



**Report of the Trustees
& Audited Financial
Statements for the Year
Ended 31st December 2016**



The Egmont Trust

Report of the Trustees & Audited
Financial Statements for the Year
Ended 31st December 2016



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The Egmont Trust

Reference & Administrative
Details for the Year Ended 31st
December 2016



Trustees:	Clare Evans Jeremy Evans William Garrett Alison Mayne Rory Powe Stuart Powers	Chairman (appointed 10.3.16) (resigned as Chairman & Trustee 11.2.16)
Chief Executive Officer:	Colin Williams OBE	
Principal address:	Temple Court Cathedral Road Cardiff CF11 9HA	
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Registered charity number:	1108199	
Bankers:	Clydesdale Bank plc 35 Regent Street London SW1Y 4ND	
Independent auditors:	Haines Watts Wales LLP 7 Neptune Court Vanguard Way Cardiff CF24 5PJ	
Investment advisor:	CCLA Investment Management Ltd COIF Charity Funds Senator House 85 Queen Victoria Street London EC4V 4ET	



The Egmont Trust

Report of the Trustees for the Year Ended 31st December 2016

From the Chairman

Egmont is focused exclusively on providing direct support to locally driven organisations in sub-Saharan Africa responding to the far-reaching, and continuing impact of HIV & AIDS on the lives of people and communities, especially children, who remain the most vulnerable to the effects of the epidemic.

As we move into our second decade, the validity of this focus is reinforced. Firstly, by the continued harrowing numbers¹ in sub-Saharan Africa: for new infections (1.4 million in 2015, 20% of them young women); death rates (800,000); and the wide ranging long term devastation on local economies and societies. Secondly, by the steady increase in the number and capability of locally driven grass roots organisations that have, and still are, addressing either immediate or longer-term impacts of the epidemic, in an ever-tighter income context.

We are delighted that our loyal family of donors has continued to support our approach. Indeed our supporter base has grown in recent years. Our supporters' generosity has enabled Egmont to increase the number of organisations that we support in Africa by 30% during 2016 to 40, some of these offering truly humbling examples of what can be achieved with modest grants (now at £26,000 per annum for core grants). During 2016, we further refined our systems for organisation and project selection to ensure that outstanding returns on donations are achieved by our supporters. This approach includes both professional and detailed oversight, as well as innovations that encourage partners to learn new approaches and skills from each other, one of the significant benefits of Egmont's portfolio approach.

Our Board of Trustees continue to be actively engaged as important drivers of our fundraising strategy. In particular, 2016 saw the launch of the Egmont US Foundation and I would like to record my thanks to its Chairman, Robert Chartener, who has been instrumental in making this happen.

Jeremy Evans
Chairman

The Egmont Trust

Report of the Trustees

Our Purposes and Activities

The Egmont Trust was established in 2005 as a response to the continuing, devastating impact of HIV and AIDS on millions of lives across sub-Saharan Africa. We work with partners to improve the lives of children in six countries: Kenya, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. Despite the massive investment of donor funds since the early 1990s, the immense scale of HIV & AIDS has had a severely detrimental social and economic effect on families and communities across all sectors; this is why the most effective responses address a range of issues.

The Egmont initiative marries two distinct perspectives:

Firstly, experience of well-networked professionals in the African development sector with knowledge of the many outstanding people and locally-driven organisations in place across the region. Over 10 years, our record has shown that impressive and cost-effective results can be achieved by locating, carefully selecting and monitoring these organisations, and committing direct funding to projects targeting children and families affected by HIV & AIDS, with minimal bureaucratic demands.

Secondly, experienced and well-networked professionals in the London financial services sector who believe, and have demonstrated, that significant corporate and individual philanthropic funding can be accessed and directly applied to a portfolio of carefully-selected projects in sub-Saharan Africa.

Egmont's Approach

Egmont undertakes the following approach to mitigate the impact of HIV & AIDS on families in sub-Saharan Africa:

- We provide direct annual grants (up to a maximum of £26,000 during 2016) to a portfolio of partners in six targeted countries in sub-Saharan Africa.
- We respect our partners' analysis of local needs and the most effective responses to these, thereby minimising bureaucracy and leading to a wide range of funded projects. We operate a portfolio approach which allows us to embrace innovation and reduce risk.
- We have developed rigorous and effective systems for partner selection, reporting and accountability.
- We maintain a strong focus on results, only making grants to organisations which continue to demonstrate impact for the funds invested.
- We encourage and enable links between our partners. We believe this is the best way to share good practice.
- We guarantee that all of our operational costs will be funded by our Patrons and Trustees, thereby ensuring that our donors' funding goes directly to projects in Africa, whilst also promoting rigour and cost efficiency.

The Egmont Trust

Report of the Trustees

Statement of Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives, planning future activities and setting the grant-making policy for the year.

Egmont's supported work demonstrates public benefit in the following ways:

- Addressing the needs of some of the world's most disadvantaged children and their communities through access to HIV & AIDS treatment, and through the provision of good nutrition, poverty alleviation, education and counselling, agricultural and vocational training, and safer environments.
- Enabling local partner organisations to work together to share information, experiences and expertise, and thereby improve their services.

Grant-Making Policy

The Egmont Trust provides grants directly to organisations in sub-Saharan Africa specifically to alleviate the short and long-term impact of HIV and AIDS. We fund organisations which are locally established either as charities (non-governmental organisations) or associations such as Women's or Savings Associations.

Our belief is that providing direct grants to inspired local initiatives delivers the most substantial life-changing and cost-effective results for children and families.

Successful application for grants may respond to any aspect of HIV & AIDS and its impact; they should be innovative and/or able to be scaled up or replicated; they need to show a positive impact on the lives of defined groups of people, particularly children and young people; and they need to produce results within a specified timeframe.

We do not accept unsolicited project proposals but invite organisations we have already assessed for due diligence and capability to submit funding applications.

We currently have two levels of grant:

- **Core** – A two year grant currently set at £26,000 per annum. Funding for year 2 is dependent on good performance and availability of funds.

NB For all new partners the first grant is for one year only.

- **Innovation** – A one year grant of up to £15,000. Project proposals are assessed by the Programme Committee on 2-3 occasions a year and approved projects are managed by the implementing partner.

Funds are disbursed in tranches, subject to receipt of satisfactory implementation and finance reports. Contracts are fixed in £ sterling with budgets prepared in local currency. In case of gains, approval must be sought for use of the additional funds by the partner.

For two year projects, detailed budgets are submitted at the end of year one and approved subject to performance and availability of funds.



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Report of the Trustees

Partners running successful projects may be invited to make a new application towards the end of their active grant. We may also invite partners in receipt of an innovation grant to apply for a core grant, depending on performance.

We believe that organisations and people learn mostly from others working in the same context. On this basis, we encourage partners to interact with each other as well as others in the sector. We support this by offering:

- **Peer Evaluation Grant** – currently up to £1,300 per annum to conduct peer evaluation interactions with selected peer partners.
- **Partner meetings** – which take place annually within each country.
- **Partners Forum** – a Facebook interactive forum where partners can share experiences and observations from the field.

Egmont follows a policy whereby a member of staff or Trustee will visit partners in each country at least once a year. These visits help to build relationships, confirm financial controls and procedures, observe project activities and better understand the local context.

Partner Selection & Monitoring

Egmont has an extensive network of contacts within the 6 countries where we provide grants. This enables us to build and refresh our portfolio of partners, and potential new grantees, using the appropriate and distinctive systems we have evolved. This is now supplemented through our website where interested organisations can place an Expression of Interest, which is then screened by our programme staff before the organisation is invited to submit a project proposal. Our organisation and project assessment processes include:

- Pre-selection of potential partners into a shortlist through initial assessment of people, organisations and projects, including cross-referencing with local contacts.
- Proposal formats that offer no prescribed interventions but enable partners to present their own analysis, plans and expected results
- Rigorous scrutiny of proposals submitted by shortlisted organisations, with a current approval rate of approximately 50%
- Simple contractual formats for financial reporting
- Quarterly and 6 monthly reporting frameworks which focus on results, with specific feedback given to partners after each submission
- Annual impact evaluations (including partner-to-partner assessments)
- Annual in-country meetings of partners where numbers permit
- Annual partner visits from members of the Egmont team



The Egmont Trust

Report of the Trustees

Achievements & Performance

In 2016, the total number of organisations supported by Egmont in 6 countries increased to 40. Many of our partners are working in more than one area and below we show the main thematic areas of focus and the aggregated number of beneficiaries they are reaching through their work.

→ Improving Livelihoods

The death of a relative to AIDS-related illness often leaves families struggling to adequately feed, clothe and educate the children in their care. Improving nutrition has a cascade effect - drugs and medical treatment become more effective, children attend school more often and perform better, families have sufficient energy to farm and work.

23 Egmont partners were working to help improve nutrition in 2016, helping a total of 11,437 people.

Providing people with the skills, resources and training to gain employment or start their own income-generating activities enables them to start providing for themselves and their families.

26 Egmont partners delivered projects focussed on improving family income, directly supporting 2,652 people in 2016.

→ Healthier Futures

Sub-Saharan Africa accounts for 65% of the world's new HIV infections. Hard to reach medical facilities prevent HIV+ people from accessing treatment and there continues to be poor knowledge of treatment & care options. Accessible, affordable treatment leads to healthier, longer lives for those infected. Helping people adhere to ARV (antiretroviral) regimens ensures lower infection rates and better health.

20 Egmont partners were working in this area in 2016, helping 2,493 people gain access to antiretroviral treatment or support.

An HIV test is the first step an individual can take towards reducing the impact of HIV & AIDS. People with positive results are able to access treatment. People who test negative take steps to reduce their chances of infection.

14 of our partners delivered HIV testing and counselling in 2016, reaching 13,987 people.

Awareness of HIV & AIDS is universal. Yet misconceptions and myths about the disease remain. Education on how HIV & AIDS is contracted and how to manage the disease is vital to halt its spread and counter stigma.

27 Egmont partners disseminated information about HIV & AIDS to their communities in 2016, reaching 54,440 people.

→ Safer Communities

Neglect, child labour, early marriage and sexual abuse increase children's vulnerability to HIV infection. Educating communities on the rights of children and pursuing legal action against perpetrators of child abuse helps children to flourish and reduces their risk of contracting HIV.

9 of Egmont's partners were working to address these issues in 2016, reaching 6,158 people.



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Violence and extreme poverty leave women especially at risk of contracting HIV.

10 Egmont partners were working to address the issue of violence against women in 2016, reaching 6,263 people.

→ Education

The cost of school fees, uniforms and other school essentials leave many families unable to educate their children. 30 million children in sub-Saharan Africa are not enrolled in school.

18 of Egmont's partners were working to assist children into school or delivering adult literacy programmes in 2016, reaching 2,402 people as a result.

Performance of fundraising against objective set

2016 was another successful year for Egmont, with a total of £1,463,753 raised (including direct third party funding of £117,952). This was in large part due to the continued and substantial generosity of our loyal group of supporters, who continue to endorse Egmont's approach with major gifts in support of our work. As our operating costs are entirely funded by our Trustees and Patrons, all funds raised are disbursed to our partners in southern and eastern Africa.

We continued to receive generous support from Redburn both through their Editorial department and also through the provision of a welcoming base for all our London-based meetings. DG3's support of our printed materials ensured that we were able to keep our marketing costs to a minimum. We were also pleased to initiate a new relationship with Exotix Partners who raised £10,000 for Egmont at their Annual Charity Day in December 2016.

Lastly, we are delighted to announce the establishment of The Egmont US Foundation which will enable American donors to make tax-efficient donations in support of our shared mission to improve the lives of children and families affected by HIV & AIDS. We hope that this will broaden our fundraising reach and encourage more supporters from the US.



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Financial Review

Income

Income in 2016 was £1,345,811. In addition, £117,952 was donated directly by an Egmont supporter to fund five Egmont-approved and monitored projects in Kenya, bringing the total funds raised in 2016 to £1,463,763. This was achieved without organising any major fundraising events in 2016.

Income includes exchange gains of £81,904 from management of US Dollar balances.

Gift Aid income fell in 2016 due to the nature of the donations received but Egmont continues to maximise its income through the Government's Gift Aid scheme.

Expenditure

Grants made in 2016 totalled £698,433, (this figure increases to £816,385 when the third party direct funding of £117,952 to five Kenyan partners is included). This amounted to a 61% increase on 2015, enabling Egmont to expand our portfolio of partners from 28 to 40. See Appendix 1 (on page 13) for the list of partners supported in 2016.

Resources expended on operational costs are covered in their entirety by Egmont's Trustees and Patrons. These amounted to £298,746 in 2016, 20.4% of total funds raised.

Reserves Policy

- Egmont's Trustees and Patrons pledge to cover 100% of operational costs.
- The operational costs fund should hold at 1st January the equivalent of 50% of budgeted costs for that year. The Trustees plan on the basis that Patrons and Trustees will contribute a sum equivalent to 100% of budgeted costs, which means that the operational fund at year end is left with a surplus equivalent to 50% of the year's costs.
- No grant commitments are made beyond the level of funds already received in the project fund.
- Egmont's aim is to commit unrestricted funds available to grantees by the end of the second following financial year.
- Should the level of reserves exceed the total of disbursements made over the previous 2 years, then grant-making will be accelerated.
- Egmont will endeavour to raise sufficient unrestricted project funding in any one year to fund both planned and forecast grant-making in the following year.

Reserves Held

Total reserves held at the end of 2016 stood at £1,674,665. Restricted reserves of £270,657 were being held at the end of the year for operational costs in 2017 in line with Egmont's reserves policy.

All other restricted fund balances, amounting to £57,487 are earmarked for specific projects taking place in 2017, as agreed with the donor.


Income amounting to £942,493 was received in the last two months of 2016. Remaining reserves will be used to fund projects throughout 2017, with the first call out for proposals taking place in January.

Plans for the future

We believe in the principle of charities being continually relevant to the cause they are supporting. The continued

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increase in numbers of HIV+ people in the countries where we work combined with a changed approach from major international donors to these countries, confirms the ongoing need for support. The continued increase in the number of local organisations responding to this issue adds more weight to this ongoing need as well as to the importance of maintaining our strong systems for assessing the integrity and capability of the organisations we support and continue to carefully monitor their achievements and performance.

As the capability of local organisations improves, we expect to add higher-level grants to those who prove exceptional in their levels of achievement and performance.

Our focus remains very much on supporting local initiatives, which reinforces the importance of maintaining a slim bureaucracy in Cardiff, as well as a small team based in south-eastern Africa.

Egmont Trust Foreign Exchange Policy

Donations are held in the currency received or are converted to reflect the grant making currency and operational expenditure levels. The Finance & Governance Committee makes recommendations on conversion processes, which are implemented by the Finance Manager.

Egmont Trust Investment Policy

Egmont's primary objective is to preserve capital rather than maximise returns. The maximum balance to be held at any one time with any one financial institution is £1.5million. Balances are managed by the Finance Manager who immediately reports exceptions to the Finance & Governance Committee. The Trustees retain the power to invest in such assets as they see fit.

Risk Management

The Trustees have identified potential risks to the work of the Trust and put in place systems and procedures to manage these. Risks include financial exposure, personal health and security of staff, programming risks and changes to the socio-political environment where we and our partners operate. We take care to minimise the potential impact of the risks in each of these areas and review them on a regular basis. Egmont has strong local contacts in each country and we are guided by their advice. Our disbursement, monitoring and reporting systems also contribute to minimising risk. They are sufficiently flexible to enable partners to make appropriate adjustments to external factors, such as exchange rate fluctuations, without undermining the basic objectives or integrity of their projects. We aim to adjust our systems and procedures as necessary.

Conflicts of interest

Potential conflicts of interest for staff or Trustees must be declared at each meeting and are managed as appropriate to the circumstances. Applications for Egmont grants often arise from within our local networks of contacts in Africa. However, all proposals for funding are vetted and approved by the Programme Committee and signed off by the full Board of Trustees.



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Structure, Governance and Management

The Egmont Trust is a non-company charity, registered with the Charity Commission and was established by trust deed on 9 February 2005. Overall governance is provided by the Trustees.

We have begun the process to become incorporated as a CIO which we expect to be completed by 2018.

Appointment of Trustees

The Trust Deed allows for a minimum of three Trustees to be appointed, with new Trustees appointed for an initial term of three years and eligible for re-election for a further three years. New Trustees are proposed by the Finance & Governance Committee for approval by the full Board of Trustees. Trustees declare annually that they are fit and proper to serve as a Trustee.

Trustee induction

New Trustees receive a formal induction, where they become familiar with the Egmont approach, how we work with our partners, and what is expected from them as a Trustee in terms both of governance and raising funds for the organisation.

Trustee led sub-committees

The Trustee-led sub-committees are as follows:

- Fundraising Committee is responsible for fundraising strategy, targets and co-ordination, organising fundraising events and producing supporter communications. This committee meets frequently, usually once a month.
- Programme Committee manages the programme strategy i.e. the assessment and selection of grant recipients, and the monitoring of project performance. It meets regularly, with the frequency determined by the need for interaction with our partners.
- Finance & Governance Committee deals with the annual budget and accounts, compliance with statutory requirements and governance matters, terms and conditions for staff, and monitors the remuneration of key personnel alongside appropriate benchmark organisations. It meets as and when required.

The minutes of all the sub-committees are made available to the full Board of Trustees which meets up to 4 times per annum to ratify decisions and discuss strategy.

Egmont's Staff Team

In March 2016, we recruited a new Programme Manager, however we continued to operate with a small team. 3 members of staff are based at our head office in Cardiff; 1 is based in London; 1 works between Lusaka (Zambia) and Cardiff; and the new Programme Manager is based in Harare (Zimbabwe). Just three members of staff are full time. Management meetings take place on a fortnightly basis by Skype and the staff team communicate on a daily basis by email, Skype and phone. The three committees outlined above, chaired by individual Trustees and comprising both Trustees and staff, meet regularly to drive the different areas of operation forwards.



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Appendix 1: List of partners supported in 2016

Country	Partner	Focus of project(s)	Third-party funding in 2016 (£)	Total approved in 2016 (£)	Total committed since 2005 (£)
Kenya	Ace Africa Kenya	Increasing children's access to nutritious food, medication, child rights, psychosocial support and HIV prevention	21,952	21,952*	215,202 ‡
Kenya	Girl Child Counselling Women Group	Providing vocational training to mothers and young women at risk of HIV infection, helping them to establish an income stream	26,000	26,000*	36,000 ‡
Kenya	Kenya Poverty Elimination Network (KPEN)	Improving orphans care through grandparents by providing training in bee-keeping, goat-rearing and psychosocial support	22,000	22,000*	225,485 ‡
Kenya	Rural New Life Development	Improving coping and quality of lives for young women and children living with HIV using the 'DECENT CARE' approach		14,615	14,615
Kenya	Sponsored Arts For Education	Reducing incidences of female genital mutilation (FGM) through community dialogue and traditional dance		25,600	25,600
Kenya	Trust for Indigenous Culture and Health	Disseminating health information and encouraging self-motivated community responses to problems linked to HIV and poverty in urban slum households	22,000	22,000*	209,182 ‡
Kenya	Vijana Amani Pamoja	Supporting youths to change their behaviours, with the goal of reducing the HIV infection rate and empowering more girls to lead safe, healthy lives through the medium of football	26,000	26,000*	157,776 ‡
Malawi	Community Partnership for Relief and Development	Household economic strengthening for improved livelihoods		14,180	34,159
Malawi	The Dalitso Trust	Providing rural communities with training in holistic health, parenting skills and small-scale infrastructure improvements such as latrines and handwashing facilities		9,607	17,259
Malawi	HIV/AIDS at Workplace Intervention Programme	Promoting utilisation of good nutrition to HIV+ children and supporting women caregivers to improve their economic status through community support groups		25,800	184,521
Malawi	Kwithu Women's Group	Education and feeding programme for vulnerable children in Luwinga ward, Mzuzu. Academically gifted children are offered scholarship to secondary schools		25,916	25,916
Malawi	Life Concern	Project 1: Increasing access and uptake of prevention of mother-to-child HIV transmission services amongst women in rural areas Project 2: Child sexual abuse prevention and support through EduToy programme		46,742	112,956

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Country	Partner	Focus of project(s)	Total approved in 2016 (£)	Total committed since 2005 (£)
Malawi	The MicroLoan Foundation Malawi	Providing microfinance and training to impoverished women, helping them develop sustainable businesses	-†	88,000
Malawi	Mzuzu Academy	Supporting highly vulnerable children who possess exceptional academic ability while monitoring their health and well-being	6,000	138,225
Malawi	National Smallholder Farmers Association	Enhancing community resilience through functional literacy, integrated with crop diversification and livestock production for smallholder farmers	26,000	178,864
Malawi	YouthCare Ministries	Vocational training for vulnerable children	9,324	9,324
Mozambique	A Little Gesture	Providing education for impoverished and malnourished children infected with HIV/AIDS, on a daycare basis, ensuring adequate nutrition, medication and medical assistance	26,000	46,000
Mozambique	Meninos de Moçambique	Providing medical, social and educational assistance to street children and youths, including reintegration with families when possible	22,000	216,000
Mozambique	Associação Missao Moçambique	Residential centre for vulnerable and orphaned children affected by, or infected with, HIV/AIDS	26,000	26,000
Mozambique	Vukoxa	Improving community support, food security and basic services for older carers to raise the quality of life for vulnerable children	26,000	185,503
Tanzania	Ace Africa Tanzania	Strengthening community skills, structures and systems to improve access to child protection, HIV prevention, life skills and psychological support	21,944	194,714
Tanzania	Forever Angels	Providing families with babies at risk of malnourishment and starvation with nutritional support and business training	26,000	48,000
Tanzania	Kimara Peer Educators and Health Promoters Trust Fund	Educational, nutritional and psychosocial support for children; microcredit and business training for carers	22,000	197,008
Zambia	Kucetekela Foundation	Identifying academically gifted, disadvantaged children for scholarships and community service projects	27,100	158,294
Zambia	Mitengo Women Association	Promoting income-generating agricultural activities and microcredit of rural and semi-rural women groups through training and equipment	1,100	247,776
Zambia	Pro Life Advancement and Education Partners	Accelerated learning and feeding programme for out-of-school, vulnerable children, with income-generation support for their guardians and caregivers	14,260	14,260

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Country	Partner	Focus of project(s)	Total approved in 2016 (£)	Total committed since 2005 (£)
Zambia	Restless Development	HIV and sexual reproductive rights education with in- and out-of-school youths through the peer-led 'Girls Like Us' model	26,000	45,924
Zambia	Vision of Hope Zambia	Provides a protective environment for girls on the streets through education, shelter, life skills and healthcare	1,100	68,157
Zimbabwe	AIDS Counselling Trust	Reducing gender-based violence, harmful beliefs and behaviours by redefining gender stereotypes and promoting behaviours that reduce the likelihood of HIV infection	15,000	151,200
Zimbabwe	Chiedza	Providing displaced former farm labourers and their families with training in modern agricultural techniques, improving access to education	27,100	49,100
Zimbabwe	Child Protection Society	Promoting adherence to HIV treatment and home-based care for vulnerable children and adolescents	25,985	25,985
Zimbabwe	Hospice Association of Zimbabwe	Supporting 10-24 year olds living with or affected by life-limiting illnesses with home-based care and income-generating initiatives	26,000	198,811
Zimbabwe	Matabeleland AIDS Council	Reducing the chances of transmission amongst young people through community clubs, helping to educate them in avoiding HIV, sexual health and promoting behaviours that reduce the likelihood of infection	26,000	26,000
Zimbabwe	Pamuhacha	Economic strengthening and training, comprehensive sexual reproductive rights education for adolescent girls and young women	15,000	15,000
Zimbabwe	Rafiki Girls Centre	Empowering disadvantaged girls economically and socially through vocational and life skills training	22,000	202,742
Zimbabwe	Restless Development	Providing HIV prevention information and support to sexual abuse survivors and young women forced into sex work	22,000	174,199
Zimbabwe	Rujeko Home Based Care Programme	Enhancing care and support services for vulnerable children affected by HIV & AIDS in Buhera District	26,000	26,000
Zimbabwe	Southern Africa Dialogue	Improving access to HIV treatment and providing alternative therapy through community health clubs to enhance patient recovery in urban households	23,074	61,706
Zimbabwe	Sikhethimpilo Centre	Village goat-breeding project to increase vulnerable families' ability to pay for school fees, medical treatment and other household expenses for children affected by HIV & AIDS	11,986	13,086
Zimbabwe	Youth Advocates Zimbabwe	Delivering HIV prevention services through an MSM text-based helpline	15,000	15,000

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Report of the Trustees



Statement of Trustee responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of Trustees on / / and signed on its behalf by:

.....

Jeremy Evans - Chairman - Trustee



The Egmont Trust

Report of the Independent Auditors to the Egmont Trust



Independent Auditors' Report to the Trustees of The Egmont Trust

We have audited the financial statements of The Egmont Trust for the year ended 31st December 2016 on pages 19 - 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page 16, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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Report of the Independent Auditors to the Egmont Trust

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

.....

Haines Watts Wales LLP, Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
7 Neptune Court
Vanguard Way
CARDIFF
CF24 5PJ

Date: / /



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Statement of Financial Activities for the Year Ended 31st December 2016

Statement of Financial Activities for the Year Ended 31 December 2016

		Unrestricted funds	Restricted funds	Total funds 2016	Total funds 2015
	Notes	£	£	£	£
Incoming resources					
Income and endowments from					
Donations and legacies	2	872,826	364,394	1,237,220	1,352,040
Other trading activities	3	25,295	-	25,295	252,032
Investment income	4	1,392	81,904	83,296	19,607
Total		899,513	446,298	1,345,811	1,623,679
Resources expended					
Expenditure on					
Raising funds	5	-	-	-	44,476
Charitable activities					
Alleviation of the impact of HIV & AIDS	6	698,433	216	698,649	409,648
Grant Management		-	126,832	126,832	82,909
Fundraising & Publicity		-	81,796	81,796	82,534
Finance & Governance		-	47,332	47,332	60,639
Office & Data Management		-	42,786	42,786	28,850
Total		698,433	298,962	997,395	709,056
Net income		201,080	147,336	348,416	914,623
Transfers between funds	14	48,268	(48,268)	-	-
Net movement in funds		249,348	99,068	348,416	914,623
Reconciliation of funds					
Total funds brought forward		1,097,168	229,081	1,326,249	411,626
Total funds carried forward		1,346,516	328,149	1,674,665	1,326,249

Continuing operations

All income and expenditure has arisen from continuing operations.

The notes form part of these financial statements

The Egmont Trust

Statement of Financial Activities for the Year Ended 31st December 2016

Balance Sheet as at 31 December 2016

		Unrestricted funds	Restricted funds	2016 Total funds	2015 Total funds
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11	-	619	619	656
Current assets					
Debtors	12	1,086	29,949	31,035	32,061
Cash at bank and in hand		1,585,300	304,139	1,889,439	1,481,733
		1,586,386	334,088	1,920,474	1,513,794
Creditors					
Amounts falling due within one year	13	(239,870)	(6,558)	(246,428)	(188,201)
Net current assets					
		1,346,516	327,530	1,674,046	1,325,593
Total assets less current liabilities					
		1,346,516	328,149	1,647,665	1,326,249
Net assets					
		1,346,516	328,149	1,674,665	1,326,249
Funds					
	14				
Unrestricted funds				1,346,516	1,097,168
Restricted funds				328,149	229,081
Total funds				1,674,665	1,326,249

The financial statements were approved by the Board of Trustees on / / and were signed on its behalf by:

.....
Jeremy Evans - Chairman -Trustee

The notes form part of these financial statements

The Egmont Trust

Statement of Financial Activities for the Year Ended 31st December 2016

Cash Flow Statement for the Year Ended 31 December 2016

		2016	2015
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	325,181	932,722
Net cash provided by (used in) operating activities		325,181	932,722
Cash flows from investing activities			
Purchase of tangible fixed assets		(771)	-
Interest received		83,296	19,607
Net cash provided by (used in) investing activities		82,525	19,607
Change in cash and cash equivalents in the reporting period		407,706	952,329
Cash and cash equivalents at the beginning of the reporting period		1,481,733	529,404

Notes to the Cash Flow Statement for the Year Ended 31 December 2016

1.		2016	2015
		£	£
	Net income for the reporting period (as per the statement of financial activities)	348,416	914,623
	Adjustments for:		
	Depreciation charges	808	915
	Interest received	(83,296)	(19,607)
	Decrease in debtors	1,026	27,726
	Increase in creditors	58,227	9,065
	Net cash provided by (used in) operating activities	325,181	932,722

The notes form part of these financial statements

The Egmont Trust

Notes to the Financial Statements

Notes to the Financial Statements for the Year Ended 31 December 2016

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Incoming resources

Donations are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive the grant and the trustees have agreed to pay the

grant without condition, or the recipient has a reasonable expectation that they will receive the grant and any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer equipment - 33% on cost

Individual fixed assets costing £300 or more are initially recorded at cost.

Taxation

The charity is exempt from tax on its charitable activities all of which are within its stated primary purpose.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

The Egmont Trust

Notes to the Financial Statements

1. Accounting policies - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. Donations & legacies

	2016	2015
	£	£
Donations	1,232,157	1,315,419
Gift Aid	5,063	36,621
	<u>1,237,220</u>	<u>1,352,040</u>

3. Other trading activities

	2016	2015
	£	£
Fundraising events	<u>25,295</u>	<u>252,032</u>

4. Investment income

	2016	2015
	£	£
Interest received and foreign exchange gains	<u>83,296</u>	<u>19,607</u>

5. Raising funds

	2016	2015
	£	£
Raising donations and legacies		
Event costs	<u>-</u>	<u>44,476</u>



The Egmont Trust

Notes to the Financial Statements

6. Charitable activities costs

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Alleviation of the impact of HIV & AIDS	216	698,433	-	698,649
Grant Management	-	-	126,832	126,832
Fundraising & Publicity	-	-	81,796	81,796
Finance & Governance	-	-	47,332	47,332
Office & Data Management	-	-	42,786	42,786
	216	698,433	298,746	997,395

7. Grants payable

	2016	2015
	£	£
Alleviation of the impact of HIV & AIDS	698,433	409,648
The total grants paid to institutions during the year was as follows:		
Kenya	40,215	1,100
Malawi	163,569	97,190
Mozambique	100,000	64,000
Tanzania	69,944	66,992
Zambia	69,560	67,080
Zimbabwe	255,145	113,286
	698,433	409,648

8. Support costs

	Management	Finance	Other	Governance costs	Totals
	£	£	£	£	£
Grant Management	126,832	-	-	-	126,832
Fundraising & Publicity	81,796	-	-	-	81,796
Finance & Governance	43,198	572	-	3,562	47,332
Office & Data Management	41,978	-	808	-	42,786
	293,804	572	808	3,562	298,746

The Egmont Trust

Notes to the Financial Statements

9. Trustees' remuneration and benefits

Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

10. Staff costs

	2016	2015
	£	£
Wages and salaries	196,674	156,588
Social security costs	13,836	13,707
Other pension costs	4,073	7,879
	<u>214,583</u>	<u>178,174</u>

The average monthly number of persons employed by the charity during the year was as follows:

	2016	2015
Charitable activities	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

11. Tangible fixed assets

	Computer equipment
	£
Cost	
At 1 January 2016	4,094
Additions	<u>771</u>
At 31 December 2016	<u>4,865</u>
Depreciation	
At 1 January 2016	3,438
Charge for the year	<u>808</u>
At 31 December 2016	<u>4,246</u>
Net book value	
At 31 December 2016	<u>619</u>
At 31 December 2015	<u>656</u>

The Egmont Trust

Notes to the Financial Statements

12. Debtors: amounts falling due within one year

	2016	2015
	£	£
Other debtors	31,035	32,061

13. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	239,870	185,606
Other creditors	6,558	2,595
	246,428	188,201

14. Movement in funds

	At 01.01.16	Net movement in funds	Transfers between funds	At 31.12.16
	£	£	£	£
Unrestricted funds				
General fund	1,088,248	199,843	58,425	1,346,516
Designated - Ratan Engineer Memorial Fund	8,920	1,237	(10,157)	-
	1,097,168	201,080	48,268	1,346,516
Restricted funds				
Operational costs	179,375	91,282	-	270,657
Meninos fund	-	10,000	(10,000)	-
Treebeard Trust	15,000	15,000	(15,000)	15,000
Waterloo Foundation	17,000	-	(17,000)	-
Redburn - Charity of the Year	6,062	9,000	(15,062)	-
VoH - 2015 Fundraising	11,644	62	-	11,706
Peer Partner Activities	-	(214)	31,000	30,786
Project specific grants	-	22,206	(22,206)	-
	229,081	147,336	(48,268)	328,149
Total funds	1,326,249	348,416	-	1,674,665

The Egmont Trust

Notes to the Financial Statements

14. Movement in funds – continued

Net movement in funds, included in the above, are as follows:	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	898,276	(698,433)	199,843
Designated - Ratan Engineer Memorial Fund	1,237	-	1,237
	<u>899,513</u>	<u>(698,433)</u>	<u>201,080</u>
Restricted funds			
Operational costs	390,030	(298,748)	91,282
Meninos fund	10,000	-	10,000
Treebeard Trust	15,000	-	15,000
Redburn - Charity of the Year	9,000	-	9,000
VoH - 2015 Fundraising	62	-	62
Project specific grants	22,206	-	22,206
Peer Partner Activities	-	(214)	(214)
	<u>446,298</u>	<u>(298,962)</u>	<u>147,336</u>
Total funds	<u>1,345,811</u>	<u>(997,395)</u>	<u>348,416</u>

VoH 2015 fundraising – The Vision of Hope (VoH) fund was set up following multiple donations received at two charity events, held in 2015, specifically for a partner in Zambia.

Ratan Engineer Memorial Fund – multiple donations received in memory of Ratan Engineer and earmarked by Trustees to support Egmont partner HAWIP in Malawi, 2015 through 2016.

Redburn Charity of the Year – Egmont was chosen by Redburn (Europe) Ltd as Charity of the Year 2015-16 and agreed to fund partner Life Concern (LICO) in Malawi.

The Operation Costs fund – provided by Trustees and Patrons to cover the operating costs of the Charity, thus ensuring that all other income raised can be utilised on primary charitable activities.

The Treebeard Trust fund – to be used to support Egmont partner, SAODI, in Zimbabwe in 2017.

The restricted fund (Waterloo Foundation) – set up to receive funds specifically for the continued support of four partner organisations whose projects were funded by Waterloo in 2015.

Peer Partner Activities – costs associated with peer partner activities such as in-country partner meetings for shared learning, funded by Trustees and Patrons.

Meninos Fund – funding received from Exotix Partners LLP supporting partner Meninos in Mozambique.

Project Specific Grants Fund – set up to manage donations restricted to specific partner projects.

Transfers between funds

The Charity reports all grants paid during the year through its unrestricted charitable activities. As such, a total of £120,425 has been transferred from restricted funds during the year to reflect the payments of grants as required by funding providers.

The Egmont Trust

Notes to the Financial Statements



15. Related party disclosures

During the year, the charity made a grant payment of £6,000 (2015: £22,000) to Malawi Mzuzu Academy. Mr C Williams, an employee of the charity, is a trustee of Malawi Mzuzu Academy.

During the year, the charity made a grant payment of £15,000 (2015: £0) to Youth Advocates Zimbabwe. Ms N Gola, an employee of the charity, is a trustee of Youth Advocates Zimbabwe.

During the year, the charity received £763,760 in donations from trustees and associates.



The Egmont Trust

Detailed Statement of Financial Activities for the Year Ended 31st December 2016

Detailed Statement of Financial Activities for the Year Ended 31st December 2016

	2016	2015
	£	£
Income and endowments		
Donation and legacies		
Donations	1,232,157	1,315,419
Gift Aid	5,063	36,621
	<hr/>	<hr/>
	1,237,220	1,352,040
Other trading activities		
Fundraising events	25,295	252,032
Investment income		
Interest received and foreign exchange gains	83,296	19,607
	<hr/>	<hr/>
Total incoming resources	1,345,811	1,623,679
Expenditure		
Raising donations and legacies		
Event costs	-	44,476
Charitable activities		
Peer partner activities	216	-
Grants to institutions	698,433	409,648
	<hr/>	<hr/>
	698,649	409,648
Support costs		
Management		
Wages	196,674	156,588
Social security	13,836	13,707
Pensions	4,073	7,879
Office costs	34,538	24,087
Travel	21,501	17,240
Fundraising	23,182	24,259
	<hr/>	<hr/>
	293,804	243,760

This page does not form part of the statutory financial statements

The Egmont Trust

Detailed Statement of Financial Activities for the Year Ended 31st December 2016

Detailed Statement of Financial Activities for the Year Ended 31st December 2016 - continued

	2016	2015
	£	£
Finance		
Bank charges	572	585
Other		
Computer equipment	808	915
Governance costs		
Accountancy	3,000	2,849
Legal fees	562	6,823
	<hr/> 3,562	<hr/> 9,672
Total resources expended	997,395	709,056
	<hr/>	<hr/>
Net income	348,416	914,623
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the statutory financial statements