenses. Governance costs include those incurred in the governance by the trustees of the charity's assets and are primarily associated with constitutional and statutory requirements of operating the charity.

g Taxation

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

2. Governance

	2011 £	2010 £
Support costs allocated as follows		
UK		
Office expenses	1,596	2,294
Staff	3,750	
Fundraising	422	173
Telecomms	427	
Travel	713	
Volunteering	195	
Bank charges	561	339
Website	176	
	7,840	2,806
Allocated to Unrestricted funds		
Beneficiary Aid	6,272	2,245
Beneficiary projects	1,568	561
	7,840	2,806
Ethiopia		
Overheads	1,816	1,834
Staff	4,139	6,304
Rent	882	1,310
	6,837	9,448
Beneficiary Aid allocated to		
Unrestricted funds	3,345	4,623
Restricted funds	3,492	4,825
	6,837	9,448

3. Staff Numbers

The average number of persons employed, including part-time staff, calculated on a full-time equivalent basis analysed by activity

	2011	2010
UK activities		
Charitable activities	1/5	--
Overseas activities		
Charitable activities	11	6
	11.2	6

4. Debtors

	2011	2010
Gift Aid recoverable by the Charity	5,485	2,136

5. Cash at Bank and in Hand

	2011	2010
UK		
Deposit	8,018	8,014
Current	11,317	6,702
Subtotal	19,335	14,716
Ethiopia		
Current	18,773	3,523
Total	38,108	18,239

6. Creditors falling due within one year

	2011	2010
Trade creditors	0	173

7. Funds

	Ethiopia	UK	Total
Unrestricted			
Brought Forward		12,421	12,421
Incoming	10,095	24,082	34,177
Cost of Generating Funds	-116	-180	-297
Charitable Expenditure	-4,366	-7,840	-12,205
Exchange Loss	-1,444		-1,444
Carried Forward	4,169	28,484	32,653
Restricted			
Brought Forward	3,523	4,258	7,781
Transfer	60,221	-60,221	0
Incoming	787	53,826	54,613
Cost of Generating Funds		-114	-114
Charitable Expenditure	-46,089	-1,412	-47,501
Exchange Loss	-3,837		-3,837
Carried Forward	14,605	-3,663	10,942
	18,773	24,821	43,595

Independent examiner's report to the trustees of The Kindu Trust

I, Paul Gibbons, report on the accounts of the Trust for the year ended 31 March 2011, which are set out on pages 14 to 14 with Accounts and Governance Notes on pages 16 to 17.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
 - to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to 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 Commission. 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 which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act have not been met; or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: Paul Gibbons

Address: H510 Du Cane Court, Balham, London, SW17 7JT

Date: 29th January 2012



Honorary President - Kate Fereday Eshete



In January 2009 Kate Fereday Eshete, the founder of The Kindu Trust, moved away from Gondar to live with her husband and 2 children in a small village in the Simian Mountains. This has meant that Kate is no longer involved with the day to day running of The Kindu Trust, but continues to promote the work that we are doing through her role as Honorary President of The Kindu Trust.

Contact The Kindu Trust



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www.kindustrust.org**

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The Future

The coming financial year will see a number of new projects begin in our new compound in Ethiopia. Some of these, for example the Play Group, will be a restart of projects that had temporarily been on hold due to space and financial constraints while others will be entirely new for us. All of our projects are designed specifically to help our sponsored children, or members of their families. However, sponsorship money will not be used to fund any of these initiatives - these will be funded by general donations and grants. We have included the details of our 2 most exciting future projects here!

Kindu Klub

The Kindu Klub will be a youth group run for all of our sponsored children from Gondar (and eventually their siblings), outside of school hours and during school holidays. The Kindu Klub will be a place where the children can come and do their school work in a peaceful environment with no distractions and good resources. We will be focussing on building up a library for them to use as a resource and plan to set up a computer that can be used for computer skills training. Where appropriate, children will be given lessons to supplement their education. We will also ensure that time is made for games and activities and, once we have secured funding, we will be providing a meal for each child.

The Play Group

The Play Group was an initiative originally started by Kate Fereday Eshete some years ago, and we will be restarting this again in the coming year. The Play Group will run 2 sessions a day (morning and afternoon), 5 days a week for children aged 4 and under. The children will have the chance to play with toys and each other while their mothers will have informal lessons on subjects such as hygiene, childcare and family planning.