

WFT AFRICA
*(a company limited by guarantee and
not having share capital)*

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 MARCH 2011

WFT AFRICA
*(a company limited by guarantee
and not having a share capital)*
(Company Number: SC361033)
(Charity Number: SC040580)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 MARCH 2011

WFT AFRICA
DIRECTORS' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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WFT AFRICA
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS AND CHARITY TRUSTEES

The directors of the charitable company (“the Trust”) are known as its trustees for the purpose of charity law. The directors are:

Sir Ian Wood Chairman
Lady Helen Wood
Garreth RC Wood
Graham Good

ORGANISATION

The day to day management of the charity is delegated to Jo Mackie, Chief Executive.

SECRETARY

Graham Good

REGISTERED OFFICE/PRINCIPAL OFFICE

John Wood House
Greenwell Road
ABERDEEN
AB12 3AX

AUDITORS

Anderson Anderson & Brown LLP
9 Queens Road
ABERDEEN
AB15 4YL

BANKERS

Clydesdale Bank
Riverside Branch
Unit 19 North Esplanade West
ABERDEEN
AB11 5RJ

SOLICITORS

Turcan Connell
Princes Exchange
1 Earl Grey Street
EDINBURGH
EH3 9EE

INVESTMENT MANAGERS

Newton Investment Management Limited
160 Queen Victoria Street
LONDON
EC4V 4LA

WFT AFRICA DIRECTORS' ANNUAL REPORT

The Directors submit their report and the audited financial statements of WFT Africa ("WFTA") for the year ended 31 March 2011. The comparative figures are for the period from incorporation on 11 June 2009 to 31 March 2010.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (revised March 2005).

The charitable company is a wholly owned subsidiary of the Wood Family Trust which was established by Sir Ian Wood and family and was officially launched on the 14th September 2007. The Trust is a Scottish based charity with a global outlook.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of Governing Document

WFT Africa is a company limited by guarantee governed by its Memorandum and Articles of Association.

Organisational Structure

The board of Directors administer the charity. A Chief Executive is appointed by the Directors to manage the day to day operations of the charity.

Recruitment and Appointment of Directors

The powers for appointment and removal of Directors are set out in the Memorandum and Articles of Association.

It is the charity's policy to seek to appoint Directors who have a specific interest in its objects or whose skills can compliment those already in place.

Induction and Training of Directors

The Directors have been given appropriate information and training regarding their legal roles and responsibilities upon appointment to the Board.

Risk Management

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finance of the charity and are satisfied that systems are in place to manage the exposure to major risks.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company are to promote and advance for the public benefit the charitable activities of the Wood Family Trust (Scottish charity number SC037957) both in the United Kingdom and overseas by actively promoting and carrying out projects supported or to be supported by the Wood Family Trust and by doing anything else of a charitable nature which may further the domestic and overseas work of the Wood Family Trust for public benefit and to promote such similar charitable purposes, objects or institutions and in such preparation and manner as the Trustees shall think fit.

**WFT AFRICA
DIRECTORS' ANNUAL REPORT**

Chairman's Review

Executive Summary

WFT Africa (WFTA) has entered its second year of operation and we have continued to develop our Venture Philanthropic modus operandi by applying good business principles and practice to our charitable investments and partnerships.

During the last twelve months, we have continued to invest in, and develop our management team, expand our networks, create partnerships, establish co-funding relationships and ensure WFTA is fit for purpose for the successful delivery of our charitable objectives in Sub Saharan Africa.

WFTA, working with Lord David Sainsbury's Gatsby Charitable Foundation (Gatsby), has moved from analysis to implementation in our second year of operating "Chai - Kwa Maendeleo ya Tanzania" (Tea - For the development of Tanzania). We have also commenced, again in partnership with Gatsby, a second tea value chain programme - "Imbarutso - Win Win for Rwanda Tea" (Imbarutso means "to catalyse" in Kinyarwanda). Here we are looking to commit up to \$9 million USD over a 6 year period to increase the net incomes of smallholder tea farmers in Rwanda and achieve a win - win balance with private factories by increasing throughput, quality, and overall competitiveness.

WFT Africa is a wholly owned subsidiary of the Wood Family Trust (WFT) and has enabled WFT to establish operating arms in East Africa, providing essential management presence on the ground to monitor and guide its charitable activities.

Charitable activities and financial commitments made during the 2010/2011 year:

Making Markets Work for the Poor (Sub Saharan Africa)

The Trust's approach to long term poverty reduction in Sub Saharan Africa is to facilitate an increase in trade and employment through supporting the development of markets in growth sectors. Our approach is to analyse sector value chains and unblock key constraints from primary production through processing, distribution, and eventually to the market and consumer. Our initial countries of focus are Tanzania and Rwanda, with the intention of extending this over time to other countries in East and West Africa.

We believe we will only effect change by helping local people and communities to help themselves in a way that is consistent with their culture and way of life. Money alone cannot buy the vision, but the effective application of market analysis, quality minds, effective delivery partners and local private enterprise will, we believe, create sustainable change.

The key success factor will be the quality and commitment of our small management team headed by David Knopp in Nairobi. During the 2010/2011 period we have made two key appointments- James Foster to head up our Chai project in Tanzania and Garron Hanson to lead on Imbarutso in Rwanda.

Our tea projects in Tanzania and Rwanda are carried out in partnership with The Gatsby Foundation (Lord David Sainsbury's philanthropic vehicle) with WFT leading but working in full consultation with Gatsby. Reference to the Gatsby Partnership in the body of the accounts allows for the cost share of pre agreed costs of the Chai and Imbarutso projects and the figures are reflective of the WFT cost share. The finance allocation referred to in this Chairman's Review reflects the full costs allocated to each project.

WFT AFRICA
DIRECTORS' ANNUAL REPORT (continued)

“Chai - Kwa Maendeleo ya Tanzania” (Tea - For the development of Tanzania) - £789,000 (charitable activities including direct project costs and grant commitments).

“Chai” was launched in September 2009 with our partners at Gatsby, and we intend to invest up to \$9 million USD, over a six year period, in the Tanzanian tea sector with the aim of doubling smallholder tea production, increasing farmer’s margins and increasing the competitiveness of the sector. “Chai” has established a Tanzanian based Tea sector advisory committee to advise us in the implementation of our action plan.

Tea is the fourth largest export crop in Tanzania with \$28.7 million USD in export earnings. Approximately 30,000 smallholders are directly engaged in tea production and from the combination of estate workers and smallholder production, the sector supports over 50,000 families. The Tanzanian tea industry however faces a number of significant challenges:

- Low smallholder productivity and yields - currently the national average is 900 kg made tea per hectare (compared to 2,000 kg in Kenya)
- Limited access to material inputs and quality extension services
- Poor regulation of the industry
- Lack of business experience of farmers
- Low green leaf price and poor margins for farmers - small holders are paid 25% of the made tea price
- Poor rural road and green leaf collection infrastructure
- Low quality of made tea and poor reputation on world markets
- Lack of smallholder ability to represent their business interests in the processing factories

The first year of operation (2009/2010) identified, through extensive research and analysis, a number of priority actions and our operations are now focused on:

- Improving smallholder tea farmers’ yields and productivity, by seeking to increase access to quality extension and business services
- Supporting the strengthening of smallholder member associations
- Encouraging the introduction of a market-based pricing system for green leaf

In our second year of operation, we have moved from analysis to implementation and have started a number of key activities:

Chai Innovation Fund

The innovation fund is directed at processing factories enhancing their range of support services to the smallholder farmers to improve their operations and yield. Factories must provide at least 50% financial contribution to the programme and we anticipate £700,000 will be leveraged from the private sector, over the next 5 years, from the first commitments we have made.

Two innovation fund grants were awarded during 2010/2011 to WATCO Factory and Kagera Factory whose combined leaf purchase from 15,500 smallholder farmers, covers over half the smallholder sector in Tanzania.

Fund activities include: expansion of a professional extension service to smallholders, support infilling and planting of new tea bushes for smallholder farmers, support for shear harvesting of smallholder plots, support for the attainment of Rainforest Alliance certification, enhanced access to fertiliser inputs, restructuring and enhanced governance of Tea Farmer Associations and the diversification of food security through kitchen gardens.

WFT AFRICA
DIRECTORS' ANNUAL REPORT (continued)

The key desired outcomes, for the two projects, are as follows:

- Average increase of smallholder yield (from the factories) per kg of made tea increases from 1,200 kg in 2010 to 1600 kg in 2015
- Average smallholder annual gross profit increases from \$282 USD per annum in 2010 to \$726 USD per annum in 2015

In addition to the Chai Innovation Fund, significant activity has taken place to design and tender a pilot to strengthen Tea Farmers' Associations as well as to support the Tea Board of Tanzania to relook at the greenleaf pricing mechanism for smallholders. Both activities are expected to be finalised during the 2011/2012 year.

Imbarutso - Win Win for Rwanda Tea - £134,000 (direct charitable activities)

"Imbarutso" is WFT's second Making Markets Work for the Poor project in Sub Saharan Africa, launched in March 2011, and is again in partnership with the Gatsby Charitable Foundation.

"Imbarutso" will seek to invest up to \$9 million USD over a six year period with the aim of:

- increasing smallholder net income
- turning smallholder farmers into viable and efficient Micros & Small Enterprises's (MSE's)
- increasing the competitiveness of the sector

Tea is Rwanda's second most significant export earner, providing among the highest quality tea in world markets. Projected to exceed \$60 million USD in revenues this year with production spread throughout 11 Districts, it is a vital source of rural income and livelihood for over 30,000 smallholder businesses and 60,000 households. The sector is undergoing a historic period of development, with a number of new factory owners, 2 further factories undergoing privatisation, 5 Greenfield sites under development, rehabilitation of privatised factories, and OCIR THE (The Government Body responsible for Tea) taking on the regulatory function.

In looking to successfully develop Rwanda's tea industry, there are two important competitiveness issues. Firstly, Rwanda produces 24,000 MTs per annum of made tea - approximately 7% of Kenya's annual output. Even with a planned increase to 35,000 MTs by 2015, Rwanda's relative production will remain modest. Secondly, through existing and new planting, about 65% of Rwanda's tea will come from smallholder farmer production which is sold to the large tea plantations that have a monopoly position in their immediate catchment area.

To expand the area of tea under production and significantly increase the volume and quality of tea, a win-win balance must be achieved whereby smallholder farmers have the appropriate financial incentive and professional support services, while factories are able to improve their throughput and profitability. This has the potential to transform the 30,000 smallholder farmers, many of whom currently operate at or below subsistence level, into 30,000 viable and efficient MSE's capable of significantly improving their rural economies.

To achieve this win-win position, we will work with Government, factories, co-ops and smallholder farmers to address a variety of constraints along the value chain from production to end market. At the smallholder farmer level, support will focus on enhancing the capabilities of the Cooperatives to provide higher quality and more comprehensive agronomic services, farm management and production logistics and enable them to better represent the smallholder farmer in commercial negotiations. There's also a need to achieve a fairer distribution of the value chain proceeds between the producer and processor to encourage the smallholder farmers to invest in increased yield, quality and quantity.

WFT AFRICA
DIRECTORS' ANNUAL REPORT (continued)

Additionally, as the smallholder's capacity and understanding of the tea business develops, there is the potential to increase their stake in the processing sector.

Plans for the Year Ahead

- Continuing the successful implementation of the Chai project in Tanzania
- Completing the investigation and assessment study of the opportunities for the tea industry in Rwanda with a view to beginning an implementation programme in the third quarter of 2011
- We will aim to continue to grow our in house expertise and knowledge in sector value chain analysis in Sub Saharan Africa and a third value chain project will be looked at in the first quarter of 2012, possibly in the tea industry in another East African country.

Management and Staff

Venture philanthropy is very similar to a business in that the success of our efforts to provide philanthropic support is very dependent on the quality and commitment of our management team and staff. The Trustees believe we are building up an excellent team both in the UK and Africa. Under the overall leadership of Jo Mackie, with David Knopp in Africa, we have a professional, innovative, dedicated and caring team which gives us the confidence that we will significantly achieve our clearly identified objectives

FINANCIAL REVIEW

The net outgoing resources for the year, amounting to £61,829 (2010:incoming resources of £103,182) have been dealt with as shown in the Statement of Financial Activities.

The Directors have prepared financial statements which are in accordance with current statutory requirements, the Memorandum and Articles of Association and the 2005 Statement of Recommended Practice - Accounting and reporting by Charities.

The income of the Charity for the year ending 31 March 2011 was £713,808 (2010:£523,659) which includes £713,374 (2010:£523,620) of donations received from Wood Family Trust. Charitable expenditure for the year was £755,062 (2010:£398,732) which comprises £198,993 (2010:£nil) of grants payable, £378,264 (2010:£262,568) of direct costs and £177,805 (2010:£136,164) of support costs with governance costs for the year amounting to £20,575 (2010:£21,745).

Reserves

The Trustees will retain a minimal level of reserves in WFT Africa and will draw on the reserves of the parent charity The Wood Family Trust.

PROVISION OF INFORMATION TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

WFT AFRICA
DIRECTORS' ANNUAL REPORT (continued)

AUDITORS

Anderson, Anderson & Brown LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Signed on behalf of the Board of Directors

SIR IAN WOOD
.....
Director - Sir Ian Wood

28 SEPTEMBER 2011
.....
Date

WFT AFRICA
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees of WFT Africa for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Directors 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF WFT AFRICA

We have audited the financial statements of WFT Africa for the year ended 31 March 2011 set out on pages 11 to 21. 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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charity's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's members and the Charity's Directors 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 Charity, the Charity's members as a body and the Charity's Directors, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities, the Directors (who are also the directors of the Charity 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.

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts.

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 Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity'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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WFT AFRICA
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the Charity has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

JOHN BLACK

John A Black (Senior statutory auditor)
for and on behalf of
Anderson Anderson & Brown LLP
Statutory Auditor
9 Queens Road
Aberdeen
AB15 4YL
Date: 28 SEPTEMBER 2011

Anderson Anderson & Brown LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

WFT AFRICA
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2011

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 March 2011 £	Period ended 31 March 2010 £
INCOMING RESOURCES					
Voluntary income	2	147,030	566,344	713,374	523,620
Investment income	3	434	-	434	39
TOTAL INCOMING RESOURCES		<u>147,464</u>	<u>566,344</u>	<u>713,808</u>	<u>523,659</u>
RESOURCES EXPENDED					
Charitable activities	4	188,718	566,344	755,062	398,732
Governance costs	5	20,575	-	20,575	21,745
TOTAL RESOURCES EXPENDED		<u>209,293</u>	<u>566,344</u>	<u>775,637</u>	<u>420,477</u>
NET MOVEMENT IN FUNDS	6	(61,829)	-	(61,829)	103,182
RECONCILIATION OF FUNDS					
Total funds brought forward		103,182	-	103,182	-
Total funds carried forward	13	<u>£41,353</u>	<u>£-</u>	<u>£41,353</u>	<u>£103,182</u>

The Trust has made no gains or losses other than as reported above.

All incoming resources and resources expended derive from continuing activities.

WFT AFRICA
 COMPANY NUMBER : SC361033
 BALANCE SHEET - 31 MARCH 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	9	26,088	-
CURRENT ASSETS			
Debtors	10	224,762	7,039
Cash at bank and in hand		269,612	146,923
CREDITORS: <i>amounts falling due within one year</i>	11	494,374 189,766	153,962 50,780
NET CURRENT ASSETS		304,608	103,182
TOTAL ASSETS LESS CURRENT LIABILITIES		330,696	103,182
CREDITORS: <i>amounts falling after more than one year</i>	12	289,343	-
NET ASSETS		£ 41,353	£ 103,182
FUNDS			
Unrestricted funds	13	£ 41,353	£ 103,182

Signed on behalf of the Board of Directors

SIR IAN WOOD
 Director - Sir Ian Wood

28 SEPTEMBER 2011
 Date

WFT AFRICA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2011

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Net cash inflow from operating activities		
Net (resources expended)/incoming resources for the year	(61,829)	103,182
Investment income	(434)	(39)
Depreciation of tangible fixed assets	3,728	-
Increase in debtors	(217,723)	(7,039)
Increase in creditors	428,329	50,780
	<u>152,071</u>	<u>146,884</u>
Returns on investment and servicing of finance		
Interest receivable & income on fixed asset investments	434	39
	<u>152,505</u>	<u>146,923</u>
Capital expenditure		
Purchase of fixed assets	(29,816)	-
Increase in cash and cash equivalents	14 <u>£ 122,689</u>	<u>£ 146,923</u>

WFT AFRICA
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

1. ACCOUNTING POLICIES

(a) *Basis of financial statements preparation*

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005).

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

(b) *Incoming resources*

i) Donations and legacies

Donations and legacies are included in the Statement of Financial Activities in the year in which they are receivable.

ii) Investment income

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable. Investment income includes the computed tax credit and tax deducted at source.

(c) *Resources expended*

Liabilities are recognised when the charity has an obligation to make a payment to a third party.

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis based on the anticipated allocation between the three main areas of investment

Grants or instalments of grants offered in connection with projects with institutions are charged to the Statement of Financial Activities in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as contingent liabilities, but not accrued as expenditure.

Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

WFT AFRICA
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

1. ACCOUNTING POLICIES (continued)

(d) *Taxation*

The company is recognised by HM Revenue & Customs as a charity and, as a consequence of the tax reliefs available in relation to current year, income is not liable to taxation.

(e) *Tangible fixed assets and depreciation*

Fixed assets consisting of £10,000 or more are capitalised at cost. The cost of fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Motor vehicles	4 years
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(f) *Foreign currencies*

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

(g) *Joint arrangements*

Where the charity enters into a joint arrangement, such that it carries out activities in partnership with other bodies, without forming a separate legal partnership, then the charity's gross share of the incoming resources and resources expended and the assets and liabilities are included in the accounts.

(h) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Restricted funds are to be used for specific purposes as laid down by the donor.

WFT AFRICA
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

2. VOLUNTARY INCOME

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Donations - Wood Family Trust		
Unrestricted funds	147,030	442,300
Restricted funds	566,344	81,320
	<u>£ 713,374</u>	<u>£ 523,620</u>

In addition to the above the Charity benefits from certain administrative and finance functions from John Wood Group PLC and JW Holdings Ltd which are provided without charge.

3. INVESTMENT INCOME

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Bank interest receivable	<u>£ 434</u>	<u>£ 39</u>

WFT AFRICA
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

4. CHARITABLE ACTIVITIES

	Making Markets Work for the Poor	Chai Project	Imbarutsu Win Win for Rwanda Tea Project	2011
	£	£	£	£
Grants payable (a)	-	198,993	-	198,993
Direct Costs:				
Staff costs	20,510	201,847	78,143	300,500
Consultancy	-	23,536	5,553	29,089
Travel	-	16,687	27,571	44,258
Miscellaneous expenses	-	4,417	-	4,417
Support costs:				
Staff	85,013	-	-	85,013
Training and development	5,479	-	-	5,479
Insurance	1,655	2,355	-	4,010
Travel	30,527	-	-	30,527
Press and publicity	217	-	-	217
Database	2,992	-	-	2,992
Miscellaneous expenses	21,805	3,290	-	25,095
Depreciation	-	1,864	-	1,864
Exchange losses	20,520	2,088	-	22,608
	<u>£ 188,718</u>	<u>£ 455,077</u>	<u>£ 111,267</u>	<u>£ 755,062</u>

The comparative figures for 2010 were:

	Making Markets Work for the Poor	Chai Project	2010
	£	£	£
Direct Costs:			
Staff and management costs	181,248	-	181,248
Consultancy	-	73,249	73,249
Travel	-	2,426	2,426
Press & publicity	-	5,160	5,160
Miscellaneous expenses	-	485	485
Support costs:			
Staff	55,895	-	55,895
Training and development	4,973	-	4,973
Insurance	802	-	802
Travel	57,954	-	57,954
Press and publicity	4,968	-	4,968
Database	4,295	-	4,295
Miscellaneous expenses	16,357	-	16,357
Exchange gains	(9,080)	-	(9,080)
	<u>£ 317,412</u>	<u>£ 81,320</u>	<u>£ 398,732</u>

(a) Grants awarded

	Grants awarded No	Year ended 31 March 2011 £	Grants awarded No	Period ended 31 March 2010 £
Grants to institutions	<u>2</u>	<u>198,993</u>	<u>-</u>	<u>-</u>

WFT AFRICA
 NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

5. GOVERNANCE COSTS

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Auditors' remuneration	8,985	8,180
Legal	7,481	11,765
Overseas Compliance Services	4,109	1,800
	<u>£ 20,575</u>	<u>£ 21,745</u>

6. NET MOVEMENT IN TOTAL FUNDS FOR THE YEAR/PERIOD *is stated after charging:*

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Auditors' remuneration - audit fees	8,985	7,350
- non-audit fees	-	830
	<u>£ 8,985</u>	<u>£ 8,180</u>

7. STAFF COSTS AND NUMBERS

	Year ended 31 March 2011 £	Period ended 31 March 2010 £
Staff costs:		
Wages and salaries	307,926	227,512
Social security	5,987	5,318
Other pension costs	6,078	4,313
	<u>£ 319,991</u>	<u>£ 237,143</u>

WFT AFRICA
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

7. STAFF COSTS AND NUMBERS (continued)

The average number of persons employed during the year was as follows:

	Year ended 31 March 2011 No	Period ended 31 March 2010 No
Directors	4	4
Management & administration	5	2
	<u>9</u>	<u>6</u>

During the year two (2010: one) employees received emoluments of over £60,000.

8. DIRECTORS' EMOLUMENTS AND EXPENSES

The Directors received no remuneration from the Charity during the current year or previous period.

No Director received expenses from the Charity during the current year or previous period.

9. FIXED ASSETS

	Motor Vehicles Total £
COST	
Additions and at 31 March 2011	29,816
DEPRECIATION	
Charge for year and at 31 March 2011	3,728
Net book amounts at:	
31 March 2011	<u>£ 26,088</u>
31 March 2010	<u>£ -</u>

WFT AFRICA
 NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

10. DEBTORS

	2011 £	2010 £
Other debtors	221,158	-
Prepayments and accrued income	3,604	7,039
	<u>£ 224,762</u>	<u>£ 7,039</u>

11. CREDITORS: *amounts falling due within one year*

	2011 £	2010 £
Grants payable	112,820	-
Trade creditors	16,837	1,559
Accruals and deferred income	10,300	5,375
Other creditors	49,809	43,846
	<u>£ 189,766</u>	<u>£ 50,780</u>

WFT Africa and the Gatsby Charitable Foundation have entered into partnerships to develop the Tea Sectors in Tanzania and Rwanda. Both parties are to contribute equally to the agreed costs of the projects and other creditors at the year end includes £49,809 (2010:£43,846), received from Gatsby in advance of expenditure being incurred, as follows:

	2011 £	2010 £
Funds brought forward	43,846	-
Received from the Gatsby Charitable Foundation	328,755	125,166
Share of agreed costs of Chai project	(322,792)	(81,320)
	<u>£ 49,809</u>	<u>£ 43,846</u>

12. CREDITORS: *amounts falling due after more than one year*

	2011	2010
Grants payable	<u>£ 289,343</u>	<u>£ -</u>

WFT AFRICA
NOTES ON THE FINANCIAL STATEMENTS - 31 MARCH 2011

13. MOVEMENT IN FUNDS

	Unrestricted funds	Restricted funds	Total funds 2011	Total funds 2010
	£	£	£	£
At 1 April 2010	103,182	-	103,182	-
Incoming resources	147,464	566,344	713,808	523,659
Resources expended	(209,293)	(566,344)	(775,637)	(420,477)
At 31 March 2011	<u>£ 41,353</u>	<u>£ -</u>	<u>£ 41,353</u>	<u>£ 103,182</u>

Purposes of restricted funds

Restricted funds comprise funds donated for the Chai and Imbarutsu Win Win for Rwanda Tea projects; projects where the value chain of the tea sector is analysed in Tanzania and Rwanda respectively.

14. ANALYSIS OF CHANGES IN CASH IN YEAR

	2011 £	2010 £
Cash at bank and in hand at 1 April 2010	146,923	-
Increase in cash and cash equivalents	122,689	146,923
Cash at bank and in hand at 31 March 2011	<u>£269,612</u>	<u>£ 146,923</u>

15. RELATED PARTY TRANSACTIONS

Control

Throughout the year the Trust was controlled by the Board of Directors.

Transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 from disclosing transactions with its parent undertaking The Wood Family Trust.

The following statement does not form part of
the audited statutory financial statements of the charitable company

WFT AFRICA
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Making Markets Work For The Poor £	Chai Project £	Imbarutsu Win Win for Rwanda £	Year ended 31 March 2011 £	Period ended 31 March 2010 £
INCOME					
Donations	147,030	455,077	111,267	713,374	523,620
Bank interest receivable	434	-	-	434	39
TOTAL INCOME	147,464	455,077	111,267	713,808	523,659
GRANTS PAYABLE	-	198,993	-	198,993	-
DIRECT COSTS					
Staff	20,510	201,847	78,143	300,500	181,248
Consultancy	-	23,536	5,553	29,089	73,249
Travel	-	16,687	27,571	44,258	2,426
Press and publicity	-	-	-	-	5,160
Miscellaneous expenses	-	4,417	-	4,417	485
SUPPORT COSTS					
Staff	85,013	-	-	85,013	55,895
Training & development	5,479	-	-	5,479	4,973
Insurance	1,655	2,355	-	4,010	802
Travel	30,527	-	-	30,527	57,954
Press and publicity	217	-	-	217	4,968
Database	2,992	-	-	2,992	4,295
Miscellaneous expenses	21,805	3,290	-	25,095	16,357
Depreciation	-	1,864	-	1,864	-
Exchange gains	20,520	2,088	-	22,608	(9,080)
	188,718	455,077	111,267	755,062	398,732
GOVERNANCE					
Audit	8,985	-	-	8,985	8,180
Legal	7,481	-	-	7,481	11,765
Overseas Compliance Services	4,109	-	-	4,109	1,800
	20,575	-	-	20,575	21,745
TOTAL EXPENDITURE	209,293	455,077	111,267	775,637	420,477
(DEFICIT)/SURPLUS FOR YEAR	£ (61,829)	£-	£ -	£ (61,829)	£ 103,182