

The Kindu Trust

**Financial Statements
for the year ended
31 Mar 2008**

UK Registered Charity

1069574

The Kindu Trust

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for the year ended
31 Mar 2008**

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The Kindu Trust

**Financial Statements
for the year ended
31 Mar 2008**

Charity Information

Charity number: 1069574

Registered Office Unit 10

The Glasshouse
49a Goldhawk Road
London W12 8QP
+44 (0)208 204 8466

UK Bankers Barclays Bank plc
Plymouth Cornwall street
Plymouth
PL1 1LU

Ethiopian Accountants Kokeb Morgus & Co.
PO Box 33645
Addis Abbaba

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Trustees' Report

Objectives

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

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.

Sponsorship in the Community Project

Sponsorship paid to Beneficiaries in Ethiopia

Under the Sponsorship in the Community Project, in 2006-07 the guardians of sponsored children each received 180 Ethiopian birr per month and sponsored young adults in full-time education received 230 birr monthly.

The sponsorship money is used by beneficiaries to pay towards rent, water, electricity, cooking fuel (charcoal, firewood, dried cow dung), food, clothes, shoes, educational materials (school uniforms, jotters, pens, etc), and medical treatment.

Sponsorship paid by Sponsors

The minimum new sponsorship per month for UK sponsors is £13, although some pay more or supplement their sponsorship with money as gifts for the children. Sponsors are now being encouraged to send gifts directly to Ethiopia and pay monies directly into the UK bank account. This is because under the old accounting system no provision was made for operating expenses.

Given the current economic climate and the value of the pound, the exchange rates have placed additional burden and demand on donations with a devaluation of worth.

Feedback to Sponsors

Historically, feedback to sponsors was undertaken by the Founder of the Charity, Kate Fereday Eshete, and her colleague, Miss Marta Bekele.

As the sponsorship scheme grew, and new projects were developed to support the beneficiary families, the frequency of sponsor feedback suffered. This was exasperated by office moves and staffing issues. During this period income more than halved, at a time when even more children required support.

Fortunately, many sponsors remained patient and loyal despite the delays in sending news about their sponsored children. The Trustees have worked closely with the sponsorship team in Ethiopia to resolve the sponsor feedback issue and we are exceptionally pleased that this has been successful. In the three months to February 2009 half of sponsors received up to date information about their sponsored children and we expect this rate of feedback to be sustained. In the interim the Trustees have tried to compensate for the delay in news of individual sponsorships by sending a regular newsletter, feedback from an independent observer and the Financial Accounts to sponsors and supporters. A blog has been started whilst a website is developed with photos and up to date information for internet users.

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Trustees' Report, cont.

Number of Sponsored Cases

During the period the overall number of cases sponsored via The Kindu Trust decreased. This was mostly due to sponsors choosing to pay their sponsorship to beneficiaries in other ways (for example, direct to Kate Fereday Eshete in Ethiopia) rather than through The Kindu Trust, or by demise or cessation of sponsorship due to lack of information and feedback.

We are happy to report that with sponsors now receiving information packs our income is starting to return to pre-2007 levels.

Gondar Committee

To reduce bureaucracy it was agreed that the local Ethiopian committee, Kindu Erdata, which was established some time ago but was never sufficiently organised to manage the sponsorship project, should be dissolved and for the Kindu Trust to continue to operate through the committed and pro-active management team headed by Kate Fereday Eshete.

The Ethiopian management team, based in Gondar, are all employees or volunteers of Kindu on the ground and know first hand the needs and urgency of our work. They are able to make decisions quickly, based on priorities, and communicate regularly to the Kindu Trustees in the UK by email.

They have, with Kate's guidance, been clearing the vast backlog of sponsor reports, setting up systems for payments and reporting, and providing regular monthly feedback on the day-to-day operations of the Trust's work in Ethiopia.

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. Your sponsorship transforms lives.

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.

The setting up of the Tara Centre by Kate Fereday Eshete has not only given the Trust a more stable location in Gondar but has also offered educational routes for beneficiaries and their guardians on self-sustaining opportunities, employment and handicraft production.

The Trust has also established a trial permanent registered office in the UK to assist with solidifying its position with the view to seeking more volunteers to assist in its promotion and development in coming months.

The new Board of Trustees have worked relentlessly and endeavoured to turn-around the Trust and re-establish its presence, moving it forward into the 21st Century. We are pleased to announce that all efforts of the UK and the hard working Gondar team now appear to indicate that this is happening.

The Kindu Trust

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Trustees' Report, cont.

Results for the year

The Charity's Surplus/(Deficit) for the period was £(780)
which has been transferred to the Accumulated Fund.

Trustees

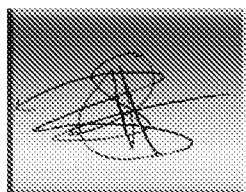
The Trustees who have served during the period are:

| Current, appointed | Former, resigned |
|----------------------|----------------------------|
| B Hamilton, Chairman | Elaine Hawkins (Treasurer) |
| Ms C Sherrard | Jacqui Rukin |
| TF Caldwell | James Coyne |
| M Stockdale | Paul Jeffery |

The Kindu Trust

Financial Statements for the year ended 31 Mar 2008

| Balance sheets at | NOTES | |
|-------------------|----------------|----------------|
| | 31 Mar 2008 | 31 Mar 2007 |
| | £ | £ |
| CURRENT ASSETS | | |
| Debtors | 516 | |
| Bank and in hand | 2,635 | 3,931 |
| | <u>£ 3,152</u> | <u>3,931</u> |
| NET ASSETS | | |
| Unrestricted fund | 6,255 | 3,155 |
| Restricted fund | - 3,103 | 776 |
| | <u>£ 3,152</u> | <u>£ 3,931</u> |
| ACCUMULATED FUND | | |



Lord B Hamilton



T Caldwell FCA

Signed on behalf of the Trustees

The Kindu Trust

Financial Statements for the year ended 31 Mar 2008

| | | NOTES | |
|-------------------------------------|------------------------------|-------------------------------|-------------------------------|
| INCOME AND EXPENDITURE ACCOUNTS for | | Year to 31st March 2008 | Year to 31st March 2007 |
| | | £ | £ |
| RESTRICTED FUNDS | | | |
| INCOME | | | |
| Child + Young Adult Sponsorship | | 27,477 | 31,595 |
| Gift Aid | | 7,144 | n/a |
| | | <u>34,621</u> | <u>31,595</u> |
| EXPENDITURE | | | |
| Payments to Ethiopia | | <u>38,500</u> | <u>48,200</u> |
| | Surplus/(deficit) | - 3,879 | - 16,605 |
| | brought forward | <u>776</u> | <u>17,381</u> |
| | carried forward | <u>- 3,103</u> | <u>776</u> |
| UNRESTRICTED FUNDS | | | |
| INCOME | | | |
| General donations | | 4,723 | 17,330 |
| Interest | | 11 | 21 |
| | | <u>4,733</u> | <u>17,351</u> |
| EXPENDITURE | | | |
| Administration | | <u>1,633</u> | <u>934</u> |
| | Surplus/(deficit) | 3,100 | 16,417 |
| | brought forward | <u>3,155</u> | - 13,262 |
| | carried forward | <u>6,255</u> | <u>3,155</u> |
| SUMMARY | | | |
| RESTRICTED FUNDS | | - 3,879 | - 16,605 |
| UNRESTRICTED FUNDS | | <u>3,100</u> | <u>16,417</u> |
| | Net Surplus/(deficit) | - 780 | - 188 |
| Accumulated fund | brought forward | <u>3,931</u> | <u>4,119</u> |
| Accumulated fund | carried forward | <u>3,151</u> | <u>3,931</u> |

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NOTES TO THE ACCOUNTS

1 Accounting policies

Basis of Accounting

The accounts are prepared using the historical cost convention

Income

Represents the amounts donated in cash and kind

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

2 Trustee's remuneration and Expenses

No remuneration was paid by the Charity to any of the Trustees or principal officers for their services during the year. Trustees may receive out-of-pocket expenses.

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 Administration costs

| | Year to 31st March 2008 £ | Year to 31st March 2007 £ |
|----------------------|---|---|
| Postage & stationery | 678 | 190 |
| Telecomms | 77 | |
| Legal | 353 | 140 |
| Bank charges | 525 | 604 |
| | <hr/> £1,633 | <hr/> £934 |