



Kindu
Trust

**Annual
Report
2012 / 2013**



Contents

| | |
|---------------------------------------|-------|
| Welcome Message..... | 1 |
| Our Work..... | 2 |
| Child Sponsorship Programme..... | 3 |
| Community Development Programmes..... | 4-8 |
| Volunteer Ethiopia Programme..... | 9 |
| Our Team in Ethiopia..... | 10 |
| Our Team in the UK..... | 11 |
| Income Generation in the UK..... | 12 |
| Finances..... | 13 |
| Income and Expenditure Accounts..... | 14 |
| Cash Flow Statements..... | 15 |
| Balance Sheets..... | 15 |
| Accounts and Governance Notes..... | 16-17 |
| Independent Examiner’s Report..... | 18 |
| Thank you!..... | 19 |



Welcome!

2012-13 was a year of building on the firm foundations established during the 2011-12 period. The Kindu Klub and Kindu Play Group, restarted in 2011, have become key features of the Sponsorship Programme. The two clubs run daily sessions in the mornings and after school for pre-schoolers and young people and now sees up to 60 young members a week take part in Homework sessions, hot meals and recreation. The Kindu Trust have received ongoing financial support from Exodus Tours and Studiosus Tours for the provision of nutritious meals and snacks for our young members.

This period has seen The Kindu Trust consolidate smaller projects, across income generation, sanitation, and health care provision, under one banner: The Community Development Programme. This programme serves to bolster the effectiveness of Child Sponsorship. It is our belief that improvements at the individual and household level can not be achieved in isolation from improvements at the community level. The Kindu Trust is strengthening its work with local government, local services and developing networks with organisations doing complementary work.

Thank you for supporting us; without your commitment none of this would be possible! We hope that you will visit us in Gondar, join our Volunteer Ethiopia Programme, and see the achievements outlined in this report.

With best wishes, The Kindu Trust

This Year at a Glance

- ➡ **331** children sponsored – up 18% on last year
- ➡ **1 new Community Development project** installing Gondar's first biogas community sanitation facility
- ➡ **2 new businesses** become **independent** from The Kindu Trust
- ➡ **Volunteer Ethiopia Programme** established
- ➡ **£130,047** UK income – up 49% from last year. Our governance costs have increased at a lesser rate than our income rise. This is mostly from staff costs and travel. They now represent 18% of income.
- ➡ **£92,364** sent directly to Ethiopia

Our Work

Our mission: To support Ethiopian children, young adults, and families to improve their livelihoods.

We continue to achieve this mission through our core programme—Child Sponsorship, through the provision of education, medical and financial support to children and their families, primarily living in Gondar, but also in Addis Ababa, Debarke and Lalibela. A number of smaller projects are now linked under the Community Development Programme. It bolsters our programme of child sponsorship by improving the provision of local services, training and creating long-term employment for sponsored families.

Child Sponsorship & Community Development Projects



Sponsorship



Kindu Klub



Play Group



Coffee Morning

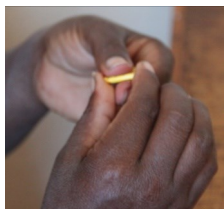


Toy Box



Independent businesses for sponsored families:

Beauty Salon,
Tailors and Injera Bakers



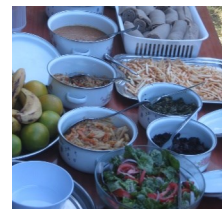
Kindu Shop



Gift Catalogue



Mirt Stove



Traditional Lunch

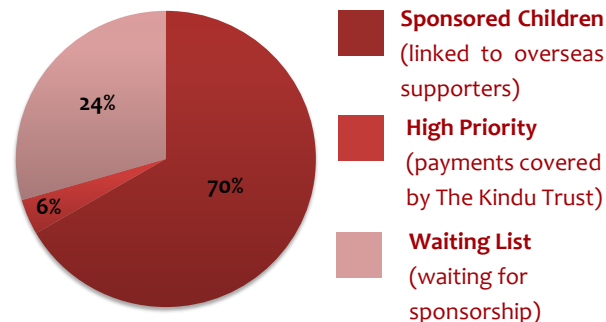


Community Toilets,
Showers & Kitchen

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:

- **65%** 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 for **Education Costs**; education at state schools in Ethiopia is free, but children must provide their own uniform, books and pens.
- **10%** is set aside into a **Medical Fund**. Visiting a doctor or picking up a prescription can cost 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 2013

In March 2013, a total of 356 children were covered by The Kindu Trust's Sponsorship Programme, and a further 18 high priority cases (HIV+, orphans, disabled people etc.) were provided with financial support by the charity.

Community Development Programmes

The Kindu Klub and Playgroup

The Kindu Klub and Play Group runs daily in the mornings and afternoons for up to 60 pre-schoolers and school aged children per week, and is overseen by our Youth Workers, Selamawit & Chekula. The clubs provide sponsored children with educational support (a library, learning materials, access to qualified teachers and youth workers), art and craft sessions, general play, a hot nutritious meal and wash facilities.

Each year, The Kindu Klub receives volunteers who assist in these sessions and in the development of new activities. Funding for these clubs are covered through donations, not by sponsorship money.

Coffee Morning and Toy Box Project



The Coffee Morning provides mothers and guardians of our sponsored children affected by HIV/AIDS with a place to socialise, seek peer and professional advice and to generate an income by making toys using local materials.

The Kindu Trust has collaborated with Gondar Hospital to make simple toys for the children's malnutrition ward and the women are paid a small amount for each toy made. It has been proven that stimulation through play improves the recovery and development of malnourished children.

The Kindu Shop

Located in the Gondar compound, the Kindu Shop sells jewellery, baskets, bags, postcards and scarves made by beneficiary families, to tourists and other visitors to the compound. In 2012, training in Banana Art was given to a sponsored child's family member who is now employed at the shop selling their work. An additional Bead-maker has joined the shop to help us meet the demand for beaded products!



The Kindu Gift Catalogue

Throughout the year, supporters are able to purchase essential household items for children and their families. Festive dinners, Family Parcels, and Home Improvements are among the most popular items purchased. Meals are distributed seasonally and other items, monthly.

Home Improvement vouchers have become one of the most requested items from sponsored families who live without running water, without electricity, and are in need of house repairs.



Traditional Ethiopian Lunch Project

The Traditional Ethiopian Lunch Project raises the profile of The Kindu Trust among travellers to Gondar by providing a 3-course traditional meal at the compound. Aimed at both Tour Groups and individual travellers, the Traditional Lunch provides a forum to publicise our work and to generate income in our shop. This year we received an average of 20 visits a quarter through partnerships with Link Ethiopia, Studiosus and Exodus Tour Groups.



Mirt Stove Distribution

From 2012 to 2013, The Kindu Trust distributed 146 mirt stoves to families across Gondar.

‘Mirt’ means ‘best’ in Amharic, and these eco-stoves are used for baking Injera, a pancake like thin bread made of teff flour which is native to Ethiopia, and is also used to cook and boil food while baking without the use of additional fuel.

Mirt is produced with mortar- a mixture of river sand with cement and has an average lifespan of five years. Urban, peri-urban and rural households use the stove to bake up to 30 injeras per baking session. In a typical household there are 2-3 baking sessions in a week. Although heavy in weight, these eco-stoves work with all types of biomass fuel, is dual purpose, is low cost to produce, creates employment, has low emissions and is produced using readily available local materials.



A series of control cooking tests revealed a fuel saving of about 50% and kitchen carbon monoxide (CO) concentration reductions of about 90% compared with three-stone open fire. Results from laboratory tests conducted by the Ethiopian Rural Energy Development & Promotional Centre showed a range of 18-23 percentage heat utilisation.

The Kindu Trust is currently in discussion with Gondar’s local government offices to assist in the distribution and impact evaluation of the stoves. Mirt stoves are available to purchase from The Kindu Trust website: <http://kindustrust.org/community/>

Biogas Community Sanitation Project

Throughout 2012, The Kindu Trust worked with residents, a biogas gas engineer, and local government officers to design and install the town's first bio-gas powered community service: a public toilet with eight cubicles, four showers, four toilets, hand-washing facilities, and kitchen—all powered using household waste processed through a bio-gas digester. This community facility replaces the old dilapidated toilet and comes with the added value:

- Provides shower and washing facilities for residents
- The kitchen is an income-generating tool for local residents
- Introduces a low-cost and eco-friendly alternative source of energy for residents
- Supports local government investment in public services

The facility was opened for local use in January 2013, and is proving popular as a method of improving sanitation and generating sustainable energy. Four residents are employed full-time as a facilitator, cleaner and guards and residents are using the kitchen to cook and sell their food.

This project was made possible through the generosity of an anonymous donor from Scotland and is scheduled to be self-financing by the end of 2013. It is receiving interest from international agencies keen to develop similar builds with The Kindu Trust across Gondar.



Toilet facilities before (above) and after (below) the project



Local residents use the new kitchen



Creating Independent Businesses

The Kindu Salon - *The Kindu Trust provided training and a business start up ten creative and keen business women.*

Throughout 2012 ten women undertook training in hair and beauty, and after six months all ten were ready to start their first small-scale enterprise with start-up capital of 50,000 ETB from The Kindu Trust. Kebele officials not only granted the women a business license, but also premises for the women to operate their business. The Kindu Beauty Salon has proven to be instantly popular. By the end of 2012, the women were earning a stable wage and looking forward to continued growth.



The Tailoring Shop - *The Kindu Trust provided training to support Mulalem, father to one of our sponsored children and fledgling business man*

Mulualem, a disabled father of a sponsored child, has operated a small stall for a number of years. In 2011, Mlualem undertook training, through The Kindu Trust, in tailoring, so that he could add an additional service to his small business. The Kindu Trust has become a key client to Mlualem—he now provides school uniforms for all sponsored children. His shop is fully self-financing and has a very significant impact upon his life as he is able to financially support his family.



The Injera Baking Project - *One of The Kindu Trust's first Income Generating Projects becomes independent.*

The Injera Baking Project which began as a Kindu Trust project in 2011 has become an independent business, now operated by the employees in partnership with Gondar University. The ten women who operate this business are earning a competitive full-time salary and the business is self-financing.



Volunteer Ethiopia Programme

International volunteer placements are an invaluable source of support towards our work. Our Volunteer Ethiopia Programme provides visitors with great first-hand experience of working overseas and wonderful opportunity experiencing Ethiopia's rich culture. It could be part of a career break, post-school or university development.

In 2011 the Volunteer Ethiopia Programme was established to give people the opportunity to use their professional skills and develop new skills, while making a contribution towards our mission: improving the livelihoods of Ethiopian children, young people and their families.

2012/13 saw four volunteers travel to Ethiopia to work with our Gondar team, adding much needed capacity to the Sponsorship Programme. During this period, our volunteers developed our sponsorship database, improved programme monitoring, devised a training guide and provided database Access training. They also assisted in teaching and coordinating learning and recreational play at The Kindu Klub.

Our volunteers stayed at The Kindu Trust apartment, located just a five minute walk from the Gondar compound. The bedrooms have access to a balcony with spectacular views over the lake.

In addition to our standard placement, at the end of 2012 we partnered with Link Ethiopia to offer tours across Ethiopia, with opportunity to visit our Gondar compound, meet our team and settle down to a three-course Traditional Ethiopian Lunch.



The Ethiopia Team



General Manager
Kassahun



Finance & Deputy Manager—Marta



Project Manager
Lainie



Sponsorship Coordinators
Tadele



Abraham



Accountant
Adugna



Youth Worker
Selamawit



Play Group Worker
Chekula



Cook
Wubit



Cleaner
Ababech



Hanna



Bead Makers Terefu



Wagnew



Guards Abate

The Kindu Trust team in Ethiopia continues to grow to keep pace with the increasing workload. By the end of March 2013, we had 14 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.



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.

The UK Team

The UK Staff

Dilys Winterkorn—UK Country Manager
(part-time employee)

Brings a fundraising and project development background. Dilys manages the UK office and ensures our operations are running smoothly.



Hannah Marcazzo—Director of Operations

After working with The Kindu Trust for over 3 years, volunteering much of her time and kicking off our UK operations Hannah sadly left in 2012 to move abroad.



Our Trustees

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.



Matt Stockwell - Trustee

Director of The Kindu Trust's partner charity, Link Ethiopia, Matt is a regular visitor to Ethiopia and has an in-depth knowledge of the country.



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.

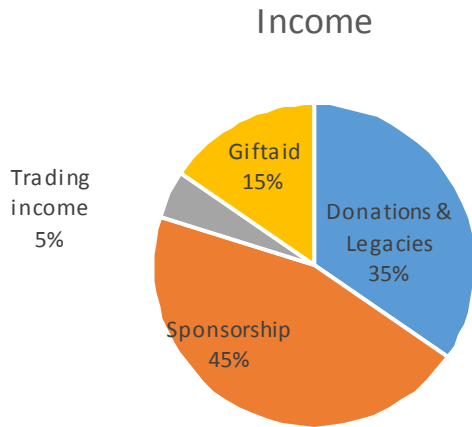


Ruth Sabey - Trustee

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.



Income Generation in the UK

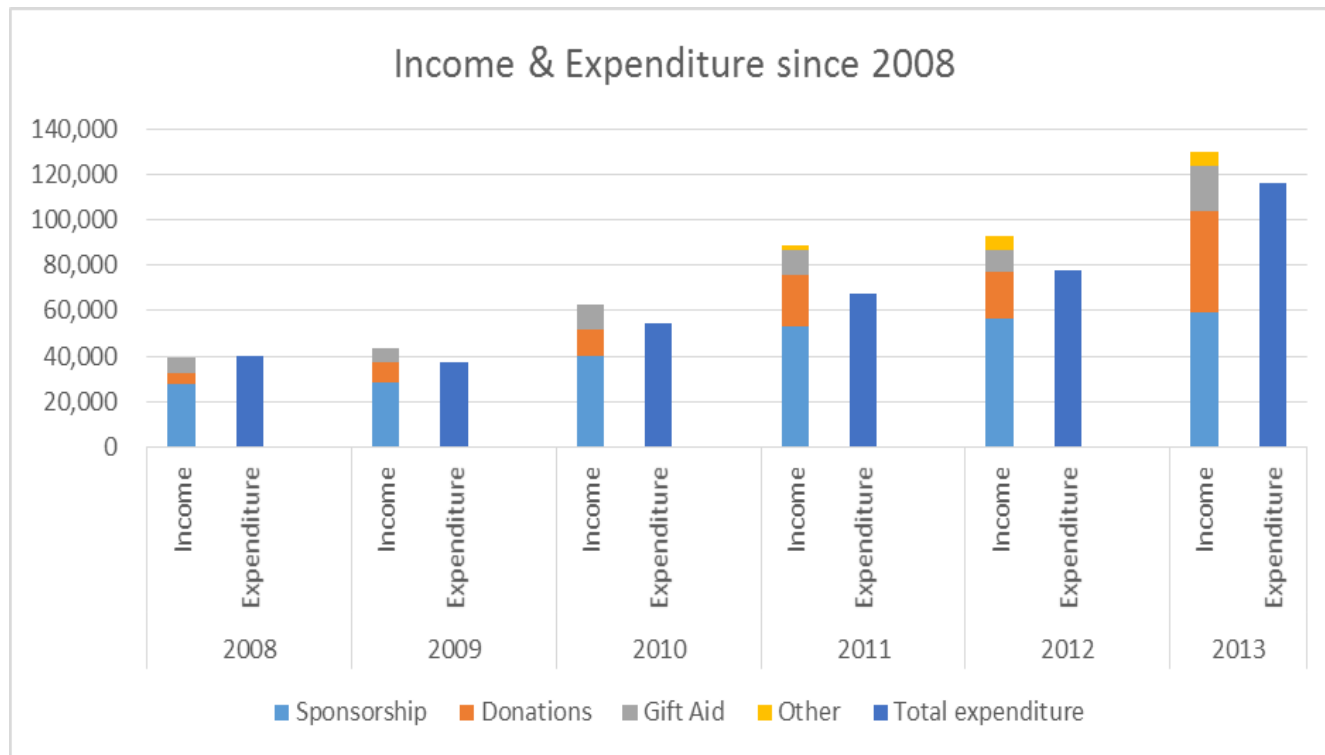


45% of our total income came from sponsorship related donations, with a further 35% donations received to fund specific projects. The remaining 20% of UK income came from unrestricted sources, including general donations, gift aid claims and income from calendar and Christmas card sales.

Unrestricted income is very important as it enables us to fund new projects and cover the costs of running the charity. In the future we plan to continue diversifying our income streams in order to increase the breadth and depth of our work.

If you would like to **donate** towards the work of The Kindu Trust you can do so online www.kindustrust.org or you can contact us to discuss how you would like to donate by emailing kindu@kindustrust.org.

Finances



Income and Expenditure Accounts

| Note | Unrestricted Funds (£) | Restricted Funds (£) | 2013 Total (£) | 2012 Total (£) |
|-------------------------------------------------------------------|------------------------|----------------------|----------------|----------------|
| Incoming resources from | | | | |
| Generated funds | | | | |
| Voluntary income: | | | | |
| <i>Donations and legacies</i> | 24,829 | 20,000 | 44,829 | 19,228 |
| Activities for generating funds: | | | | |
| <i>Sponsorship & Monetary Gifts</i> | | 59,084 | 59,084 | 52,248 |
| <i>Trading Income</i> | 685 | 5,412 | 6,097 | 3,915 |
| Investment income | 4 | | 4 | 6 |
| Gift Aid | 20,034 | | 20,034 | 9,843 |
| UK transfer | | | | |
| Total incoming resources | 45,551 | 84,496 | 130,047 | 85,239 |
| Cost of generating funds | | | | |
| Fundraising trading | | | | |
| Total cost of generating funds | | | | |
| Net incoming resources available for charitable activities | 45,551 | 84,496 | 130,047 | 85,239 |
| Charitable activities: | | | | |
| Beneficiary Aid | 18,925 | 92,056 | 110,981 | 72,179 |
| Projects for beneficiaries | 5,039 | | 5,039 | 5,222 |
| Total charitable activity costs | 23,964 | 92,056 | 116,020 | 77,401 |
| Governance | | | | |
| UK Administration | 23,656 | | 23,656 | 18,549 |
| Allocated to charitable activities | | | | |
| UK Administration | -23,656 | | -23,656 | -18,549 |
| Total resources expended | 23,964 | 92,056 | 116,020 | 77,401 |
| Net incoming (outgoing) resources from operations | 21,588 | -7,561 | 14,027 | 7,838 |
| Transfer to restricted funds | -30,000 | 30,000 | | |
| Total funds brought forward | 27,743 | 4,915 | 32,658 | 24,821 |
| Total funds carried forward | 19,331 | 27,354 | 46,685 | 32,659 |



Cash Flow Statement

| | 2013 | 2012 |
|------------------------------------------------------------|--------|--------|
| Net Cash inflow/(Outflow) from operating activities | 14,027 | 7,838 |
| Changes in Working Capital | | |
| (Increase)/ Decrease in debtors | -8,758 | 2,461 |
| Increase/(Decrease) in creditors | 4,718 | |
| Increase/ (decrease) in cash in the year | 9,987 | 10,299 |
| Net cash resources brought forward | 29,634 | 19,335 |
| Net cash resources carried forward | 39,621 | 29,634 |

The notes form part of these Accounts approved by the Trustees and signed on their behalf by;



Tom Caldwell FCA



Matt Stockdale

Balance Sheets

| | 2013 | 2012 |
|----------------------------|---------------|---------------|
| ASSETS | | |
| Current assets | | |
| Debtors | 11,782 | 3,025 |
| Cash at bank and in hand | 39,621 | 29,634 |
| | 51,403 | 32,659 |
| Current Liabilities | | |
| Creditors | 4,718 | |
| | 4,718 | |
| Net assets | 46,685 | 32,659 |
| FUNDS | | |
| Unrestricted funds | | |
| General funds | 19,331 | 27,743 |
| Restricted funds | 27,354 | 4,916 |
| | 46,685 | 32,659 |

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 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. In prior years we consolidated the results of our Ethiopia branch in Gondar. In July 2012 they became an independent NGO. For 2013 we no longer consolidate their results and the comparative figures have been adjusted accordingly.

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.

2. Governance

| | 2013 | 2012 |
|-------------------------------------------|---------------|---------------|
| | Total (£) | Total (£) |
| Support costs allocated as follows | | |
| UK Administration | | |
| Office expenses | 3,546 | 5,376 |
| Staff | 13,432 | 7,535 |
| Fundraising | 1,647 | 1,788 |
| Telecomms | 63 | 808 |
| Travel | 3,801 | 1,382 |
| Volunteering | 380 | 689 |
| Bank charges | 762 | 792 |
| Website | 26 | 179 |
| | 23,656 | 18,549 |
| Allocated to unrestricted funds | | |
| Beneficiary Aid | 18,925 | 14,839 |
| Projects for beneficiaries | 5,039 | 5,222 |
| | 23,964 | 20,061 |

3. Staff Numbers

| | 2013 | 2012 |
|-----------------------|----------|----------|
| UK activities | | |
| Charitable activities | 2 | 1 |
| | 2 | 1 |

4. Debtors

| | 2013 | 2012 |
|--------------------------------------------|--------|-------|
| Gift Aid recoverable by the charity | | |
| | 11,782 | 3,025 |

5. Cash at Bank in Hand

| | 2013 | 2012 |
|-----------|---------------|---------------|
| UK | | |
| Deposit | 8,028 | 8,024 |
| Current | 31,593 | 21,610 |
| | 39,621 | 29,634 |

6. Creditors Falling Due within 1 Year

| | 2013 | 2012 |
|------------------------|-------------|------|
| Trade Creditors | 4718 | |

7. Funds

| | 2013 | 2012 |
|--------------------------|---------------|---------------|
| Unrestricted | | |
| Brought forward | 27,743 | 17,397 |
| Incoming | 45,551 | 30,408 |
| Cost of generating funds | | |
| Charitable Expenditure | - 23,964 | - 20,061 |
| Transfer | - 30,000 | |
| Carried forward | 19,331 | 27,743 |
| Restricted | | |
| Brought forward | 4,915 | 7,424 |
| Incoming | 84,496 | 54,831 |
| Cost of generating funds | | |
| Charitable Expenditure | - 92,056 | - 57,340 |
| Transfer | 30,000 | |
| Carried Forward | 27,354 | 4,915 |
| | 46,685 | 32,658 |

Independent Examiner's Report

I, Rolston Allen, report on the accounts of the Trust for the year ended 31 March 2013, which are set out on pages 14 to 15 with Accounts and Governance Notes on page 16.

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 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;
- to follow the procedures laid down in the general Directions given by the Charity Commission under the section 145 (5)(b) of the 2011 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 comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosure 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 130 of the 2011 Act: and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 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: Rolston Allen (Senior Statutory Auditor)
Address: 367 Caledonian Road, London N7 9DQ
Date: 7th April 2014

Thank You!



None of the work in this report would be possible without you!

We would like to take this opportunity to thank each sponsor, each supporter, foundation and community group who have sponsored, donated and fundraised to support the work of The Kindu Trust.

The generosity of people such as yourselves from all over the world mean that we are able to continue our work supporting children in Ethiopia through education and to help parents work towards financial stability and independence.

Thank you sincerely for your kindness, thoughtfulness and generosity.

Special thanks to:

Our anonymous Biogas Funder, The Pear Foundation, Studiosus Tours, Exodus Tours and Link Ethiopia.

To find out more about The Kindu Trust or how you can
Sponsor or **Donate**, please visit our web page at
www.kindustrust.org.





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