



The Kindu Trust
Annual Report
2011/2012



Welcome

2011-12 was another fantastic year for us, both in terms of financial growth and stability and the number of projects that we have initiated and continued.

Following a move to a new, larger, compound in March 2011, we were able to start a Youth Club - the Kindu Klub - and re-start the Play Group. Both of these projects provide support for our sponsored beneficiaries in Gondar, enabling us to enhance the positive impact that sponsorship has on the lives of these children.

This year we worked with Gondar university to set up an income-generating project that employs 10 women to bake injera (Ethiopian bread) for the students, providing them with a stable monthly income.

As word spreads about the work of The Kindu Trust, we have seen an increase in the number of visitors to our compound in Ethiopia, providing us with a great opportunity to publicize our work.

Moving forward we will be building on the firm foundations that we have established during the 2011-12 period and are excited about what the future has in store for us!

The Year at a Glance

- ➔ **276** children sponsored – up 11% on last year
- ➔ **6** new projects started, including **4** income generating projects
- ➔ **£87,256** UK income – up 18% from last year
- ➔ **£57,340** sent to Ethiopia
- ➔ **4** new full time and **2** part time employees in Ethiopia – bringing the total count to **17**
- ➔ **1** new website launched
- ➔ **253** packs sent out to supporters

The Kindu Trust

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

We achieve this objective through our sponsorship programme, which provides support to children, and their families, living in parts of Gondar, Addis Ababa, Debarq and Lalibela. To enhance the work of our sponsorship programme, we run a number of projects aimed at supporting beneficiaries, their families and communities, through provision of resources, skills training and income generation.

Ongoing Projects



Sponsorship



HIV+ Coffee Morning



Bead making



Basket Making



Gift Catalogue



Tailoring

New This Year



Toy Box Project



Kindu Klub



Injera Baking Project



Play Group



Banana Art



Traditional Lunch Project

Child Sponsorship Programme

The child sponsorship programme links children from poor families in Ethiopia with overseas supporters, helping to cover the child's basic needs, thereby facilitating their education. Beneficiaries are covered by sponsorship until their graduation, at which point they are expected to be able to find a job and break their cycle of poverty.

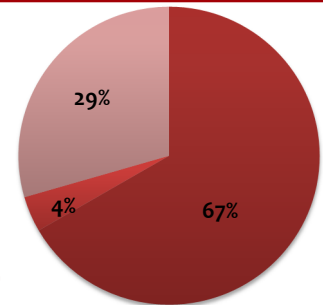
Money paid to us through the sponsorship programme is used in the following ways:

- 70% is given to the mother/guardian of the child each month as direct financial support. This money is used to purchase food, fuel and cover rent costs.
- 5% is used to cover the cost of school uniforms and books. Education at state schools in Ethiopia is free, but children must provide their own uniform, books and pens.
- 5% is set aside into a Medical Fund. Visiting a doctor and picking up a prescription costs money in Ethiopia; the Medical Fund covers these costs for the sponsored child and all household members. It also covers the cost of semi-annual medical check-ups.
- 5% is set aside into a Training Fund. University places in Ethiopia are highly competitive, and not all sponsored children will achieve high enough grades to be able to attend. The Training Fund covers all costs of vocational and extra curricular training courses.
- 15% is used to cover the costs of regular home welfare visits to the sponsored families.



Proportion of Families covered by Sponsorship - March 2012

In March 2012, a total of 276 children were covered by The Kindu Trust's Sponsorship Programme, and a further 16 high priority cases (HIV+, orphans, disabled etc) were provided with financial support by the charity.



Sponsorship Expenditure

Last year, The Kindu Trust spent **£47,250*** directly on sponsored families. Here is a summary of how the money was used.

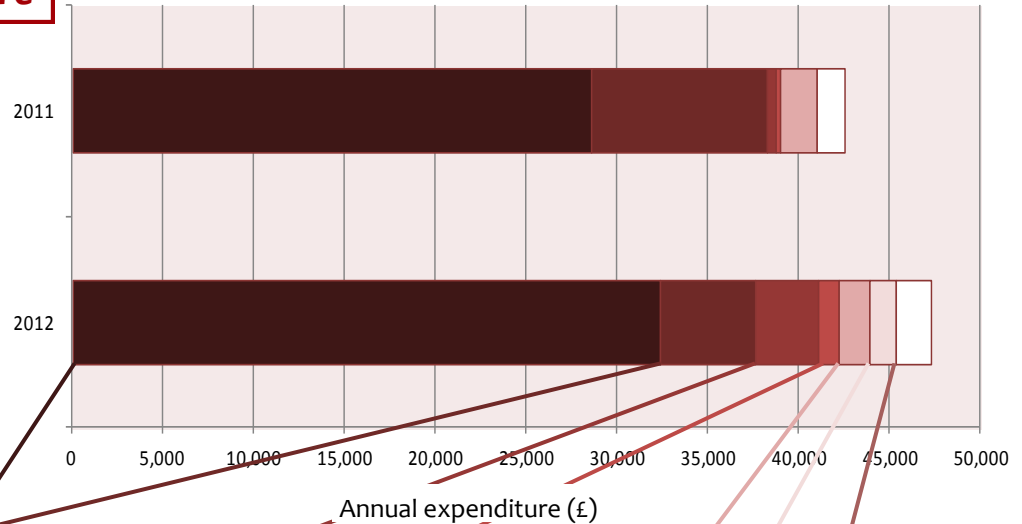


68% paid to sponsored families as Direct Financial Support

11% paid to sponsored families as a Monetary Gift - additional money sent from the family's supporter



7% paid out in Medical Expenses



2% used to send beneficiaries and their siblings on training courses



3% used to cover the cost of home improvements



4% spent on school uniforms and books

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

Ongoing Projects

HIV+ Coffee Morning and Toy Box Project

The HIV+ Coffee morning runs twice a month, providing HIV+ mothers and guardians of our sponsored children with a place to socialise and to generate a small income by spinning cotton. The women attending the HIV+ Coffee Morning are firm friends and value the time that they spend together, away from the prejudices they experience in their everyday lives.



This year, The Kindu Trust has collaborated with Gondar Hospital to make simple toys for the children's malnutrition ward. It has been proven that stimulation through play facilitates recovery and development of malnourished children. During the coffee morning, the women make simple toys using local material, and are paid a small amount for each toy made; these are then taken to the malnutrition ward for distribution to the children.



The Kindu Shop

Located in the Gondar compound, the Kindu Shop sells jewellery, baskets, bags, postcards, scarves and other products made by beneficiary families, to tourists. Our latest income generating project is to produce cards and pictures using banana leaves. This year, training in Banana Art was given to one of our Bead Makers, and next year we will be training and employing a beneficiary to produce Banana Art for sale in the shop.



Gift Catalogue

Each year, just before Christmas, we send around a Gift Catalogue to our supporters. Money spent on items from the Gift Catalogue is sent to Ethiopia, and gifts are distributed making a real impact in the lives of our beneficiaries. Christmas Dinner and Family Parcels are among the most popular items, and these are distributed seasonally. Early next year, a large number of Mirt Stoves, another popular gift item, will be made and distributed to Gondar families.



New Projects

Injera Baking Project



The Injera Baking Project is a collaboration between The Kindu Trust and Gondar University. Last year, we worked with the University to offer employment to 10 women, all of whom are mothers or guardians of children sponsored through The Kindu Trust. The women are employed full time to bake injera for the university student's breakfast. The work is hard, with the women working through the night to fulfil their quotas. The monthly salary that the women receive provides them with an independent income and a means to improve their quality of life.



Traditional Ethiopian Lunch Project

The Traditional Ethiopian Lunch Project is a project that aims to raise the profile of The Kindu Trust among travellers to Gondar by providing a 3-course traditional Ethiopian meal at the compound. Aimed at both Tour Groups and individual travellers, the Traditional Lunch provides a forum to publicise our work, to raise money and to generate income in our shop. This year we received visits from Link Ethiopia, Studiosus and Exodus Tour Groups, and the team are working with local Tour Guides to further promote this project.



Kindu Klub



The Kindu Klub, which started in June 2011, runs daily in the mornings and afternoons for sponsored children of school age. Overseen by Youth Worker, Selamawit, It is designed to provide educational support, alongside art and craft sessions, and a snack. The Kindu Klub library provides resources to help with homework, and volunteers help provide a different perspective. Funding for the Kindu Klub is covered through donations, not by sponsorship money.



Play Group



The Play Group also started in June 2011 and runs daily in the mornings and afternoons for sponsored children of pre-school age. The children have a chance to play together, sing songs and have simple lessons. Each child receives a bath and a hot, nutritious meal at the end of the session while their mothers take a hard-earned break. Similarly to the Kindu Klub, the Play Group is funded solely through donations.



Ethiopian Team

The Kindu Trust team in Ethiopia continues to grow to keep pace with the increasing workload. By the end of March 2012, we had 15 full time employees, pictured here, a part time administrator and part time gardener. The commitment and dedication of all of the team members is a credit to The Kindu Trust and our work in Ethiopia.



General Manager
Kassahun



Finance Controller
Marta



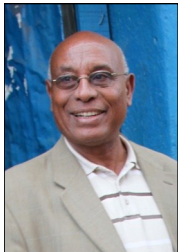
Project Manager
Lainie



Honorary President

Kate Fereday Eshete,
Founder of The Kindu
Trust.

Kate is no longer
involved in the day to day
running of The Kindu
Trust, but continues to
promote our work
through her role as
Honorary President.



PR Officer
Fente



Sponsorship Coordinators
Tadele



Abraham



Youth Worker
Selamawit



Accountant
Adugna



Cook
Wubit



Play Group Worker
- Chekula



Bead Makers
Hanna



Terefu



Cleaner
Ababech

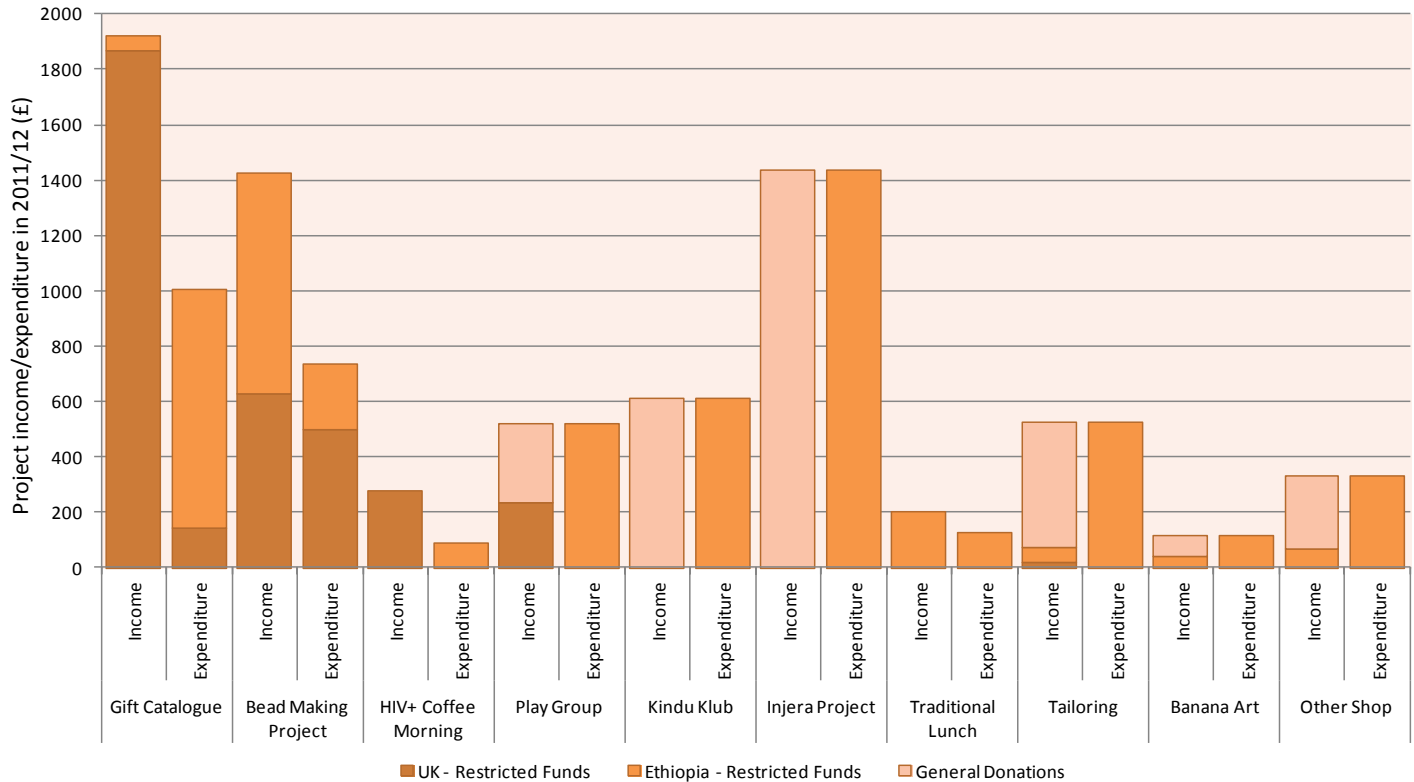


Guards
Wagner



Abate

Project Finances



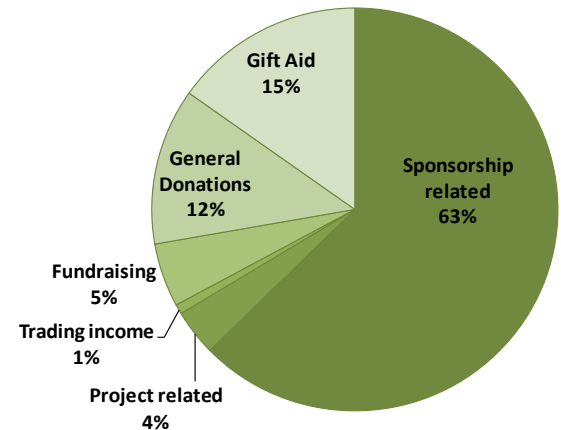
The chart summarises the 2011/12 project income and expenditure, excluding salaries. Some projects, such as the Gift Catalogue and Bead Making Project are self sustaining with all costs covered by restricted funds. Other projects, such as the Play Group, Kindu Klub and Injera Project rely on unspecified general donations to top up their funds and ensure their continuation.

Income Generation in the UK

Last year, almost 2/3 of our total income came from sponsorship related donations, with a further 4% donations received to fund specific projects. The remaining 33% of UK income came from unrestricted sources, including general donations, gift aid claims and income from calendar and Christmas card sales. Unrestricted income is very important as it enables us to fund new projects and cover the costs of running the charity.



September 2011 also saw our first major organised fundraising event - a sponsored Monopoly Walk to visit the streets and stations on the London Monopoly board. In the future we plan to continue diversifying our income streams in order to increase the breadth and depth of our work.



Future Projects

In the coming year we plan to start a number of new projects in Gondar that will positively impact sponsored families and their communities:

Kindu Trust Beauty Salon - an association of 10 women, who have received hairdresser training, running a beauty salon

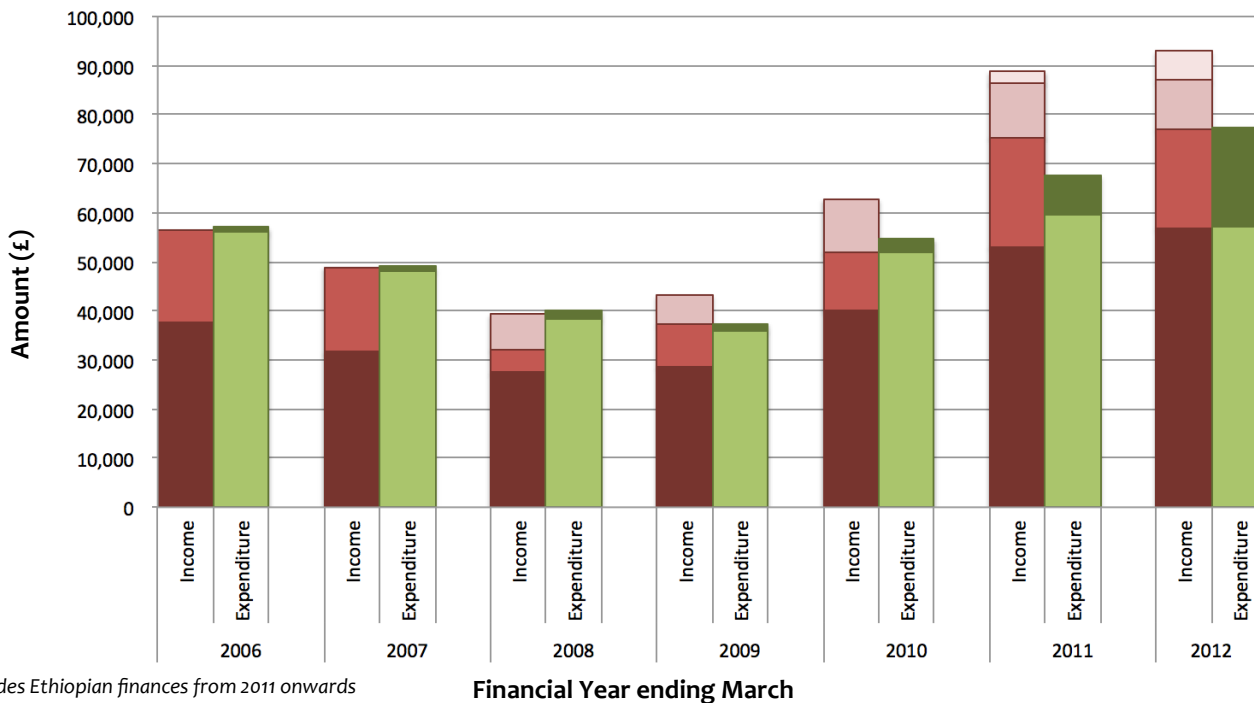
Community toilet incorporating Biogas Generation - a community based sanitation project

Overseas Volunteer Programme - bringing external skills to support the team in Ethiopia

Kindu Alumni - providing support for sponsored children who have graduated from education

Partnering with Meketa to extend our support to Ethiopian Jews trapped in Gondar

Income and Expenditure since 2006



n.b. Includes Ethiopian finances from 2011 onwards

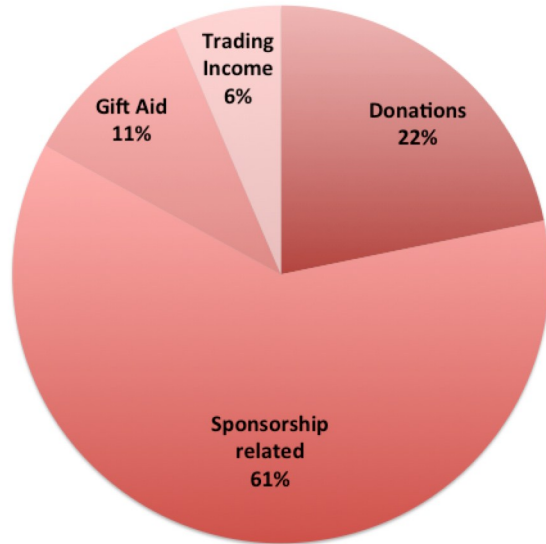
Income Sources

- Sponsorship & Monetary gifts
- Donations & Fundraising
- Gift Aid
- Trading income

Expenditure

- UK Expenditure
- Ethiopian Expenditure

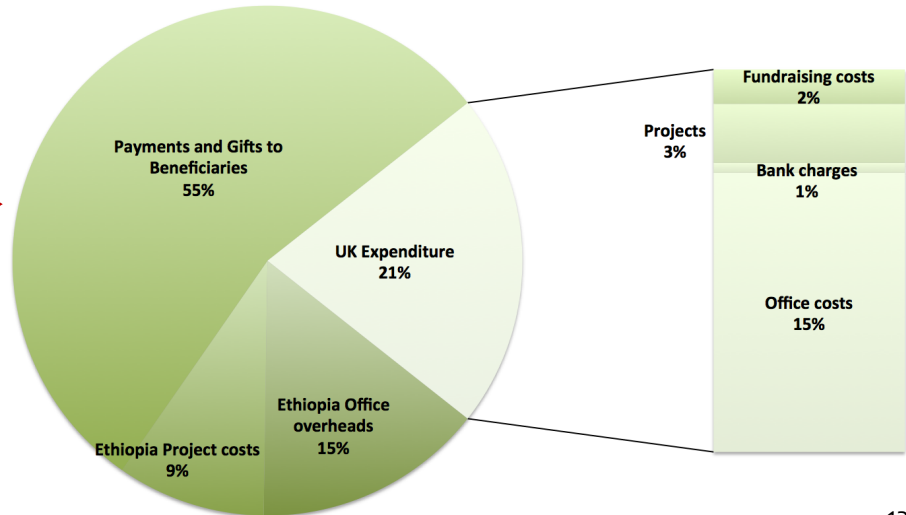
Ethiopian and UK consolidated income in 2012



Almost 2/3 of the consolidated UK and Ethiopian income comprised sponsorship-related donations, including sponsorship payments, monetary gifts for beneficiaries, school fees and home improvements. 22% of last year's income came from unrestricted donations, including money raised through fundraising activities.

Ethiopian and UK expenditure in 2012

67% of the total 2012 expenditure was used for beneficiaries, through the sponsorship programme and other supportive projects. As the number of projects we undertake continues to grow, we expect the proportion of expenditure used for projects to also increase in the future.



Consolidated Income and Expenditure Accounts

	Note	Unrestricted Funds (£)	Restricted Funds (£)	2012 Total (£)	2011 Total (£)
Incoming resources from					
Generated funds					
Voluntary income:					
<i>Donations and legacies</i>		20,251	0	20,251	22,291
Activities for generating funds:					
<i>Sponsorship & Monetary Gifts</i>		3,574	53,276	56,850	53,152
<i>Trading Income</i>		2,802	2,639	5,442	2,256
Investment income		540	0	540	4
Gift Aid		9,843	0	9,843	11,087
		0	0	0	-1,526
Total incoming resources		37,010	55,915	92,925	87,264
Cost of generating funds					
Fundraising trading		1,491	861	2,352	410
Net incoming resources available for charitable activities		35,519	55,054	90,573	86,854
Charitable activities:					
	2				
Beneficiary Aid		14,839	51,916	66,755	55,576
Projects for beneficiaries		8,244	89	8,333	2,605
Governance	2	0	0	0	0
Total resources expended		23,083	52,005	75,088	58,181
Net incoming (outgoing) resources from operations		12,436	3,049	15,485	28,673
Gains and (-)losses on currency exchange		0	0	0	-5,281
Net incoming (outgoing) resources for the year		12,436	3,049	15,485	23,392
Total funds brought forward		21,566	22,029	43,595	16,679
Total funds carried forward		34,002	25,078	59,080	40,072

Cash Flow Statement

	2012	2011
Net Cash inflow/(Outflow) from operating activities	15,485	23,392
Changes in Working Capital		
(Increase)/ Decrease in debtors	2,461	-3,349
Increase/(Decrease) in creditors	0	-173
Increase/ (decrease) in cash in the year	17,946	19,870
Net cash resources brought forward	38,108	18,238
Net cash resources carried forward	56,054	38,108
In the UK	29,634	19,335
In Ethiopia	26,421	18,773

The notes form part of these Accounts

Approved by the Trustees and signed on their behalf by

Balance Sheets

Notes	The Group		The Charity		
	2012	2011	2012	2011	
ASSETS					
Current assets					
Debtors	4	3,025	5,485	3,025	5,485
Cash at bank and in hand	5	56,055	38,108	29,634	19,335
		59,079	43,594	32,659	24,821
Current Liabilities					
Creditors falling due within one year	6	0	0	0	0
Net assets		59,079	43,594	32,659	24,821
FUNDS					
	7				
Unrestricted funds					
General funds		34,002	21,566	27,743	17,397
Restricted funds		25,078	22,029	4,916	7,424
		59,080	43,594	32,659	24,821

Matt Stockdale

Tom Caldwell FCA

Governance

	2012 £	2011 £
Support costs allocated as follows		
UK		
Office expenses	5,376	1,596
Staff	7,535	3,750
Fundraising	1,788	422
Telecomms	808	427
Travel	1,382	713
Volunteering	689	195
Bank charges	792	561
Website	179	176
	18,549	7,840
Allocated to Unrestricted funds		
Beneficiary Aid	14,839	6,272
Beneficiary Projects	5,222	1,568
	20,061	7,840
Ethiopia		
Overheads	3,751	1,816
Staff	9,063	4,139
Rent	2,194	882
	15,008	6,837
Beneficiary Aid allocated to:		
Unrestricted funds	11,588	3,345
Restricted funds	3,419	3,492
	15,008	6,837

Staff Numbers

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

	2012	2011
UK activities		
Charitable activities	2/5	1/5
Overseas activities		
Charitable activities	16	11
	16.4	11.2

Debtors

	2012	2011
Gift Aid recoverable by the charity		
	3,025	5,485

Funds

	Ethiopia	UK	Total
Unrestricted			
Brought forward	4,169	28,484	32,653
Incoming	6,602	30,408	37,010
Cost of generating funds	- 1,491	0	- 1,491
Charitable Expenditure	- 3,022	- 20,061	-23,083
Exchange loss	0	0	0
Carried forward	6,258	38,830	45,089
Restricted			
Brought forward	14,605	- 3,663	10,942
Transfer	57,289	- 57,289	0
Incoming	1,084	54,831	55,915
Cost of generating funds	-861	0	-861
Charitable Expenditure	-51,954	-51	-52,005
Exchange loss	0	0	0
Carried Forward	20,162	- 6,171	13,991
	26,421	32,659	59,080

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.

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.

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 2012, which are set out on pages 14 to 16 with Accounts and Governance Notes on page 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 2013

UK Team and Trustees

2011/12 saw the move to South Korea and consequent departure of The Kindu Trust's chairman, Lord Brian Hamilton. Brian was replaced by two new Trustees, Maren and Ruth, who started their duties in June 2011. Hannah continues to run the UK office, and her paid employment increased to 2 days per week in 2011. She is helped in her duties by a number of dedicated volunteers.



Hannah Marcazzo
Director of Operations
(part-time employee)
Hannah spends most of her time running the UK office, visiting Gondar twice a year to ensure projects are running smoothly.

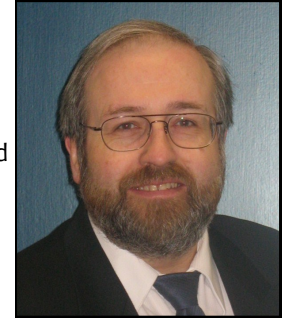
Maren Modena
Chairman

Bringing a business approach and professional outlook to the charity's operations, Maren first visited The Kindu Trust during a tour to Ethiopia.



Tom Caldwell
Treasurer

Keeping a close eye on The Kindu Trust's finances, Tom works hard to make sure that the accounts are balanced and the expenses on budget.



Matt Stockdale
Trustee

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



Ruth Sabey
Trustee

Having spent a year working in Gondar, Ruth is now semi-retired and a regular visitor to the UK office where she helps to manage staff and volunteers.





Contact The Kindu Trust

Peel Centre
Percy Circus
London
WC1X 9EY

Email: Kindu@kindustrust.org
Phone: +44 (0) 7866322291
www.kindustrust.org
Twitter: [@TheKinduTrust](https://twitter.com/TheKinduTrust)

