

**Food for the Hungry UK  
Financial Statements  
Year Ended 31<sup>st</sup> December 2007**

**Company Number 2394988**

**Charity Number 328273**

**Food for the Hungry UK  
Financial Statements  
Year Ended 31 December 2007**

**Registered Company Number** 2394988

**Registered Charity Number** 328273

**Directors**

Mr B Wilson  
Mr P L Cornelius (from 30<sup>th</sup> May 2007)  
Mr G Vestri  
Mr R Plumptre  
Mrs R L Duke  
Mrs G P Kelly  
Mr S P Herbert

**Secretary**

Mr S P Herbert

**Registered Office**

Nigel Wordingham Ltd  
De Vere House  
90 St Faiths Lane  
Norwich  
NR1 1NE

**Accountant**

Nigel Wordingham Ltd  
De Vere House  
90 St Faiths Lane  
Norwich  
NR1 1NE

**Bankers**

Barclays Bank plc  
Bank Plain  
Norwich

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**Food for the Hungry UK**  
**Directors and Trustees' Report for the year ended**  
**31<sup>st</sup> December 2007**

The directors present their report and accounts for the year ended 31<sup>st</sup> December 2007. They would like again to take this opportunity to thank all the supporters of FH-UK for their prayers and generous gifts of time and money and to the staff sacrificially sharing their lives with the needy.

**1. Legal Registration:**

Food for the Hungry (FH-UK) is a registered charity No. 328273. It is constituted as a company (No 2394988) limited by guarantee with no shares, being governed by a memorandum and articles of association.

Food for the Hungry (FH-UK) is a Christian organisation committed to working with poor people to overcome hunger and poverty. It does so as part of a family of autonomous national Food for the Hungry organisations. These collaborate and channel their support through a single international implementation arm to Field Offices in over 20 of the world's poorest countries.

FH-UK has a board of Directors (Trustees) that meet a minimum of three times per year, one of those meetings being the Annual General Meeting. All directors of the company are also trustees of the charity and there are no other trustees. The Board has the power to appoint additional trustees as it considers fit. The number of trustees is not subject to any maximum, but may not be less than 3.

The experience and skill base of the trustees contains the following: Board membership for up to 17 years including three past or current members of the international board of FH, FH international Field Office experience, FH international Financial Management, preparing and leading teams to the Field, organisational development, planning and management. All trustees are required to complete a Food for the Hungry introductory course within their first year.

With the appointment of a new Chief Executive Officer and the expansion of the executive team the Operations Management Committee has been disbanded. The trustees continue to review all strategic and organisational development plans and key operational decisions presented to them by the Executive team.

As at 31<sup>st</sup> December there were two salaried employees, Mr Paul Cornelius, Chief Executive and Mr Doug Wakeling, Executive Officer assisted by his wife Jackie on a part-time voluntary basis. All work from home involving no cost to FH-UK for rent. Mr Simon Herbert (Company Secretary) and a growing number of part-time volunteers give further unpaid support.

The responsibility of the Chief Executive and staff is to execute the strategic plan agreed with the Board of Directors. Their principle activity is to stimulate British

support in the form of funds, people and prayer for the operation of FH's international relief and development activities.

Food for the Hungry's Council of Reference consists of well known Christians willing to be identified with, and to add credibility to, the organisation. They do not have official duties, but may be called upon to offer specific help in appropriate circumstances.

Risk Management Policy: a comprehensive review of risks was undertaken in 2006 by the Operations Management Committee and documented in a Risk Register. This register also identifies key risks to be managed with resultant Mitigation Action plan. It was reviewed and updated in 2007.

### **Links with Food for the Hungry Association (FH)**

FH, a not-for-profit association incorporated in Geneva Switzerland, maintains programmes in over 20 of the world's poorest countries with international field staff numbering about 1700, mostly locally employed. FH-UK together with FH and each of the other nationally based organisations, has chosen to affiliate to an international covenant of common vision, principles and systems of working together.

Centred in and motivated by Christ, the international covenant of Food for the Hungry organisations is committed to working with poor people to overcome both physical and spiritual hunger and poverty worldwide. The primary emphasis is on long-term development among the extremely poor, recognising their dignity, creativity and ability to solve their own problems.

FH is the successor organisation of Food for the Hungry International (FHI). On 1<sup>st</sup> January 2007 FH took over the assets, registered office and most of the operational field organisations of FHI. The objectives of FH remain the same as FHI and during the year the Board of Directors formally reviewed the basis of the relationship and confirmed their affiliation to FH.

Mrs Gill Kelly, a member of the FH-UK Board served on the Board of FH during 2007.

Mr Greg Vestri, the President of FH served on the Board of FH-UK during 2007.

## **2. Objects and Activities:**

FH-UK seeks to share the love of Christ by raising funds for FH work overseas and recruiting and sending appropriate people to assist where most needed. Most of these overseas staff members are recruited and employed by FH-UK, for secondment to FH in their country of service. Such staff raise financial support to cover their employment costs from churches and from family and friends, with the assistance and facilitation of FH-UK. Other staff are hired directly by, and are salaried employees of, FH in Field Offices and support functions.

FH-UK continues to facilitate the visit of work teams from this country to FH field locations. Teams number 2-15 people, and are generally for 2-4 weeks duration.

Team members are responsible to raise funds to cover the costs of these trips, plus a contribution towards the cost of the work project.

FH-UK also seeks to inform people in the UK about the causes of physical and spiritual hunger and poverty, about appropriate Christian responses and to share its vision of community.

FH-UK and FH conduct their programmes without discrimination by politics, religion, disability or gender.

FH-UK maintains contact with other British Non Governmental Development Organisations (NGDOs) through membership of BOND ( the British Overseas NGOs in Development). We are also members of the Evangelical Alliance, Global Connections and the Jubilee Debt Campaign. The Chief Executive is a personal member of TBN (the Business Network) and the Executive Officer is a personal member of Global Connections and People in Aid. The Executive Officer is also a member of ICASA's Charity Secretaries Group, the Institute of Fundraisers and the Institute of Administrative Management.

Main specific objectives for the year included support of overseas staff, the Child Development Programme in Uganda and Rwanda, the Family and Community Transformation programme in Bangladesh and Nkunga community sponsorship project in Kenya, together with growth in supporter numbers, income and overseas staff.

### **3. Achievements and Performance**

#### ***Fund Raising:***

Income continued to increase in 2007 showing year on year growth of 66%. The numbers of individuals on the mailing list rose to 1430 while the number of individuals giving to FH-UK by standing order increased to 385 and their average monthly contribution to £9365, supplemented by Gift Aid.

#### ***Field Activities:***

Support for Child Sponsorships increased during the year to 107, being 51 from the Makhai/ Bulolero centre in Uganda, 7 from the neighbouring Bufukhula centre in Uganda, 47 from Gikomero in Rwanda and 2 from Guatemala. We receive regular reports from the communities about their progress and those of the children. The following extract from a recent report addressed to the sponsors of children from Gikomero, sums up the passionate belief that our field staff have about being involved in these communities and the key role played by our sponsors.

"We wish you a happy New Year 2008. May this be a year of prosperity and happiness to you and your families. We are glad to have a regular opportunity to tell you some of the big achievements we have been able to accomplish in the community and we know you played a big role in the success of the programme. We would like

to thank all of you for your support, we know many of you spend your time praying for the community and others provide financial support.”

Highfield Church in Southampton has continued its sponsorship through FH of Nkunga village, one of the neediest communities in the area, to the North-East of Mount Kenya. There has been radical change since 2005 brought about by the renewed sense of hope that the programme brings. The school has achieved first place out of 48 in the district and a growing number of pupils are graduating to secondary school. Adult literacy classes and an informal school are helping to improve the educational standards of adults and older youth. Health education is leading to better hygiene, sanitation, nutrition and prevention of waterborne diseases, resulting in a general reduction in sickness. An environmental club is planting appropriate trees to improve the environment and provide benefit to the community for years to come. Community and church leaders are growing in their understanding of their God-given purpose and increasingly working together to address community issues and problems. A team of 12 people from Highfield visited Nkunga for 2 weeks in September, giving encouragement and teaching in a number of areas. They carried out medical screening of 280 children and helped with the installation of a 24,000 litre water tank and rainwater harvesting system for the school.

FH-UK continues to support the activities of FH Bangladesh and their large team of Bangla staff who work in five regions of the country delivering health, child education and a Family and Community Transformation programme that addresses wider social, emotional, mental and spiritual development through teaching literacy, numeracy, legal rights, health and leadership skills in adult groups. The FH value based Family and Community Transformation programme benefits the very poorest of the poor, teaching them how to transform their own lives with confidence, skills and Biblical values. It costs less than £1 a day to run a group of 12-15 families under the programme

### ***Overseas and FH Staff:***

**John Marsden** is FH's Country Director in Bangladesh and Regional Director for Asia, and his wife Kate is Co-ordinator for International Staff there, also taking responsibility for developing and overseeing staff training. John is directly employed by FH.

**Naomi Hall** finished a one year salaried role with FH Sudan as Programme Director in April 2007, directly employed by FH.

**Daniel and Barbara Zeidan** completed their assignment with FH US in Washington in June 2007.

The year saw a net increase of four in the number of seconded international staff to a total of nine, with one individual and one family finishing their assignments and three individuals and two families taking up new positions in the FH Field Organisations.

Those who continued in their role during 2007 were:.

**Isabela Manescu** is a Romanian national and a social worker seconded to FH/Kenya as HIV and AIDS Program Supervisor who was based in Isiolo in 2007.

**Caroline Burns** is working as regional assistant for the Child Development Programme who was based in Cochabamba Bolivia in 2007.

Those who completed their assignments as Seconded International staff were:

**Mel Parslow** whose role as a social worker and seconded to FH/Guatemala, working in poor and remote communities addressing physical and spiritual hunger, came to an end in May 2007.

**Roman and Lorna Zischka** who with their three children returned from Romania in June 2007 after handing over their pioneering work with alcoholics to locally based staff.

In the year the following took up new assignments in the field:

**Tom MacGregor** has started a 3-year assignment with FH-Rwanda with responsibilities in the Micro-Enterprise Development (MED) programme. A strong emphasis of the work is in respect of potential new micro-enterprises to evaluate resources available, consider appropriate options and formulate a strategy that will develop ideas into a working reality.

**Stephen and Anne Stordy** have been seconded to FH/Burundi for 3-years. Stephen has significant training and experience in agriculture and food which he will use to support and advise FH projects among some of the poorest communities in Burundi and Rwanda. Anne will use her nursing experience to support FH health education programmes.

**James Griffin**, who is currently in the third year of his Economics and Business Management degree at Newcastle University, has begun his one year assignment with FH/DR-Congo in Bukavu in the east of the country as Programs Assistant. He is working with the programs team to facilitate the smooth implementation of all activities within the region whilst networking with the UN and other NGOs to avoid duplication of efforts in the areas of emergency relief, community reconstruction and repatriation of refugees.

**Ed & Sarah Moulding**, began a three year assignment with FH/Bolivia in October 2007. Ed will be developing and managing a computerized mapping system as a resource to the work in rural zones, with a particular focus on watersheds (the areas between where the rain falls and where it joins the rivers) that have been damaged through bad management. This will provide for improvement of activities such as reforestation, planting crops or building work. Sarah will begin working part time with FH/Bolivia in early 2008.

**Moira McLure** has started a 3-year assignment with FH/Ethiopia as a Health and HIV Advisor, working in partnership with Ethiopian health professionals to strengthen

current projects, develop new health outreach and to help develop a health strategy.  
Maira

writes, " The Lord is directing me back to Africa. The area of HIV and AIDS is very much on my heart. My recent visit to Addis Ababa confirmed my desire to be involved in the Ethiopian project. I feel so privileged to have this opportunity to serve God."

In 2008 **Simon and Melissa Snell** will commence an 18 months assignment in Sucre, Bolivia. Simon will be supporting the development of micro-enterprises and Melissa will be working in the area of sexual education.

Costs for seconded international staff (Isabela Manescu, Caroline Burns, Tom MacGregor, the Stordys, James Griffin, the Mouldings and Maira McLure) were covered by designated income. This designated income covers their personal allowance plus a 10% contribution to UK administration and in all cases is sufficient to also provide a fund for contingencies and furlough/homecoming costs.

### ***Recruitment:***

Opportunities for Overseas service with FH continue to be shown on the FH-UK website, and this is kept up to date. The website of Christian Vocations also carries a short description of all vacancies and has been the most fruitful. We publish an overview of Food for the Hungry in Christian Vocations publication "Mission Matters", we have a short organisational description in the World Service Enquiry guide, published by Christians Abroad and we are listed on OSCAR, the online information service for Missionaries.

### ***Work Teams:***

The focus of short term overseas work teams is to facilitate teams from individual churches or groups of churches visiting communities in the field who are participating in FH field programmes with the aim of building long term relationships. In 2007, 4 teams went out from the UK from churches in Beaconsfield, Huntington, Gillingham, and Southampton.

### ***UK Staff:***

On the 1<sup>st</sup> April 2007 Mr Paul Cornelius took up the position of Chief Executive, Food for the Hungry UK. Paul joins FH-UK with significant experience of leadership positions in business as well as being an active Christian within his local community where he is the Church Warden of St Thomas', Beaconsfield. Mr Doug Wakeling continues to work for FH-UK as Executive Officer as does his wife Jackie who continues her part time voluntary role with the organisation.

The number of part time volunteers supporting FH-UK continued to grow during the year with individuals becoming involved in the UK administration of Child Development Programmes, Teams, applications for grants from Governments and Trusts and the day to day management of the Charity's finances.

#### **4. Future Plans – agenda for 2008**

Following the appointment of a new Chief Executive in April 2007 a strategic review has been undertaken of the ways open to further develop Food for the Hungry UK. The review which was undertaken by the Board, the Chief Executive and the senior staff has determined that the most appropriate areas on which to concentrate the Charity's efforts going forward are as follows:

- Expansion of the Child Development Programme (CDP) both in terms of number of sponsors and locations
- Expansion of the Family and Community Transformation Programme in Bangladesh
- Increase in the number of Church to Community Partnerships beyond the current relationship with Nkunga in Kenya.

In addition FH-UK will continue to place International Secondees, support team visits to FH field locations and seek to raise Government and Trust based funding for projects led by FH Field Organisations. These activities will wherever possible be aligned to the work undertaken in the first three areas stated above. FH-UK's future plans will incorporate an assessment of the environmental impact of its programmes including establishing carbon offset for its overseas flights from the UK.

Our strategy will continue to be reviewed by the Board and Executive with the aim of ever expanding our capacity to fulfil all that God is calling us to do and linking those most impoverished and most vulnerable with the love, resources and support of their brothers and sisters, individuals and Churches, across the UK.

#### **5. Financial Review:**

The results of the company for the year ended 31<sup>st</sup> December 2007 are set out in the attached financial statements drafted in accordance with the Companies Acts.

The directors of the company consider these results for the year to be very satisfactory as they represent an increase in activity and expenditure on projects, international secondments and team visits matched by appropriate funding.

#### **6. Risk Management:**

As previously stated a comprehensive risk management process is in place. Key risks that were identified include

- a) Small numbers of Board members Work will continue in 2008 to increase the number of Board members.

- b) Vulnerability to loss of two key staff members. This has in part been addressed by the appointment of a new CEO and the involvement of more volunteers in key areas.
- c) Overseas staff support depends on the same two key staff members.

Employers Liability, Public Liability and Legal Expenses have been insured under a Charity Connect policy with Ansvar.

## **7. Reserves Policy:**

Generally the Trustees do not seek to hold large reserves. Historically the trustees have considered it prudent to retain a reserve to enable the charity to operate for 1-2 years on regular but lower levels of income. This policy was maintained in 2007 but will be reviewed in 2008 in the light of the stable nature of the charity's cash flows and the strategic goals now in place.

## **8. Investment Policy:**

There are no investments of the company, other than savings and deposit accounts that provide ready access to the funds. The policy of the company is:

- 1) Monies must not be invested in any instrument where ethical or reputational issues are contrary to the values of FH-UK or FH.
- 2) The principal or capital amounts invested must not be at risk.

## **9. Statement of Responsibilities of Trustees/Directors:**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial estimates on the going concern basis unless it is inappropriate that the company will continue in business.

The directors 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 presentation and detection of fraud and other irregularities.

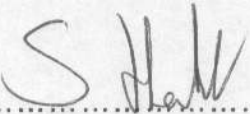
The directors who held office at the date of approval of this directors' report confirm that, so far as they are individually aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

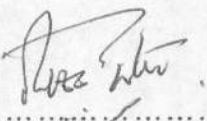
### Small Company Rules

Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

### Approval

This report was approved by the Board of Directors on 28<sup>th</sup> JUNE 2008 and signed on its behalf.

  
.....Director

  
.....Director

## Independent Auditor's report to the members of Food for the Hungry UK

We have audited the financial statements of Food for the Hungry UK for the year ended 31 December 2007 which comprise of pages 13 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, to the fullest extent permitted by law, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### **Respective responsibilities of directors and auditors**

As described on page 9 to 10, the charity's trustees, who are also the company's directors, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' and Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' and Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

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

Independent Auditors report to the members of Food for the Hungry UK -  
continued

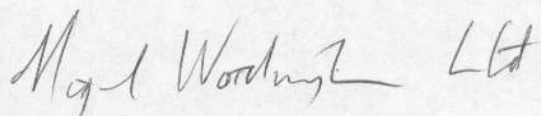
**Basis of opinion - continued**

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, in accordance with United Kingdom Generally Accepted Accounting Practices applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

 Ltd

Nigel Wordingham Ltd

Chartered Accountants  
and Registered Auditors

De Vere House  
90 St Faiths Lane  
Norwich  
NR1 1NE

23/06/2008

**Food for the Hungry UK**  
**Statement of Financial Activities** (including Income & Expenditure Account)  
**Year Ended 31 December 2007**

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	Notes	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
<b>Incoming Resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income:</i>					
Donations		76,777	294,145	370,922	223,780
<i>Activities for generating funds:</i>					
Interest		2,629	0	2,629	1,831
<b>Other</b>					
Exchange rate movement on Euro accounts		15	0	15	(4)
Total Incoming Resources		79,421	294,145	373,566	225,607
<b>Resources Expended</b>					
<b>Costs of generating voluntary income</b>	2	19,310	0	19,310	12,659
<b>Charitable Activities</b>	2	45,972	294,145	340,117	190,914
<b>Governance</b>	2	19,564	0	19,564	17,593
Total Resources Expended	2	84,846	294,145	378,991	221,166
Net (outgoing)/incoming resources for the year / (expenditure)/income for the year	Net 5	(5,425)	0	(5,425)	4,441
Total funds brought forward		63,461	0	63,461	59,020
<b>Total funds carried forward</b>		£58,036	£0	£58,036	£63,461

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**Food for the Hungry UK**  
**Balance Sheet**  
**As at 31 December 2007**

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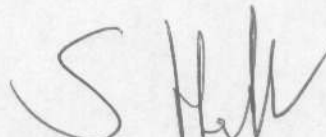
	Notes	2007 £	2006 £
<b>Fixed Assets</b>	8	545	479
<b>Current Assets</b>			
Debtors	9	19,561	13,397
Cash at Bank and Building Society		153,761	108,835
		<u>173,322</u>	<u>122,232</u>
<b>Creditors - Amounts falling due within one year</b>	10	<u>115,831</u>	<u>59,250</u>
Net Current Assets		57,491	62,982
<b>Net Assets</b>	11	<u>£58,036</u>	<u>£63,461</u>
Unrestricted funds	12	58,036	63,461
Restricted funds	12	0	0
<b>Total Funds</b>		<u>£58,036</u>	<u>£63,461</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the board on 28<sup>th</sup> JUNE ..... 2008 and signed on its behalf by:



.....  
R Plumptre  
Director



.....  
S Herbert  
Secretary

## 1. Accounting Policies

The principle accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

### (a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985, the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and the Financial Reporting Standard for Smaller Entities.

### (b) Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

### (c) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Grant income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

A 10% element of some restricted grants and donations is treated as unrestricted funds and represents the charity's administrative charge. This income is recognised as unrestricted grants or donations on the face of the statement of financial activities. The charity's policy of taking 10% to cover administration is fully disclosed to donors.

Gift-Aid Tax refunds claimable are disclosed in the accounting period when the relevant income is received.

### (d) Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates:

Costs of generating voluntary income comprises the costs associated with attracting voluntary income.

Charitable expenditure comprises grants made to fund the overseas work of FH as well as the costs incurred by the charity in making the grants, recruiting and sending appropriate people to assist where needed and informing people in the UK about the causes of physical and spiritual hunger and poverty, and about appropriate Christian responses.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 2.

### (e) Foreign Currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the Statement of Financial Activities.

### (f) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost of each asset over its expected useful life as follows:

Computer equipment:	30% reducing balance
---------------------	----------------------

**2. Total Resources Expended**

	Generating voluntary income £	Charitable Activities			Governance £	2007 Total £	2006 Total £
		Grantmaking activities to FH projects £	Supporting seconded international staff & teams £	Attending FH meetings & projects & visiting seconded international staff £			
<b>Costs directly allocated to activities</b>							
Grants paid (see note 3)	0	191,000	0	0	0	191,000	110,412
Supporting seconded international staff (see note 4)	0	0	117,476	0	0	117,476	55,250
Travel and Motor Expenses	0	0	0	5,607	0	5,607	4,363
Other expenses of seconded international staff including training	0	0	0	0	0	0	385
Fundraising and Publicity	200	0	0	0	0	200	2,773
LivingBread	1,509	0	0	0	0	1,509	0
Legal and Professional	0	0	0	0	1,997	1,997	2,116
Recruitment	0	0	0	0	0	0	1,391
Room hire	0	0	0	0	0	0	441
Bank charges	0	164	0	0	0	164	285
<b>Support costs allocated to activities</b>							
Salary	13,735	2,747	16,275	5,494	16,690	54,941	23,116
Employer's liability insurance	97	19	113	38	116	383	319
Consultancy	0	0	0	0	0	0	14,534
Telephone, Postage, Printing and Stationery	3,069	0	387	0	387	3,843	4,070
Subscriptions	653	0	653	0	326	1,632	1,255
Depreciation	47	35	71	35	47	235	205
Loss on the disposal of assets	0	1	1	1	1	4	251
<b>Total</b>	<b>£19,310</b>	<b>£193,966</b>	<b>£134,976</b>	<b>£11,175</b>	<b>£19,564</b>	<b>£378,991</b>	<b>£221,166</b>

Total Support costs £61,038 £43,750

**Basis of allocation of support costs**

Salary	Staff time
Employer's liability insurance	Staff time
Telephone, Postage and Stationery	Usage
Subscriptions	Relevance to activity
Depreciation	Usage of computers & equipment

**3. Analysis of grants paid**

<i>Purpose:</i>	<i>Country/Area:</i>	Unrestricted £	Restricted £	2007 Total £	2006 Total £
Programme Support	Africa	0	1,688	1,688	572
Programme Support	Bangladesh	0	411	411	0
Family & Community Transformation	Bangladesh	0	35,063	35,063	21,820
Programme Support	Bangladesh Floods	0	855	855	0
Programme Support	Bangladesh Relief	0	1,871	1,871	0
Programme Support	Burundi	746	4,512	5,258	29,551
Programme Support	Congo	0	0	0	698
Programme Support	Iasi	4,740	0	4,740	0
Programme Support	Isiolo	0	656	656	0
Programme Support	Kenya	750	0	750	0
Kenya Borehole project	Kenya Borehole	56	0	56	0
Programme Support	Kyoga	0	7,608	7,608	0
Programme Support	Latin America	0	59	59	0
Programme Support	Mozambique Wells	7,959	861	8,820	0
Programme Support	Nkunga, Kenya	0	25,235	25,235	20,441
Programme Support	Pader District Uganda	0	4,513	4,513	0
Programme Support	Pakistan	0	678	678	0
Programme Support	Sudan	0	167	167	180
Programme Support	USAID Matching	0	9,000	9,000	0
Work Teams	Various	0	59,634	59,634	19,325
Child Sponsorship	Uganda, Rwanda, Guatemala & Bangladesh	0	23,938	23,938	17,825
Total (see note 2)		<u>£14,251</u>	<u>£176,749</u>	<u>£191,000</u>	<u>£110,412</u>

**4. Analysis of support to seconded international staff**

<i>Purpose:</i>	<i>Country:</i>	Unrestricted £	Restricted £	2007 Total £	2006 Total £
Support for Hulbert	Bangladesh	0	0	0	851
Support for Zeidans	Bolivia	0	5,628	5,628	11,248
Support for Burns	Bolivia	0	6,808	6,808	5,367
Support for Moulding	Bolivia	0	19,597	19,597	0
Support for Snell	Bolivia	0	4,712	4,712	0
Support for Stordy	Burundi	0	18,378	18,378	0
Support for D Ellis	Canada	0	591	591	1,773
Support for Griffin	Congo	0	10,429	10,429	0
Support for McLure	Ethiopia	0	11,230	11,230	0
Support for Parslow	Guatemala	80	2,444	2,524	4,519
Support for Sagert	Guatemala	0	1,958	1,958	1,657
Support for Naomi Hall	Kenya	0	126	126	4,295
Support for Manescu	Kenya	0	7,234	7,234	5,538
Support for Winward	Mozambique	0	698	698	0
Support for A Thompson	Nicaragua	0	0	0	426
Support for Zischkas	Romania	0	13,814	13,814	15,976
Support for Cristi	Romania	0	(282)	(282)	3,600
Support for MacGregor	Rwanda	0	14,031	14,031	0
Total (see note 2)		<u>£80</u>	<u>£117,396</u>	<u>£117,476</u>	<u>£55,250</u>

**5. Net Incoming Resources for the Year**

This is stated after charging:

	2007 £	2006 £
Auditor's remuneration	1,997	2,116
Depreciation of tangible fixed assets	235	205

**6. Staff Costs**

Staff costs were as follows:

	2007	2006
Wages and salaries for the year	£54,941	£23,116

No employee received emoluments of more than £60,000.

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2007	2006
Generating voluntary income	0.44	0.20
Grantmaking activities	0.09	0.15
Supporting seconded international staff	0.54	0.30
Attending FH meetings and projects and visiting seconded international staff	0.18	0.15
Governance	0.51	0.20
	<u>1.76</u>	<u>1.00</u>

**7. Trustee Remuneration & Related Party Transactions**

During the year one of the Trustees, Mr P Cornelius, was paid a salary from 1 April 2007. The amount received in the year to 31 December 2007 was £22,500 (2006: £nil).

Charitable donations have been paid to Food for the Hungry Association (FH), a not-for-profit international association. Mrs G Kelly and Mr G Vestri are also directors of that company. These payments were for onward transmission to overseas projects referred to in note 4 and amounted to £192,000 (2006: £110,412). This year there was no contribution made toward FH administration costs (2006: £1,296.69). A balance of £111,984 (2006: £56,858) owing to FH was outstanding at the year end.

**8. Fixed Assets**

	Computer & Equipment £
Cost at 1 January 2007	1,143
Additions	305
Disposals	62
Cost at 31 December 2007	<u>1,386</u>
Depreciation at 1 January 2007	664
Charge for Year	235
Eliminated on Disposal	58
Depreciation at 31 December 2007	<u>841</u>
<b>Net Book Value at 31 December 2007</b>	<u>£545</u>
Net Book Value at 1 January 2007	<u>£479</u>

**9. Debtors**

	2007 £	2006 £
Gift-aid reclaimable	19,561	12,162
Sundry debtor	0	1,235
	<u>£19,561</u>	<u>£13,397</u>

**10. Creditors (amounts falling due within one year)**

	2007 £	2006 £
Accruals	2,273	1,763
Amounts due to Food for the Hungry Association	111,984	56,858
Other Creditors	1,574	629
	<u>£115,831</u>	<u>£59,250</u>

**11. Analysis of Net Assets between Funds**

	Unrestricted £	Restricted £	Total £
Fixed Tangible Assets	545	0	£545
Net Current Assets	57,491	0	57,491
	<u>£58,036</u>	<u>£0</u>	<u>£58,036</u>

**12. Movement in Funds**

	Balance 1 Jan 2007	Movement in Resources			Balance 31 Dec 2007
		Incoming	Outgoing	Transfers	
<b>Restricted funds:</b>					
Donations toward FH projects	0	176,749	(176,749)	0	0
Donations for seconded international staff	0	117,396	(117,396)	0	0
<i>Total restricted funds</i>	<u>£0</u>	<u>£294,145</u>	<u>£(294,145)</u>	<u>£0</u>	<u>£0</u>
<b>Unrestricted funds:</b>					
General funds	63,461	79,421	(84,846)	0	58,036
<i>Total unrestricted funds</i>	<u>£63,461</u>	<u>£79,421</u>	<u>£(84,846)</u>	<u>£0</u>	<u>£58,036</u>
<b>Total funds</b>	<u>£63,461</u>	<u>£373,566</u>	<u>£(378,991)</u>	<u>£0</u>	<u>£58,036</u>