



**TGF** | Temple  
Garden  
Foundation

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Report of the Trustees and  
unaudited financial statements

Registered company number: 00613231

Registered charity number: 1124767

31 December 2012

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## Reference and administrative details

Trustees	Ms C E Marson L D S Neave (resigned 16 June 2012) B Levitt Ms K Lampe B Phoum (resigned 16 June 2012) Ms L Davies (appointed 17 May 2012) Ms C Maunder (appointed 17 May 2012 and resigned 23 August 2012) H Min (appointed 17 May 2012)
Independent examiner	Andrew Niblock Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Registered office	94 Muswell Hill Road London N10 3JR
Registered company number	00613231 (England and Wales)
Registered charity number	1124767

## Trustees' report

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2012. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP 'Accounting and Reporting by Charities') issued in March 2005.

### Structure, governance and management

#### *Governing document*

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

#### *Appointment and training of trustees*

Trustees are elected by the Board of Trustees and are appointed on the basis of the skills and the experiences they can bring to the charity. On induction, new Trustees receive a copy of the charity's Memorandum and Articles of Association and are given a detailed description of the charity's mission and work. All current trustees are very familiar with Cambodia and the specific district in which Temple Garden Foundation operates.

#### *Risk management*

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Risk management is discussed at the monthly Trustee meetings to ensure controls are in place to mitigate the potential risks faced by the charity.

### Objectives and activities

#### *Objectives and aims*

The objects of the Charity are the relief of poverty, the relief of sickness and the protection of health, in particular by making grants to support projects to deliver the following essential services to disadvantaged communities in rural Cambodia and elsewhere in Asia:

- (a) Clean water supplies;
- (b) Hygienic sewage systems;
- (c) Healthcare services;
- (d) Education;
- (e) Electricity, gas and other essential supplies; and

Temple Garden Foundation (TGF) works in partnership with local rural communities in Cambodia. It has on-the-ground operations in Chi Kraeng District, Siem Reap Province. TGF aims to be a catalyst for sustainable development and intends to accomplish this with carefully selected projects designed to maximise community participation and minimise external support over time. TGF selects projects where livelihoods can be improved significantly through simple community initiatives.

In 2012 TGF worked in 59 villages across five communes in Chi Kraeng District. In total an estimated 17,912 villagers were direct beneficiaries of TGF programs.

At the core of all TGF work is an emphasis on the development and empowerment of the community. Villagers have plenty of capacity to assist in the improvement of their own lives and for this reason all major decisions on projects are in consultation with them. Villagers are challenged to contribute resources as a community to every project that they benefit from, be it labour, money, materials, or time.

TGF wants to change the typical pattern of dependence by villagers on NGOs and the government for support. Our community development programme focuses specifically on the empowerment of villagers and this focus is present in all TGF projects and programmes. TGF distinguishes itself from the start by asking villagers to help us understand their community, and how to work there. TGF focuses on hidden resources already present in the communities for understanding their own issues and finding their own solutions.

## **Trustees' report** *(continued)*

### **Objectives and activities** *(continued)*

#### **Summary of the main activities undertaken for the public benefit in relation to these objectives**

##### **Infrastructure Programme**

###### *Overview*

TGF works with local communities and local government to determine infrastructure, water and sanitation needs in target communities. The projects identified then incorporate village labour and are managed by village leadership during implementation so that villagers have as much ownership over the process as possible.

###### *Activities*

In 2012 projects and activities included:

- Meetings held by the communities and facilitated by TGF to propose and plan projects, and to organize labor, give the community ownership over projects.
- Data collection via community group leaders periodically in each village where TGF infrastructure programme has worked will help TGF better record results and better identify ways to improve planning and implementation.
- Latrine Construction-TGF assisted villagers in the construction of latrines.
- Distribution of Water Filters where issues of water quality have been identified.
- Water Testing – pre and post testing of all new water sources is undertaken to establish the quality of the water and the quality of the water meets with National Standards.

###### *Results*

- Total estimated beneficiaries: 2034 direct, 678 indirect.
- Latrine Project: TGF provided half the materials for the construction of 239 latrines in 2012. The other half of materials and all of the labor was provided by villagers who will use the latrines. This benefitted approximately 1,266 villagers directly in 2012.
- Clean Drinking Water Project: TGF distributed 156 water filters during 2012 to households to improve water quality. Villagers contributed 50% of the cost of each filter. The distribution of water filters benefitted 768 villagers directly.

##### **Children's Education Programme**

###### *Overview*

TGF works with local communities, students, teachers, administrators and the Chi Kraeng District Department of Education to improve the reach of primary and secondary school education and to improve the quality of that education as well in target areas.

###### *Activities*

In 2012 the TGF Children's Education Programme continued the following projects in the target area:

- Mother and Father Education Counseling Group TGF encourages parents of school children to form these groups, recommended by the government, to discuss education. This is to foster awareness and collective action to improve education.
- Community Kindergartens run by community members trained by TGF, kindergarten classes are sponsored by TGF (teacher's stipend and classroom materials provided). Prior to TGF work in target areas there were no existing kindergartens.

## Trustees' report *(continued)*

### Objectives and activities *(continued)*

#### Summary of the main activities undertaken for the public benefit in relation to these objectives *(continued)*

##### Children's Education Programme *(continued)*

- Dental Hygiene for children recently entering first grade of primary school TGF provides toothbrush and toothpaste to children and instructions in its use. This project incentivizes students to enroll in primary school and introduces them to tooth brushing, which they typically have never done before.
- Life Skills is a government designed curriculum focusing on experiential education which was not implemented prior to TGF work in target areas. TGF provides training for local teachers to teach the curriculum, provide materials for coursework and stipend for the teachers. The curriculum covers many subjects such as environmental awareness, hygiene, agricultural skills, and domestic violence awareness. TGF support this project from grade 1-6 in primary schools in the target areas.
- Study Club study clubs in target area public schools are sent up in classrooms reserved for club activities. Students use the clubs in free periods or after school hours to do their homework and use the club's learning materials. For many students this is the only location in their community outside of regular class hours where they can focus on their studies.
- Sports Teams currently TGF supports volleyball teams in local public schools. Prior to TGF involvement there were no athletics programs at target area schools.
- Summer School during summer school vacation (July to September) TGF funds summer schools in public primary school classrooms areas. TGF hires local teachers who are experienced in advanced Subjects students usually do not have exposure to such as chemistry, physics, Mathematics, Khmer literacy, and English conversation. Last year more than 800 students attended 3 summer schools. Summer schools are especially helpful in preparing older students for Secondary school.
- Teacher Training for primary school teachers in sponsored by TGF. Many of the teachers in public primary schools are "contracting" teachers, which means they do not have a teaching certificate and typically never had teacher training. Developing their skills builds the educational capacity of the local community. Community Kindergarten teachers are also trained by TGF in separate workshops.
- Scholarships (to be discontinued in 2014) are provided by TGF to children at the end of primary school or in Secondary school. The children were selected because they lack the economic means of attending secondary school without support, but will perform well in their studies if they have economic assistance. Enrollment rates in secondary school are typically very low in the TGF target areas.

### Results

Total beneficiaries for the 2011/12 academic year 4,710 students, 16 teachers, 2,215 parents of schoolchildren (in Mother and Father Counselling Groups). Many children and teachers are benefitting from several CEP projects so that if project totals listed below are added together they equal a larger number than expressed here (because of double counting of beneficiaries). The programme wide numbers listed in this section should be taken as the "true" count of total beneficiaries.

Community Kindergartens; 17 villages, 19 classes, 535 students by September 2012. 295 students matriculated in October 2011 to 1st grade. The low matriculation rate is attributed to TGF, as part of its sustainability plan, requesting each village to start contributing to the teacher stipend. As a result of these changes only twelve classes were still operating at the end of the academic year. Of the 295 students who enrolled at the beginning of the academic year in the twelve remaining classes, the matriculation rate was 100%.

Scholarship Project; 86 students from 14 schools and 23 villages received scholarships to attend school in 2011/12. 48 of these students were attending secondary school and 38 were attending primary school.

## **Trustees' report** *(continued)*

### **Objectives and activities** *(continued)*

#### **Summary of the main activities undertaken for the public benefit in relation to these objectives** *(continued)*

##### **Children's Education Programme** *(continued)*

Teacher Training Project (for primary school teachers); 16 teachers received 3 teacher training sessions supported by TGF in the 2012 school year.

Study Club Project; Study clubs at 7 primary schools were supported in 2012 by TGF with 548 students participating by the end of the 2012 school year.

Sports and Athletics; 5 primary schools had a total of 10 volleyball teams (1 boy and 1 girl team per school) with 120 students participating in this project by the end of the 2012 school year.

Dental hygiene; 732 students at 13 schools received dental hygiene kits from TGF and instruction on how to brush their teeth.

Summer School Project; 613 students from 18 villages attended summer school at 3 primary schools. There were 15 summer school classes taught by 11 teachers.

Bicycle Project; At the start of the 2012 school year 10 bicycles were provided to 10 students in 5 villages.

Life Skills Project; 1,838 children were taught life skills by 29 teachers in 8 schools.

Mother and Father Counselling Groups; By the end of the 2012 school year 136 Mother and Father Counselling Groups were operating with support from TGF in 10 villages with a total of 2,215 villagers participating. Over time the groups are gradually taking on management and information-collecting responsibilities related to education which TGF CEP used to manage entirely.

##### **Adult Education and Vocational Training Programme**

###### *Overview*

TGF partners with local communities to improve adult education, vocational training, business skills training and access to loan capital with the aim of helping villagers to start or improve business activities. Projects include appropriate vocational training, market linkage, job placement with local employers and assistance to entrepreneurs in target areas to start their own businesses, adult literacy and numeracy classes, business skills training, and savings groups.

###### *Activities*

In 2012 TGF provided training to villagers in:

- pig raising;
- chicken raising;
- mushroom growing;
- training to village trainers to train other villagers in the above vocational skills;
- business skills;
- Adult literacy training to trainers.

Activities during 2012 also included supporting adult literacy and numeracy classes taught in villages by village trainers and supporting and advising savings groups run by villagers as a means of generating loan capital and accumulating savings at the local village level.

## **Trustees' report** *(continued)*

### **Objectives and activities** *(continued)*

#### **Summary of the main activities undertaken for the public benefit in relation to these objectives** *(continued)*

##### **Children's Education Programme** *(continued)*

###### *Results*

Total beneficiaries: 495 total beneficiaries (many beneficiaries participated in multiple projects listed below).

Savings Groups; TGF helped villagers support 11 savings groups (four new groups in 2012) in 8 villages with a total membership of 188 villagers by end of 2012. During 2012 villagers had saved of \$5,146 to which TGF contributed an additional \$5,820 in performance incentives (for completing vocational trainings). Savings Groups also held an additional \$87 in Social Fund. By the end of 2012, 143 new loans had been approved to the value of \$10,475. At the end of 2012 \$320 had been collected in interest.

Loans are repaid at a rate of between 2-2.5% per month and there are no defaults so far. TGF does not receive any monetary benefit from these savings groups-they are run by villagers and funds are managed by villagers.

Business Skills Trainings (to vocational trainees); three separate business skills trainings were provided to 76 villagers in bookkeeping, creating and implementing business plans, cost analysis and other basic business skills. All of these business skills trainees also received vocational training lessons sponsored by TGF.

Vocational Skills Training; 99 villagers from four villages received vocational training in animal raising (2 sessions) and an additional 12 villagers from four villages received training in mushroom growing from professional trainers sponsored by TGF in 2012.

Extension Vocational Skills Trainings; 10 villagers from 5 villages identified who performed well in starting or improving their businesses after vocational and business skills trainings were further trained at the end of 2012 in how to become vocational trainers themselves.

Adult Literacy and Numeracy; 6 literacy classes in 4 villages were taught several times a week by villagers trained and supported by TGF. In total 122 students attended these classes.

##### **Health Programme**

###### *Overview*

The Health Programme is meant to augment and complement the existing public health system in the target area. Projects in 2012 included:

- Training of VHSGs (village health support groups) to build their capacity in health education and malnutrition work. VHSGs are villagers appointed by the government to work on health, but typically have no training. TGF trains them to work more effectively on health in their communities and be the primary implementers of HP activities.

## Trustees' report *(continued)*

### Objectives and activities *(continued)*

#### Summary of the main activities undertaken for the public benefit in relation to these objectives *(continued)*

##### Health Programme *(continued)*

- Malnutrition Rehabilitation and Nutrition Education to address malnutrition in children under 5 years in target communities. Children and their parents come to several week-long courses in the community where the VHSGs and parents of malnourished children prepare nutritious food for their children. The food helps the children in the short-term, while the parents use the hands-on experience they gain preparing healthy food at the sessions to feed their children healthier food in the long-term.
- Growth Monitoring Assessment (GMA) data collection and analysis of statistics from the malnutrition project is very important for determining the future direction of the project. Two months after malnutrition rehabilitation begins, VHSGs conduct GMAs to find what progress has been made in combating malnutrition, and to track progress over time.
- Home Visits to Households with Ongoing Malnutrition: after participating in the malnutrition rehabilitation project some children do not return to a healthy bodily state. TGF and VHSGs will begin in 2012 to make home visits to these households to see if any additional advice can be provided on healthy eating that will bring children back to a fully nourished state. After the first year of implementation VHSGs will handle this activity entirely themselves.
- Health education meetings for pregnant women and new mothers: these meetings focus predominantly on the importance of colostrum and exclusive breastfeeding practices in newborn health. However, discussion also emphasizes vitamin supplements, immunizations and regular health check-ups for pregnant women and newborns.
- Health Outreach Services to Remote Villages: public health workers in target areas cannot typically conduct immunization outreach clinics in remote villages they serve due to lack of funds for transport and food. TGF provides support funding for the public health workers and VHSGs help organize target populations for the immunization clinic. Clinics will be conducted monthly in remote villages in the target area.
- Social Events at Public Health Centers are "open houses" where villagers can learn more about the services provided by local health clinics.

### Results

Total Beneficiaries: 8,185 in 59 villages

118 village health volunteers (VHSGs) were trained by TGF in 2012. At the end of 2012 there were a total of 118 village health volunteers Health Programme (HP).

Growth Monitoring; 5491 children under the age of 5 years and their families (4,090) participated in growth monitoring activities. Children who were determined to be malnourished during these activities (determined by national weight/age criteria) were invited to participate in the malnutrition rehabilitation portion of the project.

Malnutrition rehabilitation; 1,419 underweight children and 437 severely malnourished children and their parents participated in malnutrition rehabilitation sessions in 2012 in 59 villages led by 118 VHSGs. During malnutrition rehabilitation sessions TGF provided nutritious food for parents of malnourished children to prepare and cook under the guidance of VHSGs and then feed to their children.

Home Visits; The 437 children, identified as severely malnourished during 2012, were followed up through home visits each month by village health volunteers. Eighty-three of these children experienced significant improvements in weight gain as a result of these activities.

## Trustees' report *(continued)*

### Objectives and activities *(continued)*

#### Summary of the main activities undertaken for the public benefit in relation to these objectives *(continued)*

##### Health Programme *(continued)*

Health Education; 21 trainings health education sessions were provided by TFG to 118 village health volunteers through 2012. Baseline and follow up testing of participant knowledge indicated an improvement in health knowledge of 21%.

VHSGs trained by TGF have delivered monthly health education workshops in their villages focussing on prenatal health, nutrition during pregnancy, safe birthing and nutrition for newborns after birth with an emphasis on exclusive breastfeeding. 972 women participated in these workshops. An additional 1359 villagers participated in Sanitation Training.

This training has resulted in changes in attitude by village women in the areas of use of colostrum, exclusive breastfeeding and professionally assisted births. Data collected in December 2012 indicates that 97% of mothers were now offering colostrum to newborns and 98% of mothers are now exclusively breastfeeding the babies up to the age of six months. Pregnant women were now, almost without exception, attending clinics for ante natal care during their pregnancies and for delivery of their babies.

Mobile Immunization Clinics; 245 children under the age of 1 year were vaccinated in 2012 in remote villages. 225 of these children completed their vaccination schedule by the end of the year. The clinics were conducted by Cambodian public health workers whose operational area covers the villages, with some sponsorship provided by TGF.

##### Reserve Policy

TGF remains a small Charity operation (2013 Budget is circa USD 450,000) with the flexibility to adjust budget spending where necessary depending on funding. The trustees and management continue to review expenditure and income on a monthly basis and will make adjustments if and when required.

##### Financial Control

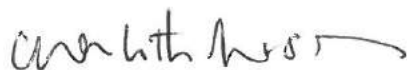
The directors acknowledge responsibility for the company's system of internal financial control and believe the established systems including the computerization of the company's financial accounts are appropriate to the not-for-profit charitable organisation. No material losses or contingencies have arisen during the 12 months operations that would require disclosure by the directors.

At the time of approving these accounts it is the intention of the directors to continue to support the company, the funds raised being sufficient to ensure the company has adequate resources to continue its current not-for-profit activities and the directors have adopted a going concern basis in preparing the accounts.

It is the view of the directors that the accounts presented represent a true and fair view of the state of affairs of the company for the 12 months to 31st December 2012. Suitable accounting policies have been established and applied consistently and disclose with reasonable accuracy the financial position of the company.

##### Approval of the accounts

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and are signed on behalf of the Board by:



Charlotte Marson  
Co-Chair

30 April 2013



# HENDERSON LOGGIE

Chartered Accountants

34 Melville Street  
Edinburgh  
EH3 7HA

## Independent examiner's report to the Trustees of the Temple Garden Foundation

I report on the financial statements of the charity for the year ended 31 December 2012 which are set out on pages 10 to 16.

### 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 financial statements. The charity's trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants' of Scotland (ICAS).

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the financial statements under section 145 of the 2011 Act;
- Follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- State whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination is carried out in accordance with the 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements 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 financial statements which accord with the accounting requirements of section 396 of the Companies Act 2006 and with 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 financial statements to be reached.

Andrew Niblock BAcc CA

30 April 2013

**Statement of financial activities**  
*for the year ended 31 December 2012*

		Unrestricted 2012 \$	Restricted 2012 \$	Total funds 2012 \$	Total funds 2011 \$
	Notes				
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	3	69,734	255,988	325,722	537,625
Activities for generating funds	4	-	-	-	1,250
Investment income	5	465	-	465	441
Other income	6	2,523	-	2,523	6,044
<b>Total incoming resources</b>		<b>72,722</b>	<b>255,988</b>	<b>328,710</b>	<b>545,360</b>
<b>Resources expended</b>					
Charitable activities	7				
Infrastructure Programme		-	(37,608)	(37,608)	(180,427)
Adult Educational and Vocational Programme		-	(30,039)	(30,039)	(32,230)
Children's Education Programme		-	(50,195)	(50,195)	(64,422)
Health Programme		-	(71,378)	(71,378)	(79,460)
Field Support		(87,678)	-	(87,678)	(105,744)
		<b>(87,678)</b>	<b>(189,220)</b>	<b>(276,898)</b>	<b>(462,283)</b>
Governance costs	8	(3,993)	-	(3,993)	(3,710)
<b>Total resources expended</b>		<b>(91,671)</b>	<b>(189,220)</b>	<b>(280,891)</b>	<b>(465,993)</b>
<b>Net incoming resources before transfers</b>		<b>(18,949)</b>	<b>66,768</b>	<b>47,819</b>	<b>79,367</b>
<b>Transfers between funds</b>	14	<b>(23,598)</b>	<b>23,598</b>	<b>-</b>	<b>-</b>
<b>Net incoming resources</b>		<b>(42,547)</b>	<b>90,366</b>	<b>47,819</b>	<b>79,367</b>
<b>Total funds brought forward</b>		<b>61,875</b>	<b>301,605</b>	<b>363,480</b>	<b>284,113</b>
<b>Total funds carried forward</b>		<b>19,328</b>	<b>391,971</b>	<b>411,299</b>	<b>363,480</b>

**Balance sheet**  
*at 31 December 2012*

	Notes	Unrestricted 2012 \$	Restricted 2012 \$	Total funds 2012 \$	Total funds 2011 \$
<b>Fixed assets</b>					
Tangible assets	11	11,715	-	11,715	24,924
<b>Current assets</b>					
Debtors	12	3,721	-	3,721	2,448
Cash at bank and in hand		11,277	391,971	403,248	343,547
		<u>14,998</u>	<u>391,971</u>	<u>406,969</u>	<u>345,995</u>
<b>Creditors</b>					
Amounts falling due within one year	13	(7,385)	-	(7,385)	(7,439)
		<u>7,613</u>	<u>391,971</u>	<u>399,584</u>	<u>338,556</u>
<b>Net current assets</b>					
		<u>19,328</u>	<u>391,971</u>	<u>411,299</u>	<u>363,480</u>
<b>Total assets less current liabilities</b>					
		<u>19,328</u>	<u>391,971</u>	<u>411,299</u>	<u>363,480</u>
<b>Net assets</b>					
		<u>19,328</u>	<u>391,971</u>	<u>411,299</u>	<u>363,480</u>
<b>Funds</b>	14				
Unrestricted funds				19,328	61,875
Restricted funds				391,971	301,605
				<u>411,299</u>	<u>363,480</u>
<b>Total funds</b>				<u>411,299</u>	<u>363,480</u>

The charitable company is entitled to exemption from audit under the provisions of section 477 of the Companies Act 2006 for the year ended 31 December 2012.

The members have not required the charitable company to obtain an audit for its financial statements for the year ended 31 December 2012 in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its surplus or deficit for each financial year in accordance with the requirements of sections 394 and 396 and which otherwise comply with the requirements of the Companies Act relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 30 April 2013 and signed on its behalf by:



**Charlotte Marson**  
Co-Chair

Registered company number: 00613231

## Notes to the financial statements

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the company's financial statements.

#### *Accounting convention*

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities. The trustees have also considered the future prospects and funding for the charity and believe that the going concern basis to be appropriate for the preparation of these financial statements.

#### *Foreign Currency*

The charity operates primarily in Cambodia, a country in which the operational currency is US Dollars. The financial statements have been therefore been presented in this operation currency.

#### *Incoming resources*

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

#### *Resources expended*

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. There is no de-minimus level below which assets are not capitalised. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	-	33% straight line
Office equipment	-	33% straight line
Plant and machinery	-	33% straight line
Vehicles	-	33% straight line

#### *Taxation*

The charity is exempt from corporation tax on its charitable activities.

#### *Fund accounting*

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

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

**Notes to the financial statements (continued)**

**2 Net incoming resources**

Net incoming resources are stated after charging

	2012 \$	2011 \$
Depreciation – Owned assets	15,126	15,554
Independent examiner's fee	3,993	3,710
	<u>19,119</u>	<u>19,264</u>

**3 Voluntary income**

	Unrestricted 2012 \$	Restricted 2012 \$	Total 2012 \$	Total 2011 \$
Maitri Trust	15,168	87,500	102,668	232,002
CLSA	15,000	74,322	89,322	97,000
Vitol Charitable Trust	-	40,000	40,000	40,000
Deutsche Bank	-	27,357	27,357	16,207
Arisaig	-	24,861	24,861	15,000
Remark Group	10,000	-	10,000	21,296
CAF American Donor Fund	-	-	-	17,015
Avondale Grammar School	1,185	-	1,185	11,252
Individual donors	28,381	1,948	30,329	87,853
	<u>69,734</u>	<u>255,988</u>	<u>325,722</u>	<u>537,625</u>

**4 Activities from generating funds**

	Unrestricted 2012 \$	Restricted 2012 \$	Total 2012 \$	Total 2011 \$
Rental income	-	-	-	1,250
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250</u>

**5 Investment income**

	Unrestricted 2012 \$	Restricted 2012 \$	Total 2012 \$	Total 2011 \$
Bank interest	465	-	465	441
	<u>465</u>	<u>-</u>	<u>465</u>	<u>441</u>

**6 Other income**

	Unrestricted 2012 \$	Restricted 2012 \$	Total 2012 \$	Total 2011 \$
Gain on disposal of assets	-	-	-	4,487
Gains on foreign exchange	2,523	-	2,523	1,557
	<u>2,523</u>	<u>-</u>	<u>2,523</u>	<u>6,044</u>

Notes to the financial statements (continued)

7 Charitable activities

	Field Support 2012 \$	Infrastructure Programme 2012 \$	Adult Educational and Vocational Programme 2012 \$	Children's Education Programme 2012 \$	Health Programme 2012 \$	Total 2012 \$	Total 2011 \$
Salary costs (note 9)	59,957	6,092	11,653	22,899	23,017	123,618	121,427
Project materials	-	21,529	7,593	10,432	37,003	76,557	223,021
Other project costs	-	1,481	2,386	7,219	1,369	12,455	17,457
Insurance	1,240	176	176	276	276	2,144	2,877
Motor expenses	-	3,961	3,901	3,953	3,962	15,777	19,368
Telephone costs	500	171	273	441	411	1,796	1,979
Postage and stationery	-	112	42	70	71	295	394
Travel	1,254	16	-	-	4	1,274	1,412
Sundry	2,909	327	689	1,131	1,714	7,270	10,005
Depreciation	1,241	3,242	3,327	3,765	3,551	15,126	15,554
Training	617	-	-	9	-	626	756
Legal and professional fees	6,193	-	-	-	-	6,193	29,821
Office costs	7,667	-	-	-	-	7,667	9,131
Bank charges	1,159	-	-	-	-	1,159	2,300
Sub office	4,941	-	-	-	-	4,941	6,781
	<u>87,678</u>	<u>37,607</u>	<u>30,040</u>	<u>50,195</u>	<u>71,378</u>	<u>276,898</u>	<u>462,283</u>

## Notes to the financial statements (continued)

<b>8</b>	<b>Governance costs</b>					
				<b>2012</b>	<b>2011</b>	
				\$	\$	
	Independent examiner's fee			<b>3,993</b>	<b>3,710</b>	
				<u></u>	<u></u>	
<b>9</b>	<b>Trustees' remuneration and benefits</b>					
	No Trustee received remuneration or benefits in the year ended 31 December 2012 (2011: 0 trustees - \$Nil).					
	<b>Trustees' expenses</b>					
	No Trustee received reimbursement of expenses in the year ended 31 December 2012 (2011: 0 trustees - \$Nil).					
<b>10</b>	<b>Staff costs</b>			<b>2012</b>	<b>2011</b>	
				\$	\$	
	Wages and salaries			<b>123,618</b>	<b>121,427</b>	
				<u></u>	<u></u>	
	No employee received remuneration in excess of £60,000. The average number of employees during the year was 16 (2011; 16).					
<b>11</b>	<b>Tangible fixed assets</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Plant and machinery</b>	<b>Vehicles</b>	<b>Total</b>
		\$	\$	\$	\$	\$
	<b>Cost</b>					
	At 1 January 2012	3,248	3,694	850	43,490	51,282
	Additions	899	1,018	-	-	1,917
	Disposals	-	-	-	-	-
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	At 31 December 2012	4,147	4,712	850	43,490	53,199
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	<b>Depreciation</b>					
	At 1 January 2012	(2,106)	(2,275)	(803)	(21,174)	(26,358)
	Charge for year	(968)	(1,144)	(47)	(12,967)	(15,126)
	On disposals	-	-	-	-	-
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	At 31 December 2012	(3,074)	(3,419)	(850)	(34,141)	(41,484)
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	<b>Net book value</b>					
	At 31 December 2012	<b>1,073</b>	<b>1,293</b>	<b>-</b>	<b>9,349</b>	<b>11,715</b>
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
	At 31 December 2011	1,142	1,419	47	22,316	24,924
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>12</b>	<b>Debtors</b>			<b>2012</b>	<b>2011</b>	
				\$	\$	
	Other debtors			<b>3,721</b>	<b>2,448</b>	
				<u></u>	<u></u>	

## Notes to the financial statements (continued)

### 13 Creditors: Amounts falling due within one year

	2012 \$	2011 \$
Other creditors	7,385	7,439

### 14 Movement in funds

	Balance at 1 Jan 12 \$	Incoming resources \$	Resources expended \$	Transfers between funds \$	Balance at 31 Dec 12 \$
<b>Unrestricted funds</b>					
Field Support	61,875	72,722	(91,671)	(23,598)	19,328
<b>Restricted funds</b>					
Infrastructure Programme	58,243	146,268	(37,607)	-	166,904
Children's Education	707	25,890	(50,195)	23,598	-
Adult Education and Vocation	116,940	27,357	(30,040)	-	114,257
Health Programme	125,715	56,473	(71,378)	-	110,810
	301,605	255,988	(189,220)	-	391,971
<b>Total funds</b>	363,480	328,710	(280,891)	-	411,299

#### Restricted funds

##### *Infrastructure Programme*

Funded in 2012 by the Maitri Trust, CLSA and the Vitol Foundation, the programme involves working with local communities and local government to determine infrastructure and sanitation needs in target communities.

##### *Children's Education Programme*

Funded in 2012 by Arisaig and village donations, the programme aims to improve the reach and quality of primary and secondary school education in target areas.

##### *Adult Education and Vocational Training Programme*

Funded in 2012 by Deutsche Bank, the programme aims to improve adult education and vocational training and includes activities such as market linkage and job placement.

##### *Health Programme*

Funded by CLSA and Maitri Trust, the programme aims to complement the existing public health system in target areas.

#### Transfers between funds

Transfer of £23,598 from unrestricted to restricted funds to meet the deficit arising on the Children's Education Programme.