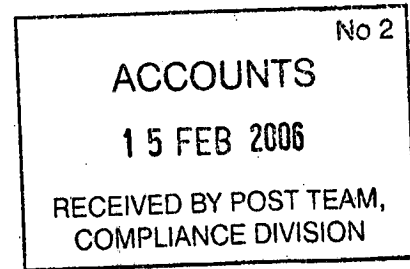


Charity Number 1069574



The Kindu Trust

Annual Report

Year Ended 31 March 2005

The Kindu Trust

Annual Report

Year Ended 31 March 2005

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The Kindu Trust

Legal and Administrative Details

Year Ended 31 March 2005

1. Status

The Kindu Trust ('the Charity') is registered with the Charity Commissioners under the reference number 1069574.

2. Trustees and Principal Officers

Catherine Fereday Eshete
Elaine Hawkins (Treasurer)
Jacqui Rukin
James Coyne
Paul Jeffery - appointed 23 June 2004

Outgoing Trustees: none

3. Registered Office

The Kindu Trust
PO Box 17
Plymouth
Devon
PL1 3YH

4. Professional Advisers

Bankers

Barclays Bank plc
50 Cornwall Street
Plymouth
Devon
PL1 1LU

Accountant (UK)

R F Fordham
Accountant
10 Rockingham Road
Mannamead
Plymouth
PL3 5BN

Accountant (Ethiopia)

Kokeb Mogus
Kokeb Mogus & Co
PO Box 33645
Addis Ababa
Ethiopia

The Kindu Trust

Trustees' Report

Year Ended 31 March 2005

1. Organisation

The Kindu Trust is a registered charity whose principal aim is to help needy children and young adults in Ethiopia.

2. Objectives

The principal charitable purpose of the Charity is to relieve poverty, distress and suffering in particular, but not exclusively, by assisting with the provision of food, clothing, accommodation, health care and education for orphaned and abandoned children and other children and young adults who are in need of care and assistance.

3. Review

3.1 Partnership with Kindu Erdata

During its seventh period, The Kindu Trust, which had no staff and was run by volunteers, worked in partnership with an Ethiopian charitable association, Kindu Erdata. In April 2004 a General Assembly of members of Kindu Erdata was held in Gondar and an Executive Board was elected. A total of 20 staff were employed at Kindu Erdata in the period, all on one-year short-term contracts:

HEAD OFFICE, GONDAR

1. General Manager
2. Sponsorship & Fund-raising Manager
3. Accountant
4. Book-keeper
5. Secretary
6. Supervisor
7. Office Cleaner
8. Night Guard
9. Day Guard

SPONSORSHIP IN THE COMMUNITY PROJECT

10. Health Officer (North Gondar)
11. Health Officer (North Gondar)
12. Health Assistant (North Gondar)
13. Sponsorship Co-ordinator (North Gondar)
14. Sponsorship Co-ordinator (North Gondar)
15. Sponsorship Co-ordinator (North Gondar)
16. Sponsorship Co-ordinator (North Gondar)
17. Sponsorship Co-ordinator (North Wollo and South Gondar)
18. Sponsorship Co-ordinator (Addis Ababa)
19. Fox House Senior House-mother (4-9/2004), Senior Playgroup Assistant (10/2004-3/2005)
20. Fox House House-mother (4-9/2004), Playgroup Assistant (10/2004-3/2005)

The Kindu Trust

Trustees' Report (continued)

Year Ended 31 March 2005

During the period, the General Manager failed to accomplish important tasks to ensure the continuing legality of Kindu Erdata's work in the Amhara State and to maximise Kindu Erdata's effectiveness in achieving its objectives. He was dismissed by Kindu Erdata's Executive Board in February 2005, along with the Accountant. At the end of the period no replacements had been recruited, but The Kindu Trust's Board of Trustees lent its support to Kindu Erdata's Executive Board in resolving its management problems, with the intention that a new management team should be in place as soon as possible.

3.2 Family Reunion Programme

During the period, Kindu Erdata finished implementing its Family Reunion Programme, completing the change from residential childcare to supporting needy children within their communities. The last Kindu residential children's home, Fox House, closed at the end of September 2004 with the remaining seven teenagers being placed with relatives or foster carers and the two former house-mothers transferring to Kindu Erdata's Pre-school Playgroup where they worked as Playgroup Assistants.

The children who left residential care at Fox House continued to receive financial support and guidance through the Sponsorship in the Community Project.

3.3 Sponsorship in the Community Project

3.3.1 Sponsorship paid to Beneficiaries in Ethiopia

Under the Sponsorship in the Community Project, in 2004-05 the guardians of sponsored children each received 170 Ethiopian birr per month and sponsored young adults in full-time education received 220 birr monthly. This money was used for rent, water, electricity, cooking fuel (charcoal, firewood, dried cow dung), food, clothes, shoes, educational materials (school uniforms, jotters, pens, etc), and medical treatment.

3.3.2 Sponsorship paid by Sponsors

The exchange rate remained consistently favourable during 2004-05, at an average of 16 birr to £1 (8.6 birr to US\$1 or 10 birr to €1). Therefore it was not necessary to ask sponsors to pay more to cover the sponsorship paid out to beneficiaries in Ethiopia and the minimum sponsorship rate remained at £13 per month for UK sponsors.

3.3.3 Sponsors

The Sponsorship in the Community Project continued to be funded predominantly by sponsors in the UK who were matched with beneficiaries in Ethiopia. There was an increasing number of sponsors in other countries in Europe (mainly Germany and Austria) and North America, with one new sponsor in Asia and one sponsor in Antarctica.

The Kindu Trust

Trustees' Report (continued)

Year Ended 31 March 2005

3.3.4 Feedback to Sponsors

Sponsors should receive reports and photographs of their sponsored child twice yearly, as well as the child's drawings, and a school report (if available). Although sponsors expressed delight with the quality of this feedback (in part due to the improved quality of information collected by the team of Sponsorship Co-ordinators), it proved difficult to sustain a flow of regular reports because of the large number of sponsorship arrangements. The result was that whilst maintaining the quality of the report packs, there was a negative impact on the frequency of reports. However, during the year most sponsors received one good information pack about their sponsored child; some also received a postcard from their sponsored child.

During the period five temporary British volunteers travelled to Ethiopia to help improve feedback to sponsors. Despite Kindu Erdata advertising for full-time Sponsor Relations Officers locally in Gondar, no suitable applications were received. An appeal in the 2004 mailshot to supporters resulted in some interest from foreign applicants who were willing to help in future.

Fortunately, in general sponsors remained patient and loyal despite the delays in sending news about their sponsored children. However, the main challenge faced by the Trust in the immediate future is how to meet the commitment of providing adequate and timely feedback to an increasing number of sponsors as interest in The Kindu Trust continues to grow worldwide.

3.3.5 Number of Sponsored Cases

During the period the overall number of cases sponsored changed little: at 31 March 2005 a total of 331 cases (compared with 330 at 31 March 2004) were being helped through sponsorship. A case is usually a family in which a sponsored child or sponsored twins are a part. In most cases the sponsorship will not only help the named beneficiary, but also their siblings and close relatives or foster carers (since shelter, utilities, cooking fuel, food and clothes are shared), so the benefits of sponsorship reach many more poor people than the number of names recorded for administrative purposes.

Sponsorship in the Community Project	Child	Young Adult	Total
Sponsored cases at 31 March 2004	320	10	330
Sponsored children who became 18 years old in 2004-05	(-5)	5	0
New sponsored cases in 2004-05	22	3	25
Sub-total	337	18	355
Cases where sponsorship was ended in 2004-05	16	8	24
Sponsored cases at 31 March 2005	321	10	331

The Kindu Trust

Trustees' Report (continued)

Year Ended 31 March 2005

Reasons why sponsorship was ended included:

- maintaining the rule of one sponsorship per family (previously a number of pairs of siblings in Kindu residential children's homes had retained their individual sponsorships after being placed back with their families, but in most cases the second sponsorship was subsequently ended and the sponsorship remained for the younger child only).
- respecting the rule that sponsored young adults must be in full-time education. This affected a number of former street boys who had started school very late, since it is difficult to justify support for an able-bodied adult who is attending Grade 4 part-time at a state school. Some of the former beneficiaries in this category later found labouring work on the many large road and building construction projects currently underway in Ethiopia.
- a beneficiary's circumstances changed and sponsorship was no longer necessary (for example, in one case a wealthy relative was found who was willing to care for the orphan child without sponsorship; in another case a young adult inherited a substantial amount of money).
- the death of the beneficiary (although, where possible, the sponsorship was transferred to an older sibling or close relative, so that support for the family could continue).

During the year, Kindu Erdata's Sponsorship Co-ordinators made visits to beneficiaries' homes to collect information about the families and also to counsel guardians to ensure that the sponsorship money was used effectively and dependency minimised. A Kindu Erdata Sponsorship Committee was set up to review cases weekly and to make decisions on starting or stopping sponsorship.

3.3.6 Health Services

Kindu Erdata's two Health Officers (both qualified nurses) based in Gondar followed up the cases of children and carers with health problems (including those who needed specialist treatment at Addis Ababa hospitals) and ran the following health-related services for sponsored families:

(1) Home Visits

Some 30 home visits per month were made to sick beneficiaries and pregnant mothers. Patients requiring treatment were referred to Gondar Hospital, Gondar Health Centre or the nearest private clinic. A generous donation of medicines (including anti-biotics, anti-malarial drugs and eye solution), multivitamin tablets and oral rehydration salts was made to Kindu Erdata by Medecins Sans Frontieres - Holland, and these were dispensed to beneficiaries by the Health Officers. Extra food was delivered to blind and HIV+ mothers, since these carers are usually unable to generate additional income to supplement their sponsorship money.

(2) Mothers' Group

During the period, one Mothers' Group (with eight women) ran each month, for four or five sessions. The female carers of sponsored children learnt about childcare, childhood diseases, nutrition, food preparation, harmful traditional practices, family planning and HIV/AIDS.

The Kindu Trust

Trustees' Report (continued)

Year Ended 31 March 2005

(3) Fathers' Group

The Fathers' Group met for weekly sessions so that the male carers of sponsored children could learn about and discuss a range of issues, including good parenting skills, involving their female partners in decision-making, childhood diseases, nutrition, harmful traditional practices, family planning and HIV/AIDS. Attendance at the Fathers' Group varied from 10 to 20 at each session. A total of 20 fathers registered with Kindu Erdata to have vasectomies, although only one vasectomy was carried out during the period due to shortage of funds.

(4) Anti-AIDS Club

The club was aimed at teenage beneficiaries. The youngsters learnt about HIV and AIDS, and were given a test at the end of their training. It proved difficult to run the club during term-time, so it ran intensively during school holidays. During the 2004-05 period, 133 children and young adults participated in Anti-AIDS Clubs in Gondar city.

(5) Pre-school Playgroup

The playgroup in Gondar ran on Monday, Wednesday and Friday mornings until the end of September, after which it opened Monday to Friday, with morning and afternoon sessions. By the end of the period, 108 carers and infants or young children were attending the playgroup every week. Kindu Trust supporters continued to send books, toys, dolls and games for the playgroup direct to Kindu Erdata.

(6) Showers

At 1.00 Ethiopian birr (6p) per shower and 0.60 birr (4p) for each bar of soap, this was a relatively cheap service to improve the personal hygiene and health of beneficiaries living in slums close to the public showers in Gondar's city centre. A successful trial was carried out in September 2004 to test the feasibility of the project. Although no showers were provided in October or November due to lack of funds, the service was restarted in December, with 100 beneficiaries benefiting during that month and in each subsequent month (at a cost of only £10 per month).

(7) Clean Gondar Project

In return for breakfast and lunch, a shower, and clothing or shoes, 40 street boys cleaned a part of inner-city Gondar for two hours early each Friday morning. The project enabled Kindu staff to get to know the street children and in a number of cases it was possible to reunite street boys with their families, supporting them through sponsorship. Unfortunately, due to lack of funds, the Clean Gondar Project was unable to operate through most of the period. However, a donation of £510 paid direct from the UK charity, GondarLink, to Kindu Erdata in late March 2005 guaranteed the future of the Clean Gondar Project.

The Kindu Trust

Trustees' Report (continued)

Year Ended 31 March 2005

(8) Toilets

In June 2004 Kindu Erdata staff attended the opening ceremony for a block of four toilets built near inner-city slums in Gondar to serve 20 local families, including many children. The toilet block was funded partly by general donations given via The Kindu Trust and partly by donations received by Kindu Erdata from other sources. The block cost 14,800 birr (£950) and was built by the local district council in collaboration with Gondar Municipal Council. In late 2004, a donation of £1,000 was received by The Kindu Trust for the purpose of building a second toilet block in central Gondar. The provision of toilet facilities is an important factor in improving sanitation and providing a clean and safe environment for children from very poor families.

3.3.7 Education & Training

During the period, The Kindu Trust facilitated access for beneficiaries to the following courses:

Course Title	Location	Duration	Individual Training Cost £	Number of Trainees	Total Training Cost £
International Hotel & Homecare Services	Addis Ababa	10 months	£162	1	£162
Spinning & Weaving Cotton	Gondar	6 months	£64	9	£576
Tie-dying	Gondar	6 months	£64	2	£128
Pottery & Glazing	Gondar	6 months	£64	1	£64
Hairdressing	Gondar	8 months	£50	2	£100
Embroidery, Sewing & Food Preparation	Gondar	6 months	£4	7	£28
BA Degree in Tourism Management	Gondar University	3 years	£0	1	£0
			Total	23	£1,058

The Kindu Trust

Trustees' Report (continued)

Year Ended 31 March 2005

3.4 Conclusion

In the absence of state benefits, there is a great need for financial aid for children and young adults in poor Ethiopian families, while the Government tackles the root causes of poverty. Sponsorship transforms lives.

General donations have enabled The Kindu Trust to fund supplementary aid to sponsored beneficiaries such as pre-school playgroup sessions, facilitating access to healthcare and training courses, and providing education to carers in hygiene, nutrition and HIV/AIDS.

The need for financial help for the poor in Ethiopia is great. To meet the proposed target of 500 supported cases by the autumn of 2005 (as agreed with Kindu Erdata), the Trust needs to evolve over the next year - to improve its fund-raising capacity and also to help its partner in Ethiopia cope with an increasing caseload (and in particular to ensure that satisfactory feedback is provided to sponsors about their sponsored children).

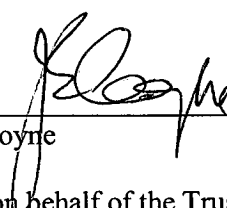
The Kindu Trust will continue its work to help the poorest children on Earth in line with international development targets to reduce the proportion of people living in extreme poverty and to cut maternal and infant mortality rates.

4. Financial Position

The income from donations, fund-raising, sponsorship and reclaimed tax (Gift Aid) during the year amounted to £53,089. (This figure is £1,821 less than the previous year.) Almost 60% of this income was in the form of sponsorship. Sponsors - private individuals, families, groups, schools, church congregations and companies - were matched with needy children in the community through the Sponsorship in the Community Project. A total of £700 was received in project sponsorship for Fox House and £1,000 was donated for the building of a toilet block for poor families with children in the inner-city slums of Gondar.

The expenditure during the year amounted to £53,978, which included £52,000 transferred to Kindu Erdata in Ethiopia. Since no UK staff were employed during the period, there were no wages or office expenses. The main UK expenditure was £696 for international bank transfer charges (a similar figure to the previous period) and £558 for stationery (which mainly consisted of printer toner cartridges for Kindu Erdata's Hewlett Packard inkjet printers). The 2004 mailshot to all supporters was sent out from Kindu Erdata's office in Gondar in November so the postage costs were covered by Kindu Erdata using funds sent to Ethiopia by The Kindu Trust.

The surplus for the year amounted to £4,660 (at 31 March 2004 the surplus was £5,547).


James Coyne

Signed on behalf of the Trustees

The Kindu Trust

Report of the Independent Examiner

Year Ended 31 March 2005

I report on the accounts of the Trust for the year ended 31 March 2005, which are set out on pages 12 to 14.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of S43(2) of the Charities Act 1993 ('the Act') does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under S43(7)(b) of the Act, whether particular matters have come to my attention.

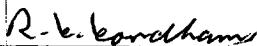
Basis of Independent Examiner's Report

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 the seeking of 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 I do not express an audit opinion on the view given by the accounts.

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 aspect, the requirements
 - to keep accounting records in accordance with S41 of the Act, and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 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.



R F Fordham
Accountant
Plymouth

The Kindu Trust

Receipts and Payments Account (General Purposes Fund)

Year Ended 31 March 2005

	Restricted Funds	Unrestricted Funds	2005 Total £	Restricted Funds	Unrestricted Funds	2004 Total £
Incoming Resources						
Project Sponsorship	1,700	-	1,700	9,600	-	9,600
Child + Young Adult Sponsorship	30,086	-	30,086	25,252	-	25,252
Travel Sponsorship	860	-	860	1,275	-	1,275
Donations	-	18,712	18,712	-	15,702	15,702
Fund-raising	1,731	1,731	1,731	3,081	3,081	3,081
Interest	2	2	2	-	1	1
Total Incoming Resources	32,646	20,445	53,091	36,127	18,784	54,911
Direct + Other Charitable Expenditure						
Transfer to Ethiopia	31,786	20,214	52,000	34,852	17,214	52,066
Travel	152	-	152	582	-	582
Printing + Photography	-	152	152	-	64	64
Postage, Telephone + Internet	-	420	420	-	322	322
Stationery + Photocopying	-	558	558	-	339	339
Fees + Services	-	-	-	-	-	-
Office Expenses	-	-	-	-	(40)	(40)
Bank Charges	-	696	696	-	631	631
Sundries	-	-	-	-	21	21
Office Equipment	-	-	-	-	-	-
Total Resources Expended	31,938	22,040	53,978	35,434	18,551	53,985
Net Incoming Resources	708	(1,595)	(887)	693	233	926
Balance brought forward	1,113	4,434	5,547	420	4,201	4,621
Balance carried forward	1,821	2,839	4,660	1,113	4,434	5,547

The Kindu Trust

Statement of Assets and Liabilities

Year Ended 31 March 2005

	2005 £	2004 £
Current Assets		
Barclays Premium Account	246	244
Barclays Community Account	4,414	5,299
Petty Cash Account	0	4
Total	<u>4,660</u>	<u>5,547</u>

Represented by

Unrestricted Fund	2,839	4,434
Restricted Fund	1,821	1,113
Total	<u>4,660</u>	<u>5,547</u>

Elaine Hawkins

Elaine Hawkins
Treasurer

1/2/06
Date

Signed on behalf of the Trustees

The Kindu Trust

Accounting Policies

Year Ended 31 March 2005

1. Accounting Policies

The financial statements have been prepared on the receipts and payments basis in accordance with the accounting standards and statements of recommended practice.

(a) Investment Income

Investment income is recognised on a received basis.

(b) Fund Accounting

The Charity's unrestricted Fund consists of funds which the Charity may use for its charitable purposes.

2. Trustees' Remuneration and Expenses

No remuneration was paid by the Charity to any of the Trustees or principal officers for their services during the year.

During the period, the Charity's founder and first trustee, Kate Fereday Eshete, was employed as Sponsorship & Fund-raising Manager by the Ethiopian charity, Kindu Erdata, which is The Kindu Trust's local partner in Ethiopia.

3. Donations and Sponsorship

	2005 £	2004 £
St Martin de Porres Foundation	-	4,500
Leicester-Bolton-Gondar Link	-	1,000
Jean Curtis (for a toilet block)	1,000	-
Other donations and sponsorships	48,798	46,329
Total	<u>48,798</u>	<u>51,829</u>