



THE KALOKO TRUST UK

TRUSTEES' ANNUAL REPORT & ACCOUNTS
For the year ended 31 December 2007

The Kaloko Trust UK – Trustees’ Annual Report & Accounts 2007

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Legal and Administrative Information

Registered Charity Name:	Kaloko Trust UK
Charity Registration Number:	1047622
Trustees:	Jim Smyllie (Chair) Domino Champe Chris Clarkson (Treasurer) Amy Sheehan Julia Ventham Tom Ventham
Director:	Andrew Brown (to November 2007) Renato Gordon (from January 2008)
Administrator:	Clare Rutherford (to February 2008) Mark Whitaker (from February 2008)
Principal Office:	39-41 Surrey Street Brighton East Sussex BN1 3PB 01273 766660 admin@kalokotrust.org www.kalokotrust.org
Bankers:	Lloyds Bank plc Covent Garden Branch 22-24 Southampton Street London WC2 7JB
Independent Examiner:	Clark Brownscombe Chartered Accountants 8 The Drive, Hove, East Sussex, BN3 3JT
Governing Document:	Trust Deed dated 26 June 1995

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Structure, Governance and Management

Trustees and organisational structure

The Kaloko Trust UK is governed by a Trust Deed, dated 26 June 1995.

Kaloko had six trustees at the end of 2007. It is current practice for Kaloko to recruit trustees in the same manner it would employees. When a trustee leaves or the existing trustees identify a need for a further board member, a person specification is drawn up and adverts are placed on our website and in the local and national press inviting applications. Suitable applicants are shortlisted and then interviewed, with the most appropriate applicant being asked to join the trustees.

The trustees serve indefinitely. New trustees are provided with an induction both on Kaloko and on the roles and responsibilities of a trustee. New trustees are also required to visit Zambia to familiarise themselves with our programme as soon as practically possible. It has been usual for two existing trustees to visit Zambia each year on familiarisation and monitoring trips.

Kaloko’s day-to-day business is managed by the Director who reports directly to the trustees. The trustees meet at least quarterly with the UK Administrator and Director to make medium to long-term decisions.

Risk Management

As with any organisation, Kaloko’s work involves some risks. It is one of the trustees’ roles to try and ensure that these risks are minimised. To achieve this, the trustees have worked to identify and review the major strategic, business and operational risks that the charity faces. These are assessed against their possible likelihood of occurring and their possible impact on the organisation.

The major risks have been identified as:

- Our finances: there is a continuing increase in competition for funds and supporters.
- Our partners: Kaloko works at a grassroots level with rural community organisations that often have a weak organisational capacity.
- HIV/AIDS: Zambia is deeply affected by the HIV/AIDS pandemic and it is negatively impacting on all aspects of rural livelihoods and Kaloko’s programmes.

Given the nature of Kaloko’s work the trustees recognise that some areas of our work require the acceptance and management of risk if our key objectives are to be achieved. The trustees have adopted, or are working to adopt, policies and frameworks to mitigate these risks. These include:

- Regular monitoring and assessment of the identified risks, through regular reports and personal visits;
- Developing a strong fundraising strategy and annual action plan;
- Working to improve our management of knowledge and information;
- Developing innovative uses of ICT to manage and monitor Kaloko’s business;
- Working to mainstream HIV/AIDS across all areas of our work.

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Objects and Activities

The Kaloko Trust UK is a non-governmental, non-political, non-religious organisation established in 1995 and constituted under a Trust Deed dated 26th June 1995.

The Trust Deed defines the charity's objects as being:

1. To relieve poverty in Zambia and other Third World countries in particular by promoting sustainable self-help projects, advancing agriculture and other locally appropriate commerce and industry, and promoting the environmentally sustainable use of natural resources.
2. To advance the education of people living in Zambia and other Third World Countries by the provision of educational facilities.
3. To relieve sickness and protect and preserve the health of people living in Zambia and other Third World countries by the provision of health centres and medical support.

Kaloko believes that long-term sustainable development can only occur where the issues that cause poverty are addressed in an integrated approach, working in partnership with beneficiaries. Thus to date we have concentrated our resources in a single geographical area – Luansobe, Zambia - working with local communities to improve access to: sufficient food, water, health, education and income.

Our current activities are categorised under the following headings:

- **Agricultural Support and Development**, which aims to raise household food security and agricultural production.
- **Natural Resource Management**, which aims to help develop the sustainable use and management of local natural resources such as water and forests.
- **Community Social Development**, which aims to develop and improve access to education and health services.
- **Enterprise Development**, which aims to develop and improve appropriate local income generation opportunities, both for Kaloko and local communities.
- **Capacity building**, which aims to help develop the capacity of our local partners in Zambia.

In order to achieve our aims during 2007 we have worked in two ways:

1. through direct management of programmes in Zambia, using our own staff and, where appropriate, volunteers; and
2. through working in partnership with the Kaloko Trust Zambia (KTZ), which is an independent non-governmental organisation, established and registered in Zambia.

Our partner organisation in Zambia, KTZ, has considerable local and programme experience: they have been working to support rural development, through a wide range of initiatives, in the Luansobe area since 1989. We have worked in partnership with them since our inception in 1995 and their experience and local knowledge is a vital contributor to programme success. As a separately registered and independent Zambian charity, with its own executive, the results of KTZ are not consolidated into the Kaloko's accounts.

Programmes of work are decided in close consultation with both beneficiaries and, where appropriate, KTZ, by Kaloko staff working in Zambia.

Where KTZ implements programmes on our behalf, we provide them with direct support through our staff and volunteers in Zambia. This takes the form of financial support, management and

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administration support, programme advice & management, technical advice and procurement of equipment. We also closely monitor the progress of programmes implemented on our behalf.

Kaloko continues to regularly consult with both partners and beneficiaries, and based on this, and the present poor state of the Zambian economy and local infrastructure, we believe that our support is still needed and no changes in our activities are currently envisaged.

Activities, Achievements and Performance

AGRICULTURAL SUPPORT & DEVELOPMENT

Poor soils, erratic rainfall, and lack of access to credit, seeds or fertilisers, means that rural families are often unable to grow enough food for the year: hunger and food shortages occur for two or three months every year. Food security is further undermined by loss of labour through sickness due to diseases such as malaria and HIV/AIDS.

Experience in Zambia and elsewhere in Africa shows that these constraints can be overcome, and to address them agricultural development programmes have formed a cornerstone of our work in the Luansobe area since 1995.

Food Security

The Kaloko Trust UK has continued to support the *Luansobe Community Household Food Security Programme* in 2007. The programme, which started in September 2002, aims to increase household food security through the provision of small-scale loans of seeds and fertilisers to subsistence farmers, as well as providing training and extension support.

The programme targets vulnerable and food-insecure households, and thus there is a high risk factor with these loans. Kaloko staff work hard to support all recipients to mitigate these risks.

We have continued to recover outstanding loans from previous seasons and it is understood by all loan recipients, that in order for the fund to continue, all loans that remain outstanding must be recovered. Where possible we anticipate collecting these loans in cash or in kind over the next couple of years.

Further loans were made for the 2006/07 season and following success was noted:

- 46 individual farmers were provided with loans of inputs for 11.5 hectares in good time.
- 5 groups were also provided with loans:
 - Kandulwe Community School was provided with a loan of 0.5 hectares as a trial to look into the possibility of supporting community schools in general with agricultural production
 - 4 community groups were provided with loans for 17.25 hectares, to again support agricultural production in households affected by HIV/AIDS. This included loans of bean seed. (There is further information on this in the HIV/AIDS programme report below).
- Kaloko used inputs for 0.5 hectares as a demonstration at their Training Centre

In the case of the initial 48 farmers all have repaid their loans and the money then used to cover KTZ expenses. Kandulwe School was allowed to keep the produce of their plot for school feeding.

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Food security and HIV/AIDS

HIV/AIDS has had a hugely negative impact on household food security in rural Zambia, with many affected families not in a position to cultivate sufficient food for their needs.

In 2005 Kaloko started a pilot project aimed at specifically improving household food security for families affected by HIV/AIDS. The local communities identified 80 families needing support, mostly headed by elderly women caring for orphans. The programme then provided loans of seeds and fertiliser to small community groups who agreed to work with the 80 affected families to support collective cultivation, with the harvest being used for the benefit of the affected households.

Following the harvest in June 2006 Kaloko carried out a review of the programme. This showed that whilst there were some successes and many families benefited, there were a number of teething troubles with the programme.

In November 2006 Kaloko repeated the programme, incorporating the lessons learned from the previous year.

In the 2006/7 season two former farmers groups; Luampesa A and Luampesa B were replaced by the Buseko women Anti-Aids club and the HIV/AIDS Support Group. During this phase the number of hectares was increased to 17.25 ha, from 10 ha. Beans was grown on 1 ¾ ha and was spread among the 4 groups evenly, 1.750 ha per group.

The community HIV/AIDS representatives selected a total of 113 beneficiaries: 25 people living with HIV/AIDS, 78 OVCs and 10 elderly persons. These were the direct beneficiaries of the harvested crop from the programme's maize and beans fields.

- **Successes:**

- The programme aimed at increasing the household food security with the 177 x 50 kg bags of maize retained by the groups being a significant contribution to improving their household food security
- Despite the poor maize yield, which was below the targeted figure of 690 x 50 kg, the stakeholders have fulfilled the agreement of returning half of the harvest to the Trust; this was then sold and the money used to cover KTZ expenses. This is a testimony that the communities have confidence in the Trust and that the programme was implemented according to mutual agreement.

- **Challenges:**

- This year the stakeholders were able to share their experiences of the challenges in mobilizing their members to work on the group fields. Some groups failed to properly manage their group fields due to time constraints in working on both their individual and group fields. This resulted into the group fields performing poorly.

- **Lessons learnt**

- From the review meeting it is clear that the stakeholders cannot manage both individual and group fields effectively, hence it was resolved that individual fields will be limited only to the HIV/AIDS Support Groups.

Agricultural Supply

Consultations carried out in early 2006 showed that local communities lacked access to basic agricultural inputs and that there was a high demand for Kaloko to meet this need. In September

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2006 Kaloko renovated a shop to sell agricultural and other supplies to meet local needs. In 2007 KTZ had discussions with two local agricultural supply companies about them starting an agency in the shop. These discussions continue.

Future Plans

In 2008 we will:

- Using the lessons learnt from the previous projects, consolidate Food Security project activities and adapt the input supply programme to more specifically target HIV/AIDS and poverty affected families whilst a comprehensive review is being conducted and plans developed for taking the work forward;
- Consider plans for a Young Persons Agricultural Training Centre and a programme to support the development of the Rainwater Catchment Tanks’ potential for supporting agricultural production.

NATURAL RESOURCE MANAGEMENT

Over the last 15 years there has been, and continues to be, a considerable increase in the local population at Luansobe. This has meant growing pressure on the fragile local environment. Water remains a major issue: rains are often erratic and unpredictable and, as the population increases, water-tables fall and wells dry up.

The forests around Luansobe play a vital role in people’s lives: they provide fuel for cooking, construction materials, a source of food (such as mushrooms and fruit), medicines, and a source of income through charcoal production. Population pressures and indiscriminate charcoal production have resulted in a significant loss of local forest.

Kaloko’s work aims to address these challenges by demonstrating and promoting sustainable approaches to Natural Resource Management, which will improve livelihoods for both current and forthcoming generations.

Water Resource Development

Water remains a major issue for people living in the area. As the population increases, both locally and in areas adjacent, water tables are falling and wells are drying up.

In 2007 we have continued to support a Water Resource Development programme that aims to address this through the construction of a series of rainwater catchment tanks (dams), which hold rainwater that would otherwise be lost in ephemeral streams. By holding back the water (the average retention is 150,000 cubic metres of rainwater) the tanks help to recharge groundwater levels, increase the growth rates of the surrounding Miombo woodland and increase the duration of grazing for animals. They also provide a major year-round source of water. This allows the cultivation of kitchen gardens and fruit trees during the dry season, as well as generating some local aquaculture.

During 2007 we continued work on a new Rainwater Catchment Tank at Kantolo. The community was mobilised and has continued work on the construction of the spillway. This work will be completed in 2008 and consideration is being given to the construction of yet one more dam in the Luansobe area.

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Bee keeping

Beekeeping is relatively simple to learn, there is good foraging for bees in the Luansobe area, and honey is a non-perishable product and is in high demand. In addition to this, beekeeping encourages appreciation and conservation of natural woodland and discourages unnecessary deforestation.

Consequently there is a high demand for training in beekeeping from the local community. Kaloko’s philosophy is to demonstrate, train and then support. There is a demonstration apiary at KTZ’s Training Centre, which is used to provide training at a 10-day residential course. On completion of the course trainees are provided with equipment on loan, and are supported through extension visits. During 2007 we trained a further 50 beekeepers, bringing the total trained by Kaloko to almost 230.

During 2007 we have continued to support the development of the Luansobe Beekeeping Co-operative Society, which aims to develop beekeeping in the area by providing a collective outlet for members. We have successfully worked with the beekeepers to officially register the Co-op, to develop a business plan and have provided training in finance, monitoring and general management and administration to the Co-op’s Executive. By the end of 2007 the Co-op had nearly 100 members and Kaloko plans to channel future support for beekeeping through the Co-op. In 2007 the Co-op bought and processed 158kg of raw honey, processing and marketing the produce in form of pure honey, wine and wax. In addition work was started at rehabilitating an old store-building to be used as the Beekeeping Cooperative’s Office.

Future Plans

In 2008 we will:

- Complete work on the Rainwater Catchment Tank at Kantolo;
- Train and equip 50 more beekeepers;
- Complete the Cooperative office building
- Continue to train and support the Co-op to provide extension services to beekeepers and to implement their business plan.

ENTERPRISE DEVELOPMENT

Income generation

The KTZ Farm Training Centre hosts a number of small-scale production units. These demonstrate potential, provide employment and training, add value to local agricultural products and help to diversify opportunities for local people and generate economic activity. This in turn underpins the development and support of basic social services for the wider community.

All the enterprises aim to be self-financing and as such direct financial input from Kaloko remained small in 2007. However, Kaloko has continued to provide technical, business and management support to all the enterprises and a number have played a significant role in programmes that we do directly support.

Examples of such enterprises include:

Livestock unit
Sawmill

A dairy & beef herd, pigs, oxen and donkeys.
Sustainable timber processing to support other programmes and generate income.

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Block making
Cheese making

Provides blocks for the construction of permanent buildings.
Processes and adds value to the milk from the dairy herd and the Kaloko Trust trained Women’s Dairy Co-ops.

Guest Accommodation

During 2006 Kaloko started the construction of guest accommodation to better support the wide range of guests that visit. These include UK staff and trustees, volunteers, consultants, donors and other NGOs. The accommodation is now complete and is self-contained and Kaloko can now offer good quality accommodation to up to 10 visitors at a time. This allows Kaloko to accept more volunteers and visitors in support of its projects, helping to increase awareness, improve outcomes and build local capacity.

Restructuring

During 2006 Kaloko has worked with KTZ to undertake a review of their organisational structure and develop a new Strategic Plan (further details of this are set out in the Capacity Building section below). A major aspect of this was an organisational restructure aimed at developing and ensuring the future financial viability of KTZ’s local enterprises.

In 2007 a review was funded by KTUK and undertaken by an external consultant who looked both at the present structures of KTZ and the suggested reorganisation. The restructuring plan was then adapted to incorporate many of the consultant’s suggestions. As projects finished in 2007 the staff of KTZ was reduced to leave a small core group to administer the programme and a team of technical staff who manage the specific projects. It is expected that these changes will significantly reduce the administrative overheads and allow more funding to be directed towards project activities.

At the end of 2007 Andrew Brown the KTUK Director left the organisation after eight years of excellent service, and following a series of interviews a new Director Renato Gordon was appointed to start in January 2008.

Future Plans

In 2008 we will:

- Continue to support KTZ to complete the implementation of their organisational restructure;
- Continue to train and support KTZ staff in the implementation of projects and the reporting to donors.

COMMUNITY SOCIAL DEVELOPMENT

Fundamental to the long-term stability of a community is the provision of basic social services such as healthcare and education. However, Zambia is one of the poorest countries in the world, ranked 165 out of 177 countries in the Human Development Index; very little is spent on education and healthcare, and many people in rural areas have little access to medical facilities.

During 2007, the Kaloko Trust UK has continued to support a Community Social Development Programme, which aims to develop and support access to education and health services for the Luansobe community.

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Luansobe Upper Basic School (LUBS)

Kaloko continues to work in partnership with the Zambian government and parents to provide education for children in the Luansobe area, with LUBS remaining the only government registered school in the area.

The Government supplies some teachers and small grants to the school, with parents of children staying in the hostels required to make a contribution of food towards the overall requirement.

Kaloko meets other costs, including provision and maintenance of all school buildings, houses for the teachers, transport and water supplies, teaching resources and hostels for those students who live to far away. We also provide funding to employ teachers to meet shortfalls in those posted by the Government.

Demand continues to increase for places at the school and during 2007 the school provided education to nearly 900 children across Grades 1-9, of which almost 200 were boarders in hostels funded by Kaloko.

Kaloko’s support for the school is raised through a sponsorship scheme; during 2007 approximately 200 sponsors continued their support for LUBS.

Educational Scholarships

We have also continued to offer financial support to those pupils who complete their primary schooling at LUBS and wish to stay on at school to complete their secondary education. In 2007 over 110 students were supported by our bursary scheme, including 46 girls, at a cost of over £4,000.

Community School Development Programme

Despite Kaloko’s support of the Luansobe Upper basic School, which has increased its intake every year to date, many children are still unable to secure a place. To address this some communities have developed their own Community Schools. These are built, run and financed by the community and operate outside the education system. Despite the best efforts of communities these are often in poor and temporary buildings, with unqualified and voluntary teachers and without basic teaching resources.

In 2006 Kaloko initiated a programme of support for the Community Schools within the Luansobe area. The programme works in partnership with the communities to develop suitable school infrastructure (i.e. two permanent classrooms, an office and two permanent houses for teachers, at each location) and to help communities register their schools as government schools and to secure government support, for example government teachers and grants for resources.

In 2006 we started working with the Kandulwe community to develop their Community School . The basic construction of a new 2 x classroom buildings was completed in 2007 and will be finished along with two teachers houses in 2008. Once complete KTZ will review this initial work before supporting other local communities under this programme.

Kaloko Crèche

The Kaloko Crèche continues to provide a vital service for working mothers, allowing them to access the employment or training opportunities offered by Kaloko. In 2006 we completed the construction of a new classroom for the crèche, allowing an intake of 60 children. Three nursery assistants look after the infants, whilst a fully qualified nursery teacher provides teaching to the

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older children. In addition to the early-learning opportunities for the children, they are provided with free milk and are regularly visited by staff from the Rural Health Centre. In 2007 the crèche continued to operate with a full complement of staff and children. At the end of 2007 25 children graduated to start primary school at LUBS.

Financial support for the crèche is raised through a sponsorship scheme and through parental contribution.

Kaloko Rural Health Centre (RHC)

During 2007 Kaloko has continued its support for the Kaloko RHC. The RHC is the only health facility serving the area and as such remains an essential service to the local community of 10,000 people. Like the school, the RHC is a partnership project between Kaloko and the Zambian Government. The government provides staff and drugs, whilst Kaloko provides buildings, additional staff and logistical support, such as a vehicle and driver for outreach work. As part of our on-going support to develop health services in the area Kaloko supported the cost of a night guard for the clinic.

During 2007 the clinic has carried out over 1,200 child immunisations, 307 deliveries, 500 family planning sessions, referred 32 patients to the district hospital, conducted 25 water sampling tests handled 50 full admissions and over 6,000 outpatient consultations. The most common diseases are diarrhoea in children (291 cases), respiratory tract infections (207) and malaria (125) with 142 registered cases of HIV/AIDS.

In 2007 we completed the construction of a Health Outpost alongside the new community school at Kandulwe which is being used both as an outreach clinic by RHC staff who visit once a month and also as a temporary classroom and teachers accommodation for Kandulwe school..

Luansobe Community HIV and AIDS Programme

HIV and AIDS are devastating Zambia: officially one in six adults are HIV positive and 1 in 8 children is orphaned by AIDS. This has had a hugely negative impact, especially on rural livelihoods, where cultural traditions and values also significantly affect the community's response to the epidemic.

Kaloko started a specific HIV and AIDS programme in 2002, primarily aimed at education and awareness. Today, Kaloko remains the only NGO in the Luansobe area working with local communities to address the impact of the disease.

We have continued to include an HIV and AIDS education and awareness component in all programmes, including providing information to almost 900 children at LUBS, and continue to support the Kaloko RHC to provide Voluntary Counselling and Testing (VCT) and Anti-Retroviral Therapy (ART).

Future plans

In 2008 we will:

- Continue to provide support to the projects within the Community Social Development Programme;
- Complete the Community School Development Programme at Kandulwe and start working with a second community under the programme;
- Review the HIV/AIDS - food security programme;
- Review our HIV/AIDS work to date and plan future activities.

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CAPACITY BUILDING

A major part of Kaloko Trust UK’s work continues to be the building of the capacity of our local partner in Zambia, KTZ. This has included all areas of work and is aimed at helping KTZ to develop as an organisation and its staff to develop as employees. Particular ways in which we have supported capacity building in 2007 include:

- Stationing Kaloko’s Director temporarily in Zambia to support the development of KTZ’s capacity;
- Recruiting and supporting volunteers with technical skills in support of specific projects or capacity building needs;
- Supporting KTZ’s management to carry out an organisational review and to develop a new 5-year Strategic Plan and Action Plan.
- Complete an external review of our relationship with KTZ, to ensure that it is appropriate to meet our beneficiaries’ needs.

Future plans

In 2007 we will:

- Continue to support the development of KTZ’s overall management capacity, including specific support to help develop local governance, financial management and programme and project management;
- Support KTZ to implement its new Strategic Plan, and specifically to undertake the restructuring exercise contained within this;

Financial Review

Overall income decreased as efforts were focused on the KTZ restructuring process and completing the multi-year projects for which funds had been raised in previous years.

Overall expenditure of both restricted and unrestricted funds was maintained at a very similar level to 2005 and 2006.

The increase in unrestricted income in previous years had resulted in the unrestricted fund balance significantly increasing beyond our reserves target. However it was anticipated that Kaloko’s local partner in Zambia would require considerable financial support in 2007 whilst they underwent restructuring, and Kaloko’s trustees agreed to hold back from allocating any of the additional unrestricted funds until requests from KTZ for financial support for their restructuring were completed.

Debtors again fell slightly because of changes in the timing of transfers to Zambia, which meant that there were no prepayments, or advances made in December for spending in January.

Creditors rose significantly due to redundancy payments being due to the departing Director and a number of cheques issued in December not being cleared before the year-end.

Exchange rates in Zambia again fluctuated significantly making financial planning difficult with the rate varying by up to 18% in the year. At the same time there was a significant increase in the cost of fuel (a major cost) through the year. The consequent reduction in income and increase in costs for our local partner made project delivery more difficult.

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Reserves Policy

In 2006 Trustees had agreed that £30,000 of unrestricted funds should be set aside as a designated fund to support the restructuring exercise at Kaloko Trust Zambia during 2007. During the year £26,620 was spent and a further £6,620 has been added to the balance of £3,380 from 2006 in order to carry forward a designated fund of £10,000 to meet anticipated restructuring expenditure in 2008. Trustees reviewed and agreed to maintain their unrestricted reserves policy in 2007, and agreed that a target general unrestricted reserve level of three to four month’s expenditure, or £45,000, would be adequate to ensure the Trust’s ability to meet future commitments, and to ensure the ongoing financial viability of the charity. Unrestricted funds are now significantly lower than that figure and a plan will be developed in 2008 to return unrestricted reserves to their target level, though it is anticipated that this may not be fully achieved during 2008.

Grant making policy

The trustees consider that grant making to local partners is an effective means of achieving Kaloko’s objectives. Support for our partner in Zambia, KTZ, is made according to an annual plan and budget drawn up by the partner and agreed by Kaloko. The agreed budget forms the basis for the schedule of grants for the year. Progress against the plan and budget is reviewed during the course of the year and the grant schedule may be adjusted if trustees feel this is necessary, subject to availability of funds.

Investment Policy

Kaloko has minimal surplus funds, all of which are required in the short term for on-going operations. Trustees have agreed a policy of investing any surplus funds in high interest money market accounts that allow instant access.

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Funding

Without the help of our donors Kaloko's work would not be possible. We would like to thank everyone who has supported us with donations and assistance during 2007. Major donors and supporters include:

Parthenon Trust
Innocent Foundation
Three Oaks Trust
Ndola link
Farquhar Oliver Trust
Broome Farm
Shawcross & Dickinson
Alistair Berkley Charitable
Fund
Smith, Doreen
Hughes, Clifton
Farnborough Hill
Morel Trust
Boscombe & Southbourne RC
Sydney E Franklin Deceased's
New Second Charity
St John the Baptist
Accrington IWC
Barfield's School
Cambuslang RC
Congleton Dane RC
Christchurch Hitchin

St Mary's Church
Humberside RC
Hendon RC
Priory School, the
Scalby School
Sidcup RC
Kendal United Reformed
Church
Watford Rotary International
Student's Trust
Scarborough IWC
Nomansland School
Newport RC
Scunthorpe RC
Truman, Derek
Barrhead RC
Bridlington School
Cwmbran United Reformed
Church Ladies Guild
Edmondson, David
Fleetwood RC
Glastonbury & Street RC

Holmfirth Methodist Church
Lytham St Anne's Lions Club
Market Bosworth RC
Normanton RC
Penrith RC
Saffron Walden RC
Stamford Burghley IWC
Ulverston RC
Willerby Methodist Church
Men's Breakfast Club
Hopper, Alan
Saltash IWC
Mendip IWC
Oundle IWC
Trinity Methodist Church
St Peters Church, Peterstow
Watford RC
Bottom Line Technologies
His Excellency the Zambian
High Commissioner

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Statement of Trustees’ Responsibilities

The trustees are required to prepare an Annual Report and Statement of Accounts for each financial year, which give a true and fair view of the affairs of the charity at the end of that year, and of the incoming resources and the application of those resources in the year.

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 current statutory requirements, the requirements of the charity’s Trust Deed dated 25th June 1995 and the requirements of the Statement of Recommended Practice “Accounting & Reporting by Charities” issued in 2005. 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.

We confirm the Annual Report and Accounts here produced comply with the requirements listed above, are approved by the Trustees, and are signed on behalf of the Trustees on

21/9/2008 (Date)



Jim Smyllie
Chair and Trustee

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Independent Examiner's Report to the Trustees of the Kaloko Trust UK

I report on the accounts of the Trust for the year ended 31 December 2007, which are set out on pages 17-21.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 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 the General Directions given by the Charity Commissioners. 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 you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

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 proper accounting records in accordance with section 41 of the 1993 Act; and
 - prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act 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.

Signed _____



Date _____

15 October 2008

Details:

C.R. Tyler F.C.A.
Clark Brownscombe
8 The Drive
Hove East Sussex
BN3 3JT
Tel : 01273 739277

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2007

THE KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	2007 Total Funds £	2006 Total Funds £
Incoming resources					
Voluntary Income	2	15,373	64,907	80,280	209,548
Investment Income	3	5,923	27	5,950	6,317
Total incoming resources		21,296	64,935	86,231	215,865
Resources expended					
Cost of generating funds					
Fundraising costs	4	6,721	0	6,721	10,989
Charitable Activities					
Agricultural Support & Development	5	3,010	8,487	11,497	19,324
Natural Resource Management		3,003	16,957	19,960	29,755
Enterprise Development		5,517	38,715	44,232	15,518
Community Social Development		6,146	45,426	51,572	59,131
		17,676	109,584	127,260	123,728
Governance costs	6	1,821	0	1,821	3,003
Total resources expended		26,218	109,584	135,802	137,720
Net incoming (outgoing) resources before transfers		-4,922	-44,650	-49,571	78,145
Gross transfers between funds		(26,620)	26,620	0	0
Net incoming (outgoing) resources		-31,542	-18,030	-49,571	78,145
Total funds brought forward		71,171	86,189	157,359	79,215
Total funds carried forward		39,629	68,159	107,788	157,360

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THE KALOKO TRUST UK ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Balance Sheet

	Notes	2007 £	2006 £
Fixed Assets	9	<u>0</u>	<u>128</u>
Current Assets			
Debtors	10	9,919	10,171
Cash at bank and in hand		<u>100,909</u>	<u>149,292</u>
		110,827	159,463
Creditors: Amounts falling due within one year	11	3,039	2,231
Net Current Assets		<u>107,788</u>	<u>157,232</u>
Total assets less current liabilities		<u>107,788</u>	<u>157,360</u>
Net Assets		<u>107,788</u>	<u>157,360</u>
Funds			
Unrestricted Income Funds			
Designated		10,000	30,000
General		<u>29,629</u>	<u>41,172</u>
		39,629	71,172
Restricted Income Funds		68,159	86,188
Total Funds	12	<u>107,788</u>	<u>157,360</u>

Approved by the Trustees on

21/9/2008

Signed on behalf of the Trustees


Chris Clarkson
Treasurer and Trustee

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2007

THE KALOKO TRUST UK ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Notes to the Accounts

1. Accounting Policies

- a) The accounts of the charity are prepared in accordance with Trust Law and with the Statement of Recommended Practice 'Accounting & Reporting by Charities' issued in March 2005 and with applicable accounting standards. The Accounts are drawn up on the historical cost accounting basis.
- b) Income from trusts and charitable institutions and investment income (including bank interest) is accounted for on a receivable basis. Income from individuals is included when received. All income is shown gross of taxation recoverable.
- c) Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objects of the charity. Unrestricted funds are further subdivided into designated and general. Designated funds are those which Trustees have earmarked for a particular purpose. Restricted funds are those donated for a particular project or activity, the use of which is restricted to that project or activity. Income for projects includes a percentage for UK management and office costs, where permitted by the donor. This is shown as unrestricted income in the accounts.
- d) Expenditure is included when incurred. Grants to our partner organisation, Kaloko Trust Zambia are also included when incurred. The majority of costs are attributable to specific activities. Costs of generating funds are those costs incurred in attracting voluntary income. Governance costs are those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.
- e) Management and office costs are included in support costs. Support costs are apportioned to charitable activities, to costs of generating funds and to governance costs in the Accounts on the basis of time spent on each activity as estimated by management.
- f) Transactions in foreign currency are translated at rates prevailing on the day of the transaction. There were no balances held in foreign currency at the year end.
- g) Fixed assets consist of office equipment which is depreciated on a straight line basis over 3 years. Only assets costing in excess of £100 per item are capitalised.
- h) The Kaloko Trust Zambia staff retention fund is funded from unrestricted donations or from restricted funds where permitted by the donor. The funds are used to provide long service bonuses to Kaloko Trust Zambia staff to encourage staff retention.

2. Voluntary Income

Donation and grant income for the year is analysed by source and fund as follows, with Charitable Trusts grants in excess of £2,500 identified separately.

	Unrestricted funds	Restricted funds	2007 Total	2006 Total
	£	£	£	£
Parthenon Trust	727	7,273	8,000	0
3 Oaks Trust	0	5,000	5,000	16,000
innocent foundation	300	6,429	6,729	0
Farquahar Oliver Trust	2,785	0	2,785	2,785
Broome Farm	0	2,525	2,525	0
A & N Ferguson Charitable Trust	0	0	0	69,802
Trapnell Zambia Support Fund	0	0	0	35,127
Anonymous	779	0	779	13,517
Other Trusts	1,095	1,455	2,550	7,725
Clubs, Societies and Groups	2,066	12,512	14,578	18,032
Individuals	7,620	29,714	37,334	46,560
	<u>15,373</u>	<u>64,907</u>	<u>80,280</u>	<u>209,548</u>

3. Investment Income

Investment income is wholly comprised of interest earned on deposit accounts

4. Cost of generating funds

As a small charity Kaloko Trust UK has no direct fundraising costs and the analysis below represents an allocation to fundraising of our overall support costs as set out in Note 7

	Unrestricted funds	Restricted funds	2007 Total	2006 Total
	£	£	£	£
Support costs allocated	<u>6,721</u>	<u>0</u>	<u>6,721</u>	<u>10,989</u>

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THE KALOKO TRUST UK ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Notes to the Accounts (continued)

5. Resources expended on charitable activities

The amount spent on charitable activities, including support costs, is analysed by programme activity in the table below.

All grants are to partner organisation Kaloko Trust Zambia. Project costs are costs incurred by Kaloko Trust UK that directly relate to programme activity.

	Grants £	Project Costs £	Support Costs £	2007 Total £	2006 Total £
Agricultural Support & Development	3,084	5,892	2,520	11,497	19,324
Natural Resource Management	11,374	6,905	1,680	19,960	29,755
Enterprise Development	21,349	21,203	1,680	44,232	15,518
Community Social Development	33,333	15,718	2,520	51,572	59,131
	<u>69,141</u>	<u>49,719</u>	<u>8,401</u>	<u>127,260</u>	<u>123,728</u>

6. Governance costs

Governance costs for the year relate to the direct costs of trustees meetings and an allocation of overall support costs as set out in Note 6. No fees were paid to trustees in 2007 (nil in 2006) and there were no fees payable towards the examination of the 2007 Annual Report & Accounts (nil in 2006).

	2007 £	2006 £
Trustee's meetings expenses	141	205
Other direct costs	0	51
Support costs allocated	<u>1,680</u>	<u>2,747</u>
	<u>1,821</u>	<u>3,003</u>

7. Support Costs

As a small charity our support costs consist of only two elements: management (principally salaries) and general office costs. These costs have been apportioned across the work of the charity on the basis disclosed in note 1(f) as set out in the table below.

Basis of apportionment	Management £ (Time)	Office costs £ (Time)	2007 Total £	2006 Total £
Income generation	3,915	2,806	6,721	10,989
Charitable activities				
Agricultural Support & Development	1,468	1,052	2,520	4,121
Natural Resource Management	979	701	1,680	2,747
Enterprise Development	979	701	1,680	2,747
Community Social Development	1,468	1,052	2,520	4,121
	<u>4,894</u>	<u>3,507</u>	<u>8,402</u>	<u>13,738</u>
Governance	979	701	1,680	2,747
Total costs allocated	<u>9,787</u>	<u>7,015</u>	<u>16,802</u>	<u>27,474</u>

8. Employees and staff costs

The charity had two employees during the period. One employee was based in Brighton, UK and the other's time was divided between the UK and Zambia.

	2007 £	2006 £
Salary costs		
Gross salaries	38,958	40,536
Employers national insurance	<u>1,940</u>	<u>1,230</u>
	<u>40,898</u>	<u>41,766</u>

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THE KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Notes to the Accounts (continued)

9. Fixed assets - equipment

	Cost £	Depreciation £	Net Value £
As at 1st January 2007	1,962	(1,834)	128
Additions	0	0	0
Depreciation for the year	0	(128)	(128)
As at 31st December 2006	1,962	(1,962)	0

10 Debtors

	2007 £	2006 £
Income tax recoverable	8,733	8,555
Accrued income	1,186	1,616
Advances to Kaloko Trust Zambia	0	0
Prepayments	0	0
Total	9,919	10,171

11 Creditors falling due within one year

	2007 £	2006 £
Other creditors - PAYE	0	0
Accrued expenditure	3,039	2,231
Deferred income due within one year	0	0
Total	3,039	2,231

12 Fund Movements

	Opening Balance £	Income £	Expenditure £	Transfers £	Closing Balance £
Agricultural Support & Development	13,217	1,058	8,643	0	5,632
Natural Resource Management	41,039	12,074	17,275	0	35,838
Enterprise Development	4,231	8,788	39,639	26,620	0
Community Social Development	27,701	43,008	46,300	0	24,409
Kaloko Trust Zambia Staff Retention Fund	0	6	0	0	6
Restricted Funds	86,188	64,934	111,858	26,620	65,885
Designated Funds	30,000	-	-	-20,000	10,000
General Unrestricted Funds	41,172	21,296	23,944	-6,620	31,903
Total Funds	157,360	86,230	135,802	0	107,788

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THE KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

Notes to the Accounts (continued)

13 Analysis of net assets between funds

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	0	0	0	0
Cash at bank and in hand	30,824	10,000	65,084	105,908
Net current assets (excluding cash)	(1,195)	0	3,075	1,880
Total	29,629	10,000	68,159	107,788