

Company Number: 2100867

Charity Number: 296311

SOS SAHEL INTERNATIONAL UK
(COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)

CHAIRMAN'S REPORT AND ANNUAL ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 1998



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CHAIRMAN'S REPORT 1998

SOS Sahel International UK was founded in 1983 by Jane Ewart-Biggs as a small, specialised development agency with charitable status. Our first project was a community re-forestation project at Shendi, a town on the Nile, North of Khartoum, and since then we have broadened our operations to include forestry, food security and environmental improvement projects in Sudan, Ethiopia, Mali, Niger and Northern Kenya. In recent years we have been raising and spending £1.5-£2 million annually.

We maintain our focus on community-based environmental improvement work, and on research, advocacy and policy dialogue related to improving living conditions for people in dryland Africa. We see our small size and our close focus as strengths, allowing us to achieve the advantages of specialisation, and providing us with a sound basis of experience from which we may contribute to policy and practice both among donor agencies and in the field.

The year under review has been a successful one for the agency. We have renewed and expanded our programme of fieldwork in the Sahel, and have begun a process of strengthening our organisation.

Of the thirteen projects listed in last year's Chairman's report, four will end as planned this year or in 1999, and nine have been renewed, with follow-on phases planned and fully financed. Two new projects, in Niger and Kenya, started during the year, and two more, in Niger and Ethiopia were approved by donors and will start in 1998/99. New initiatives are at the planning stage in Niger and Mali, and a possible project is being appraised in Uganda. A Sahel-wide programme of research, training and advocacy in involvement of pastoralists and mobile groups in local management, led by SOS Sahel and the International Institute for Environment and Development, is being considered by donors. Two new research projects were undertaken: into soil fertility in Ethiopia, and responses to the el Nino climatic event in Africa.

The Director and his staff are working to a management agenda agreed with the Committee in December 1997. This sets targets for change and development in the short to medium term. Immediate tasks are:

1. To renew the project programme, and set up a future pipeline of projects;
2. To return to a balanced budget after a period of drawing on reserves;
3. To devolve responsibility and authority from the UK head office to country offices;
4. To strengthen financial management.

Less than a year after these priorities were established I am able to report encouraging progress.

The renewal of our work programme has been particularly successful. As I have reported above (and details are given in the Report of the Committee of Management), existing projects have been extended, new projects started and future projects brought to the planning stage. Altogether, during the year under review, we have secured new pledges or contracts totalling more than £5 million in addition to project funds already contracted, to support our operations during the next three years. It is particularly encouraging that we have been able to continue with our work in the Sudan, a country for which it is difficult at present to obtain external financial support. For this our thanks are due, especially, to Comic Relief and the National Lottery Charities Board.

We drew down approximately £96K from our reserves this year. This was a planned drawdown, approved in advance by the Committee, which enabled existing projects to continue while new sources of funds were identified, and newly funded projects came on stream. We expect a drawdown of about £28K during 1998-99, and after that to return to surplus and begin to rebuild our reserves. Our objective is to maintain reserves equal to three months' operating expenditure.

Improvements have been made in financial management, reporting and control: a simpler system has been defined and is in process of installation. This is already providing senior management and the Committee with more timely financial data, and will in due course allow for delegation of more of the accounting function to local offices, while retaining supervision and reporting at the head office.

At country level, devolution is under way, cautiously. Programme Directors and Country Offices are in place in Ethiopia, Sudan and Mali, and taking on increasing responsibility. The Ethiopian programme has undergone a separate and independent in-country audit.

We are now coming to the end of a challenging period of transition for the agency: new projects, a new director, a new and more difficult donor environment; all against a background of an unforgiving climate, political and meteorological, in Africa. That we have come through this difficult period successfully is due in large measure to the legacy of my predecessor as Chairman, Sir Alec Stirling. His willingness to grasp nettles, his commitment to our long term goals, and his insistence on sound administration in the here-and-now have been a most valuable endowment to all of us, from which we still benefit, and I thank him on behalf of the Committee.

Our Director, Duncan Fulton, deserves more than customary thanks. He has navigated the agency through some difficult shoals and reefs and, with the Committee, set a new course. In future we may expect our work to be even more focused and for the sources of funding to be more various: private as well as public, local as well as external. We may also expect to work more closely with other NGOs, and if appropriate to form strategic alliances where our interests and strategies overlap or reinforce each other.

Finally, and most importantly, I wish to thank our donors, without whom nothing would have been achieved at all. A list of major donors, and their contributions, is given on pages 10 and 11. I would like to express special appreciation to those donors, mainly private foundations and individuals, who have contributed to unrestricted funds. Unrestricted funds are vital. We are able to use them to support our core, non project activities, and to draw on them at times of transition. They are the essential support we need to ensure our continuity in our volatile operating environment.

Recent upheavals in Africa show the fragility of development there, and the continued need for support. Internationally, and especially with the lead taken by the UK Department for International Development in setting development targets and redefining relationships with NGOs and other agencies, there will continue to be a demand for the work we do. I believe that SOS Sahel, with its commitment to field operations, research and policy dialogue, is increasingly well equipped to respond.



Kevin O'Sullivan
Chairman

**COMMITTEE OF MANAGEMENT REPORT
FOR THE YEAR ENDED 31 MARCH 1998**

The Committee submits its annual report to the Council (the Members of the Association) together with the audited accounts for the year ended 31 March 1998.

Status

SOS Sahel International UK is a registered charity (number 296311) and is incorporated under the Companies Acts as a company limited by guarantee not having a share capital (number 2100867) with the dispensation to omit "limited" from its title. The Company is governed by its Memorandum and Articles of Association, under which each member has undertaken to contribute to the assets in the event of a winding-up a sum not exceeding £1. Its registered office is at 1, Tolpuddle Street, London, N1 0XT.

Activities

The charity's principal objective is to assist people in the Sahel and in dryland areas in Africa to improve their living conditions and livelihoods. During the year SOS Sahel has continued to carry out environmental management and improvement projects in partnerships with local institutions (governmental and non governmental), and to use its knowledge and experience to influence policy and practice. There has been no change in the charity's principal policies or activities during the year. The work is funded by a wide range of governmental and other agencies, charitable trusts, and private organisations and individuals.

Current projects are:

- | | |
|-----------|--|
| Sudan: | El Ain Natural Forest Management Project
Khor Arba'at Agricultural Rehabilitation Project
Community Forestry Project, Ed Debba
Women's Forestry Project, Ed Damer |
| Ethiopia: | Meket Development Programme
Koisha Rural Development Project
Pilot Project (Food Security) |
| Eritrea: | Assessment and Management of Riverine Forests Project |
| Mali: | Bankass Environment Project,
Community Environment Project, Tominian |
| Niger: | Takieta Joint Forest Management Project
Pastoral Associations Support Programme, Bermo |
| Kenya: | Meru Dryland Farming Project |
| Research: | Improving Soil Fertility in Africa (Ethiopia)
Initiatives in Management of Dry Tropical Forests |

SOS Sahel International UK is a member of SOS Sahel International, a federation of voluntary associations founded in Dakar in 1976, with members in Senegal, Mali, Mauritania, Burkina Faso, Niger, Sudan, Britain, France and Luxembourg.

A review of the charity's activities is given in the Chairman's Report. The charitable company's income and expenditure and the movement of its funds during the year are set out in the Statement of Financial Activities. The Committee is satisfied with the results for the year and the financial position at the end of the year in the context of the charity's future plans and commitments. A draw on unrestricted reserves was made as foreseen in last year's report, to cover renewal of the programme of projects, establishing the basis for future development of project work, and strengthening the capacity of country level offices. A continued draw on reserves in the next year has been approved, at a greatly reduced level and intended to lead to a return to surplus in subsequent years. A general programme reserve will be maintained, with a maximum level equivalent to three months of project expenditure.

Organisation

Members of the Committee of Management, who are Directors under the Companies Acts and trustees for the company's charitable activities during the year were:

Sir Alec Stirling - Chairman (to October 1997)
 Kevin O'Sullivan - Chairman (from October 1997)
 Bill Howard - Vice Chairman (from October 1997)
 Andrew Carpenter - Treasurer

Lady Bingham of Cornhill Margie Buchanan-Smith Laurence Cockcroft
 Rupert Hughes Sarah Hughes Dr. Gill Shepherd Dr. Gerald Wickens Francis Witts
 Peter de Roos (from October 1997) Janet Whitaker (from October 1997)

All members of the Committee are Council Members. Other Council Members are:

Olivia Bennett	David Campbell	Nigel Cross
Kate Ewart Biggs	Michael Cronk	Juliet Miller
Mary Bowron	Sir Christopher Lever	Sir Henry Phillips
Andrew Mitchell	Dr. Robin Pellew	Anthony Sampson
Vernon Robertson	Mahmoud Salih	Valerie Singleton

Council and Committee members are appointed in accordance with the Articles of Association.

A full-time Executive Director is employed, supported by a small head office team in London. Overseas offices are maintained in Ethiopia, Sudan and Mali, with about 223 field staff in total, of whom 8 are international appointments. UK staff are:

Duncan Fulton	Executive Director
Karen Edwards	Financial Controller
Mary Martin	Programme Coordinator
Charlotte Smith	Programme Coordinator
Judith Sandford	Projects Assistant
Lorraine Clewer	Projects Assistant
Martha Mulugeta	Office Manager
Irene De Barros	Finance Assistant
Alison Geldart	Intern

Advisers and full-time researchers are:

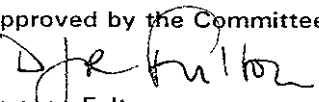
Paul Kerkhof	Forest Management Researcher
Penny Jenden	Food Security Adviser
Stephen Bristow	Natural Resources Adviser

Country Programme Directors are:

Feyera Abdi (Ethiopia)
 Mary Allen (Mali)
 Khalid Roy (Sudan)

Principal bankers in the UK are Royal Bank of Scotland.

Approved by the Committee of Management on 30 September 1998


 Duncan Fulton
 Company Secretary and Executive Director
 SOS Sahel International UK

STATEMENT OF RESPONSIBILITIES OF THE COMMITTEE OF MANAGEMENT

Company law requires the Committee of Management, who are Directors under the Companies Acts and trustees for the company's charitable activities, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss and financial activities of the company for that period. In preparing those financial statements, the Committee of Management are required to

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

The Committee of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF SOS SAHEL INTERNATIONAL UK**

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of the Committee of Management and Auditors

As described above, the Committee of Management, who are Directors under the Companies Acts and trustees for the company's charitable activities, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit on those statements and to report our opinion to you.

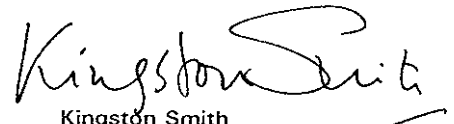
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Committee. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 1998 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Kingston Smith
Chartered Accountants
and Registered Auditors
Devonshire House,
60, Goswell Road,
London EC1M 7AD

18 November 1998

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 1998**

	Notes	Unrestricted Funds		Restricted Funds	Total Funds	Total Funds
		General	Designated		1998	1997
		£	£	£	£	£
INCOME AND EXPENDITURE						
Incoming Resources						
Governmental Organisations Grants	2	-	-	1,237,449	1,237,449	1,136,577
Other Grants and Donations	3	69,414	-	503,926	573,340	256,185
Interest Received		13,944	-	-	13,944	26,755
Total Incoming Resources		83,358	-	1,741,375	1,824,733	1,419,517
Resources Expended						
Direct Charitable Expenditure		75,042	-	1,640,568	1,715,610	1,729,176
Fundraising		17,578	-	-	17,578	41,250
Management and Administration	1(c)	86,449	-	-	86,449	73,703
Total Resources Expended	4	179,069	-	1,640,568	1,819,637	1,844,129
Net Incoming/(Outgoing) Resources before Transfers		(95,711)	-	100,807	5,096	(424,612)
Redesignations		95,711	(95,711)	-	-	-
Net Movement in Funds	5	-	(95,711)	100,807	5,096	(424,612)
Balances brought forward at 1 April 1997		-	492,907	356,404	849,311	1,273,923
Balances carried forward at 31 March 1998	5	-	397,196	457,211	854,407	849,311


All recognised gains and losses in each of the two years are included above. All the company's activities are continuing.

(Company limited by guarantee and not having a share capital)

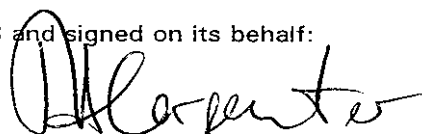
BALANCE SHEET AS AT 31 MARCH 1998

		1998		1997	
	Notes	£	£	£	£
TANGIBLE FIXED ASSETS					
Office Equipment in the UK	6	9,853		11,929	
Leasehold Property in the UK	6	74,200		80,019	
			84,053		91,948
CURRENT ASSETS					
Investment account in the UK		241,243		14,623	
Cash at bank and in hand in the UK		97,428		204,317	
Cash at bank and in hand overseas		219,822		227,567	
Debtors	7	265,283		330,625	
		823,776		777,132	
CREDITORS: Amounts falling due within one year					
Creditors	8	(53,422)		(19,769)	
NET CURRENT ASSETS					
			770,354		757,363
			854,407		849,311
Represented by:					
RESERVES					
Unrestricted Funds - General	9				
Unrestricted Funds - Designated	9				
General Programme Reserve		313,143		400,959	
Net Investment in Fixed Assets		84,053		91,948	
			397,196		492,907
Restricted Funds	9		457,211		356,404
			854,407		849,311

Approved by the Committee of Management on 30th September 1998 and signed on its behalf:



Kevin O'Sullivan
Chairman



Andrew Carpenter
Treasurer

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

1. ACCOUNTING POLICIES**(a) Basis of Accounting**

The accounts have been prepared under the historical cost convention and applicable Accounting Standards. They are presented in accordance with the Statement of Recommended Practice "Accounting by Charities." The format of the Income & Expenditure Account has been adapted from that prescribed by the Companies Act 1985 to better reflect the special nature of the charity's operations.

(b) Recognition of Incoming Resources

All incoming resources becoming available to the charity are recognised in the Statement of Financial Activities as soon as it is prudent and practicable to do so. Accordingly, grants for projects are recognised when received or when a binding obligation arises. Where material, gifts in kind are recognised in the Statement of Financial Activities at their estimated value to the charity; gifts in kind for distribution are recognised when distributed, otherwise such gifts are recognised when receivable.

(c) Incoming Resources Subject to Restrictions

Incoming resources given for a specific purpose, normally a specific overseas project, are credited to a restricted fund, against which direct expenditure for that purpose is charged. Many grants received by the charity include a percentage allowance for management and administration. These allowances are credited to a restricted fund for project administration. Each year, an amount, calculated as the permitted percentage of direct expenditure for the year on each project, is released from this fund to unrestricted funds, and the balance is carried forward as restricted.

(d) Resources Expended

All expenditure is included in the Statement of Financial Activities as soon as it is incurred. Direct charitable expenditure includes all costs incurred in relation to overseas projects and to support, planning, research and development of projects. UK based costs have been allocated on the basis of employee time spent on projects, fundraising and management and administration.

(e) Foreign Currencies

Transactions are dealt with at the actual rate of exchange at the date of the transaction. Year end balances denominated in foreign currencies are translated at exchange rates ruling at the Balance Sheet date. Any differences are written off in project expenditure during the accounting period.

(f) Tangible Fixed Assets and Depreciation

Tangible fixed assets in the UK are stated at cost less depreciation, which is calculated to write down the cost in equal annual instalments over their expected useful lives: 5 years in the case of office equipment and 20 years in the case of short leasehold property. Assets purchased for use in Africa are not capitalised but are fully written off in the year of acquisition.

(g) Reserves - Designated Funds

Because SOS Sahel is working in some of the poorest and most volatile countries in Africa, the Committee of Management consider it prudent to build up unrestricted funds as a contingency to secure the future financial needs of existing projects, which is held in the General Programme Reserve. Each year, any under or overspent unrestricted donations are transferred via the General Programme Reserve. The Net Investment in Fixed Assets represents unrestricted funds held as tangible fixed assets, at written down value.

(h) Taxation

The company is a registered charity and benefits from the exemptions from UK taxation on its income and capital gains granted by s.505 Income and Corporation Taxes Act 1988.

(i) Pension Costs

The company makes agreed contributions to individual "money-purchase" pension schemes for certain employees. The cost represents amounts due in the year.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

	1998	1997
	£	£
2. GOVERNMENTAL ORGANISATIONS		
Department for International Development	593,838	403,350
European Union	246,992	364,869
Royal Netherlands Ministry of Foreign Affairs	243,408	285,575
States of Jersey Overseas Aid Committee	20,500	32,730
States of Guernsey Overseas Aid Committee	16,000	8,800
International Fund for Agricultural Development	22,531	37,854
British Partnership Scheme	40,039	-
Canada Fund	12,455	-
Cooperation Suisse	41,686	-
Other	-	3,399
	<u>1,237,449</u>	<u>1,136,577</u>
3. OTHER GRANTS AND DONATIONS		
Comic Relief	173,314	47,782
National Lottery Charities Committee	129,879	-
Tudor Trust	29,000	9,500
Christian Aid	22,776	-
Swiss Interchurch Aid	21,758	-
Gatsby Charitable Foundation	20,000	-
Baring Foundation	14,000	-
Ms A Pawlyn	12,987	-
JJ Charitable Trust	12,869	-
Ernest Kleinwort	10,000	-
Christian Relief & Development Association (Ethiopia)	9,153	-
Berkeley Reafforestation Trust	8,000	5,500
United Nations Office For Project Services	6,800	-
Beatrice Laing Trust	6,500	1,500
Hilden Charitable Fund	5,000	-
Alchemy Foundation	5,000	-
HB Allen Charitable Trust	5,000	-
Polden Puckham Charitable Foundation	5,000	5,000
Rowan Charitable Trust	3,500	-
Allied Dunbar	2,980	-
Strathspey Charitable Trust	2,400	-
Tree Aid	2,208	-
Arab British Chamber Charitable Foundation	2,000	-
Purley Overseas Trust	2,000	-
Bower Trust	2,000	-
Barbinder Trust	2,000	-
ES Hogg Charitable Trust	2,000	-
Rathbone Bros Charitable Trust	1,500	-
Rykiow Trust	1,500	-
Band Aid	-	37,749

	1998	1997
	£	£
3. OTHER GRANTS AND DONATIONS (Continued)		
Environment Trust for Africa	-	24,674
Novib	-	8,338
Legacy	-	25,000
Week's Good Cause	-	21,360
Other	52,216	69,782
	<u>573,340</u>	<u>256,185</u>

4. TOTAL RESOURCES EXPENDED

	Staff Costs	Vehicles & Equipment	Other Costs	Total 1998	Total 1997
	£	£	£	£	£
Direct Charitable Expenditure					
Projects	548,204	59,811	912,625	1,520,640	1,553,573
Project support	157,330	-	37,640	194,970	175,603
Fundraising	8,109	-	9,469	17,578	41,250
Management and Administration	76,444	-	10,005	86,449	73,703
	<u>790,087</u>	<u>59,811</u>	<u>969,739</u>	<u>1,819,637</u>	<u>1,844,129</u>

Management and administration costs include depreciation: £9829 (1997: £9,457), and auditors' remuneration (including VAT): £4,113 (1997: £3,760).

Personnel and staff costs

	1998		1997	
	UK based	Overseas	UK based	Overseas
Average number	10	223	10	275
Aggregate costs	£	£	£	£
Fees and Salaries	213,582	548,204	189,858	572,354
Social Security Costs	19,211	-	18,910	-
Pension Contribution	9,090	-	9,737	-
	<u>241,883</u>	<u>548,204</u>	<u>218,505</u>	<u>572,354</u>

Directors expenses and remuneration

	1998	1997
	£	£
Cost of Meetings	449	315
Fees: Dr Gill Shepherd	1,875	-
Related party transaction: Rupert Hughes	497	-
	<u>2,821</u>	<u>315</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

5. MOVEMENT IN FUNDS					1998	1997
	Brought forward	Incoming Resources	Resources Expended	Designation & Transfers	Carried forward	<i>Resources Expended</i>
	£	£	£	£	£	£
Restricted Funds: Projects						
Sudan:						
El Ain Natural Forest Mgt	9,723	119,775	(97,080)	-	32,418	(70,369)
Khor Arba'at Rehab	19,000	66,55	(57,569)	-	27,988	(50,860)
Ed Debba Com Forestry	6,598	22,68	(29,129)	-	150	(33,279)
Shendi Village Extension and Women's Forestry	2,295	27,43	(19,782)	-	9,946	(79,671)
Women's Livelihood Devt and Forestry Programme	-	122,458	(14,248)	-	108,210	-
El Giteina Green Belt	-	-	-	-	-	(207)
Ethiopia:						
Wollo Agric Support	-	176,660	(136,440)	-	40,220	(195,352)
Meket Development Project	-	90,074	(90,074)	-	-	-
Koisha Rural Dev	10,733	332,316	(342,793)	-	256	(221,556)
Pilot Project (Food Security)	87,394	20,714	(58,931)	-	49,177	(125,928)
Koisha Emergency Relief	-	-	-	-	-	(644)
Addis Office	-	227	-	-	227	-
Eritrea:						
Riverine Forests	95,084	28,418	(123,502)	-	-	(96,858)
Mali:						
Bankass Environment	29,258	85,858	(100,753)	-	14,363	(224,265)
Tominian Environment	11,330	139,114	(131,470)	-	18,974	(163,048)
Niger:						
Takieta Forest Mgt.	29,429	100,383	(115,903)	-	13,909	(160,853)
Bermo Pastoralists Support	-	62,212	(33,450)	-	28,762	-
Kenya:						
Meru Dry Farming	-	27,661	(12,447)	-	15,214	-
Research:						
Women and Migration	244	-	-	-	244	-
Migrant Associations	-	-	-	-	-	(2,117)
Feasibility Study	-	-	-	-	-	(7,954)
Participatory Forest Mgt	-	-	-	-	-	(3,320)
IDPM Study	-	-	-	-	-	(2,261)
Forestry Research	-	35,794	(35,794)	-	-	(26,280)
Pastoralists Research	-	12,727	(10,579)	-	2,148	-
El Nino	-	41,784	(39,683)	-	2,101	-
Community Based Organisations	-	2,776	(2,776)	-	-	-
EU Block Grant:	32,112	106,306	(68,237)	-	70,181	(71,000)
Project Support	23,204	119,447	(119,928)	-	22,723	(108,371)
	<u>356,404</u>	<u>1,741,375</u>	<u>(1,640,568)</u>	<u>-</u>	<u>457,211</u>	

5. MOVEMENT IN FUNDS (Continued)					1998	1997
	Brought forward	Incoming Resources	Resources Expended	Designation & Transfers	Carried forward	<i>Resources Expended</i>
	£	£	£	£	£	£
Unrestricted Funds: Designated						
General Programme Reserve	400,959	-	-	(87,816)	313,143	-
Inv. in Fixed Assets	91,948	-	-	(7,895)	84,053	-
	<u>492,907</u>	<u>-</u>	<u>-</u>	<u>(95,711)</u>	<u>397,196</u>	
Unrestricted Funds: General						
Kenya	-	-	-	-	-	(16,213)
Ethiopia	-	-	(123)	123	-	(8,321)
Uganda	-	-	(7,881)	7,881	-	(9,591)
Eritrea	-	-	-	-	-	10,852
Community Organisation	-	-	-	-	-	(263)
Niger	-	-	(6,226)	6,226	-	-
Project Planning Unit*	-	-	(60,812)	60,812	-	(152,067)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charitable Expenditure (note 1(g))	-	-	(75,042)	75,042	-	-
Fundraising & Management & Administration	-	83,358	(104,027)	20,669	-	(24,327)
	<u>-</u>	<u>83,358</u>	<u>(179,069)</u>	<u>95,711</u>	<u>-</u>	<u>-</u>
	<u>849,311</u>	<u>1,824,733</u>	<u>(1,819,637)</u>	<u>-</u>	<u>854,407</u>	<u>(1,844,123)</u>

* The Project Planning Unit identifies and develops new projects. The costs are calculated as a percentage of UK office staff salaries.

Sufficient resources are held in an appropriate form to allow the Restricted Funds to be applied to their intended purpose

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998**

6. TANGIBLE FIXED ASSETS

Fixed assets are in use for management and administration purposes and for project support.

	UK Office Equipment	UK Short Leasehold Property	Total
	£	£	£
COST			
At 1 April 1997	29,840	122,208	152,048
Additions during the year	1,934	-	1,934
Disposals	(3,140)	-	(3,140)
At 31 March 1998	<u>28,634</u>	<u>122,208</u>	<u>150,842</u>
ACCUMULATED DEPRECIATION			
At 1 April 1997	17,911	42,189	60,100
Charge for year	4,010	5,819	9,829
Disposals	(3,140)	-	(3,140)
At 31 March 1998	<u>18,781</u>	<u>48,008</u>	<u>66,789</u>
NET BOOK VALUE			
At 31 March 1998	<u>9,853</u>	<u>74,200</u>	<u>84,053</u>
At 31 March 1997	<u>11,929</u>	<u>80,019</u>	<u>91,948</u>

7. DEBTORS

	1998 £	1997 £
Grants and donations	246,460	317,427
Sundry debtors	18,823	13,198
All amounts fall due within one year.	<u>265,283</u>	<u>330,625</u>

8. CREDITORS: Amounts falling due within one year

Loan covenants received in advance	135	210
Employment taxes and social security	5,139	5,738
Accruals and provisions	48,148	13,821
	<u>53,422</u>	<u>19,769</u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted	Total
	General	Designated	Funds	Funds
	£	£	£	£
Tangible fixed assets	-	84,053	-	84,053
Cash at bank and in hand	-	310,875	247,618	558,493
Other net current assets/(liabilities)	-	2,268	209,593	211,861
	<u>-</u>	<u>397,196</u>	<u>457,211</u>	<u>854,407</u>

10. COMMITMENTS

At 31st March 1998 there were no outstanding commitments for capital expenditure (1997: £nil).