

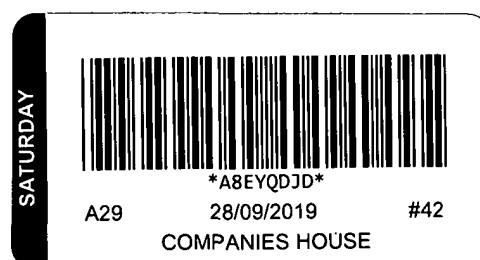
Orphanages for Africa – U.K.
(A company limited by guarantee)

Report and Financial Statements

Year ended 31 December 2018

Registered charity number: 1179536

Company number: 06498376



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Report of the trustees for the year ended 31 December 2018

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 December 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)'.

Founder's report

Our God is faithful and as we celebrated our tenth birthday in February it was with joy and encouragement that we looked back and traced the evidence of His faithfulness. Trusting in God through prayer we continued to make a real contribution to relieving the poverty of orphaned children across Africa in 2018. We supplied funding to our partners in West Africa (Sierra Leone) and East Africa (Uganda) through four of our programmes. This met a range of needs, from paying staff to run the children's home in Sierra Leone to ensuring children were able to remain in school. We also awarded our first scholarships for two young people in Sierra Leone to attend college.

The year saw a number of other milestones as we registered with the Charity Commission and welcomed our first UK-based trustee to the board during the Summer. We also said a fond farewell to Dottie Glading, who served faithfully as a trustee for the last ten years, and will miss her wise insight. We continued to be blessed by our friendship with The George Müller Charitable Trust during 2018, through both their pray partnership and financial support.

Our trustees are grateful for all that has been accomplished throughout the year as the charity has continued to change lives in so many African countries.

Ms Catherine L Evans
Founder and Director

Objectives and activities

Orphanages for Africa – U.K. is an international humanitarian and development charity with a vision to see God glorified by a world where Africa's orphans can fulfil their potential. Its mission is to demonstrate to the world that there is a personal God who hears and answers prayer by meeting the needs of orphaned and abandoned children across the African continent. The charity aims to bring opportunity and hope to some of the most abused children on the African continent, sharing God's love in practical ways to make a better life a reality for all and focusing on those whose situation is most desperate: children with no relatives or friends to take care of them.

The objectives of the charity outline the three strands through which it works towards achieving its vision. They are:

- the Relief of Financial Hardship of orphans throughout the African continent by providing grants of money, goods or services to meet their basic needs, which they could not otherwise afford through lack of means;
- the Advancement of Education by providing, and assisting in the provision of, facilities for the education of orphans throughout the African continent; and

- the Advancement of the Christian Religion for the benefit of the public, in particular orphans, by providing, and assisting in the provision of, Bible studies, spiritual and moral education, prayer meetings and the opportunity to attend a local church.

In reflecting on the charity's objectives and planning its activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on the prevention or relief of poverty, the advancement of education and the advancement of religion.

The beneficiaries of the charity are orphaned children within the continent of Africa. The strategy employed to achieve the charity's aims and objectives involves working solely through grass-roots African organisations with a Christian ethos engaged in caring for orphans. The charity seeks to achieve its objectives by facilitating their growth and its approach focuses on building the capacity of its partners and helping them to develop into self-sustaining organisations that have a real impact on the lives of orphaned and abandoned children in their communities. The charity does this in two key ways:

- by providing financial resources that make a practical contribution to both the critical needs and the longer term aspirations of its partners; and
- by providing expertise that supports its partners' development as it works alongside them, drawing on their local knowledge and experience.

Underpinning the charity's approach is a focus on building close relationships which engender trust. Within this context of open communication and dialogue the charity works with its partners to develop their capacity to provide for orphaned children in a way that is sustainable.

Our programmes

The charity executes its strategy through five key programmes. Each programme focuses on a different aspect of the work of the charity's partner organisations and targets involvement to meeting critical needs (basic assistance), supporting children's development (child sponsorship and education) and building longer term capacity (construction and micro-enterprise).

- We provide **basic assistance** for food, clothing, rent, medical expenses etc. to partners struggling to make ends meet for the orphans under their care. This includes responding to requests for emergency assistance from our partners when short term intervention is necessary.
- Through **child sponsorship** we link individual orphans with specific donors and encourage regular correspondence. This emotional link can be very precious for an orphaned child and the financial support provided by the donor benefits the whole community by providing practical help, such as meals, clothing, and school fees, to all of the children in our partner's care.
- We strive to improve access to **education** and provide financial assistance for the purchase of text books, uniforms and payment of school fees and exam fees for orphans in our partners' care. We also support vocational training programmes that allow young people to learn skills they can use to earn a living.
- **Construction** of homes, centres and schools for orphaned children is one of our long-term goals. Many of our partners do not own their properties and are faced with unsuitable buildings as well as the burden of monthly rental payments. By investing in dedicated infrastructure we aim to provide suitable facilities and contribute towards long-term financial stability.
- We provide small grants to encourage and support **micro-enterprise** businesses run by Africans caring for orphans. We try to nurture and develop entrepreneurial skills and ideas, drawing on their knowledge of what works best in their area. We believe this approach can change people's lives while maintaining dignity and encouraging both enterprise and financial independence.

To complement the focused approach of its specific programmes, the charity also works in an holistic way to ensure its partners have robust governance and finances as well as the necessary blend of skills to take their organisations forward.

Our partners

During the year the charity partnered with five organisations across Africa providing care and support for 497 orphaned children and young people:

- **Centre Elembo** runs a children's home in Kinkole, near Kinshasa in the Democratic Republic of the Congo, providing full care for 56 orphaned children.
- **Child Support Ministries Africa** works with 200 children and young people in the Kamwokya slums of Kampala and in eastern Uganda, providing support, education and vocational skills training. The charity ended its partnership with Child Support Ministries Africa on 15 October 2018.
- **Christian Outreach for Community Empowerment and Development** is a community initiative in Kakamega, western Kenya, assisting 122 orphaned children living locally with guardians.
- The charity's **partner in Zimbabwe** runs a home providing full care for 15 orphaned children. Due to the current political and economic situation in Zimbabwe we keep their details confidential.
- **Endless Hope for Children** runs a home for 71 orphaned children and young people in Kamakwie, northern Sierra Leone, and supports 31 children living with guardians in the community plus two at College.

The charity makes grants to its partner organisations, all of which are approved by the trustees. The beneficiaries are involved in activities or ministries which comply with the company's charitable objectives.

Our volunteers

The charity is run entirely by volunteers, allowing it to keep running costs low and focus resources on making an impact in the lives of orphaned children. In addition to one individual volunteering solely with Orphanages for Africa – U.K., the charity draws support from a common pool of volunteers shared with its sister organisations in Canada and the USA. The Board would like to express its thanks to all of the volunteer staff for their support during 2018.

Achievements and performance

The charity continued its support of various projects in Africa by working through its five in-country partners caring for orphaned children and young people in the DRC, Kenya, Sierra Leone, Uganda and Zimbabwe. Grants totalling £2,710 (2017: £3,025) were made through our Basic Assistance, Child Sponsorship, Education and Micro-enterprise programmes to two of the charity's partners.

	2018 £	2017 £
Child Support Ministries Africa (Uganda)	350	1,325
Endless Hope for Children (Sierra Leone)	2,360	1,500
Partner in Zimbabwe	-	200
	<u>2,710</u>	<u>3,025</u>

During 2018 we transferred £315 of Basic Assistance funding to Endless Hope for Children in Sierra Leone. This grant allowed our partner to meet the costs of employing the staff in the children's home and purchase food for the children.

Our Child Sponsorship programme continued to benefit the children at Endless Hope for Children. Our partner used funding transferred to cover the costs of attending school. The programme also helped to challenge and educate sponsors by encouraging connections between orphaned children and our supporters in the UK.

All of our partners operate in countries where education is not free at the point of delivery and face the ongoing challenge of ensuring that schooling continues uninterrupted. Through our Education programme, we provided £1,420 in financial support to Endless Hope for Children (Sierra Leone). This enabled over 90 children to continue in school during all three terms of 2018. The funds were also used to purchase uniforms and supplies and to provide scholarships for two young people to attend college. A grant for school tuition was also given to Child Support Ministries Africa, in Uganda. As a result of our programme, many children continued to attend school throughout the year, giving them the chance for a brighter future.

Two years ago we provided funding to help Endless Hope for Children restart their goat business after the government required that all of their livestock be destroyed during the Ebola crisis. An outbreak of Foot and Mouth disease in Sierra Leone during the year created further challenges for our partner's business. We provided £235 via our Micro-enterprise programme that enabled them to vaccinate all 36 of their goats.

During the year we registered with the Charity Commission and are grateful to trustees and volunteers for the effort that went into preparing the necessary materials for the registration process. We were also pleased to welcome Antonia Jackson to the board of trustees during the Summer. Antonia is a qualified teacher with prior experience serving as a trustee and is an excellent addition to the board.

Financial review

The charity's annual income dropped by 10%, to £4,629 (2017: £5,135). This decrease was largely due to a sizeable one-off donation made in 2017.

Expenditure incurred during the year also saw a slight reduction to £3,412 (2017: £3,560), reflecting the reduced income for the year. Transfers to our partners in Africa accounted for 80% of expenditure, a figure anticipated to grow in line with income as a significant proportion of the charity's expenditure on support arises from fixed costs. The percentage for 2018 was particularly low due to the delay in transferring funds to Christian Outreach for Community Empowerment and Development to purchase a plot of land in Kenya until 2019.

Per the Statement of Financial Activities on page 9, the charity reported a surplus of £1,217 (2017: surplus of £1,575), of which £1,432 related to Restricted Funds, and total funds of £3,577, of which £3,243 related to Restricted Funds.

Principal funding sources

The charity's activities and developments are dependent upon funding from a relatively small, but growing, number of individual and organisational donors. It is the charity's policy not to engage in fundraising, but instead to pray and rely on God to provide funds.

Reserves policy

The trustees' policy is to hold a level of unrestricted reserves at least sufficient to meet the charity's annual administrative costs, where a surplus balance on the General Fund permits. The trustees consider that the ideal minimum level of reserves as at 31 December 2018 would be £600. At the year end there was a balance of £334 on the General Fund.

Plans for future periods

The charity plans to continue developing its capacity and build upon its relationships with its partners by providing practical support as they care for 297 orphaned children throughout Africa. It plans to focus on nurturing its partners into financially independent organisations by encouraging and supporting micro-enterprise initiatives that will secure sustainable income streams. The charity is mindful of the difficulties several of its partners face in affording school fees and aware that many of the grants it makes are for this purpose. It is keen to explore more sustainable ways of meeting this need.

Specific plans for 2019 include developing a comprehensive training offer for our partners in operating a social enterprise and helping Christian Outreach for Community Empowerment and Development to purchase a plot of land in Kenya as a permanent home for their pre-school and agriculture micro-enterprise. We would also like to recruit a new trustee and increase public awareness of the charity and its work throughout the UK.

The charity looks forward to an active and successful year in 2019 and will continue to depend on God to provide funds.

Structure, governance and management

Governing document

Orphanages for Africa – U.K. is a company limited by guarantee governed by its Memorandum and Articles of Association. The company is registered as a charity with the Charity Commission.

Appointment of trustees

New trustees are appointed at the discretion of the Board. There is a fixed term of three years for trusteeship, after which trustees may stand for re-election.

Trustee induction and training

New trustees take part in an induction programme which aims to familiarise them with the charity's vision, mission and objectives, as well as its values, the content of the Memorandum and Articles of Association, the decision making processes and recent financial performance of the charity. In addition, the induction clarifies new trustees' statutory responsibilities as directors of a company limited by guarantee and as trustees of a charity and outlines the Charity Commission's guidance on public benefit. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The board of trustees is responsible for the overall direction and administration of the charity and meet at least quarterly. An Executive Director is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Executive Director has delegated authority, within terms of delegation approved by the trustees, for operational matters including the administration and allocation of funds.

Related parties and co-operation with other organisations

The charity has a close relationship with Orphanages for Africa – Canada / Les Orphelinats Pour L'Afrique – Canada (OFA-Canada, a Canadian not-for-profit corporation) and Orphanages for Africa – U.S.A. (OFA-USA,

a non-profit 501(c)(3) corporation in the United States of America). Three of the trustees of the charity are also directors of OFA-Canada and OFA-USA, and together the charities share a common ethos and goals. To achieve its objectives the charity works closely with four grassroots organisations based in Africa that share its vision of promoting the welfare of orphaned children. These partner organisations do not fall within the definition of related parties. Further information on our partners can be found in the objectives and activities section of this trustees' annual report.

Risk management

The trustees undertake an annual review of the principal risks and uncertainties to which the charity is exposed. Policies, systems and procedures are established to mitigate risks that are identified as a result of these reviews. Procedures designed to minimise or manage any potential impact on the charity should those risks materialise are also implemented.

Reference and administrative details

Charity name: Orphanages for Africa – U.K.

Registered charity number: 1179536

Company registration number: 06498376

Principal and registered office: Dane House, 26 Taylor Road, Aylesbury, Buckinghamshire, HP21 8DR

Key management personnel

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees serving during the year and since the year end were as follows:

Directors and trustees:	C L Evans	(Company Secretary)
	E R Benjamin	
	D W Glading	Resigned 16 June 2018
	A N Jackson	Elected 16 June 2018
	J S Whited	

The charity trustees delegate day-to-day management of the charity to the Executive Director.

Senior management:	Dr Gavin A Forrest	(Executive Director)
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Advisers

Bankers:	Lloyds Bank	69 Bedford Street, North Shields, Tyne & Wear, NE29 0AU
Independent examiner:	Mrs Eleanor R Tod CPFA	77 Appletrees, Bar Hill, Cambridge, CB23 8SW

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Orphanages for Africa – U.K. for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in

accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's web-site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the directors on 9 March 2019 and signed on their behalf by:



Ms Catherine L Evans
Founder and Director

Independent examiner's report to the trustees of Orphanages for Africa – U.K.

I report to the trustees of Orphanages for Africa – U.K. on the accounts for the year ended 31 December 2018 set out on pages 9 to 17.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mrs Eleanor R Tod

Chartered Public Finance Accountant

77 Appletrees, Bar Hill, Cambridge, CB23 8SW

Dated 31 August 2019

Orphanages for Africa – U.K.
Statement of Financial Activities
(including income and expenditure account)
for the year ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income:					
Donations and legacies	3	646	3,983	4,629	5,135
Total income		646	3,983	4,629	5,135
Expenditure:					
Raising funds:					
Publicity		-	237	237	-
Charitable activities:	4				
Basic Assistance Programme		-	354	354	1,540
Child Sponsorship Programme		-	439	439	-
Education Programme		-	2,028	2,028	1,938
Micro-enterprise Programme		-	354	354	82
Total expenditure		-	3,412	3,412	3,560
Net income/(expenditure)		646	571	1,217	1,575
Transfers between funds		(861)	861	-	-
Net movement in funds		(215)	1,432	1,217	1,575
Reconciliation of funds:					
Total funds brought forward		549	1,811	2,360	785
Total funds carried forward		334	3,243	3,577	2,360

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Orphanages for Africa – U.K.
Balance Sheet
as at 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Current assets:					
Debtors	10	-	6	6	540
Cash at bank and in hand		334	3,237	3,571	1,820
Total current assets		334	3,243	3,577	2,360
Net current assets		334	3,243	3,577	2,360
Net assets		334	3,243	3,577	2,360
The funds of the charity:	11				
Restricted funds		-	3,243	3,243	1,811
Unrestricted funds		334	-	334	549
Total charity funds		334	3,243	3,577	2,360

For the year ending 31/12/2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 12 to 17 form an integral part of these financial statements. The financial statements were approved by the directors on 9 March 2019 and signed on their behalf by:



Mrs Etmonia R Benjamin
Director

**Orphanages for Africa – U.K.
Statement of Cash Flows
for the year ended 31 December 2018**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	13	<u>304</u>	<u>1,447</u>	<u>1,751</u>	<u>1,116</u>
Change in cash and cash equivalents		<u>304</u>	<u>1,447</u>	<u>1,751</u>	<u>1,116</u>
Cash and cash equivalents brought forward		30	1,790	1,820	704
Cash and cash equivalents carried forward		<u>334</u>	<u>3,237</u>	<u>3,571</u>	<u>1,820</u>

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and the Companies Act 2006.

Orphanages for Africa – U.K. meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value.

(b) Preparation of the accounts on a going concern basis

The charity reported a cash inflow of £1,751 for the year. The trustees are of the view that the charity has adequate resources to continue in operational existence for the foreseeable future and that on this basis the charity is a going concern.

(c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Income tax arising on donations by Gift Aid is accounted for on an accruals basis. Income tax is allocated to Unrestricted or Restricted Funds at the discretion of the trustees who have obtained authorisation from the donors regarding the allocation of income tax.

(d) Donated services and facilities

In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers is not incorporated into these financial statements. Refer to the trustees' annual report for more information about their contribution. Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

(f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

(g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- **Raising funds** comprises the costs of publicity, as required by the Charities SORP (FRS 102), albeit the charity's policy on fundraising supports creation of publicity materials for the purpose of educating the public but not with the explicit intention of raising funds;
- **Charitable activities** comprises the costs of activities undertaken and grants awarded to further the purposes of the charity, governance costs and an apportionment of support costs as shown in note 4; and
- **Other** represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 5.

(i) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate
Equipment	20%

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Legal status of the charity

The charity is a private company limited by guarantee with no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

3 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Donations	-	3,783	3,783	4,278
Gift Aid	646	125	771	782
Donated services	-	75	75	75
	<u>646</u>	<u>3,983</u>	<u>4,629</u>	<u>5,135</u>

The income from donations and legacies was £4,629 (2017: £5,135) of which £646 was unrestricted (2017: £782) and £3,983 restricted (2017: £4,353).

The charity is grateful to Mrs Eleanor R Tod for donating her services as Independent Examiner. The value of this service to the charity is estimated at £75 (2017: £75). The estimated value of this service is recognised within incoming resources as a donation, and an equivalent charge included within support costs.

The charity benefits greatly from the involvement and enthusiastic support of its volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

4 Analysis of expenditure on charitable activities

	Direct costs	Grants to institutions	Support costs	Total
	£	£	£	£
Basic Assistance Programme	-	315	39	354
Child Sponsorship Programme	-	390	49	439
Education Programme	-	1,770	258	2,028
Micro-enterprise Programme	101	235	18	354
	101	2,710	364	3,175

Expenditure on charitable activities was £3,175 (2017: £3,560) of which all came from restricted funds (2017: £3,560).

Details of the grants awarded in year can be found in the achievements and performance section of the trustees' annual report.

5 Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those support costs which relate to the governance function. Both the governance-related support costs and the remaining support costs are apportioned between the charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Basis of apportionment	Basic Assistance programme	Child Sponsorship programme	Education programme	Micro-enterprise programme	Total
		£	£	£	£	£
Administration	Grants	2	2	11	2	17
Grant transfer fees	Directly	16	19	124	-	159
Office running costs	Grants	9	11	49	7	76
PayPal fees	Grants	-	1	4	-	5
IT	Grants	2	3	13	1	19
Governance	Grants	10	13	57	8	88
		39	49	258	18	364

6 Net income/(expenditure) for the year

This is stated after charging:

	2018	2017
	£	£
Independent Examination fees	75	75
	75	75

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The charity does not employ any paid staff and therefore there were no employees who received employee benefits in excess of £60,000 in the year (2017: £nil). The charity was staffed by one unpaid volunteer.

The charity trustees were not paid or received any other benefits from employment with the charity or a related entity in the year (2017: £nil) neither were they reimbursed expenses during the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

The key management personnel of the charity comprise the trustees and the Executive Director. The key management personnel of the charity did not receive any employee benefits (2017: £nil).

8 Related party transactions

The charity has a close working relationship with *Orphanages for Africa – Canada / Les Orphelinats Pour L’Afrique – Canada* (OFA-Canada, a Canadian not-for-profit corporation) and *Orphanages for Africa – U.S.A.* (OFA-USA, a non-profit 501(c)(3) corporation in the United States of America). Three of the trustees of the charity are also directors of OFA-Canada and OFA-USA, and together the charities share a common ethos and goals.

No funding was received from either organisation and there were no related party transactions in the year (2017: £nil). There were no outstanding balances with related parties as at 31 December 2018 (2017: £nil).

9 Corporation Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Debtors

	2018 £	2017 £
Prepayments	6	21
Accrued income (Gift Aid)	-	519
	<u>6</u>	<u>540</u>

11 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 Jan '18 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 Dec '18 £
General fund	549	646	-	(861)	334
	<u>549</u>	<u>646</u>	<u>-</u>	<u>(861)</u>	<u>334</u>

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The 'free reserves' available to support any of the purposes of the charity.

Analysis of movements in restricted funds

	Balance 1 Jan '18 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 Dec '18 £
Admin fund	-	75	(601)	526	-
Africa fund	111	3,283	(2,811)	335	918
COCED land purchase fund	-	625	-	-	625
Micro-enterprise fund	1,700	-	-	-	1,700
	<u>1,811</u>	<u>3,983</u>	<u>(3,412)</u>	<u>861</u>	<u>3,243</u>

Name of restricted fund	Description, nature and purposes of the fund
Admin fund	To support the day-to-day administration of the charity.
Africa fund	To support the work of the charity in Africa.
COCED land purchase fund	To support COCED to purchase a plot of land in Kenya.
Micro-enterprise fund	To support the work of the charity's micro-enterprise programme.

The opening balances of the Africa fund and Micro-enterprise fund have been restated to reflect a correction to the 2017 accounts, which did not show the Micro-enterprise fund separately.

12 Post-balance sheet events

There were no post-balance sheet events.

13 Reconciliation of net movement in funds to net cash flows from operating activities

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Net movement in funds	(215)	1,432	1,217	1,575
Adjustments for:				
(Increase)/decrease in debtors	519	15	534	(459)
Net cash provided by (used in) operating activities	<u>304</u>	<u>1,447</u>	<u>1,751</u>	<u>1,116</u>