



THE EGMONT TRUST

Improving the lives of children affected by HIV&AIDS



Annual Review 2010

“No child should be born with HIV; no child should be an orphan because of HIV; no child should die due to lack of access to treatment.”

Ebube Sylvia Taylor, an 11-year-old girl born free of HIV, speaking to world leaders gathered in New York at the United Nations Millennium Development Goals Summit, September 2010





All photos in this review were taken by Egmont staff, trustees or partner organisations. For a full list of the locations and projects shown, see page 43.

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Senior Staff

Colin Williams OBE (Chief Executive)
Linnea Renton (Executive Director)
Jane Baker (Programme Administrator)

Trustees

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

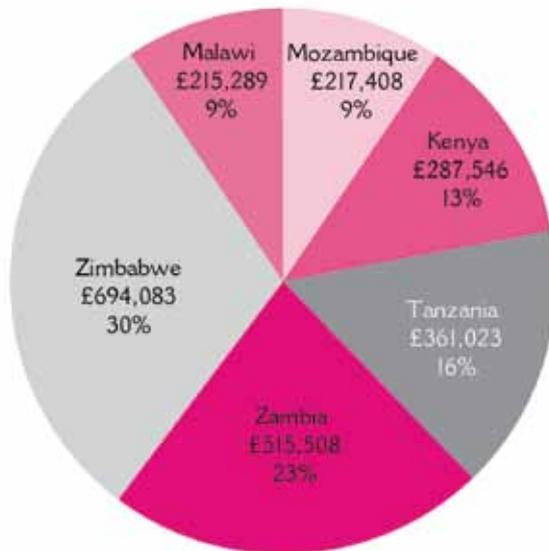
Ambassadors

Julian & Sophie Ansell
Brooke Berry
Charlie Bridge
William Bristowe
Matthew Clarke
Marisol Cohen
Nick & Non Cross
Helen Fairclough
Kate Humble
James Lyle*
Nick Tims
Sally Woodcock*

* Patrons from 2011

Overview

Egmont's project investment 2005-2010



Targeted investment brings results

- Circa £2.3 million disbursed to date, to 59 local partner organisations in Kenya, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe
- Project partners tackling the effects of HIV & AIDS and poverty on children in severely affected countries
- Results show measurable and sustained impact on improving children's education, nutrition, family income and HIV care
- Financial, managerial and technical support provided by Egmont
- Focus on smaller, locally inspired and managed projects, often neglected by larger agencies
- Possible to have a material impact and a multiplier effect through carefully targeted investment



Egmont's portfolio approach

- Reflects trustees' entrepreneurial focus: backing key individuals on the ground, looking for opportunities under the radar screens of large-scale players, recognising the need to take risks to find winners
- Portfolio mix includes provision of seed capital, lead investment or co-investment as appropriate
- Portfolio structure reduces donor risks relative to single-project donation
- Significant benefits for partners through cross-fertilisation of ideas
- Low fixed costs and avoidance of bureaucracy
- Trustees cover all the running costs of the Egmont Trust
- 100% of donors' money passed directly to the projects Egmont supports

Assessment and monitoring

- Detailed assessment and selection of both organisations and proposed projects
- Baseline information collected to enable rigorous measurement of impact
- Quarterly narrative and financial reporting plus annual and end-of-project evaluations
- Sharing of learning encouraged between partners
- Project-to-project evaluation system piloted by Egmont has been cited by a leading private-sector philanthropy body, the European HIV/AIDS Funders Group, as a noteworthy example of innovative funding leading to programme improvement through knowledge-sharing

Our ambitions for 2011

- Income: increase the size and sustainability of current relationships with key donors and actively seek new ones
- Partnerships: continue to select high quality local partner organisations and projects, with a mix of small pilot grants (£5k-10k), core support (£20k-30k) and higher level strategic grants (£40k+) as funds permit
- Contract management: maintain efficient, responsive and timely administration of contracts and partner communication
- Evaluation of impact: create a reporting, evaluation and learning structure that is distinctive, owned by and relevant to our partners and enables us to assess results and communicate these to donors
- Governance and management: continue to develop relevant systems and procedures in line with Egmont's culture and size





“Our distinctive core expertise is locating the people and organisations with the commitment, vision and ability to deliver real results at relatively low cost.”

Egmont’s first five years have shown us what can be achieved for beneficiary communities in Africa, with selection of and support to good initiatives based on relevant expertise and connections close to the ground. Our distinctive core expertise is locating the people and organisations with the commitment, vision and ability to deliver real results at relatively low cost. We have built a strong portfolio of partners and projects, enabling them to produce impressive outcomes and to progress in a rich variety of ways in providing effective responses to the impact of HIV & AIDS, especially in relation to children and young people. We have also shown that this approach can use an operating system that is slim and non-bureaucratic.

In this way, with the addition of simple systems for due diligence and technical assessment, we have been able to avoid the artificial layers that are sometimes placed between donor and beneficiary by some of the more traditional aid agencies. The very simplicity of our approach is surprising, often disarming, to some and ensures that delivery costs are kept low. But we maintain very high professional levels and reinforce this by guaranteeing that 100% of our operating costs are funded directly by Trustees. There are no hidden costs or hidden layers.

This period has also provided significant lessons in areas of evaluation, communication, relationship-building and fundraising, all of which are essential in helping us achieve the income necessary to realise our vision. Egmont has recently undertaken a strategic review resulting in a new five-year plan. It reaffirms our commitment to making grants to effective, locally driven organisations as the best way to invest resources to overcome the impact of HIV & AIDS on children and their families in sub-Saharan Africa.

We are tremendously grateful for your ongoing interest and support, and we welcome your continued engagement as Egmont embarks on its next five years.



William Garrett
Chairman

Review of the year

HIV & AIDS statistics

In sub-Saharan Africa:

- 22.5 million people are currently living with HIV (of 33.3 million worldwide)
- 37% of those needing antiretroviral treatment are currently receiving it
- 1.3 million adults and children died of AIDS last year
- 1.8 million adults and children in the region were newly infected with HIV during the year (accounting for 69% of new infections globally)
- 14.8 million children have been orphaned by AIDS **in sub-Saharan Africa alone**

Source: *Report on the Global AIDS Epidemic*, UNAIDS, 2010

Income

Egmont succeeded in raising £750k in 2010, a welcome increase of 6.4% compared to the previous year. Of particular note, in line with the new fundraising strategy we initiated in 2009, was the significant increase in external (i.e. non-Trustee) donations – up 53% year on year. Crucial to this has been substantial new support from individuals, corporations and private charitable foundations.

Until 2008, all of Egmont's activities had been funded by Trustees and a very small number of generous donors. The new funding strategy was designed both to respond to the rapid increase in demand from potential projects for funding, and to increase the diversity and therefore quality of the Trust's funding.

Whilst our 2010 total fell short of the ambitious target of £1 million we had set ourselves, we are very pleased that – in what has remained a challenging fundraising environment – we have seen further growth, enabling us not only to maintain support for all existing projects but also to establish three new partnerships during the year. Cumulatively, since our establishment in 2005, Egmont has raised a total of £3.4 million. Our heartfelt gratitude goes out to all our donors, both recent and longstanding, for their extraordinary generosity.

Support to projects

Egmont has focused on providing funds directly to selected projects in six African countries, with positive results being achieved both from one-year grants and multi-year investment. Our support has, in some cases – particularly for a few of our smaller partners – been the basis of survival; for larger organisations, it has

provided an opportunity to pursue more innovative, less easily funded components including pilot projects. More recently we have also begun to provide funding for project-to-project evaluation to improve programme learning, effectiveness and accountability.

We now have substantial knowledge of our partners – their commitment and integrity, their performance and their ability to learn. This has allowed us to select organisations to receive multi-year funding that will improve not only the results they achieve on the ground but also their own strategic development.

With the funds raised in 2010, Egmont made new grant commitments of £553,650 to 24 projects (average grant size £23k), including three new partners in Kenya, Malawi and Zambia. The remaining 21 projects are run by partner organisations that have received previous Egmont grants, have demonstrated their ability to deliver results cost-effectively and are progressing as organisations in their own right. With two of the projects funded in 2008/09 still running, this means that in total 26 Egmont-funded projects were in operation during 2010. The 2010 total grant commitment compares with £303,512 granted in the 2009 funding round. As in 2009, a strategic decision was taken to carry over a proportion of 2010 Trustee donations as a reserve against future operating costs, given the challenging economic backdrop. The Trustees continued to cover all of the operational expenses of the Trust in the UK, the US and Africa; as a matter of principle 100% of non-Trustee donations are disbursed directly to projects.

As noted in the recent resource-tracking report, *European Philanthropic Support to Address HIV/AIDS** (November 2010),

* http://www.hivaidsfunders.org/Documents/EFG_Report_Final_2009.pdf

which featured Egmont as an example of an innovative funder, “Philanthropic funding has a unique and important role to play in fighting HIV/AIDS.” In particular, the report notes that private philanthropic organisations such as foundations and trusts have the following advantages:

- They can be quick, flexible and responsive, with relatively simple processes compared to governments or other more bureaucratic organisations
- They have the ability to innovate and take risks, providing exploratory money to map and test new approaches that can be scaled up or leveraged
- They are politically independent, acting as neutral platforms independent from government policy considerations and politics

Egmont believes strongly in the value of these qualities of flexibility, innovation and independence, and aims to embody them in the way it works.

The Trust continues to carry out rigorous assessment of new projects and partners, to look for innovations and new approaches and to monitor funded projects through quarterly reports and ongoing dialogue. Egmont staff or Trustees have visited projects in five of our six targeted countries over the past 12 months.

A key part of the monitoring process is to use our local reference groups in each country, as well as other trusted local contacts, to ‘triangulate’ our contact with our partners. The effectiveness of Egmont’s approach is constantly reinforced during these visits and by our other contacts. It is the cumulative impact of a growing number of medium and smaller grants to carefully selected projects that drives the tangible improvement in the lives of thousands of children and families affected by the HIV & AIDS pandemic.

The Egmont Trust Awards

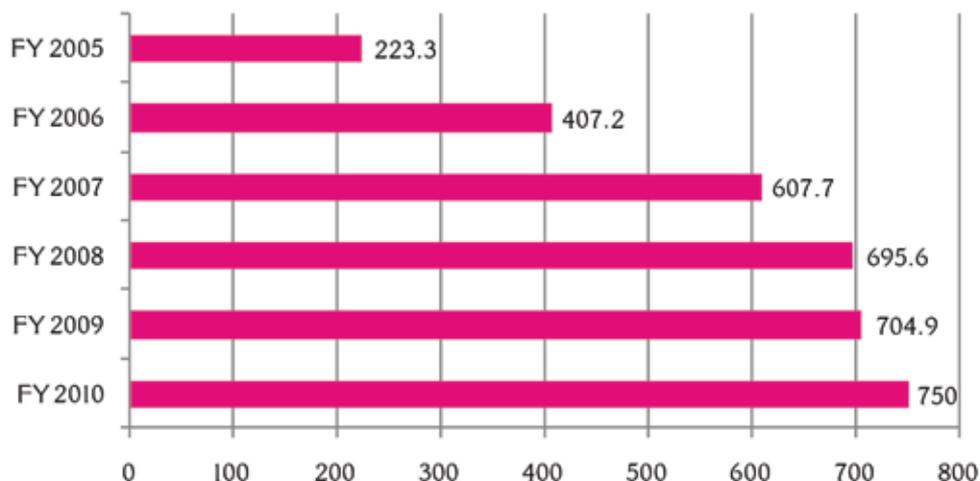
In order to recognise formally the outstanding contribution made by our portfolio of partners, the Trust makes two annual awards for excellence: one for

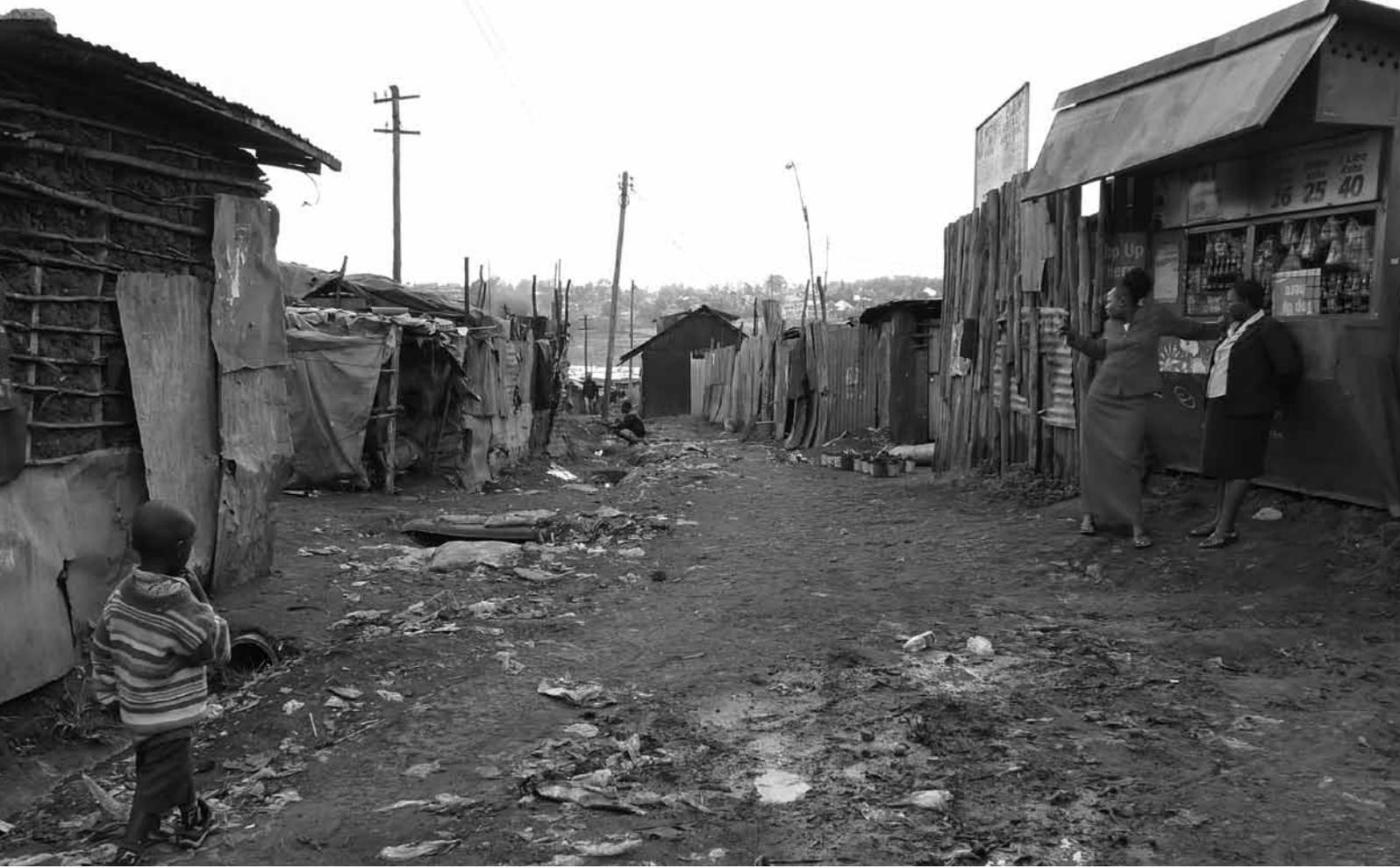
the Most Inspiring Individual and one for the Best Performing Organisation. The initial driver, and continued focus, of the scheme is to honour specific individuals and organisations that we believe are making an especially effective response to the problem of HIV & AIDS in their country.

We use the following criteria in our assessment of people, organisations and projects:

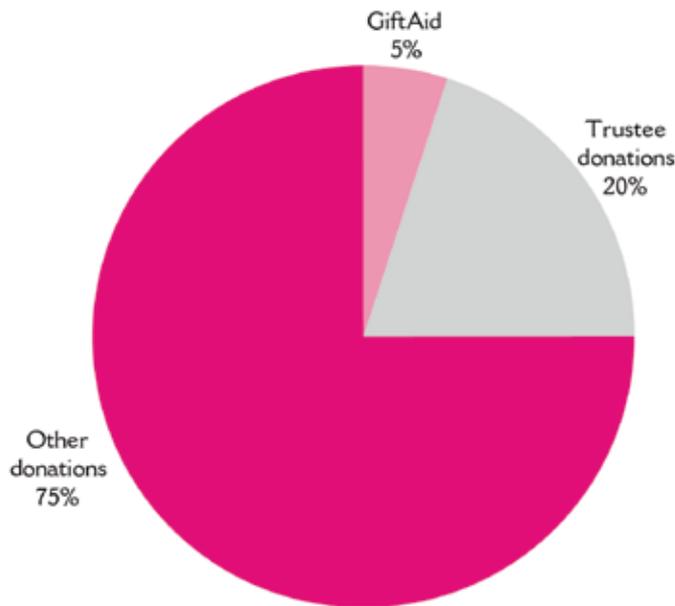
- Display vision, commitment and integrity
- Are driven by those directly affected by HIV & AIDS
- Have a strong impact on children in the community
- Use resources wisely and effectively
- Are innovative and offer new ideas
- Produce clear results in tackling the toll of HIV & AIDS

Income growth by financial year (£000)





Where Egmont's income came from in 2010



The award for Most Inspiring Individual is given to the person who, in our view and by our observation, has best shown his or her commitment, integrity and personal value to the community and partner organisation over the past year. We are happy to announce that the winner in this category for 2010 is **Pfiriail Kiwia** from Tanzania.

Pfiriail is the originator and engine behind the **Kimara Peer Educators** initiative, which is a broad response to the impact of HIV & AIDS in a very poor, congested part of Dar es Salaam. The organisation's survival has been under threat at times but they have shown the self-sacrifice and commitment to carry on when funds have been tight – a testament to Pfiriail's personal strength and leadership. She sums up what we look for and is a worthy recipient of this year's individual award.

For Best Performing Organisation, the Egmont award for 2010 goes to the **Chipata District Farmers Association**

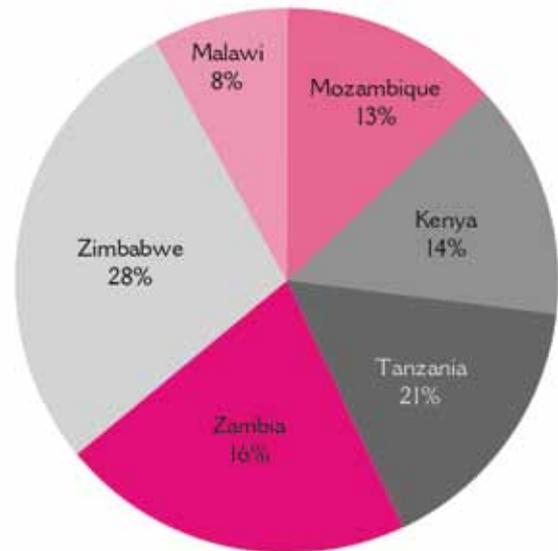
(CDFA) in Zambia. This award is given to the organisation that we believe has progressed most effectively as a locally driven enterprise and made the most telling response to the problem of HIV & AIDS, especially for children and young people.

CDFA has grown from a small initiative to become a strong NGO in Chipata, dealing directly with issues of nutrition for people affected by the epidemic. More recently, this has included working with rural health centre staff to ensure that local children are registered and receiving appropriate medical advice and treatment.

Staff and administration

Egmont continues to operate with minimal bureaucracy, keeping staffing numbers and overhead costs low while 'punching above its weight' in terms of numbers of partnerships efficiently maintained and monitored. We intend to continue with this model, as we believe

Where Egmont's project expenditure went in 2010



it not only achieves maximum value from our operational expenditure (which is 100% covered by the Trustees) but also enables us to remain nimble, flexible and responsive in building our portfolio of partners.

Future plans

Egmont has recently undertaken a strategic review resulting in a new five-year plan. It reaffirms our commitment to making grants to effective, locally driven organisations as the best way to invest resources in overcoming the impact of HIV & AIDS in sub-Saharan Africa.

We do not expect a significant change in the HIV & AIDS or poverty environment within the planning period in the six countries where we currently work. Recent trends suggest possibly some small reductions in overall rates of infection.

The core knowledge and strong networks that we hold also cover a larger number

Review of the year

of countries than the current six. However, throughout this plan period, and at least until there is a step increase in available funds, we will consolidate within the existing geographic and thematic areas. As the comparative health statistics below indicate, there is no shortage of work to be done in our current countries of operation.

Our specific objectives for 2011 are the following:

- **Income:** increase the size and sustainability of current relationships with key donors and actively seek new ones
- **Partnerships:** continue to select high quality local partner organisations and projects, with a mix of one-off grants, mid-level core support and higher level, longer-term, strategic grants as funds permit

- **Contract management:** maintain efficient, responsive and timely administration of contracts and partner communication
- **Evaluation of impact:** create a reporting, evaluation and learning structure that is distinctive, owned by and relevant to our partners and enables us to assess results and communicate these to donors
- **Governance and management:** continue to develop relevant systems and procedures in line with Egmont's culture and size

As part of our five-year plan, we are delighted to announce that James Macmillan of Blackrock Investment Management UK Ltd will join Egmont from May 2011 to lead our marketing, fundraising and overall operations.

Comparative health statistics for Egmont's countries of operation and UK, 2010

| | Kenya | Malawi | Mozambique | Tanzania | Zambia | Zimbabwe | UK |
|--|-------|---------|------------|----------|--------|----------|---------|
| Life expectancy at birth – female (years) | 55 | 54 | 51 | 53 | 49 | 42 | 82 |
| Life expectancy at birth – male (years) | 53 | 52 | 51 | 52 | 47 | 42 | 78 |
| Under 5 mortality rate (dying by age 5 per 1000 live births) | 128 | 100 | 130 | 103 | 148 | 96 | 6 |
| Children aged <5 underweight (%) | 16.5 | 15.5 | 21.2 | 16.7 | 14.9 | 14.0 | no data |
| Prevalence of HIV among adults aged 15-49 years (%) | 6.3 | 11.9 | 12.5 | 6.2 | 15.2 | 15.3 | 0.2 |
| Antiretroviral treatment coverage among HIV-positive pregnant women (%) | 56 | no data | 42 | no data | 59 | 36 | no data |
| Antiretroviral treatment coverage among people with advanced HIV infection (%) | 38 | 35 | 24 | 31 | 46 | 17 | no data |

Source: *World Health Statistics 2010*, World Health Organisation



Highlights from our portfolio

During 2010, Egmont-supported programmes continued to achieve impressive results in counteracting the toll of poverty and AIDS. They have done so in diverse ways, whether focusing on increasing children's access to education and nutrition, improving household livelihoods, providing HIV testing and treatment, or raising awareness about HIV & AIDS in order to prevent further infections.

In the following pages we highlight some of the key recent achievements by a selection of Egmont partners to give a flavour of the tangible difference they are making.

Action in the Community Environment (ACE), Siaya, Western Kenya

Project focus:

Strengthen rural care and support systems for families affected by HIV

Key results to date:

- Fewer children reported suffering from diseases of malnutrition such as marasmus, kwashiorkor, night blindness, scurvy and rickets; 15% reduction in hospital visits
- Community groups realised 65% increased income from KSh9,000 to KSh14,850 (USD120 to USD198) per month
- Cases of child abuse and child labour, once alarming, have reduced dramatically
- 1,722 community members received monthly medication
- 45% increase in number of community members being counselled, tested and receiving results

Number of current beneficiaries:

8,579 direct, 5,980 indirect (members of the wider community)

Associação Imagine, Katembe, Mozambique

Project focus:

Improve housing, nutrition and care in a heavily impoverished community

Key results to date:

- Houses constructed for six families (including 30 children) who had been living in dire conditions, converting poor quality reed properties into brick-built homes on formally licensed land
- Establishment of four care homes providing a family-style setting for 47 orphaned children
- Creation of a well-developed garden providing nutritious crops for consumption at the care homes, ensuring a varied and healthy diet for the children that is self-sustaining
- Independent review and evaluation in mid-2010 leading to development of new monitoring and training tools for community workers

Number of current beneficiaries:

Six caregivers and 30 children in new houses, 47 in care homes

Egmont support to date (£000)



**Vukoxa, Chokwé, Gaza Province,
Mozambique**

Project focus:

Support for older caregivers looking after orphans and vulnerable children

Key results to date:

- 56 members are working directly in the crop gardens making their contribution to the collective area and also benefiting from individual plots
- Community managed to save MZM6,000 (equivalent to USD218) which was used to rehabilitate irrigation channels enabling them to irrigate 50 hectares
- Water pump installed for irrigation now serving a quarter of the local population

Number of current beneficiaries:

56 members, 104 children, 200 older people have benefited directly with vegetables. Support also given to neighbouring communities with lower productivity; 70 children, 30 older people and eight sick people supported directly with beans and maize; 450 orphans and vulnerable children have received oil lamps and bars of soap

“The lamps will be helpful for my night studying at home as we don’t have electricity in the area. My grandmother could not afford buying soap for washing our clothes. With this support, I will have my uniforms clean.”

Samuel Mutuque, 14-year-old orphan being cared for by his grandmother with the help of Vukoxa





Highlights from our portfolio

Kimara Peer Educators, Dar es Salaam, Tanzania

Project focus:

Peer support to alleviate the impact of HIV on destitute children and families

Key results to date:

- 271 orphans and vulnerable children provided with school-related material including clothing
- Nutritional support – in the form of staple foods and cooking oil – provided to 538 children and their caregivers
- Parenting skills improved
- Weekend kids' clubs offering counselling support and providing safe space for 261 children to be active and to interact with each other

Number of current beneficiaries:

1,119 direct, 3,142 indirect

Chipata District Farmers Association, Zambia

Project focus:

Rural health centre outreach to improve healthcare for HIV-affected children

Key results to date:

- 24 women's groups supported with groundnut, soya bean, sweet potato and pumpkin seeds for planting
- 2,880 orphans and vulnerable children receiving greater quantity and variety of nutritious food, which has improved school attendance and participation
- 5,000 children registered at local health centres, allowing their health history to be traced and appropriate medical advice and support given
- Health centre staff trained in children's nutrition

Number of current beneficiaries:

6,660 direct (orphans and vulnerable children, members of women's groups, caregivers, rural health centre staff), 1,306 indirect (community members, traditional leaders, community-based organisation volunteers)

Rafiki Girls Centre, Harare, Zimbabwe

Project focus:

Vocational and life-skills training for disadvantaged girls and young women

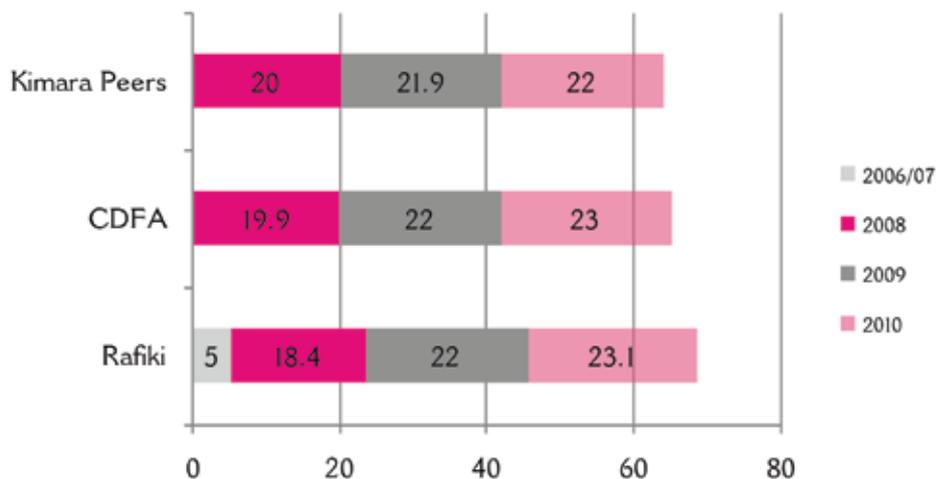
Key results to date:

- 50 young women trained per year in vocational skills including catering, hairdressing, nursing, interior design
- 17 from 2010 intake found immediate employment
- Greatly increased confidence and self-esteem
- Rafiki now providing catering for events on commercial basis, generating income even while students are still being trained

Number of current beneficiaries:

265 direct (vocational training and HIV awareness workshops), 1,000 indirect (reached with HIV information materials)

Egmont support to date (£000)



Egmont project partners

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

KENYA

| Partner | Totals | Main issue addressed |
|---|-----------------|--|
| Kenya Poverty Elimination Network | 94,081 | Bee-keeping for family income |
| Action in the Community Environment | 83,875 | Access to education and nutritious food |
| Trust for Indigenous Culture and Health | 52,752 | Providing HIV info via website |
| Vijana Amani Pamoja / Grassroot Soccer | 27,417 | HIV prevention and life skills through sport |
| Youth Advocates for Behaviour Change | 24,421 | Support to orphans in nomadic communities |
| Senior Women Citizens for Change | 5,000 | Older women caregivers |
| KENYA – All | £287,546 | |

MALAWI

| Partner | Totals | Main issue addressed |
|---|-----------------|--|
| National Smallholder Farmers Association (three projects with different branches) | 63,764 | Smallholder farmers improving production |
| HIV/AIDS at Workplace Intervention Programme | 48,133 | Access to testing, treatment and nutrition |
| Mzuzu Academy | 22,000 | Secondary school bursaries, hostel accommodation |
| Chisomo Children's Club | 20,000 | Support and rehabilitation of street children |
| Community Partnership for Relief and Development | 19,979 | Micro-credit for widows looking after dependants |
| Salima AIDS Service Organisation | 18,360 | Care and support to affected children |
| 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 | £215,289 | |

MOZAMBIQUE

| Partner | Totals | Main issue addressed |
|-------------------------|-----------------|---|
| Meninos de Moçambique | 84,000 | Support and rehabilitation of street children |
| Vukoxa | 66,028 | Support to older caregivers |
| Associação Imagine | 61,467 | Care and support to vulnerable families |
| TEA – Help the Needy | 4,581 | Food security and nutrition |
| Vukarhani | 1,332 | Community centre for orphans |
| MOZAMBIQUE – All | £217,408 | |

TANZANIA

| Partner | Totals | Main issue addressed |
|---|-----------------|--|
| Rungwe Tea Growers | 70,800 | Access to HIV testing and treatment |
| Kimara Peers | 63,908 | Youth peer education |
| Action in the Community Environment | 63,610 | Access to education and nutritious food |
| Tukolene | 45,040 | Fighting stigma and discrimination |
| Human Development Trust | 40,000 | Strengthening HIV community groups |
| Restless Development Tanzania (formerly Students Partnership Worldwide) | 39,830 | Youth peer education |
| Tanzania Development and AIDS Prevention | 23,145 | Farming skills for families caring for orphans |
| Envirocare | 14,690 | Bee-keeping for family income |
| TANZANIA – All | £361,023 | |

Egmont project partners

ZAMBIA

| Partner | Totals | Main issue addressed |
|---|-----------------|---|
| Mitengo Women's Co-operative | 126,378 | Nutrition gardens and food security |
| Chipata District Farmers Association | 64,918 | Smallholder farmers improving production |
| Ndola Integrated AIDS Programme | 62,690 | Revolving savings and credit |
| Pride Community Health Club | 46,956 | Income-generating skills for older orphans |
| Mulumbo Foundation | 39,619 | Early childhood care |
| Afya Mzuri | 38,782 | Access to health services in workplaces |
| Kucetekela Foundation | 21,961 | Secondary school bursaries and community service |
| Copperbelt Health Education Project | 20,000 | Youth peer education |
| Hodi | 20,000 | Addressing sexual violence against women and girls |
| Restless Development Zambia (formerly Students Partnership Worldwide) | 19,924 | Youth peer education |
| Micro Bankers Trust | 19,880 | Revolving savings and credit |
| Tikondane | 19,400 | HIV info for sex workers and bar staff |
| Bright Chapel | 5,000 | Better family communication on sensitive issues |
| Kabwata Orphanage and Transit Centre | 5,000 | Nutrition, education and medical support for children |
| Nutri-Aid | 5,000 | Strengthening community organisations |
| ZAMBIA – All | £515,508 | |

ZIMBABWE

| Partner | Totals | Main issue addressed |
|---|-----------------|---|
| AIDS Counselling Trust | 91,100 | Improving access to nutritious food |
| Batsirai | 85,100 | Care, treatment and nutrition for children |
| Restless Development Zimbabwe (formerly Students Partnership Worldwide) | 85,098 | Youth peer education |
| Sibambene | 84,654 | Training orphans in essential survival skills |
| Rafiki | 68,542 | Skills for disadvantaged girls |
| Streets Ahead | 62,905 | Support and rehabilitation of street children |
| Hospice Association of Zimbabwe | 60,684 | Palliative care for affected children |
| Girl Child Network | 55,000 | Support for survivors of rape and abuse |
| Batanai HIV/AIDS Support Group | 26,000 | Counselling and psychosocial support |
| Farm Orphan Support Trust | 20,000 | Better health for 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 | £694,083 | |

59 PARTNERS TO DATE

£2,290,857

COMMITMENTS YEAR ON YEAR

| Year | Number of new grants | Total value (£000) |
|--------------|----------------------|--------------------|
| 2005 | 5 | 75 |
| 2006 | 29 | 421 |
| 2007 | 26 | 424 |
| 2008 | 31 | 513 |
| 2009* | 15 | 304 |
| 2010 | 24 | 554 |
| TOTAL | | 2,291 |

NB: For projects lasting more than one year, the full grant amount has been included in the year when the initial commitment was made.

* From funds raised in 2009, a further six projects received £130k in early 2010. These grants are included in the 2010 total.

Increased income in a challenging environment

Strategy

Egmont's funding strategy is as follows:

- To increase the diversity and predictability of funding, both geographically and by type of donation, over time
- To increase funds raised over the next three years to a run-rate of £2 million per annum
- To maintain the principle that Trustees and Patrons cover all operational costs, so 100% of donors' monies are passed directly to our partners in Africa

Target donors

We are still at an early stage in broadening our potential donor base, and are very encouraged by the results of the second year of our new strategy. Our focus for the coming year will be high-net-worth donors and relevant large-scale corporate donors and charitable foundations.

Egmont seeks long-term, recurring donations. Longer-term commitments from donors enable us to provide funding security to our projects, avoid

the distractions and costs of broader fundraising strategies and focus our energies on delivering the Trust's aspirations. Whilst our focus is on securing larger gifts, we are equally very grateful to all those donors who have generously given smaller sums: we believe that with all our support, whether large-scale or small-scale, we are able to deliver value for money and to make a real difference to the lives of children affected by HIV & AIDS.

Donor-Trust relationship

Egmont provides regular updates on activities and progress, via newsletter and website, as well as a more detailed annual report. Donors are also invited to an annual reception where they have an opportunity to meet some of our project partners, and to hear about the progress of the Trust and the impact of their donations. We are in general wary about organising trips to projects, given the organisational demands, associated costs and the impact this has upon the local communities. However, if a donor is visiting Africa on other business and is interested in visiting Egmont-funded projects, we shall do our utmost to make this possible.

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

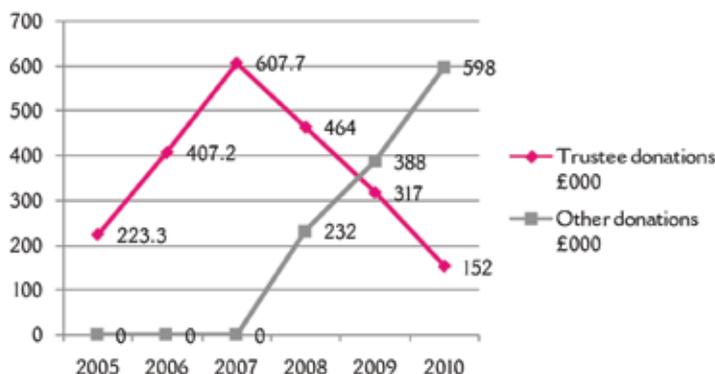
2010 event

The second Egmont reception was held at the Royal Institution in May 2010, with a significant increase in attendees compared to our inaugural event in 2009. Presentations were made by Colin Williams, our Chief Executive, as well as Trustees Martin Woodcock and Clare Evans. The highlight of the evening was the announcement of the first Egmont Trust Awards, to recognise outstanding individual and organisational achievement within our portfolio of projects.

We were delighted to present the award for Most Inspiring Individual to Kenan Ng'ambi of Pride Community Health Organisation in Kafue, Zambia. It was a privilege to hear from Kenan (himself HIV-positive) whose wife died of AIDS, leaving him a single parent to a six-year-old daughter. The award honoured his dedication to Pride, the local support organisation he set up following the death of his wife.

Kenan spoke movingly about Pride's work providing practical help and guidance for children and families affected by HIV & AIDS in his community. It is precisely this kind of bottom-up solution organised by those most directly affected, and driven by committed and talented people, that Egmont seeks to support.

Diversification of donor base from inception to date

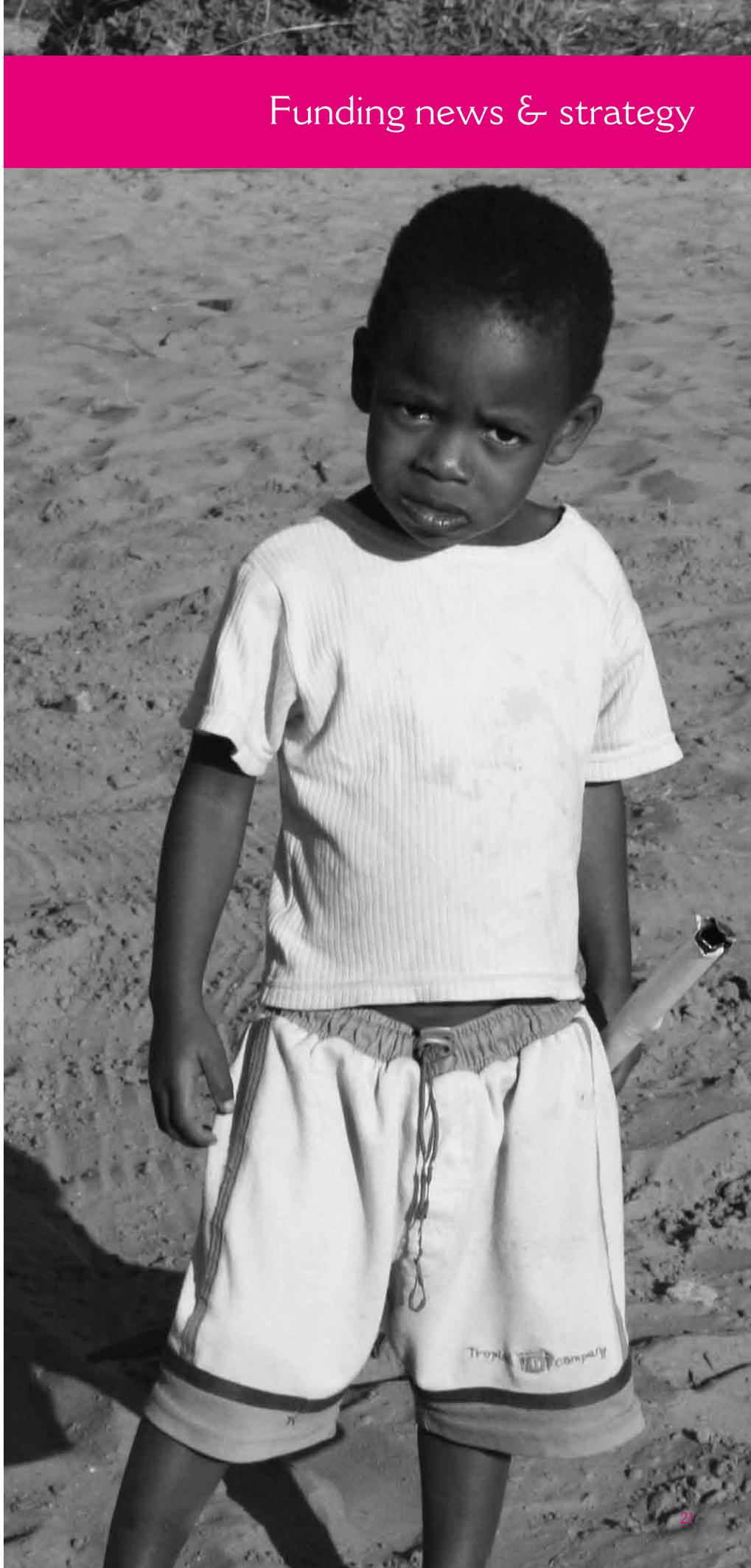


Candida Nakhumwa represented our award-winner for Best Performing Organisation, the National Association of Smallholder Farmers of Malawi (NASFAM), another of our long-term partners. We have always been impressed with the pragmatic approach that NASFAM takes to dealing with the impact of HIV & AIDS amongst its members, over 120,000 smallholder farmers across Malawi. Our award recognised the manner in which NASFAM has delivered practical and meaningful assistance to families, particularly those headed up by grandmothers or children, struggling with the impact of the epidemic. Through its work exploring the most effective ways of improving household income and nutrition, NASFAM has had a significant impact on these particularly vulnerable groups.

Our support team

We are very grateful for the work of our team of Ambassadors, individuals with valuable experience from a wide range of backgrounds, who have volunteered to help Egmont to broaden its access to potential donors. A new initiative is our programme to recruit Patrons, two of whom have already agreed to join the Trustees (from 2011) in bearing the costs of managing the Trust as we grow, to ensure that 100% of our other donors' monies ends up going to the projects we support.

We are also very grateful for the generous and unpaid support we have received from a range of people and organisations: Katy Oliver and the Redburn Partners production team, Angela Denny, Ernst & Young who do our audit on a pro bono basis, our printers Sterling, and many others at Redburn Partners in particular, as well as a range of other contacts and friends. Your help and commitment are hugely appreciated.





Pride Community Health Organisation, Kafue, Zambia

Egmont support to date:

| | |
|------|------------------------|
| 2006 | £5,000 (pilot project) |
| 2008 | £8,381 |
| 2009 | £16,850 |
| 2010 | £16,724 |

Key results to date:

- Small self-help group set up by and for HIV-positive people has become a strong local NGO
- 361 counselling sessions conducted, with 81 clients referred for treatment after testing HIV-positive
- 461 young people reached with HIV prevention awareness-raising
- 169 schoolchildren reached with behaviour change and communication activities via anti-AIDS clubs
- 120 households with ill family members received bi-weekly visits for home-based care and provision of basic necessities
- 51 orphans supported with school fees, uniforms, shoes and classroom materials

Kenan Ng'ambi

Pride Community Health Organisation, Kafue, Zambia

“We have changed the quality of life for so many people and lifted their lives. We need to look ten years from now. We can do a lot with a little!”

What motivates you in your work?

My wife died in my arms. She had self-stigma; she couldn't cope with her diagnosis and lost all hope. I made a vow: never again would I allow a relative to die from HIV. I want to show the world there is still hope whether you have HIV in your body or not – that's what drives me.

What are the most important results you have achieved?

Results for us mean seeing orphans back in school, or putting on a pair of shoes for the first time! Or grandmothers getting excited to receive a starter pack of seed.

I have seen people [with HIV] who had lost hope now beginning to have it again. They have gained confidence. We at Pride are also role models, when they see us walking around.

Our focus is developmental, to better the lives of people at grassroots level. They deserve to live a life of integrity.

How do you approach monitoring and evaluation of Pride's work?

Your role is not just to read reports and place them in files. You must explore and chart the path of growth in areas where you are doing well; and also take seriously where you are not doing well, and change.

Partnership with Egmont helped open our minds through initiatives like peer evaluation. When we visited Mitengo,* the women's groups there were talking from the bottom of their hearts about what they could now buy for their children. With an outsider, it's like an auditor: you are afraid. Evaluation should generate growth not fear! With peers you can be straight.

What are your future plans and hopes?

We would like to see our organisation begin to spread its coverage. We want to empower women in the communities with business skills and capital so that they can hold the family together. As they succeed, we can 'wean' some beneficiaries and help others.

It is very possible for grassroots-led initiatives to have sustainability. The model we have of income-generating activities means that people will be less dependent on outside help in future.

We are now a thriving small NGO. We have changed the quality of life for so many people and lifted their lives. We need to look ten years from now. We can do a lot with a little!

* Egmont partner in Chongwe, Zambia

Interview with partners

Candida Nakhumwa
National Association of
Smallholder Farmers
of Malawi (NASFAM),
Lilongwe, Malawi

“Egmont’s support may be a small amount of money in relative terms, but it achieves so much because it is well-focused and targeted; it avoids the ‘excess baggage’ you find in lots of programmes.”

What do you see as the role of organisations like NASFAM in tackling the impact of HIV & AIDS?

Given the levels of HIV in Malawi – 14% of the population – we cannot just depend on the government to help mitigate all the problems from the epidemic. The rate is higher among women, who have higher rates of illiteracy as well.

Our focus has always been on crop production and marketing, but those people are equally affected. Farmers are dying! And they are the ones who produce the food.

What’s heartbreaking now is the number of orphans. Should we wait for others to support the disadvantaged? Although access to school is ‘free’, there are all the costs of uniforms, basic materials and so on. We wonder, what will happen to the nation? That motivates us to do whatever we can.

Why did you decide to introduce a literacy component to your Egmont-funded work?

We realised that messages on HIV prevention, balanced nutrition, crop marketing and so on are useless to those who cannot read. Now they can understand the consequences and about positive living, and remain productive members of the community. We really underestimated the number of women

who would appreciate the chance to read. Demand is so high!

What indicators do you have that your approach is succeeding?

Orphans who had been forced to drop out are back at school now. It’s not just that they have uniforms, but also soap to wash them with. And at least they now have some porridge to eat in the mornings before they go. For the elderly looking after them, there is now a support system. Community gardens enable them to save some seed, share crops for immediate consumption and sell the surplus for extra income.

How is Egmont different from other donors you have worked with?

NASFAM is a big national organisation and receives funding from lots of different sources. Egmont’s support may be a small amount of money in relative terms, but it achieves so much because it is well-focused and targeted; it avoids the ‘excess baggage’ you find in lots of programmes.



National Association of Smallholder Farmers of Malawi (NASFAM), Lilongwe, Malawi

Egmont support to date:

| | |
|---------|---------|
| 2006 | £20,000 |
| 2007 | £20,000 |
| 2008-10 | £23,764 |

Key results to date:

- 1,504 farmers supported with groundnut seed and 498 with soya seed, producing crops for consumption and sale
- 2,400 chicks distributed to 300 member farmers, who have then assisted further beneficiaries in turn as those chickens mature and produce chicks
- Family nutrition improved through protein-rich soya flour porridge, soya milk, eggs, etc
- Soil improved via the crops' nitrogen-fixing properties
- 669 smallholder farmers trained in functional literacy, numeracy and basic business skills, enabling them to carry out more profitable trading



Simon Pickard The Waterloo Foundation

“Egmont’s ability to deal directly with good local partners helps to cut down on bureaucracy and costs at both ends, making our support go further.”

How did you first become involved with Egmont?

The Waterloo Foundation is one of a very small number of international grant-makers based in Cardiff, which are working at a significant scale in the overseas development sector. The Egmont Trust is another, so we first met to share ideas about how to fund effectively and ensure that our grants result in lasting impact. We quickly came to admire Egmont’s knowledge of NGOs based in sub-Saharan Africa. Their staff have developed these networks over decades of hands-on work. Taking advantage of this expertise allows us to identify growing organisations which have a proven track record of delivering results, and which can really benefit from additional funding support. These are organisations that might not otherwise be able to access grants, but are no less deserving of financial assistance than the larger agencies. In fact, Egmont’s ability to deal directly with good local partners helps to cut down on bureaucracy and costs at both ends, making our support go further.

Why do you feel that Egmont’s values match your own?

We share Egmont’s view that partnerships with NGOs in developing countries must help empower them and the communities with which they work. With Egmont we know that all of our funding goes directly to supporting the African NGO partners, helping them to become stronger and more effective organisations as well as deliver projects on the ground.

We also admire the respect Egmont shows its partners. The development of peer-to-peer evaluations is an important aspect of this. Egmont has recognised that their partners have the local knowledge and are best placed to evaluate one another, rather than rely on an outside consultant to come in and tell them how they can do it better.

Supporting Egmont has also allowed us to benefit from the local expertise of the NGOs which are working on the ground. As a result our collaboration with Egmont and their partners is developing into more than just a one-way, donor-to-grant-recipient relationship.

Interview with donors

Andy Kocen Individual supporter

Andy Kocen went far beyond the call of duty to support Egmont when he competed in the Marathon des Sables, an infamously gruelling 155-mile race across the Sahara Desert, in April 2010. In addition to raising £7,000 through the event, Andy has set up a monthly donation to the Trust via standing order.

What made you choose Egmont when deciding where to invest your charitable support?

The idea of a charity that supports smaller, local initiatives – the kind that make a real difference to people’s lives but that might fall below the size that would interest larger organisations – was very attractive to me. Also, the kinds of projects that Egmont assists are ones where a relatively modest amount of money can have a huge impact.

What was it like to take part in the Marathon des Sables? Did the thought of the money you were raising help to motivate you?

It’s hard to describe an event like the MdS. I knew the physical side would be hard but was pretty well prepared for that. More surprising and hard to deal with was my sheer unfamiliarity with the conditions: the 50°C heat, the need to drink over 20 pints of water a day, trying to run across sand and the like. Various things helped me get through, not least my stubborn pig-headedness! But yes, I was definitely spurred on when I thought of not wanting to let down those people who had kindly pledged donations.

In addition to giving massive time and effort for the Marathon des Sables, you’ve also chosen to make a regular monthly contribution to Egmont. What made you go the extra mile (so to speak) for the charity?

When I did my medical degree, I spent five weeks at the paediatric unit of a hospital in Cape Town, where a large number of the kids had HIV. Obviously, having come from the UK, I had seen very little like it and it was a moving and saddening experience that made me keen to help those in a similar situation. When I heard about what Egmont did, I knew immediately that it was a cause I really wanted to support in the long term, not just with a one-off donation.



“When I heard about what Egmont did, I knew immediately that it was a cause I really wanted to support in the long term, not just with a one-off donation.”

Assessment, monitoring & evaluation

“The HIV epidemic is widely varied in different settings and is also constantly changing. It is therefore critical to evaluate programmes regularly to ensure that they are reaching those most at need, and in the most effective and comprehensive ways possible.”

European Philanthropic Support to Address HIV/AIDS, November 2010

Our aim is 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. This is reflected in the way we evaluate both the potential and the performance of our partner organisations and the projects they carry out.

In this task 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, child development 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.

When selecting organisations in which to invest, we look at their origins, history, philosophy and achievements. Sound financial systems, procedures and management are 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.

In terms of the work on the ground, Egmont is not prescriptive about which aspect of the HIV & AIDS response is being addressed; our portfolio of projects includes a range of components such as prevention, care, counselling, treatment and immune-system boosting, nutritional improvement, income generation, educational support to orphans, etc. However, in all cases there must be a positive and demonstrable impact on the lives of children and young people within the timeframe of the project. Innovation and the ability to be scaled up or replicated if successful are also taken into account.

The specific results we expect from these investments include:

- Better health for children and families – especially those living with HIV
- Improved nutrition for children and families
- More secure livelihoods for young people, women and families – e.g. via vocational skills, improved farming methods and marketing, establishment of small businesses, etc
- Greater access to and better quality of schooling – primary and secondary
- Local knowledge, awareness and behaviour change around HIV and related social issues (e.g. child abuse, domestic violence)
- Stronger local institutions and groups, and greater local commitment and vision in reducing the impact of HIV & AIDS

In addition, we expect learning by, and between, partners supported by Egmont and by others, based on detailed analysis of progress and results.

As a fundamental part of monitoring

and evaluation, all funded projects are required to collect baseline information about the local situation before they start their intervention, so that later changes can be compared with the starting points. Thereafter they must submit quarterly narrative and financial reports to measure progress against project objectives. As part of the monitoring process, every project receives at least one visit per year from an Egmont staff member, trustee or a member of one of our Reference Groups.

At the end of each grant a full project evaluation is required to analyse the impact achieved. The scope and cost of this process should be proportionate to the size of the project; the essential feature is that it be conducted with rigour. The purpose of these evaluations is to obtain the best qualitative and quantitative data available, in order to determine as precisely as possible what difference the project has made to the quality of life of beneficiary children and their families.

Egmont invests in projects, not only to achieve specific impact but also to enable the implementing organisations to grow and progress. Measuring results accurately is crucial, for the beneficiary organisations and communities as well as for Egmont and donors, in order to ensure the best possible value from our support to children and families affected by HIV & AIDS.



Senior staff profiles



Colin Williams OBE (Chief Executive)

Colin spent 22 years with ActionAid, setting up country programmes in Somalia, Uganda (where he was part of the successful early response to HIV & AIDS) and Malawi, then becoming Africa Region Director. Since 2003 he has had trustee, management and coaching roles in Africa and the UK and helped to set up Egmont in 2005. He holds a BA in Economics from Sheffield and an MA from Carleton University, Ottawa, and completed the World Bank Executive Programme at Harvard. Colin was awarded an OBE in 2002 for services to fighting poverty in Africa.

Linnea Renton (Executive Director)

Before joining Egmont in 2006, Linnea was International HIV & AIDS Advisor for ActionAid, providing technical assistance to 42 countries in Africa, Asia and Latin America. She helped to develop the internationally recognised Code of Good Practice for NGOs Responding to HIV/AIDS, and has served on the national executive of the UK Consortium on AIDS and International Development. She holds a BA (Highest Distinction) in French and Anthropology from the University of Virginia, and an MA in East Asian Studies from Harvard.

Jane Baker (Programme Administrator)

For more than 20 years Jane worked in a variety of key operational roles for Barclays Bank plc, including Customer Service Team Leader and Regional IT Officer. In 2003, she joined the Wales Environment Trust as the Project Finance Officer devising and implementing financial controls, procedures and systems to measure developments of a wide range of publicly funded environmental projects. Jane joined the Egmont Trust in December 2009 and is currently studying for her AAT accounting qualification.

William Garrett (Chairman)

William was Chief Executive of Flemings prior to its takeover 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. Inter alia he was a Director of T Rowe Price Group from 2001 to 2005. He is a trustee of three 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 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.

Jeremy Evans (Trustee)

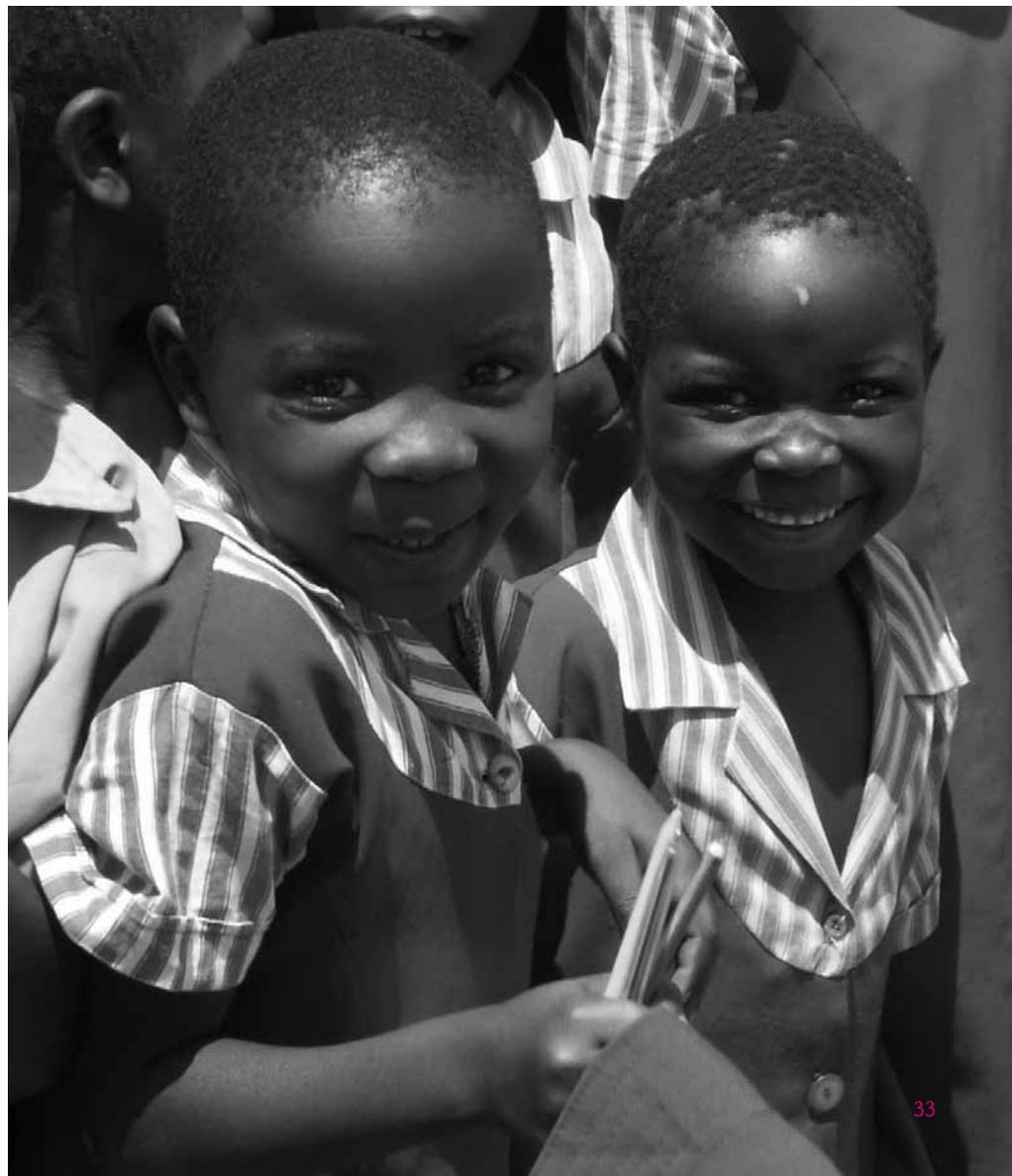
Jeremy is Senior Partner of Redburn Partners LLP. Previously he was Regional Head of UK and European Equities at Flemings. Following the acquisition of Flemings by JP Morgan Chase he was appointed a Managing Director of JP Morgan and Joint Chief Executive of Robert Fleming & Co. He was also a founder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

Rory Powe (Trustee)

Rory founded Powe Capital with a team of six people in 2002. Powe Capital is the manager of PCM Europe and Tensor Europe, both European equity long/short funds. 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 company AMVESCAP in 1994. BA (Hons), Modern History, Trinity College, Oxford University.

Martin Woodcock (Trustee)

Martin is Chairman and former 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. He previously held senior positions within the European and emerging markets equities groups of Crédit 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.





Reference and Administrative Information

Charity name The Egmont Trust

Charity registration number 1108199

Principal office Temple Court
Cathedral Road
Cardiff
CF11 9HA
info@egmonttrust.org

Trustees Clare Evans
Jeremy Evans
William Garrett, Chairman
Rory Powe
Martin Woodcock

Bankers Clydesdale Bank
35 Regent Street
London
SW1Y 4ND

Auditor Ernst & Young LLP
1 More London Place
London
SE1 2AF

Accountants Haines Watts Wales LLP
Chartered Accountants
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Investment Advisor CCLA Investment Management Ltd
COIF Charity Funds
80 Cheapside
London
EC2V 6DZ

Financial statements

Statement of financial activities for the year ended 31 December 2010

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|--|------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | 2 | 532,731 | 213,616 | 746,347 | 702,496 |
| Investment income | 3 | 1,667 | - | 1,667 | 2,031 |
| Incoming resources from charitable activities | 4 | 1,819 | - | 1,819 | 435 |
| Total incoming resources | | <u>536,217</u> | <u>213,616</u> | <u>749,833</u> | <u>704,962</u> |
| Resources expended | | | | | |
| Charitable activities | | 532,369 | 225,089 | 757,458 | 507,221 |
| Governance costs | 6 | - | 1,175 | 1,175 | 1,150 |
| Total resources expended | | <u>532,369</u> | <u>226,264</u> | <u>758,633</u> | <u>508,371</u> |
| Net (outgoing)/incoming resources before transfers | | 3,848 | (12,648) | (8,800) | 196,591 |
| Transfers | | | | | |
| Gross transfers between funds | | <u>(58,817)</u> | <u>58,817</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | <u>(54,969)</u> | <u>46,169</u> | <u>(8,800)</u> | <u>196,591</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>335,081</u> | <u>4,717</u> | <u>339,798</u> | <u>143,207</u> |
| Total funds carried forward | | <u>280,112</u> | <u>50,886</u> | <u>330,998</u> | <u>339,798</u> |

All incoming resources and resources expended derive from continuing activities.

The charity has no recognised gains or losses for the year other than the results above.

Balance Sheet as at 31 December 2010

| | Note | 2010 £ | 2010 £ | 2009 £ | 2009 £ |
|---|------|------------------|-----------------------|------------------|-----------------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 73 | | 113 |
| Current assets | | | | | |
| Debtors | 10 | 111,668 | | 114,523 | |
| Cash at bank and in hand | | 472,052 | | 398,918 | |
| | | <u>583,720</u> | | <u>513,441</u> | |
| Creditors: Amounts falling due within one year | 11 | <u>(252,795)</u> | | <u>(173,756)</u> | |
| Net current assets | | | <u>330,925</u> | | <u>339,685</u> |
| Net assets | | | <u><u>330,998</u></u> | | <u><u>339,798</u></u> |
| The funds of the charity: | | | | | |
| Restricted funds in surplus | | | 50,886 | | 4,717 |
| Unrestricted funds | | | | | |
| Unrestricted income funds | | | <u>280,112</u> | | <u>335,081</u> |
| Total charity funds | | | <u><u>330,998</u></u> | | <u><u>339,798</u></u> |

2009 figures audited. 2010 figures unaudited

Financial statements

Notes to the financial statements for the year ended 31 December 2010

1. Accounting policies

Basis of preparation

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

Fund accounting policy

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

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes. Further details of each fund are disclosed in note 13.

Incoming resources

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on an accruals basis. Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

2. Voluntary income

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

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

Fund transfers

Transfers are made between funds to prevent individual funds falling into a deficit and for the purpose of reimbursing individual funds where expenditure has been paid in advance.

Charitable activities

Costs of charitable activities include grants made and support costs as shown in note 5.

Governance costs

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

Grants

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.

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Office equipment 33% straight line basis.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the statement of financial activities.

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|-------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Donations and legacies | | | | |
| Appeals and donations | 532,731 | 213,616 | 746,347 | 702,496 |

2009 figures audited. 2010 figures unaudited

Notes to the financial statements for the year ended 31 December 2010

3. Investment income

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|---------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Interest on cash deposits | 1,667 | – | 1,667 | 2,031 |

4. Incoming resources from charitable activities

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|---------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Foreign currency gains/(losses) | 1,819 | – | 1,819 | 435 |

5. Details of charitable activities

| | 2010 £ | 2009 £ |
|------------------------------------|----------------|----------------|
| Grants payable | | |
| Kenya | 77,169 | 65,964 |
| Malawi | 42,738 | – |
| Mozambique | 70,106 | 22,000 |
| Tanzania | 114,873 | 46,837 |
| Zambia | 87,345 | 60,716 |
| Zimbabwe | 161,419 | 107,995 |
| | 553,650 | 303,512 |
| Support costs | | |
| Staff costs | 121,330 | 121,087 |
| Fundraising | 47,016 | 47,105 |
| Travel | 10,739 | 11,892 |
| Office costs | 24,723 | 23,625 |
| | 203,808 | 203,709 |
| Total charitable activities | 757,458 | 507,221 |

2009 figures audited. 2010 figures unaudited

Financial statements

Notes to the financial statements for the year ended 31 December 2010

6. Governance costs

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Accountancy fees | – | 1,175 | 1,175 | 1,150 |

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

7. Trustees' remuneration and expenses

No trustee received any remuneration during the year (2009: nil). Trustees received reimbursement for expenditure of £2,501 during the year (2009: £2,041).

8. Employees' remuneration

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

| | 2010 No. | 2009 No. |
|--|-------------|-------------|
| | 3 | 3 |

The aggregate payroll costs of these persons were as follows:

| Total staff costs | 2010 £ | 2009 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 104,956 | 105,083 |
| Social security costs | 8,290 | 6,478 |
| Pension costs | 8,084 | 9,526 |
| | 121,330 | 121,087 |

No employee received emoluments of more than £60,000 during the year (2009: nil).

Notes to the financial statements for the year ended 31 December 2010

9. Tangible fixed assets

| | Fixtures, fittings and equipment £ |
|------------------------|---------------------------------------|
| Cost | |
| As at 1 January 2010 | 3,402 |
| Additions | 104 |
| As at 31 December 2010 | <u>3,506</u> |
| Depreciation | |
| As at 1 January 2010 | 3,289 |
| Charge for the year | 144 |
| As at 31 December 2010 | <u>3,433</u> |
| Net book value | |
| As at 31 December 2010 | <u>73</u> |
| As at 31 December 2009 | 113 |

10. Debtors

| | 2010 £ | 2009 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 95,000 | 78,037 |
| Other debtors | 13,746 | 36,486 |
| Prepayments and accrued income | 2,922 | - |
| | <u>111,668</u> | <u>114,523</u> |

11. Creditors: Amounts falling due within one year

| | 2010 £ | 2009 £ |
|-----------------|----------------|----------------|
| Trade creditors | <u>252,795</u> | <u>173,756</u> |

12. Related parties

Controlling entity

The charity is controlled by the trustees.

2009 figures audited. 2010 figures unaudited

Financial statements

Notes to the financial statements for the year ended 31 December 2010

13. Analysis of funds

| | At 1 Jan 2010 £ | Incoming resources £ | Resources expended £ | Transfers £ | At 31 Dec 2010 £ |
|--------------------------|-----------------------|----------------------------|----------------------------|----------------|------------------------|
| Designated Funds | | | | | |
| Waterloo Foundation | - | 100,000 | - | (83,500) | 16,500 |
| General Funds | | | | | |
| Unrestricted income fund | 335,081 | 436,217 | (532,369) | 24,683 | 263,612 |
| Restricted Funds | | | | | |
| Operational costs | 4,717 | 181,153 | (204,984) | 70,000 | 50,886 |
| Anonymous donation | - | 10,547 | - | (10,547) | - |
| TICAH Kenya | - | 636 | - | (636) | - |
| The Walter Fund | - | 21,280 | (21,280) | - | - |
| | 4,717 | 213,616 | (226,264) | 58,817 | 50,886 |
| | 339,798 | 749,833 | (758,633) | - | 330,998 |

The designated fund (Waterloo Foundation) was set up to monitor and distribute funds to recommended projects elected by the trustees. The following distributions have been made from this fund:

- 1) £16,500 to Kucetekela Foundation, Zambia.
- 2) £16,500 to Mzuzu Academy, Malawi.
- 3) £17,500 to Mitengo Women's Co-operative, Zambia.
- 4) £16,500 to Batsirai Group, Zimbabwe.
- 5) £16,500 to Rafiki Girls' Centre, Zimbabwe.

The operational fund is used to fund operating costs. During the year, £70,000 was transferred to this fund from general unrestricted reserves in connection with trustee donations received in 2009. An anonymous donation was received during the year to the Rungwe Tea Growers project in Tanzania. This fund was transferred to the general unrestricted income fund to reimburse expenditure already funded. The TICAH Kenya fund was a single donation from Goldman Sachs Gives to be used for an interactive radio programme in Kenya. This fund was transferred to the general unrestricted income fund to reimburse expenditure already funded. The Walter Fund is for the work of one of the partners, Sibambene in Zimbabwe.

14. Net assets by fund

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2010 £ | Total Funds 2009 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Tangible assets | 73 | - | 73 | 113 |
| Current assets | 532,834 | 50,886 | 583,720 | 513,441 |
| Creditors: Amounts falling due within one year | (252,795) | - | (252,795) | (173,756) |
| Net assets | 280,112 | 50,886 | 330,998 | 339,798 |

2009 figures audited. 2010 figures unaudited

Our warmest thanks

for your commitment to the Egmont Trust. With your help, Egmont and its partners are working to address the devastating effects of HIV & AIDS on children and families in Africa. We welcome your long-term partnership in this important undertaking.



Photos – project and location:

1. Batanai, Masvingo, Zimbabwe; 2. Batsirai Group, Chinhoyi, Zimbabwe; 3. HOSPAZ, Harare, Zimbabwe; 4. Batanai, Masvingo, Zimbabwe; 5. YABEC, Nairobi, Kenya; 6. Batsirai Group, Chinhoyi, Zimbabwe; 7. ACE, Arusha, Tanzania; 8. Envirocare, Kilimanjaro, Tanzania; 9. Rafiki Girls Centre, Harare, Zimbabwe; 10. Imagine, Katembe, Mozambique; 11. ACE, Arusha, Tanzania; 12 & 13. NASFAM, Lilongwe, Malawi; 14. Micro Bankers Trust, Lusaka, Zambia; 15. HOSPAZ, Harare, Zimbabwe; 16. Batanai, Masvingo, Zimbabwe; 17 & 18. Batsirai Group, Chinhoyi, Zimbabwe



For further information, please contact us:

The Egmont Trust
Temple Court
Cathedral Road
Cardiff CF11 9HA
Wales, UK

Tel: +44 (0)29 2078 6434
Fax: +44 (0)29 2078 6435

www.egmonttrust.org

info@egmonttrust.org
egmonttrust@hotmail.co.uk

UK CHARITY REGISTRATION NUMBER 1108199

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