

REGISTERED COMPANY NUMBER: 04607292 (England and Wales)
REGISTERED CHARITY NUMBER: 1100045

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2011**

FOR

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

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FOR THE YEAR ENDED 31 MARCH 2011**

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CHAIRMAN'S REPORT

For the year ended 31st March 2011

When I first visited Darfur in 2001 and saw for myself the conditions in which children were forced to endure in one of the most harsh environments in the world, I could not have predicted the problems there would be in the coming years. Conflict erupted twenty four months later, and the difficulties of working in a region so remote, isolated politically and economically as well as geographically, and now by violence, became even more challenging. Ten years on, I am delighted at what Kids for Kids has achieved. We have not just transformed the lives of thousands of children through our simple grass roots projects which reach into the heart of a family, but we are saving the lives of mothers and babies on an almost daily basis through the incredible work of our midwives. By enabling mothers to build up a resource, in years of drought like 2010, they are able to feed their children. When the crops fail, there is no form of income, and that means starving babies. But not in our villages. Thanks to the support of individuals from all over the world, during the past ten years we have adopted 54 villages - soon to rise to 59 - where our policy of providing a broad spectrum of sustainable grass roots projects continues to transform not just individual families, but whole communities.

This could not have been more graphically illustrated than in the main teaching hospital in El Fasher in February 2010, where I went to talk to the Medical Director about the impact the wholesale failure of the harvest was likely to have on children. It is the youngest who succumb first as their mothers fail to suckle. I was shocked to find starving babies desperately in need of supplementary feeding, despite it being so early in the year. There, too, were young children suffering from HIV; indirect victims of violence where rape has been a weapon of war. A number of the mothers were from the camps but they had been trying to settle in villages to give their children a permanent home. With no resources to enable them to settle properly, they were unable to feed their children as the crops failed.



Sustainable Conflict Resolution at Grassroots Level

Kids for Kids is now introducing a new, innovative, and I believe far-reaching project - the epitome of all our projects - which will not only enable families to be self-supporting when they move from the camps to a village, but will integrate them into the close-knit host communities. Our 'Welcome Home' package for Internally-Displaced People (IDPs) includes them in the existing Goat Loan Programme in a Kids for Kids' village, by providing the loan of six goats, and, crucially, by enrolling a representative of the new families onto the existing Animal Loan Committee. This way they become part of the management of the project. Each displaced family is linked to a family in the village who, in time, will benefit from the offspring of their six goats, and who will immediately be provided with

the same extra items that we give to each of our beneficiary families - a donkey, blankets, a mosquito net, farm tools and seeds. These are the basic essentials which a family needs to enable them to work the land, grow their crops and feed their families. We have already launched this project in a pilot scheme in Abu Nahla, Kheirban B and Tikailat. It is seen as the first practical project of its kind, providing sustainable conflict resolution at grass roots level. I have heard many people in Sudan talk of compensation packages to enable people to return home, but the facts are that many families who are trying to leave the camps own none of the basics - farm tools and the like - which will enable them to become self-sufficient again.



Kids for Kids' new home!

2010 has been an exciting and challenging time for us as we moved from working through international organisations, to funding our own small programme team and office in El Fasher, the Regional Capital of North Darfur, working in partnership with a Network of village organisations. This required the registration of the local representatives, who will implement the projects, with the Humanitarian Aid Commission. This took some time, but they are now legally registered as the Kids



for Kids Steering Committee under the voluntary Chairmanship of Adam Sebil, a well-respected community leader in Darfur. We also took the decision to adopt just three new communities during 2010/2011 in order to ensure that projects were implemented correctly by the new team. I am delighted with the results and am confident we can now move on to adopting more new communities to extend our help in the existing Kids for Kids villages as appropriate.

All projects are closely managed and monitored from the UK, with the help of a consultant in Khartoum. Hatim Abu Sineina, who is our long standing Honorary Chairman of the Khartoum Committee, is proving to be enormously helpful in enabling us to negotiate the sometimes baffling and frustrating complexities of working in Sudan. We are very grateful to Omer Shumeina, our Honorary Treasurer of ten years standing, who, with Hatim, manages our accounts in Khartoum and makes sure we comply with all relevant legal and administrative procedures.



Hatim's Birthday Dinner

During our ten years in Sudan, I have made frequent visits to Darfur to find out for myself how people live and what are the best ways of helping them improve their own lives. As the exigencies of violence have fluctuated, we have been able to seize every opportunity to act quickly, providing help when access to distant villages has suddenly become possible. One year we were able to

provide goats at short notice to a village, where families had been waiting for months for their loans to start. It was Ramadan, and the families told me that they felt they were doubly blessed. If we had not had reserves of funds, we would not have been able to provide this help. It is the same with the provision of water - key to all we do - yet there have been years when no organisation has been prepared to drill pumps anywhere beyond the camps. Having reserves, provided by people who have donated money specifically for water projects, has enabled me to act quickly. When I met the CEO of an American drilling company, I was able to commission not just new pumps, but to be able to make the decision to amend our support by funding the repairs to existing pumps. It is tragic to see broken pumps when water is so desperately needed. Having reserves means that we do not have to wait - we can channel funds quickly to help as opportunities arise.



There could be few more difficult areas of the world in which to work and this means that there are sometimes unexpected things which we have to fund. For example, there is now a law that says we have to employ a driver when our programme staff visit a village. I find this an outrageous added cost. We had ensured that both of our staff were good drivers with clean licences, and we were keen to fund advanced driving courses for desert driving. But no - we have to fund the extra cost of a driver every time they leave El Fasher to visit a village. Yet they are local people and villagers who are not restricted in this way. This is an unnecessary, but unavoidable added burden to administration, and as we visit more of our villages, it will be a rising cost.

Supporters make things happen!

Kids for Kids rigorously keeps administrative costs down, one of the things that supporters say attracts them to continue to support us. Our funding is broadbased and comes principally from individuals, which means we do not depend on a few larger donors. However, it does mean that, pro rata, administration for each donation is costly, despite every effort we make to minimise overheads. There are two things over the coming months which we need to expand. The first, is to

ask supporters to consider becoming Regular Donors. Knowing that we can rely on a regular income, something of course we did not have in our first years, means we can plan longer-term projects with more confidence. The second, is that we need to redouble our efforts to ask Trusts and other large organisations to support us.

I am immensely grateful to Nicholas and Chrissie Beale who have sponsored our Christmas Concert each year through their company **Sciteb Ltd**. This has been our most important event of the year, bringing supporters together from all over the world. This year, for the first time, there were two Balls in aid of Kids for Kids in London. Both the Black and White Ball, organised by the Young Diplomats, and The Ambassadors' Ball were, thanks to Patrick Doyle, of **I-D-S Ltd**, who joined the Board of Trustees in 2009. The latter was so successful that Patrick plans to make it an annual event in the spring of each year.



Nicholas Beale shares the silver dish of delicious chocolates he won in the Auction!

We are also looking at fundraising through new technology, but so far emailing appeals and invitations, and experimenting with FaceBook, Twitter and my Blog has failed to produce appreciable results.

Part of our success over the years has been because we are clear about what it is we are providing in Darfur. We do not use broad disclaimers which would relieve the pressure on us to deliver the items for which we have raised funds. We continue to raise funds for specific items - water, goats, donkeys, the training of the Animal Loan Committees, teaching people how to care for their animals, health care, improvements to the environment - and to report what it is we have actually provided each year (see our website and newsletters). In this way, we have been able to show that people can trust us to spend their money "wisely and well", as Dr Xavier Solana, High Representative for Foreign Affairs to the EU said, when he donated the money from the Carnegie-Wateler prize he had been awarded for peace-keeping worldwide.

As we move into our second decade, I am confident that our policies of working closely with the communities, and at the same time ensuring that they are accountable for any help we give them, will not only ensure that our projects are sustainable, but that, given support, we can extend our help even further. The decision to move from working through international non-governmental organisations (INGOs) to working more closely with the communities through established networks of villagers, is already bearing fruit. Thanks to a far-sighted supporter, Rosa Letelier, who has helped fund our new office in Darfur in the first year, we have been able to establish a small programme team, with two full-time members of staff in El Fasher, the regional capital of North Darfur. The office is provided rent-free from the El Fasher Rural Development Network, one of the networks of villagers that is implementing our projects; we fund some running costs such as cleaning and cooking, and have supplied some basic office equipment. We are immensely grateful to The Dulverton Trust who have sponsored a second-hand truck, key to enabling us to reach the remote villages and monitor the impact of our projects, plus other essential office costs. It is support of this kind that enables us to maximise what we are able to achieve in the villages.



Having our own truck saves money!

Inflation has been soaring in Sudan as a whole to over 20% in the past year. In Darfur the price of goats has risen from £9 in 2001, to nearly £50 for a billy goat in 2010. Most people cannot afford to buy animals. Many cannot even buy shoes for their children, children who are still forced to walk miles across the desert to reach water because of the lack of a handpump close to their homes. The need to mitigate the rising cost of items in Darfur is another reason why the Trustees have decided that we must continue to retain sufficient reserves.

Our Second Decade - What the future holds

The Trustees have approved plans to continue to adopt villages in remote areas of North Darfur in order to help as many children as possible to a better, sustainable, future. Our core projects - goat loans, donkeys, health care, blankets, mosquito nets, farm tools - are crucial empowering women who live in conditions of abject poverty to have some control over their own lives, enabling them to give their children a chance. We will continue to fund water projects wherever we can find reliable organisations to work with us. We will fund the training of 40 midwives each year, in partnership with the State Ministry of Health, and the training of first aid workers. Even basic help with hygiene and simple health care has a major impact when there is nothing else available. We will fund paravets in each village and vaccinate our animals and treat them for parasites. Training of communities is essential if they are to run the projects successfully long term, and our training in animal care is making a massive difference to the success of our flocks of goats.

However these costs are challenging. To give examples - direct costs, without allowing for any administration either in Sudan or in the UK, for the training of the Animal Loan Committees, Animal Husbandry Training for beneficiaries and our Children's Shepherds' Committee and 2 paravets in each of our new five villages, is nearly £9,000. That is before we have introduced one tangible asset, but is an essential outlay to ensure sustainability. Average donations from individuals are £25. It takes many such donations to raise just this amount of money. This year our basic purchase of goats for 10% of the families in the five new villages will be £34,860. To introduce our help to five villages will be approximately £160,000 for our core projects, plus blankets, mosquito nets, solar lanterns, donkey ambulances, donkey ploughs and the training of the midwives and first aid workers - plus administration, salaries, transport and other vital assistance.

As yet, it is too soon, to know how much we will need for the new IDP Welcome Home package. But the first 221 families, who have been allowed to settle in eight of our villages, has cost £94,588 to date. Ongoing support to the main Tree Nursery in El Fasher is a minimum of £2,000 a year and we are also planning to plant three community forests during the year. This will require at least £15,000. Water costs in the coming year are likely to be in the region of £80,000 for new pumps and a potential £15,000 for repairs. We are committed to training 40 new midwives a year and this requires £80,000 per annum.

We also need contingency funds for unexpected emergencies such as when fire almost destroyed one of our villages. When a family is left with quite literally nothing, then help is needed as quickly as possible. Not only were we able to act immediately but we were sent photographs showing what

we had actually provided. It was an extraordinary experience to see photographs of beds, mattresses, blankets, and basic kitchen essentials being given to families in Azargarfa just a few days after seeing pictures of the devastation caused by the fire. Eighty-five goats were on their way to the village within days. This would be difficult to organise so effectively here in Dorking! I am so proud of Kids for Kids that we were able to do this in Darfur, in a remote village.



Azargarfa Fire that destroyed half the village. Before After ...

Our Business Plan for the next three years is to continue to introduce our core projects to as many villages as our capacity allows, plus the additional items I have listed. We are planning on five villages in the first year, and at least another five, if not ten in future years. Now that we have gone through a period of administrative and staff expansion, adjusting our approach away from relying on third-party organisations, we have developed a strong platform for the future. We are working more directly with local people from Darfur, cutting out the middlemen, empowering them to develop projects that respond more closely to the needs of the communities. At the same time, we are maintaining our high standards of monitoring and accountability. The current security situation has meant that the UK Government advise against British nationals travelling to Darfur, which has prevented the Trustees from visiting Darfur ourselves in recent months. But by adopting a flexible approach, bringing village leaders to Khartoum, more regular reporting and updates by phone and email, and independent checks by our supervisory team in Khartoum, we are pleased that we have been able to sustain both our output and the robustness of our accounting systems. The Trustees are keeping this new approach under review, and have plans to return to Darfur in October subject to security, but we are already pleased with the early results it has produced. Over time, it should also reduce the high overheads charged by international NGOs that we previously had to pay, which were often obscured in the way projects were implemented. As soon as it is physically safe to do so, the Trustees will resume the twice-annual monitoring visits to Darfur, and in the meantime will continue to visit the capital Khartoum.

Additionally, we continue to look for new ways of helping the communities become sustainable and to raise funds for new projects. A new priority is to introduce a small kindergarten to each of our villages. One of the reasons for this is a practical one. Mothers have to walk miles for water and to tend their fields. On these journeys they cannot take two and three year olds when they are too big

to carry. These little ones are often left tied to the huts to prevent them wandering into the blistering sun. A kindergarten would not just prevent this potentially dangerous practice, but be of enormous benefit to the children. Our estimate for this project is a minimum of £59,000. This would not allow for brick built buildings, but simple locally-constructed straw and wooden structures. We are also seeking funds to construct a second Midwives Training School and dormitory, building on the success of the dormitory complex we developed in El Fasher. This would be in Mellit, a large population centre 90 miles north of El Fasher. This initiative has been authorised in principle by the State Government of North Darfur. When daily travel is by donkey, villages north of Mellit are too far from the only training school currently available. The deaths of many young mothers is avoidable if only they had a trained village midwife in their village. I believe that this is something we must do all we can to support.



School for 340 children at Abu Digeise - this is the water they drink every day, heavily polluted. This is one of the urgent things we have to do something about! Diarrhoea is a major cause of death in children.

We have longer-term plans for additional projects: it is my ambition to support Women's Village Literacy programmes and a Village Recreation and Learning Centre. The latter would include solar powered computers. There is no electricity in any of our villages, and although we fund solar lanterns, particularly for our midwives, solar power is an underused resource in Darfur. I am also interested in other solar powered projects. Clean water is a priority often available only from an open hafir (small reservoir). Most have no filter system at all. Many are not fenced to keep animals away. Evaporation is a major problem, yet for most there is not a tree in sight. These are all basic improvements which are possible and would have a lasting influence on life in Darfur.

Funding required for us to introduce our core projects to five villages each year for the next three years, plus the additional essentials listed above is a total of approximately £582,400. Water projects for three years are in the region of £340,000 but we will need to find suitable partners. Funding midwives in El Fasher alone amounts to £240,000 to fund 40 trainees each year, without the addition of a new school in Mellit. Funds required for the tree programme are £54,600. Finally, the Welcome Home Package of the IDPs could be as much as £235,000 if estimates of the numbers of families wanting to settle in our villages are accurate. This is a staggering total of £1,452,000

across the three years. This figures does not include kindergartens, the Women's Literacy programme, the Midwives Training School at Mellit or the Village Recreation and Training Centre, mentioned above, which at a conservative estimate could require a further £700,000. These are all direct project costs and do not include salaries or administration costs.

While these are a daunting set of challenging programmes to implement, we are determined to look ahead over the next ten years and identify how to provide the maximum benefit for these communities in Darfur, some of the most needy in the world. The Trustees will be adjusting our business plan to ensure that we keep our plans realistic, while utilising our programme office in Darfur to the full. This is a major lesson from previous years, when, we believe, our implementing partners failed to seize the windows of opportunity presented by improved security and missed the chance to provide help when it was feasible. This often resulted in an under-utilisation of the project staff we were funding. Our plans are ambitious, but rightly so! It is amazing to remember that all of these initiatives are the outcome of a chance encounter ten years ago with a small nine year old whose walk for water was shocking then, and still shocks me now.

Kids for Kids Project Implementation Manual

With the opening of our own programme office in El Fasher, enabling us to work directly with the communities, and with evidence that training we had funded through INGOs had not resulted in as high a rate of success as had been planned, it seemed essential to me to provide written instructions and guidance not just for our own new Programme Manager and Project Officer and for other trainers, but also for the village leaders and committees so that they would have a detailed understanding from the outset as to what we would expect of them to ensure real sustainable changes.

With the celebration of ten years of Kids for Kids working in Darfur, and a corresponding awareness of passing time, I also felt that I should provide guidance for my own successor if the proverbial bus happened along! I have therefore written up every aspect of our projects, from the original first discussions with the Village leaders, to what is expected of the children who form our small Shepherds' Committees. I have included criteria for the selection of volunteers and of the beneficiaries themselves. It is not a dictatorial document, but one that I expect communities to debate. My aim from the start is that we remain flexible so that changes and improvements can be made and so that we are in a position to act laterally, if for example violence again presents major problems.

The Kids for Kids' Project Implementation Manual is a living document and as we introduce more projects, details will be added. It is an important component of ensuring our projects will remain sustainable. It is written in both English and Arabic and copies are being presented to each of the communities. I also believe that much of what we do could be implemented in other communities in other parts of the world. One day, when I am perhaps less hands-on than I am at present, I am hoping to be able to spread awareness of our philosophy and the dramatic, but low-key, effects of our long-term, sustainable projects, based on simple goat loans and aimed at the health and well-being of the poorest, most deprived children in the world.

Support from around the World!

Despite the lack of reporting from Darfur for many months and the long-term silence of the world's journalists, or indeed leading INGOs, on the conditions in which children are living in remote communities, Kids for Kids has continued to be supported by clear-sighted and generous friends from around the world. I am enormously grateful to the support of our Trustees. I miss David Jordan who served as a Trustee for eight years but am delighted that Christopher Bates, former CEO of The Dulverton Trust, has joined our Board with particular responsibility to raise funds from larger organisations, including Trusts. My son Alastair King-Smith and Mary Clark, former UN Poverty Alleviation Consultant, give me expert help with projects for which I am extremely grateful. Our committees in London and Surrey continue to think up innovative ways of keeping us in the public eye and, this year, we are looking forward to the Celebrity Charity Auction in September of artworks donated by almost 100 celebrities, including HRH His Royal Highness Prince Charles The Prince of Wales, the Prime Minister, the Pope, famous politicians, Royal Academicians, actresses and actors, comedians, musicians and many more. It is a great honour that Lord Archer and Christopher Beetles have agreed to be our celebrity auctioneers.

Our annual Christmas Candlelit Concert in London is a time for friends old and new to take stock of the year and star of the occasion was Anna Massey whose message of peace was heartbreakingly beautiful. It is with great sadness that as I was writing this news of her death reached me. She was a great lady, and yet was friend to the most deprived children in the world. I shall miss her warmth, her kindness and her thoughtfulness. My thoughts are with her family.

There are 4,464 people on our database from across the world, each of whom has supported us in some way over the past ten years. I am grateful to Beth Jordan in Oregon who continues, as a volunteer, to run our US Friends of Kids for Kids in America, where we are registered through CAF America, thus enabling donors in the US to claim tax benefits. Peter Markham, whose children met me in London when I visited Southbank International School, made two short advertisements free for us that were shown during last summer on five television channels in the States. I am delighted that Marlene Sirota and Nadia Giske (the latter a friend from Sudan) have set up a supporters group in Dubai and have exciting plans to raise funds for us in the coming months. Marlene is also promoting Kids for Kids across the Middle East through her health products which use extract from the Baobab tree. Children and young people across the world are keen supporters. Here in the UK, Southbank International School continues to raise thousands of pounds each year whilst students at Oxford, Lancaster, Exeter and Durham Universities are raising awareness and funds.



*Volunteers in our Committees are beyond price!
The Surrey Committee is a wonderful group of friends
who help raise hundreds of pounds each year - and have such
fun at the same time!*

Oxford undergraduates have supported Kids for Kids for over eight years and continue to do so, whilst in San Francisco Marie Gahn and Sister Pauline, Head of St Gabriel's School, tell me that

Makayla and her friends continue to spread awareness of how each of us, however young, can make a real difference in the world. As we celebrate our 10th Birthday it is wonderful to think of cakes being baked around the world, to celebrate our first ten years and to raise funds, and to say, as the Celebrities are doing with their pictures, "we care".

By listening to what mothers in villages in Darfur tell us will work best for them, by working in partnership with local government bodies whilst ensuring that we remain apolitical, by working closely with the local communities on a daily basis and knowing that it is often the small things that make the big differences in people's lives, our supporters can see clearly what we can, and cannot do, to make the world a better place. I am looking forward to another, even more, productive ten years!

Patricia Parker MBE

Chairman



**KIDS FOR KIDS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

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 March 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04607292 (England and Wales)

Registered charity number

1100045

Registered office

The Rother Suite
Hardham Mill Business Park
Pulborough
West Sussex
RH20 1LA

Trustees

Patricia Parker MBE - Chairman and Chief Executive Officer

David Jordan CBE (resigned 31.8.2010)

Dante Campailla

Alastair King Smith

Elizabeth Owen

Sir William Patey KMG (resigned 26.9.2010)

Patrick Doyle

Christopher Bates (appointed 23.11.2010)

Auditors

Ellis Atkins

Chartered Accountants

Statutory Auditor

1 Paper Mews

330 High Street

Dorking

Surrey

RH4 2TU

Honorary Lawyers

Hogan Lovells International LLP

Atlantic House

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EC1A 2FG

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30 Old Burlington Street

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W1S 3NL

**KIDS FOR KIDS
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

National Westminster Bank plc, 14 High Street, Dorking, Surrey RH4 1AX

Cater Allen, 9 Nelson Street, Bradford, BD1 5AN

CCLA Investment Management Ltd, 80 Cheapside, London EC2V 6DZ

Saudi Sudanese Bank, Elshaikh Mustafa Building, Khartoum, Sudan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee and was incorporated on 2nd December 2002 and registered as a charity on 14th December 2003. Its current governing document is its Memorandum and Articles of Association dated 3rd December 2002, as amended on 29th March 2006.

Recruitment and appointment of new trustees

The charity must have no fewer than three individuals as trustees. Trustees are selected on the basis of a skills need assessment. The charity is managed by a board of trustees with specific roles. Trustees are to be appointed by resolution of the existing trustees and must sign a declaration of willingness to act as a trustee of the charity before he or she is eligible to vote at any meeting of the trustees. Mr Christopher Bates, former Director of The Dulverton Trust, was appointed as a trustee at the trustees' meeting on 23rd November 2010 and will take the leading role over the trustees' strategy for fundraising from corporate organisations and applying to trusts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The charity is controlled in the United Kingdom by a core of six trustees. A number of the trustees have taken on responsibility for overseeing specific functions including, Mr Dante Campailla legal matters, Mr Patrick Doyle major events, Mr Christopher Bates fundraising and Trusts, and Mr Alastair King-Smith political engagement and project implementation. The charity's office is in Dorking, Surrey, UK. In addition to the CEO the charity engages two part time paid secretaries, a database manager and researcher, and a part time bookkeeper. The charity also draws on voluntary contributions from a number of individuals to assist with programme design, management and monitoring, publicity and awareness raising. There are five committees/groups based in London, Surrey, Khartoum in Sudan, Corvallis in Oregon and now Dubai, which are all accountable to the central office. The role of these groups is awareness and fundraising on behalf of the charity on a volunteer basis and to publicise the charity's name and aims to a wider audience.

The charity carries out its project work in Darfur, Sudan, through local community networks of villages. The main local partners for Kids for Kids in Darfur are The El Fasher Rural Development Network, The Voluntary Network for Rural Development, and The Women's Development Association Network. These three organisations have created a legally recognised organisation, under the name "Kids for Kids Steering Committee", registered by the Humanitarian Aid Commission as a Community Based Organisation in North Darfur, to implement the Kids for Kids' projects. Kids for Kids funds two full time Darfurians as Programme Manager and Project Officer, and works in collaboration with committees established in local communities. The charity funds a small office in El Fasher, the regional capital of North Darfur. The work of the programme team in Darfur and administration in Sudan is facilitated in the capital, Khartoum, by a volunteer honorary treasurer (and legal advisor) and a consultant. As anticipated, when the charity moved to managing projects in Sudan more directly and stopped working through a tiered system of international NGOs, administrative costs in Sudan have decreased considerably.

The charity's provision of midwives is provided in partnership with the State Ministry of Health, first aid training with International Red Cross, veterinary training in partnership with the Veterinary Department of the State Ministry of Agriculture and Animal Resources, tree planting in partnership with The Department of Forestry and El Fasher Tree Nursery, and water projects in partnership with El Sugya Charitable Organisation, a national NGO in Sudan.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONT)

Organisational structure (Cont)

In 2007, Kids for Kids was registered in the United States of America as The US Friends of Kids for Kids through CAF America. Donations from the USA are received either direct or via CAF America with which the charity registered formally to enable tax payers in the USA to secure tax deductibility for their donations. The trustees chose to register with CAF America because to be fully registered as an independent charity in the USA is a costly and time consuming business. Until the funds merit such a commitment, the trustees decided this is the best and most cost effective way to promote the charity US Friends of Kids for Kids in America. As Kids for Kids is formally and legally recognised in the UK, and our countries work so closely together, the scrutiny by the Charity Commission here should reassure supporters in the USA that the charity is an effective and worthwhile charity to support. The charity is also a member of the Fund Raising Standards Board in the UK.

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.

The trustees maintain and regularly review a risk matrix for the charity, to guide consideration of top risks and how to mitigate them. Given the nature of Sudan and ongoing conflict in Darfur, there are significant risks to project implementation and staff in Darfur due to the unstable situation. The charity has been able to largely mitigate these through working directly with villagers who can travel more freely.

The charity is dependent on the continued work of the Chief Executive Officer, both administratively for overseeing the charity's operations and financially for fundraising (the CEO raises the vast majority of the charity's funds). Work is now underway to consider a transition strategy for the charity's management and plans have been put in place to diversify the charity's fundraising approach.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are the relief of children and their families, particularly those in Sudan, who live in conditions of need, hardship and stress. The objects also include the preservation and protection of good health and the advancement of education of children particularly in Sudan.

The activities of the charity during the year are included within the Chairman's Report on pages one to ten.

Public Benefit Statement

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The trustees are satisfied that the charity continues to meet the required public benefit test through its objectives and activities.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The achievements and performance of the charity are included within the Chairman's report on pages one to ten, together with the future plans of the charity.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

FINANCIAL REVIEW

Reserves policy

The trustees decided in 2011 to set up a designated fund to take account of plans for increased project commitments, based on 2011 figures, the cost of operations, potential liabilities from previous years' project implementation and other risks. The trustees have therefore transferred £390,000 from the general fund to this designated fund which represents their best estimate of the moral and legal commitments to such projects in the next twelve months. The trustees have determined that this relatively large fund is required and justified in view of the volatile security situation in Darfur. This enables the charity to cover a full year's project and administrative costs, plus an additional changeable sum which enables flexibility in response to needs in Darfur as they arise. Inflation rates in Sudan are high (currently approximately 20%) and uncertain. Costs of project implementation have risen steeply, primarily due to the on-going conflict in Darfur during the ten years since the charity was established. This has led to a rise in price for all activities and in particular for water handpumps and livestock. The charity's policy is to raise specific funds for identifiable items such as handpumps, goats, donkeys, the training of midwives. The trustees agreed that the charity would subsidise the costs of project outputs, as necessary, if prices increase during the year. Maintaining sufficient reserves enables the charity to fulfil commitments to supporters who donate specific items, as well as to respond at short notice to requests for urgent aid for the communities which the charity supports.

The charity's reserves policy is also intended to mitigate risks arising from the way that the majority of the charity's income is generated through one-off donations from individuals and from the efforts of the charity's principal fundraiser the Chief Executive Officer.

Financial Review

The charity's finances continue to be in a strong state, enabling the charity to plan with confidence for a significant expansion in projects delivered in Sudan over the coming three years (and beyond). 2010-11 was the first year of the current three-year plan, during which a firm platform has been built for work in future years.

The charity's total incoming resources during the financial year are stated in the financial accounts as falling from £441,894 to £378,636. However, this includes an accounting error from over-providing for Gift Aid for 2009-10 by £56,703 (see note 2). The correct figures for comparison of actual total income are therefore: in 2010-11, £435,339 and in 2009-10, £385,191. In reality this represents a rise in income of £50,148, equivalent to 13%. This reflects an increase in direct donations of £27,647, in gift aid of £11,330 and in fund-raising of £12,440, less a small drop in investment income.

The opening of our own office in Darfur is already resulting in lower administrative costs. Expenditure in Sudan dropped from £302,605 in 2009-10 to £220,610 in 2010-11, not only because of changes in the ways in which we are implementing projects in Sudan, but we also had to ensure that the office was running successfully before committing to new project expansion. At the same time, there has been a rise in the costs of generating voluntary income. The changed policy to implement projects more directly with communities, cutting out third parties, reflects a purposeful plan to invest in the charity's new programme office in Darfur, which was commenced at the beginning of the financial year. Training, registration and the creation of the office took several months, during which time project implementation was concentrated on the existing 54 Kids for Kids' villages. As soon as the office was registered, we were able to adopt three new villages and to commence on our two year introduction of core projects to these communities. The bulk of this expenditure has fallen across the end of 2010-2011 and the start of 2011-2012 financial years. Therefore full project committed spend has not been reflected in this year's accounts.

Much higher project spend is planned for future years, and we have already selected and trained a further five new communities in 2011-2012. Additionally, we have an ongoing commitment to a large water project to install new handpumps and repairs to existing pumps, and a tree planting programme which also includes further work on the main tree nursery in El Fasher. Because of the failure of the rains last year, transplantation of tree seedlings has been delayed for one of the community forests and will be commenced in August 2011. Total funds therefore either already spent during the year or committed at the end of the year amounts to £309,282. Support costs in the UK in the current year have risen, partly because of the need to pay for additional administrative functions, for example to engage a part-time book keeper following the sad death of the previous voluntary Treasurer, as well as by large increases in postage and other administrative requirements during the year.

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2011**

FINANCIAL REVIEW (CONT)

Financial Review (cont)

The charity's business plan for the next three years is to adopt five further communities each year, whilst continuing to support existing Kids for Kids' villages, plus a programme of support to integrate families from the camps into the villages and other plans which include kindergartens, a new Midwives Training School and other life changing initiatives. If we can raise sufficient funds this would amount to a total of £1,130,000 in 2011-2012, £745,000 in 2012-2013 and £1,010,000 in 2013-2014.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Kids for Kids Limited by Guarantee for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charity SORP;
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees policy from the start has been to ensure the maximum transparency and, although an audit is not required, the trustees have always considered this to be a wise and judicious undertaking despite the administrative costs.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Patricia Parker MBE - Trustee

Date: 22nd August 2011

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
KIDS FOR KIDS
LIMITED BY GUARANTEE**

We have audited the financial statements of Kids for Kids Limited for the year ended 31 March 2011 on pages seventeen to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

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 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Report of the trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Ellis Atkins
Chartered Accountants
Statutory Auditor
1 Paper Mews
330 High Street
Dorking
Surrey
RH4 2TU

Date: 22nd August 2011

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted funds General fund	Designated fund	Restricted funds	2011 Total funds	2010 Total funds
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	241,519	-	104,644	346,163	420,592
Activities for generating funds	3	29,830	-	-	29,830	17,390
Investment income	4	2,643	-	-	2,643	3,912
		-----	-----	-----	-----	-----
Total incoming resources		273,992	-	104,644	378,636	441,894
RESOURCES EXPENDED						
Cost of generating funds						
Cost of generating voluntary income	5	71,408	-	-	71,408	62,104
Fundraising trading: cost of goods sold and other costs	5	7,133	-	-	7,133	4,129
Charitable activities						
Project work in Sudan	5	96,904	-	81,909	178,813	232,847
Governance costs	5	3,780	-	-	3,780	3,525
		-----	-----	-----	-----	-----
Total resources expended		179,225	-	81,909	261,134	302,605
		-----	-----	-----	-----	-----
NET INCOMING RESOURCES		94,767	-	22,735	117,502	139,289
Transfer between funds		(390,000)	390,000	-	-	-
RECONCILIATION OF FUNDS						
Total funds brought forward		690,934	-	17,482	708,416	569,127
		-----	-----	-----	-----	-----
TOTAL FUNDS CARRIED FORWARD		395,701	390,000	40,217	866,442	708,416
		=====	=====	=====	=====	=====

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**BALANCE SHEET
AT 31 MARCH 2011**

	Notes	Unrestricted funds General fund	Designated fund	Restricted funds	2011 Total funds	2010 Total funds
FIXED ASSETS						
Tangible assets	8	397	-	-	397	794
CURRENT ASSETS						
Debtors: amounts falling due within one year	9	41,088	-	-	41,088	79,923
Cash at bank -UK		431,599	259,531	40,217	731,347	702,207
Cash at bank -Sudan		-	170,993	-	170,993	-
		<u>472,687</u>	<u>430,524</u>	<u>40,217</u>	<u>943,428</u>	<u>782,130</u>
CREDITORS						
Amounts falling due within one year	10	(77,383)	(40,524)	-	(117,907)	(74,508)
NET CURRENT ASSETS		<u>395,304</u>	<u>390,000</u>	<u>40,217</u>	<u>825,521</u>	<u>707,622</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>395,701</u>	<u>390,000</u>	<u>40,217</u>	<u>825,918</u>	<u>708,416</u>
NET ASSETS		<u>395,701</u>	<u>390,000</u>	<u>40,217</u>	<u>825,918</u>	<u>708,416</u>
FUNDS						
Unrestricted funds	11				395,701	690,934
Designated funds					390,000	-
Restricted funds					40,217	17,482
TOTAL FUNDS					<u>825,918</u>	<u>708,416</u>

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2011**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2011.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 43 of the Charities Act 1993.

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 22nd August 2011 and were signed on its behalf by:



.....
Patricia Parker MBE -Trustee



.....
Dante Campailla -Trustee

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1. ACCOUNTING POLICIES

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.

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, inclusive of VAT, 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

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised.

Computer equipment -33% on cost

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.

Designated funds are unrestricted funds held in the Saudi Sudanese Bank which have been earmarked for project expenditure in Sudan.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. VOLUNTARY INCOME

	2011	2010
	£	£
Direct donations	367,931	340,284
Gift aid reclaimable	<u>34,935</u>	<u>23,605</u>
	402,866	363,889
Overprovision for gift aid in 2010	<u>(56,703)</u>	<u>56,703</u>
	<u>346,163</u>	<u>420,592</u>

Due to an accounting error, gift aid was overprovided in the 2009-10 accounts by £56,703.

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

3. ACTIVITIES FOR GENERATING FUNDS

	2011	2010
	£	£
Fundraising events - UK	26,198	17,390
Fundraising events - Sudan	<u>3,632</u>	<u>-</u>
	<u>29,830</u>	<u>17,390</u>

4. INVESTMENT INCOME

	2011	2010
	£	£
Deposit account interest	<u>2,643</u>	<u>3,912</u>

5. RESOURCES EXPENDED

	Voluntary Income	Fundraising costs	Charitable activities	Governance costs	2011 Total	2010 Total
	£	£	£	£	£	£
Apportioned costs						
Salaries	30,000	-	15,000	-	45,000	45,000
Social security	3,353	-	1,676	-	5,029	5,029
Administrative assistance	17,462	-	8,731	-	26,193	12,085
General office running costs	20,196	-	10,098	-	30,294	27,800
Direct costs						
Depreciation	397	-	-	-	397	398
Event expenses	-	6,586	-	-	6,586	3,583
Insurance	-	547	-	-	547	546
Project work in Sudan	-	-	143,308	-	143,308	204,639
Auditors' remuneration	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,780</u>	<u>3,780</u>	<u>3,525</u>
	<u>71,408</u>	<u>7,133</u>	<u>178,813</u>	<u>3,780</u>	<u>261,134</u>	<u>302,605</u>

Other than salary and related costs, the only other paid work during the year was carried out by a part time secretary. Since April 2011 the charity now engages two part time assistants plus a database entry and research assistant. Fees are also paid for website maintenance and design, hosting and maintaining the database, and IT support. Following the death of the Honorary Treasurer, bookkeeping has been undertaken by paid accountants with support from Patricia Parker and assistants. Office accommodation and venue for fund raising events are provided by Patricia Parker in her home in order to minimise costs to the charity.

All other work is carried out by volunteers.

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2011	2010
	£	£
Auditors' remuneration	3,780	3,525
Depreciation - owned assets	<u>397</u>	<u>398</u>

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

7. TRUSTEES' REMUNERATION AND BENEFITS

The aim of the charity is to spend the maximum possible on projects to improve the lives of children in Darfur. The trustees do all they can to keep administration as low as possible. The administration of the charity is carried out with only one full time employee, Patricia Parker, in her role as Chief Executive Officer. Since 2006 Patricia Parker, the founder, whose expertise in project management and awareness raising and fund raising is crucial to the success of the charity, has received a salary. For the first five years of the charity Patricia Parker did not receive remuneration of any kind but instead donated her services and costs on a voluntary basis, providing part of her home as gratis office space. On 29th March 2006, the charity passed a Special Resolution to the effect that Patricia Parker, the Chairman and Chief Executive Officer, and a trustee of the charity, was entitled to receive a reasonable and proper remuneration for services rendered to the charity, given her unique experience and skills-set. However, Patricia Parker asked not to be paid a full market rate and declined pension and the normal benefits. This resolution was approved by the Charity Commission. The trustees wish to acknowledge Patricia Parker's exceptional contribution to the charity. Patricia Parker's salary does not reflect the hours worked both paid and voluntary in her capacity as administrator, project designer and management and principal awareness and fundraiser worldwide. Actual gross wages for the year ended 31st March 2011 were £45,000 (£45,000 - 2010) and social security costs were £5,029 (£5,029 - 2010). Due to a change in Patricia Parker's tax code, her net salary was overpaid in error. This overpayment amounted to £5,589 which on discovery has been paid back to the charity. In previous years there has been an underpayment to Patricia Parker due to similar adjustments to tax codes.

Other than salary and related costs, the only other paid work during the year was carried out by a part time secretary. Since April 2011 the charity now engages two part time assistants plus a database entry and research assistant. Fees are also paid for website maintenance and design, hosting and maintaining the database, and IT support. Following the death of the Honorary Treasurer, bookkeeping has been undertaken by paid accountants with support from Patricia Parker and assistants. Office accommodation and venue for fund raising events are provided by Patricia Parker in her home in order to minimise costs to the charity.

All other work is carried out by volunteers.

Trustees' Expenses

Expenses charged to the charity by the trustees include flights to Sudan of £6,039 for the trustees' biannual visits to monitor and evaluate the projects, plus office expenses incurred by Patricia Parker who provides office space at her home as agreed by the Charity Commissioners of £13,500 over the course of a the year. This has continued to save the charity from having to pay escalating commercial rates for office accommodation and services.

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2010 and 31 March 2011	<u>1,192</u>
 DEPRECIATION	
At 1 April 2010	398
Charge for year	<u>397</u>
At 31 March 2011	<u>795</u>
 NET BOOK VALUE	
At 31 March 2011	<u><u>397</u></u>
At 31 March 2010	<u><u>794</u></u>

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Net salary overpaid (see note 7)	5,589	826
Gift Aid debtor	34,935	79,097
Prepayments	564	-
	<u>41,088</u>	<u>79,923</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Social security and other taxes	4,698	4,662
Practical Action	67,496	67,496
Grants payable in Sudan	40,524	-
Accrued expenses	5,189	2,350
	<u>117,907</u>	<u>74,508</u>

11. MOVEMENT IN FUNDS

	At 1.4.10	Net movement in funds	At 31.3.11
	£	£	£
Unrestricted funds			
General fund	690,934	(295,233)	395,701
Designated fund	-	390,000	390,000
Restricted funds			
Restricted Fund	17,482	22,735	40,217
	<u>708,416</u>	<u>117,502</u>	<u>825,918</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	273,992	(179,225)	94,767
Designated fund	-	-	-
Restricted funds			
Restricted Fund	104,644	(81,909)	22,735
	<u>378,636</u>	<u>(261,134)</u>	<u>117,502</u>

**KIDS FOR KIDS
LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2011**

12. OTHER FINANCIAL COMMITMENTS

On 1st April 2010 the charity opened its own office in Darfur in order to work more directly with the communities that the charity is benefiting. Currently the charity is employing a full-time Programme Manager who is a Veterinary Doctor, and from November 2010 a Project Officer who is also a Darfurian. An additional small wage is paid to a cook/cleaner and driver. The establishment of this office and registration and purchase of a second-hand truck meant that project implementation at the start of the year, although it continued, was limited.

Despite this, the core Kids for Kids Programme included the training of three new communities, the animal loans and paravet care for these villages and the training of 40 midwives, plus continued support and monitoring of the 54 already supported villages. In 2011 a new project to incorporate families from the camps into communities is a major expenditure. The trustees are already committed to adopting five new villages in 2011.

Despite the challenges of on-going problems in Darfur, the trustees aim to provide additional outputs which include blankets, mosquito nets, solar lanterns, donkey ambulances, vaccinations, first aid training, agricultural inputs, water provision through the drilling of new handpumps and repairs to existing pumps, hafir improvement including water filtering, an extensive tree planting programme and continued support of the main Tree Nursery in El Fasher. As funds, security and access allow, the trustees also plan to support and construct a new Midwives Training School in Mellit and a kindergarten programme in all Kids for Kids villages.

13. COMPANY CONSTITUTION

Kids for Kids is a company limited by guarantee. The maximum contribution, in the event of a winding up, is £10 per member.

The Memorandum and Articles of Association of the company provide that in the event of a winding up, any surplus on the Reserves should be distributed to Associations with similar objects and not to members.

14. ACCOUNTS FORMAT

Kids for Kids is both a company and a charity. The format of the financial statements has been amended from the prescribed format of the Companies Act 2006 to comply where practicable with Statement of Recommended Practice, Accounting by Charities and thus better reflecting Kids for Kid's activities and non-profit making nature.