



THE
EGMONT TRUST

Improving the lives of children affected by HIV&AIDS

Annual Review 2008



16-YEAR-OLD ISAIAH IN MBEYA, TANZANIA, HAS LOST HIS PARENTS TO AIDS AND IS HIV-POSITIVE HIMSELF. REJECTED BY HIS EXTENDED FAMILY, HE FACES A CONSTANT STRUGGLE FOR SURVIVAL. EGMONT'S PARTNER HUMAN DEVELOPMENT TRUST IS WORKING WITH THE LOCAL COMMUNITY TO ENSURE THAT ISAIAH AND OTHER CHILDREN AFFECTED BY AIDS GET THE VITAL HELP THEY NEED.

*“Neither words nor statistics can adequately capture the human tragedy of children grieving for dying or dead parents, stigmatised by society through association with HIV/AIDS, plunged into economic crisis and insecurity by their parents’ death and struggling without services or support systems in impoverished communities.”**

*Source: Childhood Challenged, Save the Children, 2002.

THE EGMONT TRUST

WHO WE ARE AND WHAT WE DO

Egmont is a UK registered charitable trust established in 2005, working to **improve the lives of children and families affected by HIV & AIDS** in sub-Saharan Africa. There are currently 22 million people living with HIV in sub-Saharan Africa; 1.5 million adults and children died from AIDS-related illnesses in the region last year, and tragically there are an estimated 11.6 million children orphaned by AIDS.*

Over the past four years Egmont has disbursed close to £1.5m to a growing portfolio of **54 local partner organisations** running projects in Kenya, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. As the reputation of our unique approach grows, demand for funding from new project partners is increasing significantly.

Egmont is genuinely different from large-scale, bureaucratic NGOs because it focuses on **smaller, locally inspired and managed projects**, which are often neglected by larger NGOs. The irony is that these types of grass-roots initiatives, driven by the knowledge, experience and commitment of those directly affected, are often the most successful and **cost-effective** route to achieve genuine results. It is possible to have a material impact with small amounts of money using this model.

Project partners are sourced and carefully selected from our experienced management team’s longstanding local networks. We typically **disburse between £5k and £20k per annum to projects**. Funds are disbursed directly to our project partners; impact is measured rigorously; cross-fertilisation of ideas and best practice between partners is encouraged; and Egmont provides financial, managerial and technical support.

Trustees and staff combine successful track records in HIV & AIDS and in financial services. Their ambition is to build a **first class, discreet, low-cost, transparent charity** with the highest standards of governance and a clear focus on results. Proper accountability and governance does not require a big bureaucracy – a slim organisation keeps us, and our supporters, closer to what is actually happening.

Trustees cover all the running costs of the Egmont Trust. **100% of donors’ money is passed directly to the projects that Egmont supports.**

Egmont’s project portfolio reflects the entrepreneurial background of its trustees – stressing low fixed costs, avoidance of bureaucracy, backing key individuals on the ground, looking for opportunities under the radar screens of large-scale players, recognising the need to take risk to find winners. **This is a rare approach.**

Based on four years of proven impact and growth, **Egmont is now aiming to substantially increase its income.** A priority is to expand our support for our best performing projects, which have demonstrated they have the people and skills to deliver value with increased resources. We shall also continue to source and support new projects, to maintain the quality, diversity and growth potential of our overall portfolio.

*Source: 2008 Report on the global AIDS epidemic, UNAIDS, August 2008.

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SENIOR STAFF:

Colin Williams, OBE (Chief Executive)
Linnea Renton (Executive Director)

TRUSTEES:

William Garrett (Chairman)
Clare Evans
Jeremy Evans
Rory Powe
Martin Woodcock

FOUNDER PARTNERS:

James Lyle
Girl Child Network
Mitengo Women's Co-operative
Ndola Integrated AIDS Programme

AMBASSADORS:

Julian & Sophie Ansell
Charlie Bridge
William Bristowe
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Helen Fairclough
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Nick Tims

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FROM THE CHAIRMAN

Over the past four years, the Egmont Trust has funded an impressive network of locally inspired projects that aim to improve the lives of children affected by HIV & AIDS.

The Egmont Trust is a dynamic young charity that is tackling the devastating impact of HIV & AIDS on children and families in Africa by funding an impressive network of locally inspired projects. We are already seeing the tangible proof of impact upon young lives.

The ambitions set out in this annual review are clear: to run this charity in a way that is cost-effective, pragmatic, unbureaucratic, that listens to what works locally, and that does not seek to impose outside ideology or prejudice. The significant increase in quantity and quality of proposals received from a broad range of local initiatives, as our reputation grows and our approach is understood more widely, underlines that there is a clear unmet need for Egmont's approach and support.

It is for this reason that Egmont is now looking to widen its donor base, with the aim of increasing both the number and depth of projects it supports. To that end, we are looking for a small number of large-scale donors who wish to build a long-term relationship with the Trust, its partners and its projects.

I hope you enjoy finding out more about Egmont from this annual review, what we are trying to achieve, and the very different philosophy that informs this charity.

We would welcome your participation in this ambitious and exciting initiative.

William Garrett
Chairman

EGMONT'S WORK GIVES THESE CHILDREN IN NDOLA, NORTHERN ZAMBIA, A BRIGHTER FUTURE.



THE PROBLEM:

HIV AND AIDS IN SUB-SAHARAN AFRICA

Infection with HIV (Human Immunodeficiency Virus), if untreated, leads to AIDS (Acquired Immunodeficiency Syndrome), in which the immune system begins to fail, leading to life-threatening opportunistic infections and tumours. Although treatments exist to slow the virus's progression, there is currently no known cure, and access to anti-retroviral treatment (ART) is still very limited in most of the world's poorest countries.

ALREADY POOR COMMUNITIES LIKE THIS ONE IN MALAWI ARE OVERSTRETCHED BY THE NEED TO CARE FOR ORPHANS.



AIDS is now a pandemic, with an estimated 33 million people living with the disease worldwide, including 2 million children. The Joint United Nations Programme on HIV/AIDS (UNAIDS) and the World Health Organization (WHO) estimate that AIDS has killed more than 25 million people since it was first recognised in 1981, making it one of the most destructive pandemics in recorded history. In 2007 alone, AIDS-related illnesses claimed an estimated 2 million lives, of which approximately 270,000 were children.²

Sub-Saharan Africa is by far the most seriously affected region in the global HIV epidemic, with AIDS being the leading cause of death there, and adult prevalence averaging 5% as compared to 0.8% globally. Two thirds of all HIV-positive people live in this region, where three quarters of all AIDS-related deaths in 2007 occurred. It is estimated that 1.9 million people were newly infected with HIV there in 2007, bringing to 22 million the total number of people living with the virus in the region. Unlike other parts of the world, the majority of people living with HIV in sub-Saharan Africa are women (59%).²

In sub-Saharan Africa there are an estimated 11.6 million children who have been orphaned¹ by AIDS. It is also home to nearly 90% of children who are themselves infected with HIV. **By 2015, UNAIDS forecasts that the number of orphans¹ due to AIDS in the region could exceed 14 million.**²

Within sub-Saharan Africa the southern Africa sub-region is most seriously affected, accounting for 35% of all people living with HIV, 35% of new infections and 38% of AIDS-related deaths globally in 2007.²

The countries in which Egmont works are amongst some of the worst affected in the region, with adult HIV prevalence ranging from 6.2% in Tanzania to over 15% in Zambia and Zimbabwe.²

It is hard to convey the extent to which the epidemic is affecting people in these countries. The vast majority of people with full-blown AIDS are aged between 25 and 40, most of whom will have their own children. Household income often drops as people become sick; scarce money is spent on accessing treatment and care, leaving less for food and other necessities. Frequently the oldest children are forced to drop out of school to care for their sick parent(s) and younger siblings. Where treatment is not sought or proves ineffective, orphaned children are either left alone to fend for themselves or in most cases join a relative's household (aunt, uncle, grandparent), often stretching to breaking point already poor households. Carers struggle to provide enough food, let alone afford the uniforms and books required to send these extra children to school.

In heavily affected countries such as Zambia and Zimbabwe, there will hardly be a household not carrying the burden of orphaned relatives. This may be purely monetary, e.g. helping to contribute to schooling costs, but in many cases it means taking on full-time responsibility for the shelter and care of one or more children.

The availability of free anti-retroviral treatment (ART) has certainly improved the situation. In September 2005 United Nations member states committed to the goal of achieving universal access to treatment for all who need it by 2010, and the Global Fund to Fight AIDS, Tuberculosis and Malaria is providing free drugs for this programme. However, according to WHO's own figures so far only 31% of HIV-positive people, and as few as 10% of infected children, are receiving the HIV treatment they urgently need. In sub-Saharan Africa WHO estimates that by the end of 2007, 2.1 million people were accessing ART, representing 30% of the 7 million in need of treatment. Even this represents

a huge step forward since December 2003, when coverage in the region was only 2%. However, availability of treatment tends to be restricted to major towns and cities. The majority of rural populations are unlikely to have access to these life-saving drugs for another 10+ years.³

The picture is not all bleak. It is possible for communities and even whole countries to rise to the challenge of HIV and AIDS – to reverse the spread of infection and to provide support and opportunity to children orphaned by the epidemic and households struggling to cope with the burdens of the disease. Uganda managed to achieve this in the 1990s, and at Egmont we wholly believe that the situation can be reversed continent-wide. This will require effort at all levels – internationally, nationally, locally and individually.

In response to this challenge the number of committed civil society organisations has mushroomed in all these most heavily affected countries. We believe that when well selected and adequately supported these locally inspired and locally driven approaches offer the best, most cost-effective means of delivering results. However, many donors and large NGOs have so far struggled with this reality – indeed it is these initiatives that often find it the hardest to attract donor funding. Egmont recognises this gap, and the opportunity it provides us to have the greatest impact on people affected by HIV.

¹ Note: in this context UNAIDS uses “orphan” to describe a child who has lost either one or both parents.

² 2008 Report on the global AIDS epidemic, UNAIDS, August 2008.

³ Towards universal access: scaling up priority HIV/AIDS interventions in the health sector: progress report, WHO, 2008.

REVIEW OF THE YEAR

2008 has been a year of continued growth for Egmont. True to its founding principles, the Trust has continued to focus its support on projects that improve the lives of children and families affected by HIV & AIDS in countries that have very high infection levels combined with high levels of poverty. Despite the difficult economic climate, we achieved a 14.5 per cent increase in overall income, partly by securing our first external donations.

*MAMA MARIA OF EGMONT'S PARTNER VUKOXA IN MOZAMBIQUE HAS BEEN CHOSEN BY HER COMMUNITY AS AN OUVINTE OR LISTENER, WHO HELPS AIDS-AFFECTED FAMILIES IN CRISIS.



The latest statistics published by UNAIDS (2008) underline the scale of the HIV & AIDS pandemic (see page 4). There are indications that, at the global and Africa regional level, rates of infection are stabilising, albeit at very high levels. However, there are still significant variations between and within countries. The task of managing efforts to care for those affected – including ensuring that opportunities for children are increased rather than lost, and dealing with the scale of the orphan problem – remains huge and, most importantly, long term in nature.

The task for the Egmont Trust is to do more of what we know works and to encourage others in the same direction. We genuinely believe that a momentum can be achieved for Africa as a whole in HIV & AIDS just as happened successfully in Uganda 16 years ago, based on this pragmatic, bottom-up approach.

Strategy and Philosophy

From our own experience we know that the most effective responses, in terms of cost and impact, are both conceived and driven locally, by the people most closely affected. Typical responses include, for example, production and consumption of more nutritious foods, increasing income levels, tackling sexual abuse, and helping young people to change their behaviour. Simplest is often most cost-effective, has greatest impact, is easiest to put into practice, and is most transparent to analysis.

A key element in Egmont's approach is use of our own local networks (Reference Groups – see below), which help us source new partner organisations as well as identifying and understanding the people behind them. Our responsibility is then to provide the financial support these organisations typically find so hard to get, to maintain effective control and monitoring systems, and critically to ensure that results are

“A key driving principle for Egmont is to operate in an unbureaucratic and cost-effective manner.”

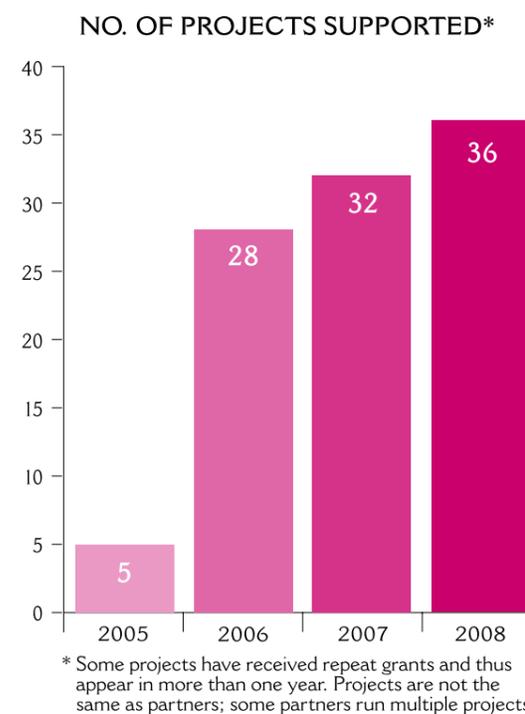
achieved and that funds are used efficiently. Success requires a belief that this is the best way to achieve impact at lowest cost, and a skill, on our part, to find the people and organisations that are already doing this.

A key driving principle for Egmont is to operate in an unbureaucratic and cost-effective manner. To this end there are currently only three paid staff members. A key element in our approach has been the establishment of Reference Groups of experienced and trusted contacts in each country where we operate, rather than employing our own local staff. The Reference Groups carry out monitoring and assessment tasks on a consultancy basis on Egmont's behalf. Not only are their opinions on the credibility and track record of applicant organisations and the soundness of proposed projects extremely valuable, but by using this model we avoid a raft of unnecessary administrative costs.

We are delighted that as Egmont's approach and reputation have become better known, so the number of organisations approaching us has increased significantly. During 2008 we received total requests for funding of over £5.8 million from 388 projects, many of which, at first assessment, were supportable. This underlines that there is a clear need in a range of countries and communities for the sort of support that Egmont offers, which falls below the radar screens of large-scale NGO (non-governmental organisation) or governmental interventions. There is a large gap in the market.

Projects

Since foundation we have supported the work of 54 partner organisations in Zambia, Zimbabwe, Malawi, Tanzania, Mozambique and Kenya, for some partners supporting multiple projects. We make initial grants of up to £20,000 per annum per project, with proven



REVIEW OF THE YEAR
(CONTINUED)

“Funding at this level without excessive red tape is scarce; it achieves results directly and cost-effectively.”

partners subsequently able to apply for larger amounts – currently up to £36,000. Our approach to funding can be likened to the portfolio approach of a professional investor: we recognise that to discover the best projects, as with any portfolio there will be star performers, some average performers and some failures. But you have to risk the failures to find the winners.

In this review we illustrate the overall impact of our support and profile three of the 54 partners we have supported. Each project is different and is driven by its own parameters, baselines and measuring systems. This does make it difficult to produce ‘one size fits all’ tables of impact on the many thousands of direct and indirect beneficiaries. However we do not mind that: such diversity is a natural feature of an approach that supports genuine locally driven responses and recognises the complexity of the epidemic – there is no ‘one size fits all’ panacea to such a complex issue as the impact of HIV & AIDS. It is the way that best practices, ideas and effective project types can be shared and scaled up to achieve a greater impact at the macro level that matters to Egmont.

Achievements and Performance

The wide range of responses developed by our partners to tackle the epidemic makes it very difficult to generalise about their impact. But during 2008 we have been gratified to observe the following results from Egmont-supported programmes:

- Increased household incomes and more sustainable livelihoods.
- Improved family and individual health and nutrition (through better farming practices, greater crop variety, better knowledge of nutritional local foods and herbs, etc.)
- Greater knowledge and awareness of impact of and response to HIV & AIDS.

“2008 saw a fourfold increase in requests for Egmont funding, to over £5.8 million from 388 projects.”

- Increased access to and take-up of HIV counselling and testing.
- Increased access and adherence to antiretroviral treatment.
- Increased access to primary and secondary school for children of affected families.
- Rehabilitation of street children and reunification with families.
- Reduction of stigmatisation of and discrimination against those affected by HIV & AIDS.
- Reduction of sexual and other abuse of children.
- Increased self-esteem, confidence and hope of children and young people.
- Increased accountability of local leaders for their response to the epidemic.

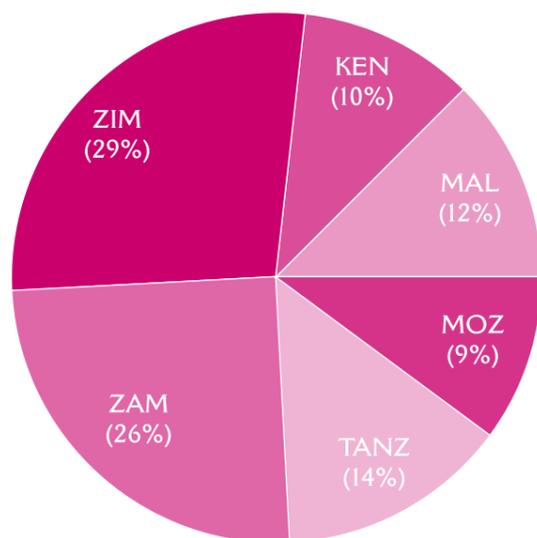
External Factors

Given the location of Egmont’s partners, results can be influenced by the practical, logistical and political contexts in which they are operating. Sadly, Zimbabwe continued to present a very challenging political and economic environment throughout 2008. The additional crisis of large cholera outbreaks resulting from the breakdown of water and sanitation systems, compounded by the collapse of the nation’s health service, posed severe challenges for Egmont partners. More positively, Kenya regained a measure of stability after the violence following the disputed elections at the end of 2007, which had resulted in widespread displacement of people, sexual violence against women and children, and many deaths, as well as destruction of property. However, in both Zimbabwe and Kenya programme work continued uninterrupted, and we pay tribute to the adaptability and resilience of our partner organisations.

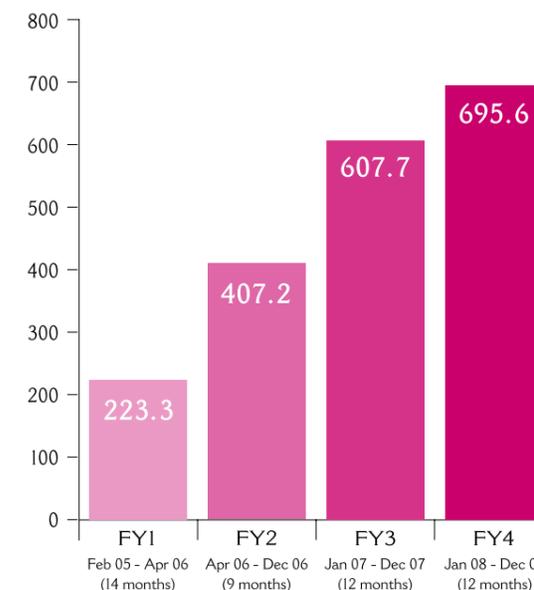
Staff and Administration

In line with our objective of maintaining a slim but effective structure, staff numbers remained stable

GEOGRAPHICAL BALANCE OF PROJECT PORTFOLIO TO DATE – BY VALUE (£)



TOTAL INCOME BY FINANCIAL YEAR (FY) (£000)



REVIEW OF THE YEAR
(CONTINUED)

“There is a clear need for the type of support that Egmont offers, which falls below the radar screens of large-scale NGOs and governments.”

YOUNG CHILDREN IN RUMPHI, MALAWI, BENEFIT FROM THE WORK OF EGMONT'S PARTNER HAWIP TO ENSURE BETTER NUTRITION FOR UNDER-12s LIVING WITH HIV & AIDS.



in 2008, with one full-time and two part-time members of staff. A small office base was established in Lusaka, Zambia, to co-ordinate our activities in the region. 2008 also saw us successfully trial the operational innovation of using students in project assessment and evaluation.

Funding and Finances

Despite the difficult economic climate, the Trust achieved a 14.5% increase in income in 2008, to just under £700,000. Significantly, this was achieved with the help of the first non-trustee donations since Egmont's establishment in 2005. A combination of contributions by individual supporters and two corporate donations brought in over £100,000. As all operational costs are covered by trustees, this additional funding was channelled directly to our African partner organisations, to whom Egmont committed new grants of £532,000 during the year. We are grateful to our donors for their generosity and confidence in Egmont's approach. We are also grateful to Ernst & Young for pro bono provision of audit services, and to DG3 for free printing.

The next phase in Egmont's fundraising strategy will be to secure long-term donations from a much wider range of sources, including high net worth individuals and corporate donors, in both the UK and US. To assist us in this we have established an 'Ambassadors' programme to help Egmont increase its access to potential donors.

Strategy for 2009

Given the inevitable impact of the financial crisis on availability of funds for African organisations, Egmont anticipates yet further growth in demand for its support in 2009. We plan to rise to this challenge by broadening both our range of donors and our range of projects. Based on the results we have achieved

“The most effective responses, in terms of both cost and impact, are conceived and driven locally, by the people most closely affected.”

EGMONT'S PARTNER ASSOCIAÇÃO IMAGINE IN CATEMBE, MOZAMBIQUE, WORKS CLOSELY WITH DISTRICT AUTHORITIES TO IDENTIFY VULNERABLE CHILDREN AND SUPPORTS THEM WITH IMPROVED HOUSING AND ACCESS TO EDUCATION.



so far and on our experience to date, we plan to pursue three dynamic strands in our work.

Firstly, based on proven results and working relationships over the last four years we are now in a position to select a small number of organisations – 5 or so from the 54 we have already worked with – where we have the confidence that there are in place the people, the structure and the vision to grow, to handle larger budgets and benefit more people. We also have senior executives with the technical experience to help these organisations move forward, but without making the all too common donors' mistake of taking ownership away from them.

Secondly, there are innovative practices within the projects that we now support that could have much greater impact if they could be scaled up across the sector. Our challenge is to identify these approaches, and support the lateral links and exchanges that will stimulate scale-up to happen.

Thirdly, the current provision of our relatively small grants of up to £20,000 per annum will continue to be at the core of our support work. Funding at this level, without excessive red tape, is scarce; it achieves results directly and cost-effectively, and it offers a testing ground in which we can identify organisations that are appropriate for increased funding, whether from Egmont or from other sources.

Through its wider fundraising programme, the Egmont Trust aims to generate an increasing income stream that can be effectively disbursed for maximum impact. Close co-operation between our partners on the ground, with their low-cost strategies and innovation, and our donors, the majority of whom hail from backgrounds in finance, means that the entrepreneurial, unbureaucratic spirit of Egmont will permeate everything we do. It will be an exciting year.

EGMONT PROJECT PARTNERS

Here we list all 54 partners we have supported to date in six countries. This table illustrates the richness of our partners' work and our ability to support real vision on the ground. Together this produces results that genuinely do have an impact on children's lives.

Profiles of three projects chosen to illustrate the range of work that we support follow this table.

Commitments by partner and country to date (£) plus focus of project

KENYA

Partner	Totals	Main issue addressed
Kenya Poverty Elimination Network	50,084	Bee-keeping to increase family income
Action in the Community Environment	39,908	Access to nutritious food
Trust for Indigenous Culture and Health	25,000	Providing HIV information via website
Youth Advocates for Behaviour Change	24,421	Support for orphans in nomadic communities
Senior Women Citizens for Change	5,000	Older women caregivers

KENYA – All £144,413

MALAWI

Partner	Totals	Main issue addressed
National Smallholder Farmers Assoc. (NASFAM)	63,764	Smallholder farmers improving production
HIV/AIDS at Workplace Intervention Programme (HAWIP)	27,395	Access to nutritious food
Chisomo Children's Club	20,000	Support and rehabilitation of street children
Salima AIDS Service Organisation	20,000	Care and support for affected children
Community Partnership for Relief and Development	19,979	Microcredit for widow-headed households

MALAWI cont...

Tutulane	8,930	Livestock rearing for income
Chitipa District AIDS Co-ordinating Committee	7,038	Vocational skills for people affected by AIDS
Central Region Milk Producers' Association	5,000	Village dairy for nutrition and income
Girls Development Association	2,085	HIV educational materials by and for girls

MALAWI – All £174,191

MOZAMBIQUE

Partner	Totals	Main issue addressed
Meninos de Moçambique	40,000	Support and rehabilitation of street children
Vukoxa	39,922	Support for older caregivers
Associação Imagine	39,467	Care and support for vulnerable families
TEA – Help the Needy	4,581	Food security and nutrition
Vukarhani	1,332	Community centre for orphans

MOZAMBIQUE – All £125,302

TANZANIA

Partner	Totals	Main issue addressed
Human Development Trust	40,000	Strengthening HIV community groups
Students Partnership Worldwide Tanzania	39,830	Youth peer education
Rungwe Tea Growers	30,000	Access to HIV testing and treatment
Tanzania Development and AIDS Prevention (TADEPA)	23,145	Farming skills for families caring for orphans
Kimara Peers	19,986	Support and skills building for affected children
Action in the Community Environment	19,759	Comprehensive care for children
Envirocare	14,690	Bee-keeping
Tukolene	11,904	Fighting stigmatisation and discrimination

TANZANIA – All £199,314

ZAMBIA

Partner	Totals	Main issue addressed
Mitengo Women's Co-operative	77,087	Nutrition gardens and food security
Ndola Diocese Integrated AIDS Programme	75,000	Revolving savings and credit
Mulumbo Foundation	39,619	Early childhood care
Afya Mzuri	38,782	Access to health services in workplaces
Copperbelt Health Education Project	20,000	Youth peer education

MITENGO WOMEN'S CO-OPERATIVE

“Come next year, you will find that we have put on a lot of weight because Mitengo has helped us to improve our nutrition.”
– Mitengo member.

The participation of students in the programme is “arguably the most innovative aspect of the project and good value for donor money.”
– W. Munkombwe, School of Humanities and Social Sciences, University of Zambia.

THE STRENGTH OF MITENGO COMES FROM THE COMMITMENT AND ENTHUSIASM OF ITS MEMBERS.



ZAMBIA cont...

Hodi	20,000	Addressing sexual violence against women and girls
Students Partnership Worldwide Zambia	19,924	Youth peer education
Micro Bankers Trust	19,880	Revolving savings and credit
Chipata District Farmers Assoc.	19,859	Production of nutritious food
Tikondane	19,400	HIV information for sex workers and bar staff
Pride Community Health Club	13,381	Income-generating skills for older orphans
Bright Chapel	5,000	Better family communication on sensitive issues
Kabwata Orphanage and Transit Centre	5,000	Nutrition, education and medical support for children
NutriAid	5,000	Strengthening community organisations

ZAMBIA – All £377,932

ZIMBABWE

Partner	Totals	Main issue addressed
Girl Child Network	55,000	Support for survivors of rape and abuse
AIDS Counselling Trust	46,000	Improving access to nutritious food
Sibambene	41,554	Training orphans in essential survival skills
Batsirai	40,000	Care, treatment and nutrition for children
Students Partnership Worldwide Zimbabwe	39,998	Youth peer education
Streets Ahead	39,990	Support and rehabilitation of street children
Hospice Association of Zimbabwe	37,661	Palliative care for affected children
Batanai HIV/AIDS Support Group	26,000	Counselling and psychosocial support
Rafiki	23,362	Skills for disadvantaged girls
Farm Orphan Support Trust	20,000	Improving health of orphans in farm communities
Linkage	20,000	Access to HIV testing and counselling
Midlands AIDS Service Organisation	20,000	Nutrition and use of immunity-boosting herbs
Patsime	15,000	Raising awareness in schools through drama

ZIMBABWE – All £424,565

54 PARTNERS TO DATE £1,445,717

Location: Chongwe, Zambia
Sector: Agriculture and nutrition
Co-ordinator: Genevieve Mwiinga
Partner since: October 2005
Grant awarded: £15,000 pilot project, £21,530 phase 2, £19,449 phase 3, £21,108 phase 4

Summary of project

Mitengo targets the nutrition and health of 120 poor farmers and their 650 dependent children in a community heavily affected by HIV & AIDS in Zambia by providing tools, seeds and training, to improve their knowledge, skills and resources for growing nutritious, immunity-boosting crops. It also provides practical hands-on experience for young professionals from the University of Zambia and other colleges for development work in communities heavily affected by HIV & AIDS.

Key results to date

- Women reported giving their families 2–3 meals per day on average, as compared to the “0–0–1 eating strategy” (no breakfast, no lunch, only supper) they used to resort to initially.
- Most households reported that orphans and vulnerable children now had a balanced diet of vegetables at home (three times per week as opposed to once per week at baseline).
- Children rarely go to school on empty stomachs any more, as their parents are now able to pack fried groundnuts and maize snacks for them.
- Guardians are now able to provide children with school books and pencils, unlike before.
- Crop diversification has increased tenfold, contributing to improved nutrition, increased income and establishment of a village seed bank.
- A hammer mill to grind maize has been purchased and installed, serving 720 households. Previously girls had to walk 5–8km carrying 30kg of maize; now all are within 0.5km of the mill.

GIRL CHILD NETWORK



GCN'S INSPIRATIONAL FOUNDER AND DIRECTOR, BETTY MAKONI, ADDRESSES SOME OF THE GIRLS SERVED BY THE NETWORK.

"A child who has been coming to school in a tattered flannel dress, that has been mended countless times and is now little more than a collection of stitches, changes even the way she walks once she receives and wears for the first time a new uniform. Even her peers view her differently and she wears a broad smile on her face. This is the change we have noted in the girls, and to us, it is a most positive thing."
 – Girls' Club Co-ordinator, St Luke's Primary School.

Location: Chitungwiza, Zimbabwe
Sector: Sexual violence and abuse
Director: Betty Makoni
Partner since: October 2005
Grant awarded: £15,000 pilot project, £40,000 phase 2 (over two years)

Summary of project

The Egmont grant is supporting the running of the Chitsotso Girls Empowerment Village, which receives at least two cases of abuse each day and plays a major role in providing safety for rape survivors. The girls are provided with basics whilst in the centre, including food, clothing, school fees and medication. They also receive counselling and psychosocial support, crucially enabling them to recover their sense of dignity and self-worth.

Key results to date

- A total of 415 children benefited from the payment of school fees in the first part of phase 2. 23 of these remained at the top of their class in the following two terms.
- More than 200 children had their uniforms bought either directly by GCN or indirectly through income-generating projects.
- 67 children were reunited with their families or foster parents.
- After awareness campaigns by GCN, a total of 363 unreported cases of abuse committed before 2005 were reported, with most of the perpetrators apprehended.
- The issue of forced marriages of girls below the age of 16, which previously had been tacitly accepted in communities, is beginning to be treated as unacceptable by local traditional and political leaders.
- Zimbabwe passed a Domestic Violence Act into law in 2007, a legal milestone. GCN was at the forefront of fighting for this legislation.

CHISOMO CHILDREN'S CLUB

"The quality of [Chisomo's] work with street children is commendably high. Chisomo has worked increasingly co-operatively, and worked well, e.g. with the police, teachers as well as other NGOs, to improve the treatment of street children currently, and change awareness of key players about the rights of children, which will lead to better treatment in the future. Chisomo has also made strides forward in addressing the root causes of children coming to the streets through its work with families and communities."
 – Independent evaluation, July 2007.

RHODA NJAYA AND HER CHILDREN HAVE BENEFITED FROM CHISOMO'S SUPPORT.



Location: Blantyre and Lilongwe, Malawi
Sector: Street children
Director: Nelson Mkandawire
Partner since: November 2006
Grant awarded: £20,000

Summary of project

Chisomo was set up with and for children on the streets of Malawi in 1998 to help them develop to their full potential and 'graduate' to independence. Chisomo provides drop-in centres, basic shelter, healthcare and access to education, then staff work with families to resolve the root problems that drive children onto the streets in the first place. Chisomo also promotes justice for street children, encouraging all duty bearers to take up their responsibilities towards this vulnerable group.

Key results to date

- 698 children have been supported to attend school, with parents, guardians and teachers being involved to help ensure success. School fees are paid and uniforms and books provided. An example is former street child Sandifolo Petulo, a student at Umbwi secondary school who was selected as head boy due to his excellent behaviour, class performance and the confidence teachers and fellow students have in him. He is now a role model to his friends at Chisomo.
- Training in business management and provision of start-up loans to 258 families of reintegrated former street children have enabled them to provide for their households.
- Nutrition, medical attention and counselling have been provided to eight HIV-positive children.
- Sport has been used as a means of building self-esteem, team spirit and healthy living. Chisomo football team has seen four of its players selected for the under-17 national Malawi team.

EGMONT FUNDING STRATEGY

To date all our activities have been funded by a very small number of donors. Given the progress made over the last four years we are now seeking to scale up Egmont's operations. We therefore intend to increase significantly the amount of funds raised.

INTERVENTIONS AS SIMPLE AS PROVIDING THREE NUTRITIOUS MEALS A DAY CAN GREATLY BOOST SURVIVAL RATES FOR HIV-POSITIVE PEOPLE.



Since 2005 Egmont has disbursed c. £1.5m, the majority raised from trustees, with the additional support of a small number of generous donors. As Egmont's reputation and network have grown, there has been a significant increase in demand from projects for the type of financing and support that Egmont offers – in 2008 requests from projects for funding increased fourfold, significantly in excess of the funding ability of our current donor base. We also wish to increase the level of support to our best performing projects, to help them to scale up their impact, investing where there is greatest return.

For this reason Egmont is seeking to broaden its donor base through single annual donations and, where possible, longer-term commitments and involvement. Egmont aims to increase its annual income from the 2008 level of c. £600,000 to over £1m by 2010. Egmont recognises that this is a very difficult economic climate in which to increase its level of activity. Egmont's trustees are of the view that the Trust's cost-effective approach is especially appropriate in this economic environment.

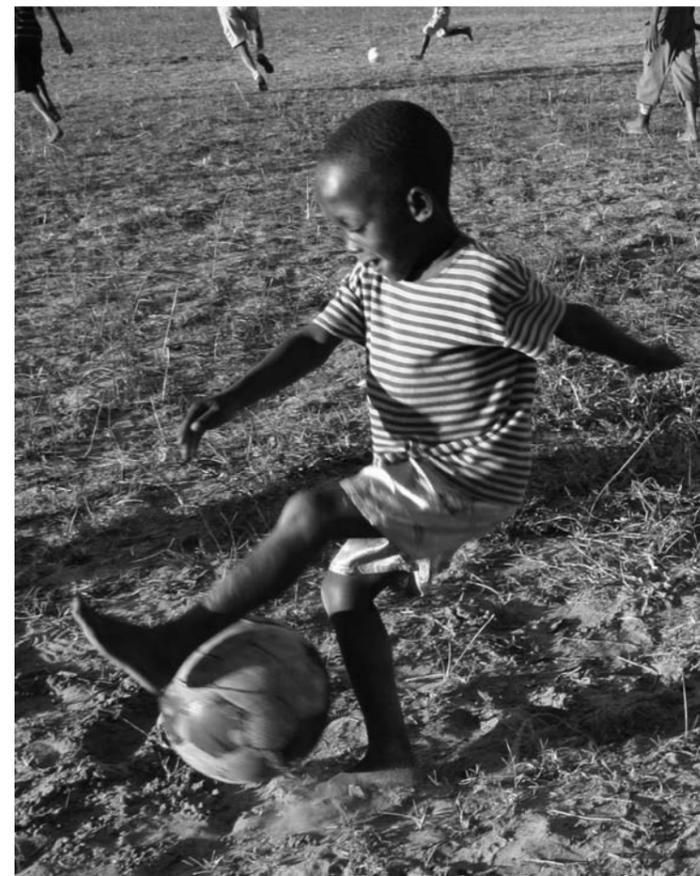
As a principle Egmont's trustees cover all operational costs, so that 100% of donors' monies are passed directly to our partners' projects in Africa. Egmont maintains a strictly low-profile approach, focused on results rather than publicity.

Target Donors

Egmont will be approaching high net worth individuals and relevant large-scale corporate donors, in both the UK and US. To assist us in this endeavour we have recruited a team of 'Ambassadors', individuals with valuable experience from a wide range of backgrounds, who have volunteered to help Egmont broaden its access to potential donors.

"Egmont will maintain its strictly low-profile approach, focused on results rather than publicity."

EGMONT LOOKS BEYOND THE IMMEDIATE MEDICAL NEEDS OF CHILDREN AND SEEKS TO PROMOTE THEIR OVERALL WELL-BEING AND QUALITY OF LIFE, TO ENSURE THAT CHILDREN CAN BE CHILDREN.



Egmont seeks substantial, long-term, recurring donations. Longer-term commitments from donors enable us to provide funding security to our supported projects. Additionally Egmont's low-cost model of securing few but large donations enables us to avoid the distractions and costs of other fundraising strategies and so focus our energies on delivering the Trust's aspirations.

Donor – Trust Relationship

All donors receive regular updates on Egmont's activities and progress, as well as a more detailed, audited annual report. Donors will be invited to an annual meeting where they will have the chance to meet some of our project partners, and hear how their money is being spent in helping to improve the lives of children and their families in poor communities heavily affected by HIV & AIDS. We are wary about organising trips to visit projects, given the organisational demands, the associated costs, and the impact this has on local communities who have more pressing priorities.

Ideally donor funds will be 'general funds' to be allocated to any project as approved by the Egmont Board. A large, unrestricted 'general fund' gives Egmont significant flexibility when selecting project partners and keeps administrative costs to a minimum. However, should donors wish to select a particular project or project types from our portfolio we would be happy to arrange this.

INTERVIEW

WITH THE CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR

*An interview with Colin Williams and
Linnea Renton on HIV & AIDS and
Egmont's strategy.*

*“If you support local
initiatives that have
strong commitment and
a genuine understanding
of the local problem,
you get good results that
can be scaled up.”*

Q. Can we really have an impact on HIV & AIDS? It seems such an intractable problem.

Colin: Yes, it is a huge problem – 22.5 million people infected in Africa and 1.5 million deaths last year. And it is especially bad for children, who are more vulnerable and represent the future of their family and their country. But it is not intractable. Linnea and I between us have 50+ years of experience in work that has genuinely reduced the impact of the disease. Indeed a whole country, Uganda, managed to reduce its rate of infection to below 5%, a process I was lucky to be involved with. From all those experiences we have seen that if you do what works, support genuine local initiatives that have strong commitment and a genuine understanding of the local problem you can get good results, and many of these have the potential to be successfully scaled up.

Crucially, this kind of approach is by definition low cost, and operates at a very human level. With some courage and, to be frank, genuine trust in the local people you are working with it does deliver results. Strangely, although it is effective, it seems to be a radical approach – one that the traditional aid agencies with their institutional methodologies find hard to process and accommodate.

Q. Where is Egmont focusing its efforts?

Colin: Geographically, we are focusing on where the impact of HIV is especially bad and in the poorest communities – namely southern and eastern Africa – combined with where we are able to find good, locally driven initiatives. It is the projects first and foremost that drive our selection however – the people behind them, the ownership, the innovation, and our ability to monitor and generate a proper return on our donors' money.

COLIN WILLIAMS
CHIEF EXECUTIVE



LINNEA RENTON
EXECUTIVE DIRECTOR



Linnea: In terms of the types of project work we support, we are attracted to activities that will make the most tangible difference to people's lives, such as improved nutrition, access to education, and the quality of care for children – including street children and survivors of abuse.

Q. What sort of organisations are you working with? How do you know they are worth supporting?

Linnea: Egmont works with quite a wide range of partners. Our emphasis is on locally driven, community-based organisations – these have often been formed on a self-help basis by volunteers keen to make a difference in their communities. So they include HIV-positive people's support groups, youth groups, faith-based organisations, women's groups, farmers' associations and many others, including government and the private sector.

Colin: The essential thing is that they display soul and substance! By which I mean real commitment, plus solid local knowledge of what works and the ability to show that they are achieving results.

Linnea: Our own longstanding networks in Africa mean that we have known a number of the partner organisations and/or their staff over many years. In addition, our Reference Group members are our eyes and ears on the ground in each country. So even if we do not know an organisation directly, we are sure to know someone who does! The essential thing is to ensure that our analysis of the projects is of high quality – informed by our experience, contacts and proper due diligence. This pays off in ensuring that the risk of disappointment and underperformance is reduced, as are the costs of managing the relationship.

“I am constantly amazed and humbled by how much our partners achieve with so little.”

Q. *So much aid money is wasted – why do you say it can be cost-effective? How can you be sure the money will be properly used and not lost through mismanagement and corruption?*

Linnea: These are real concerns for any donor, and addressing them is a very important part of our own structure as well as our risk management in relation to the projects we support.

In terms of cost-effectiveness, that is one of the key criteria we look at when assessing proposed projects in the first place. Those with inflated budgets, high overheads etc. do not make it past the first hurdle. Again, our experience in Africa means that we have a very good understanding of what things really cost and are quick to spot any ‘padding’.

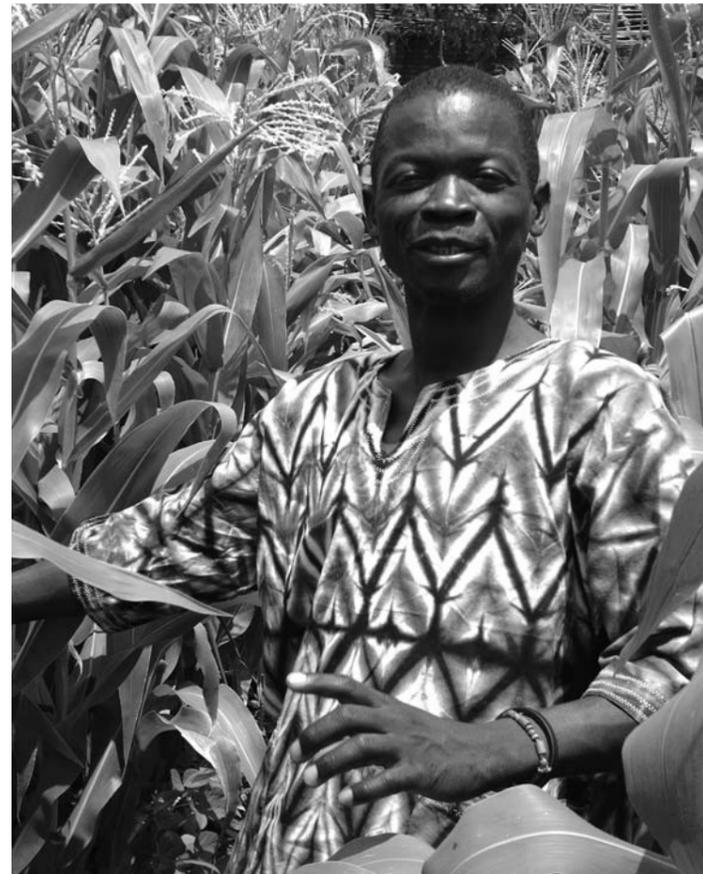
In fact I am constantly amazed and humbled by how much our partners achieve with so little. When you see the huge difference it makes – in terms of motivation as well as effectiveness – for a volunteer to receive a bicycle to enable her to reach families in outlying villages rather than having to go on foot, then you know that every pound really can make a difference when it goes to the right organisations in the right places.

But we are not sentimental or misty-eyed about all this; it has to be accompanied by financial rigour and accountability. We require quarterly reports from all partners and follow up any queries or concerns immediately. We also give technical assistance to help strengthen partners’ monitoring and evaluation processes, so that they not only achieve value for money but can measure and demonstrate it clearly.

These systems and procedures help with preventing mismanagement and corruption – but really the key

“The key is choosing genuine, committed and trustworthy people in the first place.”

THIS MALAWIAN SMALLHOLDER FARMER HAS IMPROVED HIS YIELDS AND HIS FAMILY'S INCOME WITH ASSISTANCE FROM EGMONT'S PARTNER IN MCHINJI.



is choosing genuine, committed and trustworthy people in the first place. That is where Egmont’s local knowledge and contacts give us a distinct advantage.

Q. *So what does this mean in terms of Egmont’s own costs?*

Colin: By investing in partners we believe in, and using their local cost structures, we do not need to build a bureaucracy of our own. We also use our Reference Groups in a variety of ways, in preference to employing additional staff. Both these approaches keep Egmont’s costs to a bare minimum.

Linnea: We have resisted the usual route of setting up country offices with premises, vehicles, etc. We aim to keep our own staff structure to the absolute minimum necessary to serve our partners whilst meeting the accountability requirements of supporters and regulatory bodies. The fact that the trustees bear all the Egmont infrastructure costs means that 100% of donations go directly to project work.

INTERVIEW

WITH AN EGMONT PARTNER

An interview with Rinos Simbulo, Executive Director of Mulumbo Early Childhood Care and Development Foundation, Lusaka, Zambia, on what difference Egmont's support has made to his project.

RINOS SIMBULO
EGMONT PARTNER



Q. How and why was Mulumbo set up? What does it do?

Rinos: Five years ago, with a few colleagues, I saw that children aged 3–6 years were suffering emotionally and nutritionally, especially with the added burdens of poverty and HIV & AIDS. And, particularly in poor urban and semi-urban communities, they did not receive the same parental support and direction that may have happened in the traditional village environment in previous generations. We decided to set up centres and training and counselling schemes right in the communities to address the gaps that we identified.

Q. And what have you achieved so far?

Rinos: We now have ten early childhood care and development centres running in Kabwe, Kaoma, Chipata and Lusaka, helping 1,500 children and their families – providing early childhood education and counselling, as well as training their parents in integrated care for children, e.g. on behaviour, diets, use of mosquito nets, etc.

Q. What have the results been?

Rinos: Incidence of common preventable diseases such as malaria, diarrhoea, and respiratory illnesses has drastically reduced in the operational areas. Performance of children from the centres is much higher when they start primary school. They seem more confident and empowered, and encourage the same tendency in their parents.

The issue of child abuse, and even sexual abuse, is one that is not now swept under the carpet. We have one case where a person has been identified by the local community and charged and is being tried

in court for defiling a child. That would not have happened without the pressure from our centres and the community empowerment that has been created.

Q. How about with HIV & AIDS specifically?

Rinos: The strongest impact is when we deal with the issue of children affected by HIV. This of course applies to virtually all children here, but some suffer more than others, especially those who lose their parents and become an extra family burden for aunts and uncles or grandparents – or sometimes a young child is looked after by another 12 or 13-year-old child. Our centres give them skills, confidence and some hope for the future.

Dealing with the reality of children who are themselves HIV-positive is tougher, not least because it may bring awareness of their own status home to their parents. But our centres offer an opportunity to deal with all the emotional, social and other issues that arise, and allow children and their parents to realise that being positive is not a death sentence, does not need to be denied, and there is still a long life ahead with treatment and correct living.

Q. How has the Egmont Trust helped? Is it different from other donors?

Rinos: Egmont has proved a very straightforward donor, which seems to be rare these days. Although you have immense experience, you give us space to pursue our own vision and analysis of the problem. Apart from providing resources, this has given us some empowerment. Although you know and understand, you support rather than prescribe. But we have also benefited from your experience with some particular suggestions here and there, e.g. on the importance of our centres staying close to

people's reality. You have not been shy to support activities that we have found work but which other donors find difficult, e.g. provision of school uniforms, which instil self-confidence.

Egmont's support has also helped us build our own credibility and standing, to such a level that on 25 February 2009 we will be officially opening a model early childhood care centre in Nakoli community in Kabwe. The centre was designed and built for children after Mulumbo won an award – and funding – from the Royal Danish Government as the most innovative NGO in Zambia for children.

Q. And what direction should we take as we grow in the future?

Rinos: We would obviously like more funds! But we can certainly see the mutual value in a longer and deeper relationship, e.g. a three-year agreement brings more sustainability. We value the expertise you give us, but feel that in this way you will also learn how best to channel your funds. We would also like to see more opportunities to come together and share with/learn from other similar organisations in Zambia and elsewhere.

“Although you have immense experience, you give us space to pursue our own vision... you support rather than prescribe.”

INTERVIEW

WITH EXISTING EGMONT DONORS

An interview with Rory Powe (Powe Capital) and Martin Woodcock (CEO Millgate Capital) on why they support the Egmont Trust.

“As an investor, you know that ideology is often misplaced – it is what you learn on the ground that tells the real story – and so it is with Egmont’s approach.”

Q. Why do you support Egmont?

Martin: Many things attract me to Egmont. I love the idea that 100% of all donations go directly to the projects Egmont chooses to fund. All admin costs are met by the Egmont trustees. Colin and Linnea are true professionals and they use their experience to evaluate and then monitor every project – so we know every penny is well spent.

Rory: I agree. Furthermore I like that many of the hallmarks of the independent fund management sector strongly resonate here – low fixed costs, entrepreneurialism, the empowerment and backing of key individuals, making things happen. As an investor, you know that ideology is often misplaced – it is what you learn on the ground that tells the real story – and so it is with Egmont’s approach.

Q. Isn’t there a danger like any portfolio of over-stretch?

Martin: Yes, and it is a question that we ask all the time in our trustee meetings. It is a question of balancing control and delegation – and that boils down to choosing the right people and the right projects. A huge amount of effort goes on at the front end in project analysis – by definition time and money invested here is likely to reduce the need for micro-management later on. I like the idea as an investor of making your bets. As an equity investor I have far less influence on managements than the Egmont team do!

Rory: I like the portfolio approach – like any portfolio there will be star performers, some average performers and some failures. But you have to endure the failures, take the plunge and the risks to find the winners. And that’s what is unique to Egmont for me.

RORY POWE
TRUSTEE



MARTIN WOODCOCK
TRUSTEE



Q. What do you see as the challenges for Egmont?

Martin: Well, there have been two major developments for the Trust. The first is the surge in demand for the kind of funding Egmont offers – a fourfold increase last year. This will place further burdens on our staff, and, of course, incurs a greater requirement for funding. The second issue is that the current financial environment is very challenging, which is ironic as Egmont looks to broaden its donor base significantly. One point I feel strongly about is that Egmont’s low-cost, high-return approach should be an effective way for donors to get a ‘bang for their buck’ – something especially important in the current environment.

Rory: I would add that Egmont’s scale, and the scope we offer donors to have more direct involvement with specific projects, are advantages as Egmont looks to increase its funding. Donors benefit from greater transparency and can have confidence that their own personal contribution is making a significant difference.

MONITORING AND EVALUATION

Our task is to get the best possible result for children and young people affected by HIV & AIDS. Therefore the way we choose and monitor partners is crucial. Many applicants have come from our longstanding networks of contacts in eastern and southern Africa. As our reputation has grown, we also now receive increasing numbers of unsolicited approaches from new organisations who have heard about us through others or via our website.

To assess and select effectively we are greatly assisted by the Egmont Reference Groups, whose members in each country are chosen on the basis of their in-depth local experience and knowledge. Their backgrounds vary – the current group includes professionals from the health, agriculture and poverty reduction fields – but all have a solid understanding of what makes for the most effective responses to HIV & AIDS in their own local contexts. For example, Mulle Chikoko in Malawi is a social development policy advisor who also brings to bear her experience with faith-based initiatives, while Lovemore Tapfuma Magwere in Zimbabwe is an experienced HIV & AIDS community trainer and programme manager who now works for UNICEF.

For each application we start by assessing the organisation – because the best project idea in the world will fail without the right people and systems in place to implement it. We look at its origins and history, including philosophy and achievements. Sound financial management is also vital. We try to get a good sense of the key people who are driving the organisation: backing the right individuals is crucial to success.

We then assess the soundness of the intervention they are proposing. This may address any aspect of the HIV & AIDS response – prevention, care, counselling, treatment and immune-system boosting, nutritional improvement, income generation, support to the destitute such as orphans etc. – but should be innovative and/or able to be scaled up or replicated if successful. The key is that it must show a positive and demonstrable impact on the lives of children and young people within the timeframe of the project.

In specific terms, we look for the following:

- **Location and target population:** where will the project take place? Who will benefit from it?

(Numbers, economic status, age, gender, and how the target group is affected by HIV & AIDS.)

- **Background to the project:** how has it evolved or been developed? How have the intended beneficiaries contributed to this process and to what degree do they have ownership of the initiative?
- **Focus and distinctiveness:** including issues such as innovation, potential for replication and scale-up.
- **Methods and expected results:** what will be achieved, both within the implementation period and beyond? What are the planned activities, material inputs, timing and overall duration?
- **Management:** how will the project be implemented and managed? Who is responsible for decision-making and reporting?
- **Budget:** details of expenditure and financial management.
- **Monitoring and evaluation:** how will progress be measured? What indicators and milestones will be used? What is the expected benefit individually and overall, direct and indirect? How will these benefits be measured and communicated, internally and externally? What is the cost per beneficiary of the proposed investment, and how does this compare with the expected benefits? Are there any secondary and long-term benefits that will go beyond the specific results of this project?
- **Learning and sustainability:** how has the project learned from other initiatives within the country or region, and how will it disseminate the learning from its own project to others? What activities or outcomes will be sustainable and how will this happen?

After careful assessment based on these criteria, we shortlist applicants and follow up references. We then issue contracts to successful applicants clearly setting out the obligations on both sides. Grant payments are issued in instalments, subject to satisfactory performance.

All projects are required to submit baseline information followed by quarterly narrative and financial reports showing detailed progress against the agreed objectives and budget, with explanations of any variances. However, we also recognise that circumstances can and frequently do change and we aim to be flexible and responsive to requests for modification of project activities or reallocation of expenditure. Each partner is also expected to identify what lessons have been learned during the period, what the key challenges have been and how these will be overcome. At the end of each project a full evaluation is required with an assessment of the impact achieved. As part of the monitoring process every project receives at least one visit per year from either an Egmont staff member or a member of one of our Reference Groups.

In addition to the formal monitoring process, Egmont provides technical assistance and guidance on various aspects of organisational development throughout the year. We also link partners together for mutual learning. For example we recently enabled a group of women farmers from our partner Mitengo in Zambia to visit Malawian smallholder farmers in Mchinji (NASFAM), to share information about improving crop yields, nutrition and incomes in AIDS-affected households.

Furthermore, now that we have four years of data and experience, we are in the process of developing a series of metrics that will enable trustees and donors to assess the overall 'performance' of the portfolio of projects, as with the performance of an investment portfolio.

Through all of the above we aim to ensure that every penny of donor funds is spent effectively to achieve maximum benefit for children and families most heavily affected by the epidemic.

STAFF AND TRUSTEE PROFILES

Egmont's staff and trustees combine a strong track record in HIV & AIDS work and longstanding networks in Africa with expertise in financial services.

Colin Williams OBE (Chief Executive)

Colin spent 22 years with ActionAid, where he was responsible for setting up country programmes in Somalia, Uganda and Malawi, then became Africa Director running the whole region for seven years. He was part of the successful response to HIV & AIDS in Uganda and helped set up the influential NGO, TASO, in that country. Since 2003 he has been involved widely in various trustee, management and coaching roles in Africa and the UK. Colin brings all of that experience to the Egmont Trust: an organisational and management approach that promotes minimal bureaucracies, space, trust and focus, and a belief founded in practice that the impact of HIV & AIDS can actually be reduced substantially, even eliminated. He holds a BA in Economics from Sheffield, an MA from Carleton University, Ottawa, and completed the World Bank Executive Programme at Harvard University. Colin was awarded an OBE in 2002 for services to fighting poverty in Africa.

Linnea Renton (Executive Director)

Linnea has over 20 years' experience in charity and international development work, with an emphasis on capacity building and support for local initiatives. Before joining Egmont she was the International HIV & AIDS Advisor for ActionAid, providing technical assistance to 42 countries in Africa, Asia and Latin America. In that role she also helped to develop the internationally recognised *Code of Good Practice for NGOs Responding to HIV/AIDS*. She has served on the UNAIDS Monitoring and Evaluation Reference Group, and the national executives of the UK Consortium on AIDS and International Development and the UK Sexual and Reproductive Health NGOs Network. She holds a BA (Highest Distinction) in French and Anthropology from the University of Virginia, and an MA in East Asian Studies (with a special focus on China) from Harvard University.

William Garrett (Chairman)

William was Chief Executive of Flemings prior to its take-over by Chase Manhattan in 2000. He is a partner in Zephyr Management, New York, Chairman of Redburn Holdings and a Director of EFG-Hermes, Cairo. He worked for Robert Fleming from 1970 to 2000 in London, Hong Kong, Tokyo and New York before becoming Chief Executive in 1997. Among other things he was a Director of T Rowe Price Group from 2001-2005. He is a trustee of four other charities.

Clare Evans (Trustee)

Clare ran the day-to-day activities of the Trust from its inception up to the appointment of paid staff, and is still closely involved. She worked for ActionAid (1997-2000) initially as Africa Programme Officer and then as HIV & AIDS Policy Officer. Prior to this she was at Voluntary Service Overseas (VSO) from 1994 to 1997, first as support staff in London and then as Programme Officer in Zambia. From 1990 to 1994 she worked for Frontier, an organisation running research expeditions in Africa and Asia; posts included running projects in Tanzania and Vietnam before becoming Director of UK Operations in London. BA (Hons), Manchester University.

Martin Woodcock (Trustee)

Martin is Chief Executive Officer of Millgate Capital (London) LLP. Previously he was a Vice-President of Salomon Brothers International responsible for the sale of European and emerging market equities, including initial primary offerings and privatisation. He previously held senior positions within the European and emerging markets equities groups of Credit Lyonnais Securities, where he was a Director and Head of Sales, CS First Boston UK Ltd., where he was a Vice-President, and Carnegie International Ltd. He started his career in the financial industry as an analyst with Robert Fleming Securities in 1988. BA (Hons), Cambridge University.

Rory Powe (Trustee)

Rory founded Powe Capital with a team of six people in 2002. Powe Capital is the manager of Modulus Europe, a European equity long/short fund. Prior to this Rory was a fund manager at INVESCO where he began his investment career as a trainee in 1986. During his 16 years there he managed the INVESCO European Growth Fund unit trust (1991-2001) and was head of the European equity team (1993-2001). He was made a Global Partner of parent AMVESCAP in 1994. BA (Hons), Modern History, Trinity College, Oxford University.

Jeremy Evans (Trustee)

Jeremy is Senior Partner of Redburn Partners LLP. Previously he was Regional Head of UK and European Equities at Flemings. Following the acquisition of Flemings by JP Morgan Chase he was appointed a Managing Director of JP Morgan and Joint Chief Executive of Robert Fleming & Co. He was also a founder and Managing Director of European Company Research Unit Ltd. MA, Magdalene College, Cambridge University.

James Lyle (Founder Partner)

James is Chief Investment Officer of Millgate Capital, Inc., which he co-founded in 1997. From 1993 to 1997 he was a Managing Director of Tiger Management LLC. From 1991 to 1993 he served as fund manager with Fidelity Management and Research in Boston. From 1985 to 1991 he was a Vice-President of Morgan Stanley. James was a founding trustee of the Egmont Trust, from its inception in 2005 through to December 2007. His other interests have included: Chairman of the National Foundation for Teaching Entrepreneurship, a board member of the GL Group, and a trustee of the Tiger Foundation. He remains an Egmont donor. BA, St Edmund Hall, Oxford University.

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity Name:	The Egmont Trust
Charity Number:	1108199
Principal Office:	2nd Floor 75 King William Street London EC4N 7BE
Address for Grant-Related Correspondence:	Temple Court Cathedral Road Cardiff CF11 9HA info@egmonttrust.org www.egmonttrust.org
Trustees:	Clare Evans Jeremy Evans William Garrett (Chairman) Rory Powe Martin Woodcock
Senior Staff:	Colin Williams, OBE (Chief Executive) Linnea Renton (Executive Director)
Auditors:	Ernst & Young LLP Chartered Accountants & Registered Auditors 1 More London Place London SE1 2AF
Bankers:	Clydesdale Bank 91 Gresham Street London EC2V 7BL
Investment Managers:	CCLA Investment Management Ltd. COIF Charity Funds 80 Cheapside London EC2V 6DZ

INDEPENDENT AUDITOR'S REPORT

We have audited the Egmont Trust's financial statements for the year ended 31 December 2008 which comprise statement of financial activities, balance sheet and related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 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 auditor's 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 the trustees and auditor

As described in the Statement of Trustees' Responsibilities, the charity's Trustees are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993.

TO THE TRUSTEES OF THE EGMONT TRUST

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity as at 31 December 2008 and of its incoming resources and application of resources and expenditure for the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Ernst & Young LLP
Registered Auditor
London
5th June 2009

STATEMENT
OF FINANCIAL
ACTIVITIESFOR THE YEAR ENDED
31 DECEMBER 2008

	Note	Unrestricted Funds 2008	Restricted Funds 2008	Total Funds 2008	Total Funds 2007
		£	£	£	£
Incoming resources					
Incoming resources from generating funds:					
<i>Voluntary income</i>	2	522,697	163,500	686,197	598,333
<i>Investment income</i>	3	9,425	–	9,425	9,410
Total incoming resources		532,122	163,500	695,622	607,743
Resources expended					
Charitable activities	4	(512,722)	(150,120)	(662,842)	(721,485)
Governance costs	5	(1,116)	–	(1,116)	(4,516)
Total resources expended		(513,838)	(150,120)	(663,958)	(726,001)
Net incoming resources for the year		18,284	13,380	31,664	(118,258)
Reconciliation of funds:					
Total funds brought forward		102,997	8,546	111,543	229,801
Total funds carried forward		121,281	21,926	143,207	111,543

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 36 to 39 form part of these financial statements.

BALANCE
SHEET

AT 31 DECEMBER 2008

	Note	2008	2008	2007	2007
		£	£	£	£
Fixed assets					
Tangible assets	7		914		1,710
Current assets					
Debtors	8	140,196		36,883	
Cash at bank		285,268		373,199	
		425,464		410,082	
Creditors: amounts falling due within one year	9	(283,171)		(300,249)	
Net current assets			142,293		109,833
Total assets less current liabilities			143,207		111,543
Funds					
Restricted income funds	10		21,926		8,546
Unrestricted income funds	11		121,281		102,997
Total funds			143,207		111,543

The notes on pages 36 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2008

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Charities Act 1993.

(b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income, including donations, gifts, legacies and grants that provide core funding or are of a general nature, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- Investment income is recognised on an accrual basis.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully

recovered, and is reported as part of the expenditure to which it relates:

- 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 either 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.

(e) Charitable activities

Costs of charitable activities include grants made and support costs as shown in note 4.

(f) Support costs

All support costs relate to charitable activities and are shown in note 4.

(g) Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

(h) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions are not capitalised.

Depreciation is charged on computer equipment, which is written off on a straight line basis over its estimated useful life of 3 years.

2. Voluntary Income	Unrestricted Funds 2008	Restricted Funds 2008	Total Funds 2008	Total Funds 2007
	£	£	£	£
Donations	522,697	163,500	686,197	598,333

3. Investment Income	Unrestricted Funds 2008	Total Funds 2008	Total Funds 2007
	£	£	£
Bank interest receivable	9,425	9,425	9,410

4. Costs of Charitable Activities by Fund Type	Unrestricted Funds 2008	Restricted Funds 2008	Total Funds 2008	Total Funds 2007
	£	£	£	£
Kenya	84,820	–	84,820	54,593
Malawi	40,791	–	40,791	82,030
Mozambique	59,979	–	59,979	65,323
Tanzania	124,445	–	124,445	69,869
Zambia	63,510	–	63,510	137,343
Zimbabwe	139,177	–	139,177	185,389
Support costs	–	150,120	150,120	126,938
	512,722	150,120	662,842	721,485

5. Governance Costs	Unrestricted Funds 2008	Total Funds 2008	Total Funds 2007
	£	£	£
Accountancy fees	1,116	1,116	1,187
Production of annual review	–	–	3,329
	1,116	1,116	4,516

Audit services are provided pro bono by Ernst & Young LLP.

6. Staff Costs and Emoluments

Total staff costs were as follows:

	2008	2007
	£	£
Wages and salaries	96,260	87,540
Social security costs	5,920	5,752
Other pension costs	9,297	8,500
	111,477	101,792

NOTES TO THE
FINANCIAL STATEMENTS
(CONTINUED)

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2008	2007
	Staff no.	Staff no.
Charitable activities	2	2

No employee received emoluments of more than £60,000 during the year (2007: nil).

The trustees received no remuneration in either accounting period, but were reimbursed expenses for costs incurred in the furtherance of their duties as trustees amounting to £402 in the year (2007: £2,441).

7. Tangible Fixed Assets (Computer Equipment)

	£
Cost	
At 1 January 2008	3,064
Additions	338
At 31 December 2008	3,402
Depreciation	
At 1 January 2008	(1,354)
Charge for the year	(1,134)
At 31 December 2008	(2,488)
Net book value	
At 31 December 2007	1,710
At 31 December 2008	914

8. Debtors

	2008	2007
	£	£
Trade debtors	109,442	35,583
Gift Aid debtors	29,376	–
Other debtors	1,378	1,300
	140,196	36,883

9. Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	283,171	300,249

10. Restricted Income Funds

	Balance at 1 Jan 2008	Incoming resources	Outgoing resources	Balance at 31 Dec 2008
	£	£	£	£
Woodcock Charitable Trust	8,546	150,000	(150,120)	8,426
Anonymous donation 2008	–	13,500	–	13,500
	8,546	163,500	(150,120)	21,926

The donation from the Woodcock Charitable Trust was received to fund operating costs.

An anonymous donation was received for the Vukoxa project in Mozambique.

11. Unrestricted Income Funds

	Balance at 1 Jan 2008	Incoming resources	Outgoing resources	Balance at 31 Dec 2008
	£	£	£	£
General funds	102,997	532,122	(513,838)	121,281

12. Analysis of Net Assets Between Funds

	Tangible fixed assets	Other net assets/liabilities	Total
	£	£	£
Restricted income funds:			
Woodcock Charitable Trust	–	8,426	8,426
Anonymous donation 2008	–	13,500	13,500
	–	21,926	21,926
Unrestricted income funds	914	120,367	121,281
Total funds	914	142,293	143,207

FINANCIAL SUMMARY

FOR THE YEAR ENDED
31 DECEMBER 2008

	2008	2007
	£	£
Incoming resources		
<i>Voluntary income</i>		
Donations	686,197	598,333
<i>Investment income</i>		
Bank interest receivable	9,425	9,410
Total incoming resources	695,622	607,743
Resources expended		
<i>Charitable activities</i>		
Support costs:		
Salaries	111,477	101,792
Travel	9,170	9,541
Office costs	29,473	15,605
	150,120	126,938
Grants payable:		
Kenya	84,820	54,593
Malawi	40,791	82,030
Mozambique	59,979	65,323
Tanzania	124,445	69,869
Zambia	63,510	137,343
Zimbabwe	139,177	185,389
Total grants payable	512,722	594,547
Total charitable activities	662,842	721,485
<i>Governance costs</i>		
Accountancy fees	1,116	1,187
Legal fees	–	3,329
	1,116	4,516
Total resources expended	663,958	726,001
Net incoming resources for the year	31,664	(118,258)



GENEVIEVE MWIINGA, MITENGO CO-ORDINATOR (REAR LEFT), CAN SEE THE DIFFERENCE IN THE HEALTH AND WELL-BEING OF MEMBERS' CHILDREN THROUGH BETTER NUTRITION.

The task for the Egmont Trust is to do more of what we know works and to encourage others in the same direction. We genuinely believe that a momentum can be achieved for Africa as a whole in HIV & AIDS just as happened successfully in Uganda 16 years ago.

We invite you to join us.

THE EGMONT TRUST

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