



**REPORT OF THE TRUSTEES &  
AUDITED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020



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# REFERENCE & ADMINISTRATIVE DETAILS

## Trustees

Clare Evans  
Jeremy Evans (Chairman)  
Rory Powe  
Stuart Powers  
Martin Woodcock

## Chief Executive Officers (Joint)

Colin Williams OBE  
Matthew Kidd

## Principal address

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## Registered charity number

1108199

## Bankers

Clydesdale Bank plc  
35 Regent Street  
London  
SW1Y 4ND

## Independent auditors

HSJ Audit Limited  
Severn House  
Hazell Drive  
Newport  
NP10 8FY

## Investment advisor

CCLA Investment Management Ltd  
COIF Charity Funds  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET



# FROM THE CHAIRMAN

## The countries within which Egmont operates appear to have, so far, escaped significant direct effects from the COVID-19 pandemic.

Conversely, the indirect effects of governmental and societal response have created a range of challenges for Egmont's Partners on the ground, and for the Egmont team. The response from both has been impressive. Both Partners and the team have adapted to ensure that we have been able to deliver the value from Egmont's work that both our donors and beneficiaries require.

A hallmark of Egmont's local Partners has always been their nimbleness, flexibility and direct proximity to the challenges faced by their communities. If ever validation was required as to the strengths of this approach and these local organisations, it was most certainly underlined by how well they are responding to the pandemic.

Notwithstanding COVID-19, HIV & AIDS remains the most significant challenge in the sub-Saharan region, with continued high rates of mortality and as importantly infection impacting families and communities in impoverished societies. Whilst it was essential to adapt to changed circumstances, the core mission for all Egmont's Partners remains the challenge of supporting children and families impacted by HIV & AIDS.

Over more than fifteen years, Egmont has learnt that we can contribute most effectively to achieving our mission by selecting a portfolio of the best of thousands of small community-based organisations as our Partners, who are often too small to align with the processes of the large institutional donors.

From an organisational perspective, Egmont has for many years operated a virtual model, with bases in Cardiff, Lusaka and Harare: adapting to the world of Zoom has not felt like much of a change. It has meant that despite travel restrictions, there has been no interruption to our ability to manage our investments rigorously, and

to maintain close contact with all our Partners. Those who attended the virtual awards ceremony will have seen how technology has facilitated our ability to maintain connections across the region.

The Egmont team continue to challenge themselves to improve what we do. There are a range of initiatives in hand, ranging from developing better tools to understand the long-term impact of projects; sharpening our own processes, so we can handle a larger portfolio without raising operational costs; a focus on governance and improving Egmont's risk processes; seeking to increase the diversity of our funding base with initiatives both in the UK and USA.

Egmont is the collective output of the commitment and passion of a broad range of people: from our Partners, the wonderful Egmont team, our UK Trustees, our US Board, and of course our unbelievably generous Patrons and donors. We are grateful to all especially in such challenging circumstances. The shock of the coronavirus was as severe a stress test for Egmont, its Partners and its donors, as for the rest of the world.

**What is abundantly clear is that Egmont's Partners and operating model have risen to the challenge.**

**Jeremy Evans**  
Chairman



## Our Purposes & Activities

The Egmont Trust was established in 2005 as a response to the continuing devastating impact of HIV & AIDS on millions of lives across sub-Saharan Africa.

We work with local Partners to improve the lives of vulnerable children and the family members that support them 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. 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. Our record has shown that impressive and cost-effective results can be achieved by identifying and carefully selecting local projects and organisations that seek to improve the lives of children and families affected by HIV & AIDS and funding approved projects directly. We maintain a rigorous monitoring framework and do so without building layers of bureaucracy.

Secondly, experienced and well-connected professionals in the London financial services sector who 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.

### WORLD POPULATION (2019, THE WORLD BANK)



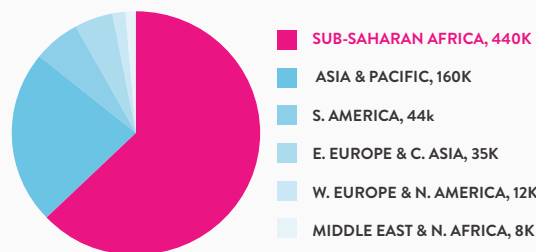
SUB-SAHARAN AFRICA | REST OF THE WORLD

### HIV+ POPULATION (2019, UNAIDS)

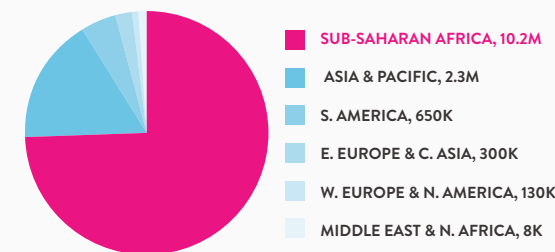


SUB-SAHARAN AFRICA | REST OF THE WORLD

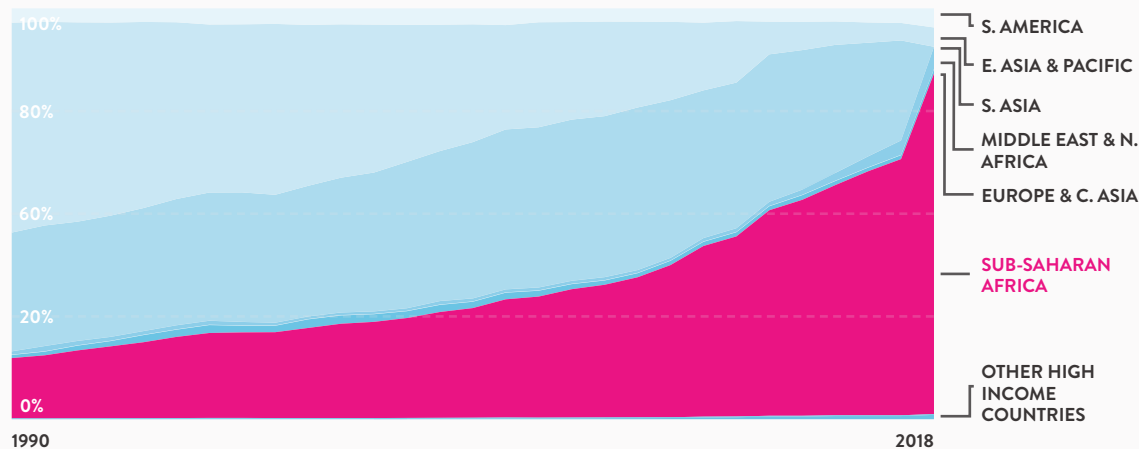
### AIDS-RELATED DEATHS (2019, UNAIDS)



### CHILDREN ORPHANED BY AIDS (2019, UNDER THE AGE OF 17, UNAIDS)



### SHARE OF POVERTY HEADCOUNT



### SHARE OF OUT-OF-SCHOOL POPULATION (2018, PRIMARY SCHOOL CHILDREN, UIS)



SUB-SAHARAN AFRICA | REST OF THE WORLD



## Our Approach

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

- We provide direct annual grants in three different structures and amounts to a portfolio of Partners in six targeted countries in sub-Saharan Africa. Partners, depending on analysis by our Programme Committee, are offered either an Innovation Grant (up to US\$20,000 per annum) or a Core Grant (up to US\$35,000 per annum). For the first time in 2017, exemplary Partners who have demonstrated consistent, impact driven results were offered the opportunity to apply for a Strategic Grant (up to US\$100,000 per annum) to scale up their initiatives and reach many more beneficiaries through their cost-effective approaches. We are now spreading this model to other Partners who we judge are capable of achieving greater results at this level.
- 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 spread 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.

## Partner Selection & Monitoring

Egmont has an extensive network of contacts within the 6 countries where we provide grants. This helps us to build and refresh our portfolio of Partners and add new grantees, using the distinctive selection system we have evolved. Interested organisations can place an “Expression of Interest” on our interactive website, which is then screened by our programme staff before the organisation is invited to make an application.

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.
- Application formats that offer no prescribed interventions but enable Partners to present their own analysis, plans and expected results.
- Rigorous scrutiny of applications submitted by shortlisted organisations, with a current approval rate of approximately 4% of initial Expressions of Interest.
- Simple contractual formats for financial reporting.
- Quarterly and six-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.





## 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. We also recognise that the impact of HIV & AIDS cuts across many sectors and meaningful results can be delivered from a variety of different responses.

We only invite project proposals from those organisations we have already assessed for due diligence and capability to implement projects. Since 2017, all our grants have been USD\$ denominated and grantees use the USD\$ for all expenditure reporting.

We have the following levels of grant:

- **Innovation – \$0 - \$20,000**

Currently up to a maximum annual budget of \$20,000; normally for one year and suitable for smaller organisations or pilot projects. Where appropriate Innovation Grant holders may be invited to apply for a new Innovation Grant for 1 or 2 years.

- **Core – \$20,000 - \$50,000**

Normally for two years and based on performance. Innovation Grant holders will normally be invited to scale up and submit a proposal for a Core Grant. On completion of the project, based on results achieved, Core Grant Partners will generally, be invited to submit a new 2-year Core Grant proposal. Where appropriate Core Grant holders may be invited to apply for an "Enhanced Core Grant" up to \$50,000 a year. A longer grant period may be offered where suitable and based on thorough analysis and approval by the Programme Committee.

- **Strategic Grants – \$50,000 - \$100,000**

Currently up to a maximum annual budget of \$100,000; normally for 3 years and offered to high performing Core Grant Partners assessed as suitable for higher investments. No guarantee of funding beyond the end of the project; we will review results and may invite a new proposal at Core or Strategic level.

Approved projects are fully owned and managed by the implementing Partner. However, there are open communication channels so Partners can seek approval for small alterations to budget and/or activities through the course of a project. Proposals are requested within specific guidelines and deadlines. Calls are made on 2-3 occasions each year.

Proposals are assessed by the Trustees' Programme Committee within defined timescales.

Funds are disbursed in tranches, subject to receipt of satisfactory implementation and finance reports. All contracts are fixed in USD\$ with budgets prepared in local currency. In the case of exchange rate gains or unspent funds, approval must be sought for use of the additional funds on activities related to the approved project. In the case of underspends, a proposal outlining the cause, new activities and a budget should be submitted for approval. If proposal is not approved, the second grant disbursement of the last year of the project may be reduced by the underspend amount.

For two-year projects detailed budgets are requested at the end of year one and approved if performance has been satisfactory and funds are available.

If results are positive, and funds available, Partners are usually invited to make a new proposal towards the end of their current grant.

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 and as well as others in the sector. We support this by offering:

- **Peer Evaluation Grant** – currently up to US\$1,750 per annum to conduct peer evaluation interactions with selected peer Partners.
- **Partner meetings** – annually within each country, where appropriate.
- **Partners' Forum** – a Facebook interactive forum where Partners can share experiences and observations from the field.

Egmont follows a policy of a member of staff or Trustee visiting Partners in each country at least once a year. These are not supervisory visits but are to build relationships with the people involved, witness financial controls and procedures, and observe project activities and the local context.

# ACHIEVEMENTS & PERFORMANCE

Despite the impact of the COVID-19 pandemic and the measures taken across the region to control its spread, our Partners worked diligently to ensure vulnerable children and family members in their communities could continue to access vital HIV treatment and healthcare, provided nutritional support if necessary, and helped children to access alternative learning where possible.

Egmont supported these extra efforts, where needed, and redirected some project resources so that Partners could prepare and protect communities in response to COVID-19. Handwashing stations were installed, face-masks and other PPE provided and public information and education campaigns were conducted by our Partners through this support.

While the coronavirus pandemic affected the local context of the work we support, the focus of our work remains the continuing and devastating impact of the HIV & AIDS epidemic. The number of people living with HIV in the region continues to grow and now – at almost 26 million – is larger than ever. The capacity of each extended family, the social safety net across Africa, is diminished with each additional infection and stretched as more and more children become orphaned by AIDS. Today, there are more than 10 million children across the region who have lost one or both parents to AIDS-related illnesses and they join many more from previous generations who have experienced the same loss.

We worked with 53 Partners in 2020. Rather than expand our support to more grassroots organisations, we chose to invest more deeply in the top performing organisations from our portfolio - offering two more Partners greater funding to reach many more in their communities through our Strategic Grant programme. We also consolidated the portfolio, creating space for new, innovative projects and welcomed three new Partners last year. Together, Egmont supported these Partners' work, addressing the long-standing and evolving issues that their communities face as a result of the enduring impact of HIV & AIDS.

Whilst each of our Partners has their own distinctive approach, many of the projects Egmont supports overlap in terms of their focus. Our reporting structure helps us to build a picture of the difference our Partners' varied interventions are making on the lives of children and families and categorise these achievements into 'impact areas'. Highlights from Egmont's 2020 portfolio, across these impact areas, are included over the next few pages.



# IMPROVING LIVELIHOODS

Our Partners help children and families affected by AIDS to improve their livelihoods by increasing access to more nutritious food and through increasing their incomes enabling them to better meet their daily needs.

**Improved Nutrition** has a cascade effect. Medical treatment is more effective and antiretroviral (ARV) drugs are absorbed more quickly. Children attend school more frequently and perform better academically. Families have the energy to farm and work productively.

**Increased Incomes** for families from employment or income-generating activities helps them to feed the children in their care, pay for school fees, and meet the costs of medical treatment and basic household needs.

In 2020, our portfolio of Partners achieved the following across these two impact areas:

## IMPROVED NUTRITION

<b>TARGET</b> <b>17,583</b>	<b>ACTUAL</b> <b>18,849</b>	<b>DIFFERENCE</b> <b>1,266</b>	<b>PARTNERS</b> <b>34</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA
SHARE OF TOTAL (BY PARTNER)			



## INCREASED INCOMES

<b>TARGET</b> <b>7,815</b>	<b>ACTUAL</b> <b>10,723</b>	<b>DIFFERENCE</b> <b>2,908</b>	<b>PARTNERS</b> <b>38</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA
SHARE OF TOTAL (BY PARTNER)			



## PORTFOLIO HIGHLIGHTS

1,664

CHILDREN SUPPORTED BY SCHOOL FEEDING PROGRAMMES

10,290

PEOPLE TRAINED IN NUTRITION & THE IMPORTANCE OF A BALANCED DIET

2,183

HOUSEHOLDS PROVIDED WITH AGRICULTURAL INPUTS SUCH AS SEED OR LIVESTOCK

2,194

YOUNG PEOPLE ENROLLED IN VOCATIONAL TRAINING COURSES & APPRENTICESHIPS

# EDUCATION

**Education provides the foundation for a better life and leads to long-term change.**

Of all world regions, sub-Saharan Africa has the highest number of out-of-school children. Over a fifth of children between the ages of 6 - 11 are out-of-school, followed by a third of youth between the ages of 12-14. Older age groups, as education becomes more costly and children are traditionally expected to start earning or contributing, are least likely to remain in education: almost 60% of youth between the ages of 15-17 are not in school.

**Access to Education** ensures that children and adults are equipped with the skills to help themselves. Both children and adults who receive formal schooling or informal tuition have a much greater chance of becoming self reliant.

Our Partners help families to directly meet the cost of school and examination fees, uniforms and other school essentials that otherwise excludes the vulnerable children in their care from entering the classroom.

**In 2020, our portfolio of Partners achieved the following:**

## ACCESS TO EDUCATION

<b>TARGET</b>	<b>ACTUAL</b>	<b>DIFFERENCE</b>	<b>PARTNERS</b>
<b>3,307</b>	<b>5,569</b>	<b>1,131</b>	<b>24</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA

SHARE OF TOTAL (BY PARTNER)



## PORTFOLIO HIGHLIGHTS

# 2,817

CHILDREN ASSISTED WITH SCHOOL FEES, UNIFORMS OR OTHER SCHOOL ESSENTIALS

# 1,480

YOUNG CHILDREN ENROLLED IN EARLY CHILDHOOD DEVELOPMENT CENTRES

# 87

STREET CHILDREN HELPED TO MOVE AWAY FROM THE STREETS AND ENROLLED INTO SCHOOL

# 903

ADULT LEARNERS PROVIDED WITH LITERACY & NUMERACY CLASSES

# HEALTHIER FUTURES

No one in the region has not been affected by the epidemic.

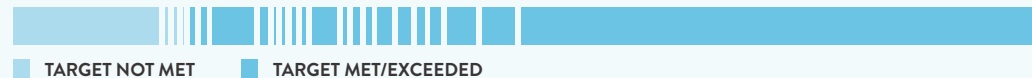
HIV & AIDS Education is still vital so people can take steps to protect themselves and encourage more to get tested. Increasing access to **Testing & Counselling** services means those who test positive are able to access ARV treatment and those who test negative can continue to take measures that reduce their chance of infection. While ensuring those who are living with HIV adhere to their ARV regimens and can access appropriate **Treatment & Care** can virtually eliminate the risk of transmission.

In 2020, our portfolio of Partners achieved the following across these three impact areas:

## TREATMENT & CARE

<b>TARGET</b> <b>12,421</b>	<b>ACTUAL</b> <b>12,477</b>	<b>DIFFERENCE</b> <b>56</b>	<b>PARTNERS</b> <b>23</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA

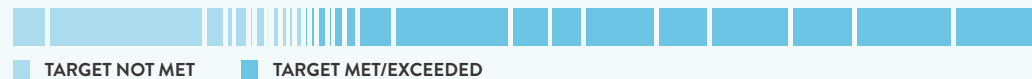
SHARE OF TOTAL (BY PARTNER)



## TESTING & COUNSELLING

<b>TARGET</b> <b>23,681</b>	<b>ACTUAL</b> <b>24,300</b>	<b>DIFFERENCE</b> <b>619</b>	<b>PARTNERS</b> <b>28</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA

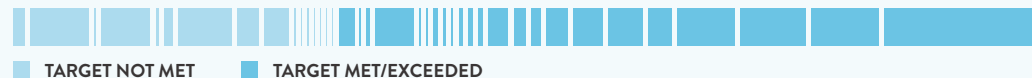
SHARE OF TOTAL (BY PARTNER)



## HIV & AIDS EDUCATION

<b>TARGET</b> <b>73,158</b>	<b>ACTUAL</b> <b>75,834</b>	<b>DIFFERENCE</b> <b>2,676</b>	<b>PARTNERS</b> <b>39</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA

SHARE OF TOTAL (BY PARTNER)



## PORTFOLIO HIGHLIGHTS

# 8,670

PEOPLE HELPED TO ACCESS ARV TREATMENT

# 27,986

PEOPLE REACHED WITH INFORMATION ON COVID-19 PREVENTION

# 1,295

ADOLESCENTS PROVIDED WITH AT HOME HIV 'SELF-TEST' KITS

# 217

NEW HANDWASHING STATIONS INSTALLED

# SAFER COMMUNITIES

Young women and girls are infected at a younger age and more likely to be infected than their male counterparts. Addressing the long-standing and evolving reasons for this vulnerability helps protect the next generation from HIV & AIDS and creates safer communities for women and children today.

Our Partners use group work and outreach campaigns aimed at **Preventing Violence Against Women**, particularly sexual violence which increases the chance of infection. They also work to reduce the impact of violence, linking those who need it to healthcare and treatment. Through a combination of education, group therapy and support they help those who have experienced abuse to heal and build towards a better future. They also facilitate increased access to justice or legal advice, helping to take action against perpetrators and prevent future incidences.

Our Partners' work also focusses on **Preventing Child Abuse**. They set up community structures such as Child Protection Groups and school-based programmes that provide a means for children to learn their rights and protections and report cases of child labour, neglect, abuse and exploitation.

In 2020, our portfolio of Partners achieved the following across these two impact areas:

## PREVENTING VIOLENCE AGAINST WOMEN

TARGET	ACTUAL	DIFFERENCE	PARTNERS
<b>10,775</b>	<b>7,018</b>	<b>-3,757</b>	<b>12</b>
PEOPLE HELPED	PEOPLE HELPED	FEWER PEOPLE HELPED	WORKING IN THIS AREA

SHARE OF TOTAL (BY PARTNER)



■ TARGET NOT MET ■ TARGET MET/EXCEEDED

## PREVENTING CHILD ABUSE

TARGET	ACTUAL	DIFFERENCE	PARTNERS
<b>15,989</b>	<b>21,830</b>	<b>5,841</b>	<b>24</b>
PEOPLE HELPED	PEOPLE HELPED	MORE PEOPLE HELPED	WORKING IN THIS AREA

SHARE OF TOTAL (BY PARTNER)



■ TARGET NOT MET ■ TARGET MET/EXCEEDED

## PORTFOLIO HIGHLIGHTS

# 3,110

PEOPLE REACHED THROUGH CAMPAIGNS TO END FEMALE GENITAL MUTILATION

# 18,080

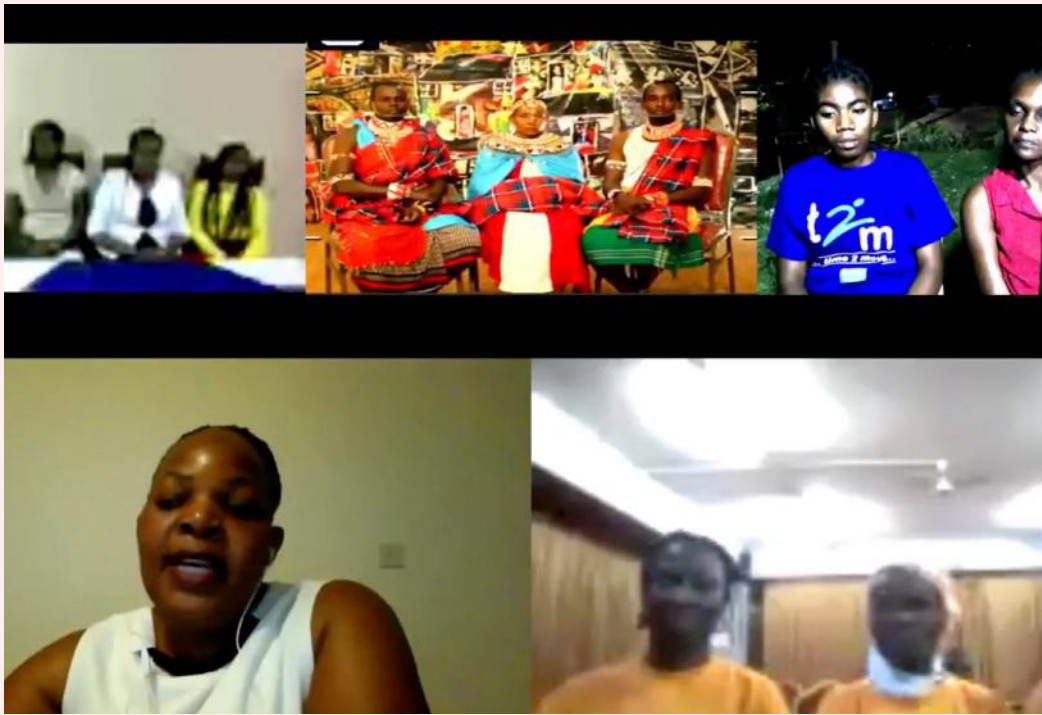
CHILDREN EDUCATED ON THEIR RIGHTS AND PROTECTIONS

# 127

YOUNG WOMEN TRAINED IN SELF DEFENCE

# 2,406

LOCAL LEADERS, PARENTS, CHILD PROTECTION COMMITTEE MEMBERS & ADVOCATES TRAINED



## Performance of fundraising against objective

During 2020, Egmont's dedicated base of generous supporters continued to support the work of our Partners, despite the more difficult fundraising environment created by the coronavirus pandemic. Despite holding no major fundraising event total income for 2020, including direct project support, stands at £1,824,231 (including direct donations of £128,234 to four Partners running Egmont-approved and monitored projects in Kenya and Zimbabwe from a single donor). This represents a slight increase of £69,143 (4%) on 2019 fundraising income. As our operating costs are entirely covered by our Trustees and Patrons, all other funds raised are disbursed to our Partners in southern and eastern Africa.

We continued to receive generous support from Redburn's Editorial department in the form of their expertise in document design and finish. DG3's support of our printed materials ensured that we were able to keep our marketing costs to a minimum.

We adapted to the new context by holding our first 'virtual' event, which was positively received. We look forward to integrating this new way of bringing supporters closer to our Partners' work on the ground, even as the restrictions are lifted and physical events become possible again.



# PLANS FOR THE FUTURE

**Numbers of HIV & AIDS cases in our countries of operation remain stubbornly high, and none of the main themes of our Partners' activity have become less necessary. We have no plans to disengage from any of them. The needs created by the short- and long-term impact of HIV will remain our core focus.**

We shall continue to look for Partners who try to address not just the symptoms of its impact on the dependants of victims but also their underlying causes; and Partners who use their understanding of local circumstances to design the most effective interventions.

Having discontinued funding for a number of long-standing Partners over the last year, we will now seek to refresh our portfolio in two key ways. We will look to bring in a larger number of new Partners, initially at Innovation Grant level, looking particularly for those with innovative ideas for delivering results: the continuing posts of Expressions of Interest on our website show us that there is no shortage of good candidates to choose from.

We will also continue to help those of our Partners whom we judge capable of raising their ambitions to the level that we can support with Strategic Grants, building on our experience with the first Partners to be awarded these. We have already agreed a first tranche of new projects at this level.

It will continue to be one of our objectives to encourage Partners to support and learn from each other, stimulating such cross-learning ourselves where it can help to make it fruitful. Our experience over the last year of virtual interaction with and between Partners suggests that there will continue to be value in a model of combined virtual and physical contact when the latter becomes easier again.

The caseload of the COVID-19 pandemic has remained much lower in our countries of operation than in many other parts of the world. There are no confirmed explanations of why this is so (though it is important that real-time research should explore possibilities before data gets lost). Despite the smaller number of cases, though, precautions taken by governments to limit spread have weakened the foundations of many of our Partners' projects. Most starkly, educational objectives have been hit by the closure of schools; and economic empowerment goals by limits on movement. The attention given by governments and donors to preventing spread of COVID-19 has also reduced resources available for other health needs such as HIV.

**We shall continue to support Partners in finding ways to adjust their approaches to achieve their objectives in the changing conditions and to explore new possibilities, always within a rigorous framework of accountability.**





## Financial Review

### Income

Income in 2020 was £1,695,997. In addition, £128,234 was donated directly by an Egmont supporter to fund four Egmont-approved and monitored projects in Kenya and Zimbabwe, bringing the total funds raised in 2020 to £1,824,231. This was achieved without organising any major fundraising events in 2020. Egmont continues to maximise its income through the Government's Gift Aid scheme.

### Expenditure

Grants made in 2020 totalled £963,095 (this figure increases to £1,091,329 when the third-party direct funding of £128,234 to four Partners is included). This amounted to a small decrease to 2019 expenditure due to some partnerships coming to an end with The Egmont Trust. New Partners will be invited in 2021 to submit proposals; we envisage these efforts will enable Egmont to support a portfolio of 50 – 55 Partners in 2021. The Egmont Trust's portfolio for 2020 consisted of 53 Partners in 2020 of which 5 were Strategic Partners. Resources expended on operational costs are covered in their entirety by Egmont's Trustees and Patrons. These amounted to £395,628 in 2020, 22% of total funds raised.

### Reserves Policy

Our policy governing our financial reserves is designed to help us ensure that we do not hold too much of our money for too long before spending it for the purposes for which it was donated; and that we are never left with so little money that we cannot, if necessary, wind our operations up tidily. It sets an optimum level of reserves within those two extremes, so we can use any variance from it as a management tool, to prompt us to consider any need to change our practice. In our case, calculating the optimum reserve level needs to take into account that the bulk of our donations arrive in the last quarter of the year, so our cash levels fluctuate widely.

We will have in hand at the start of each year:

- 50% of our operational budget for the year ahead, to ensure that we could wind up our affairs properly in the case of some calamity;

- enough funding to cover the follow-on years of any multi-year projects already started (any final tranches due on one-year projects under way are already recorded in the accounts as committed);
- have in hand before each of the two regular call-outs in a year are initiated, enough funding to cover 75% of the potential cost, if all the projects Partners are being invited to submit in that call-out were approved.

If any of these fails to be achieved, the Finance Manager should report immediately to F&G and Programme Committee, to consider if corrective action is needed.

Similarly, if at the start of any year funds in hand and unallocated total more than 100% of last year's grant-making expenditure, the Finance Manager will report to both Committees, to consider whether corrective action is needed, bearing in mind that any decision to increase the rate of grant spending is likely to take at least a year to show results, and maintaining the aim of disbursing any unrestricted grant funds by the end of the second financial year following their receipt.

### Reserves Held

Total reserves held at the end of 2020 stood at £2,197,199.

Restricted reserves of £190,243 were being held at the end of the year for operational costs in 2020 in line with Egmont's reserves policy. All other restricted/Designated fund balances, amounting to £25,000 are earmarked for specific projects taking place in 2021. Foreign Currency translation fund was £40,740

**Please Note – The Egmont Trust has now transferred over to the recently registered Charitable Incorporated Organisation – Number 1186451. All reserves have been transferred over. Reserves will be used to fund projects throughout 2021.**

### 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 and 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, reputational and programming risks and changes to the socio-political environment where we and our Partners operate. We review these risks and necessary mitigations on a regular basis. Egmont has strong local contacts in each country where we operate and benefits from 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 reflect external factors, such as exchange rate fluctuations, without undermining the basic objectives or integrity of their projects.

### 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 4-member Programme Committee.

## Structure, Governance & 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.

In January 2021, The Egmont Trust transferred over to the recently approved Charitable Incorporated Organisation – 1186451.

### Appointment of Trustees

The Trust Deed requires a minimum of three Trustees to be appointed. There are currently five Trustees. They each 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 Board of Trustees meets quarterly to ratify decisions and set strategy. Beneath it are three Trustee-led sub-committees, which also meet at least quarterly:

- Fundraising Committee is responsible for fundraising strategy, targets and co-ordination, organising fundraising events and producing supporter communications.
- Programme Committee manages the programme strategy i.e. the assessment and selection of grant recipients, and the monitoring of project performance.

- Finance & Governance Committee deals with the annual budget and accounts, compliance with statutory requirements and governance matters, terms and conditions for staff, and salary levels.

The minutes of all the sub-committees are made available to the full Board of Trustees.

### Egmont's Staff Team

There have been no changes to our staffing since the last Annual Report. Since March 2020 all our staff have worked remotely, and all Trustee Board and Committee meetings have been virtual. We have adjusted our working practices to address this challenge, including new methods of “virtual visits” to Partners while we cannot visit them physically, and new habits of virtual cross-team collaboration.



## List of Partners supported in 2020

Country	Partner	Focus of project(s)	Grant type	Total approved 2020 (£)	Total committed since 2005 (£)
Kenya	Ace Africa (Kenya)	Increases children's access to nutritious food, medication, child rights, psychosocial support and HIV prevention, as well as income generation activities for young women.	Core	26,401*	321,443 ‡
Kenya	Girl Child Counselling Women's Group	Provides vocational training to mothers and young women at risk of HIV infection, helping them to establish an income stream.	Strategic	37,716*	156,518 ‡
Kenya	Kenya Poverty Elimination Network	Improves orphan care through grandparents by providing training in beekeeping, and goat-rearing; and psychosocial support.	Core	1,450	308,121 ‡
Kenya	The Nasio Trust	HIV & AIDS education programme for in-school youths living in Mumias & Musanda Districts.	Core	10,238	26,337
Kenya	Rural New Life Development	Improves quality of lives for young women and children living with HIV using the 'DECENT CARE' approach.	Core	26,438	121,053
Kenya	Sponsored Arts For Education	Reduces incidences of female genital mutilation (FGM) through community dialogue and traditional dance.	Core	28,072	133,491
Kenya	Trust for Indigenous Culture and Health	Disseminates health information and encourages self-motivated community responses to problems linked to HIV and poverty in urban slum households.	Strategic	†	435,502 ‡
Kenya	Tushinde Childrens Trust	Supports HIV positive mothers in the slums of Nairobi and provides their children with school fees.	Core	33,799	61,824
Kenya	Vijana Amani Pamoja	Supports youth behaviour change, with the goal of reducing the HIV infection rate and empowering more girls to lead safe, healthy lives through the medium of football.	Core	1,488	194,799 ‡
Malawi	Action for Sustainable Development	Agricultural training and support for families caring for vulnerable children to grow soya beans and rear pigs.	Core	27,065	72,757
Malawi	Community Partnership for Relief and Development	Household economic strengthening for improved livelihoods and early years education support for vulnerable children.	Core	29,282	118,146
Malawi	Girls Empowerment Network (GENET)	Increases local knowledge of sexual health and gender rights issues by helping children to produce a local newspaper.	Innovation	14,820	30,084
Malawi	God Cares Rights Foundation	Supports street children in Mzimba, Malawi to go to school and offers them counselling and testing services.	Innovation	16,992	33,450
Malawi	HIV/AIDS in the Workplace Intervention Programme	Promotes good nutrition for HIV+ children and supports women caregivers to improve their economic status through community support groups.	Core	29,820	292,735
Malawi	Kwithu Women Group	Education and feeding programme for vulnerable children in Luwinga ward, Mzuzu. Academically gifted children offered scholarship to secondary schools.	Core	26,902	132,572
Malawi	Life Concern	Increases access and uptake of Prevention of Mother To Child HIV Transmission services amongst women in rural areas. As well as Child sexual abuse prevention and support through Edu-Toy programme.	Strategic	54138	478,711
Malawi	National Smallholder Farmers Association of Malawi	Enhances community resilience through functional literacy, and promotes crop diversification and livestock production for smallholder farmers.	Core	†	258,378

\* Funding secured by Egmont from a third party for four projects to the value of £128,234.

† Funding committed in 2019 for a project running in 2020.

‡ These figures include funding secured in 2014-2019 by Egmont from a third party to the value of £776,052

## List of Partners supported in 2020

Country	Partner	Focus of project(s)	Grant type	Total approved 2020 (£)	Total committed since 2005 (£)
Malawi	New Beginnings	Supports women who have suffered abuse to start up their own businesses and provides counselling.	Innovation	17,807	29,305
Malawi	Youth Net and Counselling	Improves the nutrition and income of households through the provision of seeds for soya beans.	Core	27,254	43,679
Mozambique	A Little Gesture	Provides education for HIV+ children on a day care basis, ensuring adequate nutrition, medication and medical assistance.	Core	15,094	137,143
Mozambique	Associação Missão Moçambiqu	Residential centre for vulnerable and orphaned children affected by, or infected with, HIV & AIDS.	Core	26,247	132,318
Mozambique	Associação Wona Sanana	Improves the quality of life for children living with HIV, disabilities and children who do not have a parent or guardian.	Innovation	15,430	15,430
Mozambique	Masana	Provides a transitional home for street boys living in Maputo, and works to reintegrate them with families .	Innovation	14,978	14,978
Mozambique	Meninos de Moçambique	Provides medical, social and educational assistance to street children and youth, including reintegration with families when possible.	Core	27,121	321,857
Mozambique	Vukoxa	Improves community support, food security and basic services for older carers to raise the quality of life for vulnerable children.	Core	†	265,267
Tanzania	Ace Africa (Tanzania)	Strengthens community skills, structures and systems to improve access to child protection, HIV prevention, life skills and psychological support.	Core	25,891	301,173
Tanzania	Forever Angels	Provides families with babies at risk of malnourishment and starvation, with nutritional support and business training.	Core	26,985	154,119
Tanzania	Kimara Peer Educators & Health Promoters Trust	Educational, nutritional and psychosocial support for children; microcredit and business training for carers .	Core	26,804	277,818
Tanzania	Kwa Wazee	Promotes gender rights and counsels girls that have been affected by sexual abuse.	Innovation	14,978	58,947
Tanzania	R-Labs	R-Labs works in, central Tanzania to support young women who are not in employment or education and provide them with training to secure employment.	Innovation	16,179	31,579
Zambia	Kucetekela Foundation	Scholarship support for academically gifted, disadvantaged children.	Core	26,290	265,659
Zambia	Chongwe Mitengo Women Association	Promotes income-generating agricultural activities and microcredit of rural and semi-rural women groups through training and equipment.	Core	†	352,801
Zambia	Partners for 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.	Core	27,794	126,132
Zambia	Send A Cow (Zambia)	Farming systems and water management training for AIDS-affected families in Petauke District.	Core	†	55,036
Zambia	The School Club Zambia	Providing educational and vocational support to girls that are at risk of dropping out of school, or who have already done so .	Innovation	14,635	14,635
Zambia	The Virtual Doctors	Provides expert medical advice to rural health workers via mobile networks.	Innovation	14,872	30,534
Zambia	Tiny Tim & Friends	Supports young people dealing with the impacts of contracting HIV by providing counselling.	Innovation	†	15,477

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† Funding committed in 2019 for a project running in 2020.

‡ These figures include funding secured in 2014-2019 by Egmont from a third party to the value of £776,052

## List of Partners supported in 2020

Country	Partner	Focus of project(s)	Grant type	Total approved 2020 (£)	Total committed since 2005 (£)
Zambia	Vision of Hope	Provides a protective environment for girls on the streets through education, shelter and healthcare.	Core	26,026	200,958
Zambia	Zambian Rainbow Development Foundation	Training and inputs for soya-bean farming for families in Mkushi and Luani Districts, enabling them to contribute to a school-feeding programme.	Core	33,004	115,355
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.	Strategic	37,690	268,243
Zimbabwe	Chiedza Child Care Centre	Remedial and informal schooling for children from disadvantaged families, enabling them to reintegrate into the formal school system.	Strategic	37,716*	170,820 ‡
Zimbabwe	Child Protection Society	Promotes adherence to HIV treatment and home-based care for vulnerable children and adolescents.	Core	31,352	107,848
Zimbabwe	Community Based Aid Programme	Educational support for academically promising and vulnerable children.	Innovation	14,872	45,551
Zimbabwe	Matabeleland AIDS Council	Support to 10-24-year-olds living with or affected by life-limiting illnesses, with home-based care and income-generating initiatives.	Core	29,713	138,312
Zimbabwe	Midlands AIDS Service Organisation	Support group system for grandmothers caring for AIDS-affected children.	Innovation	1,121	65,878
Zimbabwe	Nyanga Community Development Trust	Saving and loans group scheme for grandparent and single-parent households, helping them to establish businesses and provide for the children in their care.	Innovation	14,872	43,911
Zimbabwe	Pamuhacha	Economic strengthening and training, comprehensive sexual reproductive rights education for adolescent girls and young women.	Core	26,927	86,683
Zimbabwe	Rafiki Girls Centre	Empowers disadvantaged girls economically and socially through vocational and life-skills training.	Strategic	†	433,359
Zimbabwe	Restless Development (Zimbabwe)	Provides HIV-prevention information and support to sexual abuse survivors.	Core	27,514	285,053
Zimbabwe	Seke Rural Home Based Care	Group support for single- and child-headed households with income and nutritional support.	Innovation	†	30,467
Zimbabwe	Talia Women's Network	Entrepreneurship training and agricultural business support for young women in Bindura.	Core	26,401*	96,402 ‡
Zimbabwe	Wild4Life	Healthcare professional training and data monitoring support for rural health clinics in Binga District.	Strategic	43,962	88,327
Zimbabwe	Youth Advocates Zimbabwe	Delivers HIV prevention services through an SMS text-based helpline.	Strategic	37,180	111,463

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‡ These figures include funding secured in 2014-2020 by Egmont from a third party to the value of £776,052

# 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**

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EGMONT TRUST

## Opinion

We have audited the financial statements of The Egmont Trust (the 'charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

As explained more fully in the (set out on page 22), the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EGMONT TRUST

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
**Andrew Hill FCCA DChA**  
**(Senior Statutory Auditor)**

**For and on behalf of HSJ Audit Limited, Statutory Auditor**

Severn House  
Hazell Drive  
Newport  
NP10 8FY

Date:..... / ..... / .....



## Notes to the Financial Statements

### Statement of Financial Activities for the Year Ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	1,244,048	451,010	1,695,058
Investment income	3	939	-	939
<b>Total income</b>		<b>1,244,987</b>	<b>451,010</b>	<b>1,695,997</b>
<b>Expenditure on:</b>				
<b>Charitable activities</b>				
Total expenditure		(888,094)	(489,011)	(1,377,105)
Net income/(expenditure)		356,893	(38,001)	318,892
<b>Assets transferred to CIO</b>				
Net movement in funds		(1,966,222)	(230,977)	(2,197,199)
<b>Reconciliation of funds</b>				
Total funds brought forward		1,609,329	268,978	1,878,307
Total funds carried forward	14	-	-	-

**Please Note – The Egmont Trust has now transferred over to the recently registered Charitable Incorporated Organisation – Number 1186451. All reserves have been transferred over. Reserves will be used to fund projects throughout 2021.**

### Statement of Financial Activities for the Year Ended 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2019 £
<b>Income and Endowments from:</b>				
Donations and legacies		1,236,721	435,000	1,671,721
Investment income	3	2,772	-	2,772
<b>Total income</b>		<b>1,239,493</b>	<b>435,000</b>	<b>1,674,493</b>
<b>Expenditure on:</b>				
<b>Charitable activities</b>				
Total expenditure		(1,207,326)	(450,911)	(1,658,237)
Net movement in funds		32,167	(15,911)	16,256
<b>Reconciliation of funds</b>				
Total funds brought forward		1,577,162	284,889	1,862,051
Total funds carried forward	14	1,609,329	268,978	1,878,307

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 14.

## Notes to the Financial Statements

### Balance Sheet as at 31 December 2020

	Notes	2020 £	2019 £
<b>Current assets</b>			
Debtors	11	-	20,642
Cash at bank and in hand		-	2,406,342
		-	2,426,984
<b>Creditors: Amounts falling due within one year</b>	12	-	(548,677)
Net assets		-	1,878,307
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		-	268,978
<b>Unrestricted income funds</b>			
Unrestricted funds		-	1,609,329
<b>Total funds</b>	14	-	1,878,307

**Please Note – The Egmont Trust has now transferred over to the recently registered Charitable Incorporated Organisation – Number 1186451. All reserves have been transferred over. Reserves will be used to fund projects throughout 2021.**

The financial statements on pages 24 to 33 were approved by the trustees, and authorised for issue on

...../...../..... and signed on their behalf by:

.....  
**Jeremy Evans**

### Cash Flow Statement for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash income		(1,878,307)	16,256
<b>Adjustments to cash flows from non-cash items</b>			
Investment income	3	(939)	(2,772)
		(1,879,246)	13,484
<b>Working capital adjustments</b>			
Decrease in debtors	11	20,642	1,017,965
Decrease in creditors	12	(548,677)	(174,342)
Net cash flows from operating activities		(2,407,281)	857,107
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	939	2,772
Net (decrease)/increase in cash and cash equivalents		(2,406,342)	859,879
Cash and cash equivalents at 1 January		2,406,342	1,546,463
Cash and cash equivalents at 31 December		-	2,406,342

All of the cash flows are derived from continuing operations during the above two periods.

# Notes to the Financial Statements

## 1. Accounting policies

### Statement of compliance

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.

### Basis of preparation

The financial statements have been prepared under the historical cost convention.

### Income and endowments

#### Donations and legacies

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

#### Investment income

Investment income is recognised on a receivable basis.

### Expenditure

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 activities

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.

### Grant expenditure

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.

### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

### Governance costs

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

### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Depreciation and amortisation

Asset class	Depreciation method and rate
Office equipment	33% on cost

### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they do not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

### Foreign exchange

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.

### Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income 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.

### Pensions and other post retirement obligations

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.

## Notes to the Financial Statements

### 2. Income from donations & legacies

	Unrestricted funds			Total 2020 (£)	Total 2019 (£)
	Designated (£)	General (£)	Restricted funds (£)		
Donations and legacies;					
Donations from individuals	67,171	1,161,722	451,010	1,679,903	1,661,653
Gift aid reclaimed	-	15,155	-	15,155	10,068
	<u>67,171</u>	<u>1,176,877</u>	<u>451,010</u>	<u>1,695,058</u>	<u>1,671,721</u>

### 3. Investment income

	Unrestricted Funds		
	General (£)	Total 2020 (£)	Total 2019 (£)
Interest receivable and similar income;			
Interest receivable on bank deposits	939	939	2,772

### 4. Expenditure on charitable activities

	Activity under- taken directly (£)	Grant funding of activity (£)	Activity support costs (£)	Total 2020 (£)	Total 2019 (£)
Alleviation of the impact of HIV & AIDS	-	963,095	-	963,095	1,231,826
Grant management	1,938	-	151,132	153,070	157,588
Fundraising & publicity	-	-	135,407	135,407	118,823
Finance & governance	-	-	54,786	54,786	55,994
Office & data management	-	-	54,303	54,303	52,800
Other	-	-	4,715	4,715	12,453
Foreign currency	-	-	11,729	11,729	28,753
	<u>1,938</u>	<u>963,095</u>	<u>412,072</u>	<u>1,377,105</u>	<u>1,658,237</u>

### 5. Analysis of governance and support costs

Support costs allocated to charitable activities	Basis of allocation	Governance			Total 2020 (£)	Total 2019 (£)
		costs (£)	Finance costs (£)	Management (£)		
Grant management	A	-	-	151,132	151,132	146,769
Fundraising & publicity	A	-	-	135,407	135,407	118,823
Finance & governance	A	5,756	-	49,030	54,786	55,994
Office & data management	A	-	-	54,303	54,303	52,801
Other	A	-	-	6,653	6,653	23,271
Foreign currency	A	-	11,729	-	11,729	28,753
		<u>5,756</u>	<u>11,729</u>	<u>396,525</u>	<u>414,010</u>	<u>426,411</u>

#### Basis of allocation

#### Reference

A

Other

#### Method of allocation

Direct costs plus allocated central costs on a time spent basis

Egmont US and Partner meetings

## Notes to the Financial Statements

### 6. Grant-making

#### Analysis of grants

The support costs associated with grant-making are £159,293 (31 December 2019 - £157,588).

Below are details of material grants made to institutions.

Name of institutions	Activity	2020 (£)	2019 (£)
Kenya	Alleviation of the impact of HIV & AIDS	101,484	125,815
Malawi	Alleviation of the impact of HIV & AIDS	244,080	309,864
Mozambique	Alleviation of the impact of HIV & AIDS	98,870	109,412
Tanzania	Alleviation of the impact of HIV & AIDS	110,837	84,277
Zambia	Alleviation of the impact of HIV & AIDS	142,621	224,482
Zimbabwe	Alleviation of the impact of HIV & AIDS	265,203	377,976
		963,095	1,231,826

### 7. Net incoming/outgoing resources

	2020 (£)	2019 (£)
Operating leases - other assets	14,296	14,220
Audit fees	3,726	3,600

### 8. Trustees remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No Trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### 9. Staff costs

The aggregate payroll costs were as follows:

	2020 (£)	2019 (£)
Wages and salaries	274,600	235,071
Social security costs	18,365	15,326
Other pension costs	6,978	5,318
	299,943	255,715

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 (No)	2019 (No)
Charitable activities	8	8

5 (2019 - 5) of the above employees participated in the Defined Contribution Pension Schemes.

### 10. Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 11. Debtors

	2020 (£)	2019 (£)
Prepayments	-	17,590
Other debtors	-	3,052
	-	20,642

### 12. Creditors: amounts falling due within one year

	2020 (£)	2019 (£)
Trade creditors	-	548,514
Other creditors	-	163
	-	548,677

## Notes to the Financial Statements

### 13. Obligations under leases and hire purchase contracts

#### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 (£)	2019 (£)
Land and buildings		
Within one year	12,000	12,000
Between one and five years	22,000	34,000
	<u>34,000</u>	<u>46,000</u>

### 14. Funds

	Balance at 1 January 2020 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Assets transferred to CIO (£)	Balance at 31 December 2020 (£)
<b>Unrestricted funds</b>						
<b>General</b>						
General fund	1,584,329	1,177,816	(820,923)	-	(1,941,222)	-
<b>Designated</b>						
Treebeard Trust	25,000	34,000	(34,000)	-	(25,000)	-
US Foundation	-	23,171	(23,171)	-	-	-
Souter Charitable Trust	-	10,000	(10,000)	-	-	-
	<u>25,000</u>	<u>67,171</u>	<u>(67,171)</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
<b>Total unrestricted funds</b>	<u>1,609,329</u>	<u>1,244,987</u>	<u>(888,094)</u>	<u>-</u>	<u>(1,966,222)</u>	<u>-</u>
<b>Restricted funds</b>						
Operational costs	214,576	376,010	(395,628)	(4,715)	(190,243)	-
Egmont US	-	-	(4,715)	4,715	-	-
Peer Partner Activities	1,932	-	(1,938)	-	6	-
Foreign Currency Translation	52,470	-	(11,730)	-	(40,740)	-
Waterloo	-	75,000	(75,000)	-	-	-
<b>Total restricted funds</b>	<u>268,978</u>	<u>451,010</u>	<u>(489,011)</u>	<u>-</u>	<u>(230,977)</u>	<u>-</u>
<b>Total funds</b>	<u>1,878,307</u>	<u>1,695,997</u>	<u>(1,377,105)</u>	<u>-</u>	<u>(2,197,199)</u>	<u>-</u>

**Please Note – The Egmont Trust has now transferred over to the recently registered Charitable Incorporated Organisation – Number 1186451. All reserves have been transferred over. Reserves will be used to fund projects throughout 2021.**

### 14. Funds - continued

	Balance at 1 January 2019 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Balance at 31 December 2019 (£)
<b>Unrestricted funds</b>					
<b>General</b>					
General fund	1,552,162	1,182,763	(1,150,596)	-	1,584,329
<b>Designated</b>					
Esmee Fairbairn					
Foundation	-	5,000	(5,000)	-	-
Treebeard Trust	25,000	25,000	(25,000)	-	25,000
US Foundation	-	26,729	(26,729)	-	-
	<u>25,000</u>	<u>56,729</u>	<u>(56,729)</u>	<u>-</u>	<u>25,000</u>
<b>Total unrestricted funds</b>	<u>1,577,162</u>	<u>1,239,492</u>	<u>(1,207,325)</u>	<u>-</u>	<u>1,609,329</u>
<b>Restricted funds</b>					
Operational costs	191,291	410,500	(374,387)	(12,828)	214,576
Egmont US	(375)	-	(12,453)	12,828	-
Peer Partner Activities	12,750	-	(10,818)	-	1,932
Project Specific Grants	-	4,500	(4,500)	-	-
Foreign Currency Translation	81,223	-	(28,753)	-	52,470
ALMT	-	20,000	(20,000)	-	-
<b>Total restricted funds</b>	<u>284,889</u>	<u>435,000</u>	<u>(450,911)</u>	<u>-</u>	<u>268,978</u>
<b>Total funds</b>	<u>1,862,051</u>	<u>1,674,492</u>	<u>(1,658,236)</u>	<u>-</u>	<u>1,878,307</u>

#### The specific purposes for which the funds are to be applied are as follows:

**The Operational 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** - to be used to support HIV/AIDS at Workplace Intervention Programme (HAWIP) in 2020 & 2021. Additional funds received to support Partners in their COVID-19 response programmes.

**Souter Charitable Trust** - used to support a specific Egmont Partner in 2020, Rural New Life Development Kenya (RUNELD).

**Foreign currency funds** represent the gains or losses year on year upon translation of US dollar bank accounts or debtors in to the charity's functional currency.

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

**US Foundation** - used to support specific Egmont Partners in 2020, Community Partnership for Relief and Development (COPRED).

**Waterloo Foundation** - used to support specific Egmont Partners in 2020, Wild 4 Life (W4L), Youth Advocates Zimbabwe (YAZ), AIDS Counselling Trust (ACT).