

Orphanages for Africa – U.K.

(A company limited by guarantee)

Report and Financial Statements

Year ended 31 December 2017

Registered charity number: 1179536

Company number: 06498376

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Report of the trustees for the year ended 31 December 2017

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 December 2017 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

God's loving concern was evident in many ways during 2017 and we were privileged to be used to make a real contribution to relieving the poverty of orphaned children across Africa. Exercising faith and prayer, we relied on God to meet the needs of the orphans we serve in five nations. We supplied funding to our partners in West Africa (Sierra Leone), East Africa (Uganda) and in the Southern region (Zimbabwe) through two of our programmes. This met a range of needs, from providing emergency food supplies in times of need to ensuring children were able to remain in school.

The growth that our charity has seen in recent years means we now need to register with the Charity Commission and preparing for this was an area of focus towards the end of the year. We were also blessed by our continued friendship with The George Müller Charitable Trust during 2017, by 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 Poverty of orphans throughout the African continent by making 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 orphans and the public.

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

The charity currently partners with five organisations across Africa providing care and support for 489 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 60 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.
- **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 58 orphaned children and young people in Kamakwie, northern Sierra Leone, and supports 34 children living with guardians in the community.

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 2017.

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 £3,025 (2016: £6,790) were made through our Basic Assistance and Education programmes to three of the charity's partners.

	2017 £	2016 £
Child Support Ministries Africa (Uganda)	1,325	1,130
Christian Outreach for Community Empowerment and Development (Kenya)	-	240
Endless Hope for Children (Sierra Leone)	1,500	4,075
Partner in Zimbabwe	200	1,345
	3,025	6,790

During 2017 we transferred £200 of Basic Assistance funding to our partner in Zimbabwe and a further £200 to Endless Hope for Children in Sierra Leone. These grants allowed both of our partners to buy food and emergency supplies during a time of financial hardship. Towards the end of the year we also sent a Basic Assistance grant of £950 to Child Support Ministries Africa, in Uganda, which provided food for 19 children during their long Christmas vacation.

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 £1,300 in financial support to Endless Hope for Children (Sierra Leone). This enabled 81 children to continue in school during the Spring and Autumn terms and allowed 90 children to attend a

Summer School. The funds were also used to purchase uniforms and supplies for 81 children. A grant for school supplies 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.

Throughout 2017 we continued to work with Child Support Ministries Africa to develop their web-site by providing expertise and funding development and hosting costs through our Microenterprise Programme. The new web-site will enhance the marketing of their computer skills training classes and enable further growth of this vital income stream for our partner.

Financial review

The charity's annual income dropped by 21%, to £5,135 (2016: £6,486). This noticeable decrease was largely due to a sizeable one-off donation made in 2016.

Expenditure incurred during the year also saw a significant reduction to £3,560 (2016: £7,706). While this partly reflected the reduced income for the year it was also an effect of the timing of grant payments in 2016, which were particularly high due to inclusion of some funds held over from 2015. Transfers to our partners in Africa accounted for 85% of expenditure. This percentage is anticipated to grow in line with income as a significant proportion of the charity's expenditure on support arises from fixed costs.

Per the Statement of Financial Activities on page 9, the charity reported a surplus of £1,575 (2016: deficit of £1,220), of which £793 related to Restricted Funds, and total funds of £2,360, of which £1,811 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 2017 would be £600. At the year end there was a balance of £549 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 489 orphaned children throughout Africa. It plans to focus on developing 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 2018 include developing a comprehensive training offer for our partners in operating a social enterprise and funding at least one medium-scale microenterprise proposal to grow our partners' financial resilience. We also intend to register with the Charity Commission, recruit new trustees and increase public awareness of the charity and its work throughout the UK.

The charity looks forward to an active and successful year in 2018 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 an unregistered charity as, until recently, it did not meet the annual turnover level required by the Charity Commission to apply for registration. The company is currently in the process of registering 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 five 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)

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:

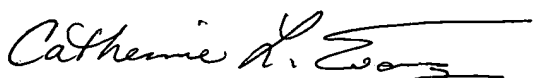
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures 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 16 June 2018 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Catherine L. Evans', with a long horizontal flourish extending to the right.

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 2017 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 18 August 2018

Orphanages for Africa – U.K.
Statement of Financial Activities
(including income and expenditure account)
for the year ended 31 December 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Income:					
Donations and legacies	3	782	4,353	5,135	6,486
Total income		782	4,353	5,135	6,486
Expenditure:					
Raising funds:					
Publicity		-	-	-	218
Charitable activities:	4				
Basic Assistance Programme		-	1,540	1,540	1,330
Child Sponsorship Programme		-	-	-	133
Education Programme		-	1,938	1,938	5,565
Microenterprise Programme		-	82	82	460
Total expenditure		-	3,560	3,560	7,706
Net income/(expenditure)		782	793	1,575	(1,220)
Transfers between funds		(383)	383	-	-
Net movement in funds		399	1,176	1,575	(1,220)
Reconciliation of funds:					
Total funds brought forward		150	635	785	2,005
Total funds carried forward		549	1,811	2,360	785

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 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Current assets:					
Debtors	10	519	21	540	81
Cash at bank and in hand		30	1,790	1,820	704
Total current assets		549	1,811	2,360	785
Net current assets		549	1,811	2,360	785
Net assets		549	1,811	2,360	785
 The funds of the charity:					
	11				
Restricted funds		-	1,811	1,811	635
Unrestricted funds		549	-	549	150
Total charity funds		549	1,811	2,360	785

For the year ending 31/12/2017 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 16 June 2018 and signed on their behalf by:

Etmonia R. Benjamin

Mrs Etmonia R Benjamin
Director

Orphanages for Africa – U.K.
Statement of Cash Flows
for the year ended 31 December 2017

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	13	<u>(68)</u>	<u>1,184</u>	<u>1,116</u>	<u>(849)</u>
Change in cash and cash equivalents		<u>(68)</u>	<u>1,184</u>	<u>1,116</u>	<u>(849)</u>
Cash and cash equivalents brought forward		98	606	704	1,553
Cash and cash equivalents carried forward		<u>30</u>	<u>1,790</u>	<u>1,820</u>	<u>704</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 £1,116 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 2017 £	Total funds 2016 £
Donations	-	4,278	4,278	5,840
Gift Aid	782	-	782	571
Donated services	-	75	75	75
	<u>782</u>	<u>4,353</u>	<u>5,135</u>	<u>6,486</u>

The income from donations and legacies was £5,135 (2016: £6,486) of which £782 was unrestricted (2016: £571) and £4,353 restricted (2016: £5,915).

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 (2016: £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	-	1,350	190	1,540
Education Programme	-	1,675	263	1,938
Microenterprise Programme	82	-	-	82
	82	3,025	453	3,560

Expenditure on charitable activities was £3,560 (2016: £7,488) of which all came from restricted funds (2016: £7,488).

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 £	Education programme £	Micro-enterprise programme £	Total £
Administration	Grants	2	2	-	4
Grant transfer fees	Directly	55	94	-	149
Office running costs	Grants	81	101	-	182
PayPal fees	Grants	7	9	-	16
IT	Grants	6	8	-	14
Governance	Grants	39	49	-	88
		190	263	-	453

6 Net income/(expenditure) for the year

This is stated after charging:

	2017 £	2016 £
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 (2016: £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 (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £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 (2016: £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 (2016: £nil). There were no outstanding balances with related parties as at 31 December 2017 (2016: £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

	2017	2016
	£	£
Prepayments	21	29
Accrued income (Gift Aid)	519	52
	540	81

11 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 Jan '17 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 Dec '17 £
General fund	150	782	-	(383)	549
	<u>150</u>	<u>782</u>	<u>-</u>	<u>(383)</u>	<u>549</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 '17 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 Dec '17 £
Admin fund	-	75	(453)	378	-
Africa fund	635	4,278	(3,107)	5	1,811
	<u>635</u>	<u>4,353</u>	<u>(3,560)</u>	<u>383</u>	<u>1,811</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.

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 2017 £	Total funds 2016 £
Net movement in funds	399	1,176	1,575	(1,220)
Adjustments for:				
(Increase)/decrease in debtors	(467)	8	(459)	371
Net cash provided by (used in) operating activities	<u>(68)</u>	<u>1,184</u>	<u>1,116</u>	<u>(849)</u>