



**Report of the Trustees
& Audited Financial
Statements for the Year
Ended 31st December 2014**



The Egmont *Trust*

Report of the Trustees & Audited
Financial Statements for the Year
Ended 31st December 2014



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The Egmont *Trust*

Reference & Administrative Details for the Year Ended 31st December 2014



The Egmont Trust is a non-company charity established by trust deed on 9 February 2005, and registered with the Charity Commission. The Trust Deed was amended by Resolution dated 24th December 2014 to incorporate changes since the inception of the Trust.

Principal address: Temple Court
Cathedral Road
Cardiff CF11 9HA

Phone: 02920 786434
Website: www.egmonttrust.org
Email: info@egmonttrust.org

Registered charity number: 1108199

Trustees: Clare Evans
Jeremy Evans
William Garrett Chairman
Alison Mayne
Rory Powe
Ratan Engineer (appointed 2 July 2014, resigned 11 April 2015 due to ill health)

Chief Executive Officer: Colin Williams OBE
Chief Operating Officer: James Macmillan

Bankers: Clydesdale Bank plc
35 Regent Street
London SW1Y 4ND

Independent auditors: Haines Watts Wales LLP
7 Neptune Court
Vanguard Way
Cardiff CF24 5PJ

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



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Ended 31st December 2014



Mitengo, Zambia

Background & Mission

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

The Egmont initiative marries two distinct perspectives:

- Firstly, experience of well-networked professionals in the African development sector with knowledge of the many outstanding people and locally-driven organisations in place across the region. Over 10 years, our record has shown that impressive and cost-effective results can be achieved by locating, carefully selecting and monitoring these organisations, and committing direct funding to projects targeting children and families affected by HIV & AIDS, with minimal bureaucratic demands.
- Secondly, experienced and well-networked professionals in the London financial services sector who believe, and have demonstrated, that significant corporate and individual philanthropic funding can be accessed and directly applied to a portfolio of carefully-selected projects in sub-Saharan Africa.

Our Approach

Egmont has evolved over the last ten years and now has the following key features:

- A growing portfolio of partners in the six targeted countries in sub-Saharan Africa to whom small/medium grants (generally of £22,000) are made annually.
- An emphasis on our partners' own analysis of local context and effective responses which minimises bureaucracy and confusion and leads to a very wide range of project content summarized in the 2014 results in section 2.3 Programmes below.
- A community of stronger, more competent local organisations with clear understanding of the effectiveness of community level support groups in underpinning and sustaining the type of projects funded by Egmont.
- More rigorous and effective systems for partner selection, reporting and accountability.
- The encouragement and enabling of lateral links between partner organisations which we believe is the best way to deliver good evaluation of impact and to learn good practice.
- A portfolio approach that allows us to incorporate innovation and reduce risk.
- A continued commitment to ensuring our operational costs are covered 100% by our Patrons and Trustees, which further promotes rigour and cost efficiency.

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Report of the Trustees

Letter from the Chairman & CEO

Since Egmont was first established 10 years' ago, there has been a global shift in how HIV & AIDS are perceived and thus how decisions are taken and money is spent. Overall rates of infection, and deaths, are levelling off and declining; now, affordable treatments are stabilising the health of those who are HIV positive, and reducing the number of children being born with HIV.

As a result, many of the major resource providers, mostly Western donors, increasingly take the view that life is also getting easier in the parts of the world where AIDS has hit hardest over the last 30 years i.e. sub-Saharan Africa. This is especially the case in light of other pressing challenges, such as climate change, and sudden shocks, such as the frightening Ebola outbreak in West Africa. It is certainly true that, across the six heavily affected countries where Egmont's partners focus their work, treatment is now widely (but not universally) available, and is less expensive. People in all sectors, and of all ages, have better knowledge both of how to avoid contracting HIV & AIDS and how to manage the disease. There is also better data and information that enables us to know the extent and dynamics of the current problems.

However, the reality is that the problems remain immense for Egmont's partners and the people whose lives they are seeking to protect and improve. There are still 25 million people living with AIDS in sub-Saharan Africa, 58% of them women. There were still 1.5 million new HIV infections in 2013, 210,000 of them being children. In 2013 1.1 million AIDS-related deaths were recorded in a single year. For the bulk of the population, the bigger challenge remains the long-term impact of the disease: the ongoing effects of the many deaths over the last 30 years on lives, on social and economic situations, on orphaned children, and on education.

Sub-Saharan Africa continues to bear the brunt of these effects, immediate and long term, and lives with the reality that extensive treatment and effective responses to the problems remain heavily dependent on international donor funding. Malawi, Zimbabwe and Zambia continue to be among the worst affected by the

disease, and levels of infection are persistently rising in Mozambique.

At the local level, the most effective response requires much more than just the availability of medicine. It also involves improving education, vocational training, better nutrition, job opportunities, agricultural and technical support, such that families become better able to look after themselves. These are the areas in which Egmont's partners work and we continue to see impressive results from supporting medium-level, locally-driven and diverse projects across the 6 countries. This report highlights some of these in more detail.

As we move beyond 10 years, we have both an opportunity and a challenge. We are aware that there are many more organisations of high calibre in sub-Saharan Africa which we could support and, with careful selection, we plan to increase the number of our partners over the next five years. This will require a continued, energetic focus on fundraising back in the UK. We will also continue to support learning and evaluation links between our partners as a further means of promoting good practice and delivering strong results, as well as new ideas. Operational and contractual management systems will remain efficient, rigorous and responsive.

The ongoing challenge is not so much that the world is reaching the 'end of AIDS', as the UN genuinely wishes, but more of supporting children, their families and communities to enable them to continue overcoming the devastation that HIV & AIDS has already wrought on their lives.

Our thanks go to our wide range of donors, supporters, Patrons and Ambassadors, to our loyal and hard-working staff and partners who make this initiative happen from day to day, and to the Trustees whose energy and commitment ensure that we achieve the greatest possible results with the minimum of expenditure.

Colin Williams, OBE
William Garrett

Chief Executive
Chairman



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Report of the Trustees

Key Achievements in 2014

Our key objectives in 2014 were to maximise our income through our fundraising activities and to disburse these funds to our partners in sub-Saharan Africa through a series of grants. On both counts, we made substantive progress, recording a significant increase in income, allowing us to provide grant funding to 6 new project partners during 2015 and to assist all our partners through development of the peer evaluation system.

Fundraising Strategy

Our fundraising strategy was reviewed at the beginning of the year by the Trustees and the existing model was endorsed, comprising the following elements:

- Trustees remain central to our fundraising efforts, based on their connections and networks.
- Fundraising targets for the year ahead are clearly articulated at the outset, driven by the Fundraising Committee and monitored throughout the year.
- Core costs continue to be covered in their entirety by Trustees and Patrons, meaning that all additional funds raised go directly to supporting our partners in Africa.

Fundraising Highlights

2014 was a record fundraising year for Egmont, with a total of £922,000 raised (this includes £87,594 sent directly by an Egmont supporter to our four partners in Kenya, funding Egmont-approved projects). This represents a 63% increase on funds raised in 2013 and a 10.5% uplift compared to funds raised in 2012.

We continued to build and diversify our donor base, recruiting new individual, corporate and foundation donors, as well as strengthening relationships with existing supporters. This has been partly achieved by expanding our staff team through the hire of a Communications and Fundraising Officer, who has developed our communications approach and has designed and implemented a new website.

Our corporate relationships continued to provide valuable support in 2014. BACIT donated significant amounts both towards operational costs and to funding our partners in Africa. Redburn offered us vital and generous financial support and a welcoming base for all our London meetings. And Egmont has continued to benefit from generous in-kind donations including free printing services from DG3.

Cumulatively, after ten years of operation, Egmont has raised a total of £6.3 million and supported 65 partner organisations in six sub-Saharan African countries. We are very grateful for the generosity of all our donors and supporters.



HAWIP, Malawi



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Programmes

Egmont's added value is measured largely in the achievements and results of our partners. In 1.2 above we outlined the key components of our approach. This approach has been applied with steadily growing expertise by our small, professional team and the extensive network to which we have access. A critical part of our approach is careful partner selection – this has ensured that, almost without exception, the 65 partners that we have worked with over the last ten years have delivered successful results. We have provided substantive feedback, often during visits to the projects, and, more recently, have enabled lateral linkages between partners where they have provided high quality evaluation of each others' projects. This has led to interesting and beneficial outcomes, brought about by shared experience.

Our rigorous partner selection process, together with strong accountability and contract management structures, has removed the need for us to duplicate analysis already undertaken by existing inspirational local initiatives. The result has been a rich diversity of projects across all sectors. In 2014, we worked with 22 partners in six countries, supporting them to deliver a wide range of interventions. Below is a brief report of their achievements:

→ Improved nutrition

Increasing access to adequate and nutritious food has a cascade effect. Healthy bodies absorb anti-retroviral drugs better and respond more quickly to medical treatment. Well-nourished children attend school more frequently and perform better academically, while well-fed families have the energy to farm and work productively, helping themselves to remain fit and healthy.

Our partners working in this area during 2014 helped 20,974 beneficiaries ←

→ Better Education

Education leads to long-term sustainable change. Both children and adults who receive formal schooling or vocational training have a much greater chance of becoming self-reliant. Our partners are helping to remove the barriers such as the cost of school fees, uniforms and other school essentials, which put education across sub-Saharan Africa beyond the reach of many.

Egmont partners supported 2,725 people through child and adult education during 2014 ←

→ Treatment and care

Despite anti-retroviral drug treatment being free, it is not always easy to access, especially in remote rural areas and under-resourced urban slums. Also, the cost of treating AIDS-related diseases is beyond the means of many, resulting in long-term sickness and death – ultimately leading to extreme poverty for families and orphans.

We supported projects in this area last year that benefited 8,807 people ←

→ Improving Livelihoods

Across the six countries in which Egmont's partners work, over half of the population lives on less than US\$1.25 per person per day. While the majority of people still live in rural areas and are dependent on small-scale agriculture,



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increasing numbers are moving into cities to find work, often living in informal settlements. Nairobi, Kenya, where two of our partners are based, is home to the largest slums on the continent.

The precarious nature of living in poverty in either rural areas or in densely-packed urban slums makes the loss of a family member to protracted illness or death particularly devastating. Scarce family resources, both in terms of time and potential income, are drained to care for the ill family member. People living with HIV & AIDS are more susceptible to other diseases such as TB, further reducing the ability of a household to secure income. The staggering death toll of AIDS has exacerbated this situation across all sections of society but its impact is most keenly felt by the poorest.

Egmont's partners are working to alleviate the long-term effects of HIV & AIDS by: ensuring children and their families have regular access to nutritious food; increasing food security; and increasing income levels to enable families to access treatment and provide education for their children. Rather than focussing exclusively on numbers of deaths or HIV & AIDS prevalence rates, Egmont's partners also focus on numbers of children enrolled in school and accessing medical care; how many families can enjoy more than one meal a day and how many young adults are entering employment or establishing businesses as a result of training or start-up capital they have received.

In 2014, Egmont partners directly helped 3,559 people in improving livelihoods ←

→ Group Support

The sustained knowledge, systems and approaches that group support systems have developed over the decades remains one of the most effective means of helping those affected by HIV & AIDS. Groups offering support such as micro-finance, mentoring, psycho-social support and joint agricultural initiatives create a vital additional support system in countries where social welfare is all but non-existent. Their work helps to achieve results in each of these impact areas.

During 2014, Egmont partners continued to deliver impressive outcomes in these areas to 5,271 beneficiaries ←

→ Testing & Counselling

Voluntary testing and counselling is the first step an individual can take towards reducing the impact of HIV & AIDS. People who have been tested, even with a negative result, are more likely to reduce behaviours that are associated with transmission, whereas those who test positive are more able to access anti-retroviral drug treatment regimes that reduce the effects of HIV and limit the risk of spreading the virus. Egmont's partners work to provide facilities, overcome the stigma associated with testing, and tackle HIV & AIDS denial.

2014 saw 2,161 beneficiaries receive testing and counselling ←

→ HIV & AIDS Education

There is now universal awareness of HIV & AIDS. However, in the orally-driven, quickly-changing societies of sub-Saharan Africa, knowledge of how the disease is contracted, spread and managed is scattered and new information disseminates slowly. Egmont partners work with schools, community support groups and events, peer educators and illustrative material to help build knowledge and reduce infection rates



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In 2014, Egmont partners reached 31,756 people in these ways ←

→ Violence Against Women

Gender-based violence, particularly the rape of women and young girls, increases vulnerability to HIV infection. Victims of gender-based violence often have no recourse to justice, and in some cases face the trauma of rape-resultant pregnancy. Egmont partners work to reduce the impact of such violence through a combination of education, group therapy and increased access to justice or legal advice.

Last year, Egmont partners helped 1,398 people in these ways ←

→ Preventing Child Abuse

The high incidence of sexual abuse in many of the countries in which our partners work, along with the high incidence of HIV & AIDS, means that children suffer not just emotional and physical trauma but often become HIV positive as a result of abuse. Egmont's partners work to support the children affected and to dissuade communities from practices that violate the rights of children.

Egmont partners helped 3,500 affected children last year ←

For more details on our partners' activity please see our Annual Review, which you can download from the Egmont website:

www.egmonttrust.org



HOSPAZ, Zimbabwe



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Financial Review

Income

Egmont's total income reached £834,351 in 2014, compared to £594,695 in 2013. Additionally, £87,594 was raised directly for 4 partners in Kenya from one individual donor. The growth in income in 2014 was primarily driven by increased donations from individuals at 51% of income received; however, there was also a substantial contribution from trusts and foundations, which accounted for 37% of income in 2014. Last year, we also benefited from a one-off windfall gain of £13,934 from the appreciation of the US dollar after holding funds in this currency following a large donation.

Expenditure

Resources expended on grant-funded charitable activities amounted to £401,465. This was below 2013's total as four Kenyan partners were funded directly by an Egmont supporter, and a significant amount of income was received in the latter part of the year resulting in reserves of £385,731 being carried forward to 2015 for project funding.

Resources expended on operational costs are covered in their entirety by Egmont's Trustees and Patrons. These amounted to £231,219 in 2014, 8% higher than 2013's level, predominantly due to an increase in staffing levels. Support costs incurred include charges in relation to grant management (£76,103), fundraising & publicity (£74,801), finance & oversight (£50,006) and office & data management (£30,309).

Investment policy

The Trustees have the power to invest in such assets as they see fit. The charity operates two interest-bearing current accounts and a short-term deposit account for a better return on funds not immediately needed.

Reserves policy

No grant commitments are made beyond the level of funds already received in the project fund. Egmont's aim is to commit unrestricted funds available to partners by the end of the second financial year following receipt of funds. The level of reserves held fluctuates depending on the fund-raising activities carried out.

Grant making policy

Egmont provides direct grants to partners working on projects in Kenya, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. Egmont may occasionally choose to award grants to organisations based elsewhere if we believe that the proposed project demonstrates innovation and/or added value for HIV & AIDS-affected children and families in the six core countries. Egmont grants up to £22,000 per annum to partners working on projects in these areas with an additional grant available for participation in our peer evaluation process.

We look for projects that can achieve a visible and defined result, and organisations need to show clearly what this will be and how it will be achieved. Successful proposals may address any aspect of HIV & AIDS response; they should be innovative and/or able to be scaled up or replicated; they need to show a positive impact on the lives of defined groups of people who are poor and vulnerable, particularly children and young people; and they need to produce results within a specified timeframe.



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HAWIP, Malawi

Structure, Governance & Management

Overall governance is provided by the Trustees with a Trustee-led Committee covering each strategic and operational area. See “Organisation” below for more details. The Trustees who held office in 2014 are listed on the front page of this report.

The Trustees have delegated the day-to-day running of the organisation to a small team of six staff with some external outsourcing both paid for and pro bono. Four senior staff members – CEO, COO, Head of Fundraising and Finance Manager - work together as the executive. The Trustees have the power to co-opt additional members as necessary. The current skills base includes financial expertise, fundraising and marketing experience, experience of working with those affected by HIV & AIDS, and first hand development work in Africa.

Appointment of Trustees

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

Trustee induction

New Trustees receive a formal induction at Egmont’s Cardiff office, where they become familiar with the Egmont approach, how we work with our partners, and what is expected from them as a Trustee in terms both of governance and of raising funds for the organisation. They have meetings with all staff members and the other Trustees and are given an introduction to the IT and communication strategy that is used by members of the Egmont team. The induction arrangements were strengthened in 2014, with a fully documented process now in place.

Organisation

The Trustee-led sub-committees are as follows:

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

The minutes of all the sub-committees are made available to the full Board of Trustees which meets 3-4 times per annum to ratify decisions and discuss strategy.

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Conflicts of interest

Potential conflicts of interest for staff or Trustees must be declared and are managed as appropriate to the circumstances. Applications for Egmont grants often arise from within our local networks of contacts in Africa. However, all proposals for funding must be vetted and approved by the 3-member Programme Committee and signed off by the full Board of Trustees.

Risk management

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

In 2014, we updated a number of new policies including child protection and implemented a new online banking policy.

Statement of Public Benefit

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

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

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



NASFAM, Malawi

The Egmont Trust

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Appendix 1: Egmont's list of partners supported in 2014

Country	Partner	Focus of project	Total approved 2014 (£)	Total committed to Dec'14(£)
Kenya	Ace Africa Kenya (ACE-KEN)	Increase children's access to nutritious food, medication, child rights, psychosocial support and HIV prevention	22,810 ¹	171,700
Kenya	Kenya Poverty Elimination Network (KPEN)	Bee-keeping, goat-rearing, vocational training and psychological support to improve orphan care by grandmothers	21,884 ¹	181,488
Kenya	Trust for Indigenous Culture and Health (TICAH)	Disseminate health information and encourage self-motivated and community responses to problems linked to HIV and poverty in urban slum households	22,000 ¹	165,182
Kenya	Vijana Amani Pamoja (VAP)	Support youth to change their behaviours, with the goal of reducing the HIV infection rate and empowering more girls to lead safe, healthy lives through the medium of football	22,000 ¹	64,681
Malawi	HIV/AIDS at Workplace Intervention Programme (HAWIP)	Increase accessibility and utilisation of good nutrition to HIV-positive children and improve economic status of women caregivers through community support groups	23,016	136,720
Malawi	Life Concern (LICO)	Increase access and uptake of Prevention of Mother To Child HIV Transmission services amongst women in rural areas and monitor children born from HIV-positive mothers for a period of two years	22,128	43,776
Malawi	The MicroLoan Foundation Malawi (MLF)	Provide microfinance and training to impoverished women helping them develop sustainable businesses	22,000	66,000
Malawi	Mzuzu Academy (MZUZU)	Support highly vulnerable children who possess exceptional academic ability while monitoring their health and well-being	22,225	110,225
Malawi	National Smallholder Farmers Association (NASFAM)	Enhance community resilience through functional literacy, integrated with crop diversification and livestock production for smallholder farmers	22,000	151,764
Mozambique	Meninos de Moçambique (MEN)	Medical, social and educational assistance to street children and youth, including reintegration with families when possible	22,000	172,000
Mozambique	Vukoxa (VUKO)	Improve community support, food security and basic services for older carers to raise the quality of life for vulnerable children	22,000	137,503

¹ These figures include funding for Kenyan partners in 2014 which was secured by Egmont from a third party to the value of £87,594.

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Country	Partner	Focus of project	Total approved 2014 (£)	Total committed to Dec'14 (£)
Tanzania	ACE Africa Tanzania (ACE-TANZ))	Establishing and strengthening community skills, structures and systems to improve access to child protection, HIV prevention, life skills and psychological support	21,779	150,878
Tanzania	Environmental Human Rights and Gender Organization (ENVIROCARE)	Provide income, healthy food and medicines for HIV-affected families through bee-keeping; establishment of school vegetable gardens	22,000	102,690
Tanzania	Kimara Peer Educators and Health Promoters Trust Fund (KIMAR)	Educational, nutritional and psychosocial support for children; microcredit for carers	22,000	151,908
Zambia	Chipata District Farmers Association (CDFA)	Facilitate access to basic education and improved nutrition by increasing income levels of guardians through establishment of piggeries and vegetable gardens; promote community savings scheme	21,953	152,788
Zambia	Mitengo Women Association (MITEN)	Enhance economic empowerment of women through income-generating agricultural activities and microcredit	23,100	223,576
Zambia	Pride Community Health Club (PRIDE)	Intensify HIV prevention, care and support services for children, and improve the health status of households infected and affected by HIV & AIDS	23,083	136,019
Zambia	Kucetekela Foundation (KF)	Scholarships for disadvantaged children and community service projects	44,000*	109,194
Zambia	Vision of Hope Zambia (VOH)	Build a protective environment for girls on the streets through education, shelter, life skills, and health care	23,084	45,077
Zimbabwe	Hospice Association of Zimbabwe (HOSPAZ)	Build capacity of community and home based care to support 10-24 year olds living with or affected by life-limiting illnesses	21,997	149,711
Zimbabwe	Rafiki Girls Centre (RAF)	Empower disadvantaged girls economically and socially through vocational and life skills training	22,000	157,642
Zimbabwe	Southern Africa Dialogue (SAODI)	Improve access to HIV treatment and provide alternative therapy through community health clubs to enhance patient recovery in urban households	1-year grant made late 2013†	15,546

* KF received a grant in early 2014 to support activities for that year, and then a second grant in late 2014 to support activities running through 2015.

† Grant committed in late 2013 to support a project running through 2014

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Report of the Trustees



Statement of Trustee responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

.....

William Garrett - Chairman - Trustee



The Egmont *Trust*

Report of the Independent Auditors to the Trustees

We have audited the financial statements of The Egmont Trust for the year ended 31st December 2014 on pages 18 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

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

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

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

Scope of the audit of the financial statements

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



The Egmont *Trust*

Report of the Independent Auditors to the Trustees

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st December 2014 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

.....

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

Date: / /



The Egmont *Trust*

Statement of Financial Activities for the Year Ended 31st December 2014

Statement of Financial Activities for the Year Ended 31 December 2014

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2014 £	Total funds 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	481,108	330,536	811,644	500,572
Activities for generating funds	3	6,512	-	6,512	62,756
Investment income	4	14,981	1,214	16,195	1,367
Total incoming resources		502,601	331,750	834,351*	564,695
Resources expended					
Cost of generating funds					
Cost of generating voluntary income	5	-	-	-	16,880
Charitable activities					
Alleviation of the impact of HIV & AIDS	6	401,240	225	401,465	516,686
Grant Management		-	76,103	76,103	64,929
Fundraising & Publicity		-	74,801	74,801	66,300
Finance & Oversight		-	50,006	50,006	57,939
Office & Data Management		-	30,309	30,309	25,107
Governance costs	9	-	2,811	2,811	1,656
Total resources expended		401,240	234,255	635,495	749,497
Net incoming/(outgoing) resources before transfers		101,361	97,495	198,856	(184,802)
Gross transfers between funds	15	83,000	(83,000)	-	-
Net incoming/(outgoing) resources		184,361	14,495	198,856	(184,802)
Reconciliation of funds					
Total funds brought forward		201,370	11,400	212,770	397,572
Total funds carried forward		385,731	25,895	411,626	212,770

The notes form part of these financial statements

The Egmont Trust

Statement of Financial Activities for the Year Ended 31st December 2014

Balance Sheet as at 31 December 2014

	Note	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Fixed assets					
Tangible assets	12	1,571	-	1,571	942
Current assets					
Debtors	13	59,787	-	59,787	20,473
Cash at bank and in hand		503,509	25,895	529,404	398,658
		563,296	25,895	589,191	419,131
Creditors					
Amounts falling due within one year	14	(179,136)	-	(179,136)	(207,303)
Net current assets					
		384,160	25,895	410,055	211,828
Total assets less current liabilities					
		385,731	25,895	411,626	212,770
Net assets					
		385,731	25,895	411,626	212,770
Funds					
Unrestricted funds	15			385,731	201,370
Restricted funds				25,895	11,400
Total charity funds				411,626	212,770

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

.....
William Garrett - Chairman -Trustee

The Egmont Trust

Notes to the Financial Statements

1. Accounting policies

Basis of preparing the financial statements

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 2011.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

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 a receivable basis.

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. Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive the grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive the grant and any condition attaching to the grant is outside the control of the Trust.

Cost of generating funds

Costs of generating funds are the costs associated with attracting voluntary income.

Governance costs

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer equipment – 33% on cost.

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

Taxation

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

Fund accounting

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

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

Further explanation of the nature and purpose of each fund is included in note 15.

Foreign currencies

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

Pension costs and other post-retirement benefits

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



The Egmont Trust

Notes to the Financial Statements

2. Voluntary income

	2014	2013
	£	£
Donations	730,127	455,814
Gift Aid	81,517	44,758
	<u>811,644</u>	<u>500,572</u>

3. Activities for generating funds

	2014	2013
	£	£
Fundraising events	6,512	55,026
Sponsorships	-	7,730
	<u>6,512</u>	<u>62,756</u>

4. Investment income

	2014	2013
	£	£
Interest received and foreign exchange gains	<u>16,195</u>	<u>1,367</u>

5. Costs of generating voluntary income

	2014	2013
	£	£
Event costs	<u>-</u>	<u>16,880</u>

6. Charitable activities costs

	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£
Alleviation of the impact of HIV & AIDS	401,465	-	401,465
Grant Management	-	76,103	76,103
Fundraising & Publicity	-	74,801	74,801
Finance & Oversight	-	50,006	50,006
Office & Data Management	-	30,309	30,309
	<u>401,465</u>	<u>231,219</u>	<u>632,684</u>

The Egmont Trust

Notes to the Financial Statements

7. Grants payable

	2014	2013
	£	£
Alleviation of the impact of HIV & AIDS	401,465	516,686
The total grants paid to institutions during the year was as follows:		
Kenya	1,100	87,308
Malawi	111,369	131,179
Mozambique	44,000	52,910
Tanzania	65,779	65,920
Zambia	135,220	112,123
Zimbabwe	43,997	67,246
	401,465	516,686

8. Support costs

	Management	Finance	Other	Totals
	£	£	£	£
Grant Management	76,103	-	-	76,103
Fundraising & Publicity	74,801	-	-	74,801
Finance & Oversight	49,616	390	-	50,006
Office & Data Management	29,441	-	868	30,309
	229,961	390	868	231,219

9. Governance costs

	2014	2013
	£	£
Accountancy	2,009	1,545
Legal fees	802	111
	2,811	1,656

10. Trustees' remuneration and expenses

There were no Trustees' remuneration or other benefits for the year ended 31st December 2014 nor for the year ended 31 December 2013.

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31 December 2014 nor for the year ended 31 December 2013.



The Egmont *Trust*

Notes to the Financial Statements

11. Staff costs

	2014	2013
	£	£
Wages and salaries	145,100	133,672
Social security	10,250	9,069
Other pension costs	8,303	12,152
	<u>163,653</u>	<u>154,893</u>

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

	2014	2013
Charitable activities	<u>4</u>	<u>4</u>

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

12. Tangible fixed assets

	Computer equipment
	£
Cost	
At 1 January 2014	6,152
Additions	1,497
Disposals	(2,791)
At 31 December 2014	<u>4,858</u>
Depreciation	
At 1 January 2014	5,210
Charge for the year	868
Eliminated on disposal	(2,791)
At 31 December 2014	<u>3,287</u>
Net book value	
At 31 December 2014	<u>1,571</u>
At 31 December 2013	<u>942</u>

The Egmont Trust

Notes to the Financial Statements

13. Debtors: amounts falling due within one year

	2014	2013
	£	£
Other debtors	59,787	20,473

14. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	175,847	205,183
Other creditors	3,289	2,120
	179,136	207,303

15. Movement in funds

	At 01.01.14	Net movement in funds	Transfers between funds	At 31.12.14
	£	£	£	£
Unrestricted funds				
General fund	201,370	101,361	83,000	385,731
Restricted funds				
Operational costs	11,400	14,495	-	25,895
Treebeard Trust	-	15,000	(15,000)	-
Waterloo Foundation	-	68,000	(68,000)	-
	11,400	97,495	(83,000)	25,895
Total funds	212,770	198,856	-	411,626

The Egmont Trust

Notes to the Financial Statements

15. Movement in funds - continued

Net movement in funds, included in the above, are as follows:	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	502,601	(401,240)	101,361
Restricted funds			
Operational costs	248,525	(234,030)	14,495
Treebeard Trust	15,000	-	15,000
Waterloo Foundation	68,000	-	68,000
Mzuzu Academy	225	(225)	-
	331,750	(234,255)	97,495
Total funds	834,351	(635,495)	198,856

Transfers between funds

The Charity reports all grants paid during the year through its unrestricted charitable activities. As such a total of £83,000 has been transferred from restricted funds during the year to reflect the payments of grants as required by funding providers

16. Related party disclosures

During the year the Charity made a grant payment of £22,225 (2013: £22,000) to Malawi Mzuzu Academy. Mr C Williams, an employee of the Charity, is a Trustee of Malawi Mzuzu Academy.

17. Analysis of funds

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

The Treebeard Trust fund was for the support of the grant paid to Chipata District Farmers Association (CDFA) in Chipata, Zambia.

The Mzuzu Academy fund is for the purpose of funding project related field trips for students.

The restricted fund (Waterloo Foundation) was set up to receive funds specifically for the continued support of 4 partner organisations whose projects were funded by Waterloo through 2013. Due to the timing of the grant disbursements and donation receipt, the grants were initially made from the General Fund to ensure continuity in funding.

The Egmont *Trust*

Detailed Statement of Financial Activities for the Year Ended 31st December 2014

Incoming Resources

2014**2013****£****£**

Voluntary Income

Donations	730,127	455,814
Gift Aid	81,517	44,758
	<u>811,644</u>	<u>500,572</u>

Activities for generating funds

Fundraising events	6,512	55,026
Sponsorships	-	7,730
	<u>6,512</u>	<u>62,756</u>

Investment income

Interest received and foreign exchange gains	<u>16,195</u>	<u>1,367</u>
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Total incoming resources

	<u>834,351</u>	<u>564,695</u>
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Resources expended

2014**2013****£****£**

Cost of generating voluntary income

Event costs	<u>-</u>	<u>16,880</u>
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Charitable Activities

Grants to institutions	<u>401,465</u>	<u>516,686</u>
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Governance costs

Accountancy	2,009	1,545
Legal fees	802	111
	<u>2,811</u>	<u>1,656</u>

This page does not form part of the statutory financial statements

The Egmont *Trust*

Detailed Statement of Financial Activities for the Year Ended 31st December 2014

	2014	2013
	£	£
Support Costs		
Management		
Wages	145,100	133,672
Social security	10,250	9,069
Pensions	8,303	12,152
Office costs	22,362	16,568
Travel	13,345	11,470
Fundraising	30,601	30,128
	<u>229,961</u>	<u>213,059</u>
Finance		
Bank charges	390	-
Foreign exchange losses	-	402
	<u>390</u>	<u>402</u>
Other		
Computer equipment	868	814
	<u>868</u>	<u>814</u>
Total resources expended	<u>635,495</u>	<u>749,497</u>
Net income/(expenditure)	<u>198,856</u>	<u>(184,802)</u>

This page does not form part of the statutory financial statements