



**Annual Report and Accounts**

For the year ended 31 March 2011

Company Limited by Guarantee  
Registration Number 2100867 (England and Wales)

Charity Registration Number 296311

SOS Sahel International UK is a member of the Sahel Alliance

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## Legal and administrative information

<b>Honorary President</b>	Lady Bingham of Cornhill
<b>Chair of the Board of Directors</b>	Roger Blake
<b>Current Members of the Board of Directors (at the date of approval of the report)</b>	Jake Bharier Margie Buchanan-Smith Adam Cooke Sheila McKenzie (appointed 6 June 2011) Sara Pantuliano Karen Twining Fooks
<b>Previous Members of the Board of Directors (who served during the year to 31 March 2011)</b>	Alastair Hazell (resigned 5 August 2010) Amanda Khozi Mukwashi (resigned 4 February 2011)
<b>Principal office and registered office</b>	The Old Music Hall 106–108 Cowley Road Oxford OX4 1JE
<b>Company Secretary</b>	Jake Bharier
<b>Sudan Country Director</b>	Salih Habel Majid Eldouma
<b>UK Representative</b>	Anna Rowett
<b>Company registration number</b>	2100867 (England and Wales)
<b>Charity registration number</b>	296311
<b>Auditors</b>	Critchleys LLP Greyfriars Court Paradise Square Oxford OX1 1BE
<b>Bankers</b>	Royal Bank of Scotland PO Box 12264 1 Princes Street London EC2R 8PB

## Board of Directors' report for the year ended 31 March 2011

SOS Sahel International UK is a registered charity (no. 296311) incorporated under the Companies Act 1985 (registered no. 2100867) and governed by its Memorandum and Articles of Association.

The Board of Directors, who are also the charity's trustees, present the statutory report with the audited accounts of SOS Sahel International UK to the Council (the members of the Association) for the year ended 31 March 2011.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### The Board of Directors

All members of Council and the Board of Directors are appointed in accordance with the Articles of Association. The members of the Association form the Council. They are approved by the Board of Directors and admitted in accordance with the Articles after submitting a formal application.

The Board of Directors has between five and fifteen members, who are all drawn from the Council. Election of Directors is by show of hands at a general meeting of the Council, held each calendar year. The Directors are subject to retirement by rotation and may be re-appointed if re-elected. They may exercise all the powers of the Association, subject to the Charities Act 1993 and the Memorandum and Articles of Association. The Chair is appointed for one year at the annual general meeting but may stand for re-election at the next and subsequent meetings.

Board appointments are based on the need for the Board of Directors as a whole to have the skills and experience to determine the policies of SOS Sahel International UK and to monitor the implementation of these policies. Procedures are documented for the induction and training of new Board members, relating to their duties and obligations as directors and trustees. These procedures include an introductory visit to the SOS Sahel International UK office for new trustees for familiarisation with the charity, its aims, and achievements. Ongoing training for board members is available as required.

All members of the board are Council Members. The members of the Board of Directors in office during the year are set out on page 3. No member of the Board of Directors had any beneficial interest in any contract with SOS Sahel International UK during the year.

Other Council Members are as follows:

#### Ordinary Members

Jonathan Benthall	Nicholas Hall	Mahmoud Saleh Osman Salih
Steve Bristow	Rupert Hughes	Dr Hassan El Tayeb Salih
Andrew Carpenter	David Kennard	Dr Gill Shepherd
Laurence Cockcroft	Sir Christopher Lever (resigned 21 May 2010)	Patricia Silkin
David Campbell	John Makin	Valerie Singleton
Dr Nigel Cross	Andrew Mitchell MP (resigned 28 July 2010)	James Steel
John Edwards	Caroline Montagu (resigned 21 May 2010)	Sir Alec Stirling
Dr Muna El Mahi	Mary Myers	Baroness Janet Whitaker
Kate Ewart-Biggs	Mary Nugent	Paul Wilson
Simon Gillett	Anthony O'Sullivan	Patrick Wintour
Alan Gouly	Osama Mahmoud Salih	Francis Witts

The Sudan Country Director, based in Khartoum, is appointed by the trustees to manage the day-to-day operations of the charity in Sudan. He is assisted by the UK Representative, based in Oxford, who manages the day-to-day operations of the charity in the UK, which primarily relate to supporting the Sudan programme.

## **Board of Directors' report for the year ended 31 March 2011**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

#### **Risk management**

The Board of Directors has reviewed the major risks to which the charity is exposed, in particular those related to the operations, finances, reputation and business of SOS Sahel International UK, and systems have been established to manage those risks. A detailed Risk Register is reviewed and approved by the Board of Directors on an annual basis: this includes assessments of the likelihood and impact of major risks in all areas of the charity's operations. Risks are monitored and reported to the Board of Directors on a monthly basis, and their management is reviewed at quarterly meetings of the Board of Directors.

### **OBJECTIVES AND ACTIVITIES**

#### **Objects**

The objects for which the charity was established are 'the relief of poverty, the advancement of education and the promotion of health and hygiene through activities focusing on natural resource management ... within the countries forming the continent of Africa ... particularly but not exclusively dryland areas, for the benefit of the peoples of those countries.'

#### **Background**

SOS Sahel UK has worked in the drylands of Africa for twenty-five years, supporting the efforts of local people to secure their access to natural resources and to manage these effectively. It works with a variety of institutions and individuals in Africa and elsewhere.

In the past, SOS Sahel UK ran country programmes in Mali, Niger, Sudan, Ethiopia, and Kenya, thus spanning the drylands of East and West Africa. Much of our work over the last decade has centred on transforming this UK-based organisation into a network of independent, African-led NGOs – the Sahel Alliance. The last remaining UK-managed country programme is Sudan, owing to the major challenges involved in setting up a new national NGO in Sudan. A new Sudanese NGO – SOS Sahel Sudan – was registered in January 2010, and will, over the years to come, take over SOS Sahel UK's work in Sudan as the newest member of the Sahel Alliance; the transformation of our country programmes will then be complete.

#### **Current strategy**

The current strategy of the charity covers a ten-year period (2006-2015) and was intended to enable the Oxford office of SOS Sahel UK to transform itself into a Northern-based specialist organisation on Sahelian development, after the five country programmes in Africa had become independent. The aims of this strategy included SOS Sahel UK performing field research in the Sahel; holding events and producing publications in the UK to link donors, universities, and NGOs; and seeking to influence policy on development in the Sahel.

This ten-year strategy has encountered challenges, particularly in the area of fundraising. The aims and activities achieved to date have been greatly valued by the development community, but there is limited funding available for Northern-based organisations working in the areas of research, policy, and advocacy, and comparable work on dryland development is already being performed by other organisations, some of which have much greater resources available to them than SOS Sahel UK.

## **Board of Directors' report for the year ended 31 March 2011**

### **OBJECTIVES AND ACTIVITIES (continued)**

#### **Current strategy (continued)**

Following a strategic review and organisational restructuring in October 2009, the Board of Directors decided to complete the then-current three-year business plan (2008-2011) as agreed under the current strategy, but to move to a new strategy from the end of that period, in response to these challenges. Since that date, the charity has concentrated on supporting the ongoing independence process for SOS Sahel Sudan, securing its financial stability, meeting all outstanding obligations from the current strategy, and renegotiating our relationships with our current and former African country programmes. This process is now almost complete, and this year marks the end of the final three-year business plan (2008-2011) drawn from the previous ten-year strategy. The organisation is now drawing up a new strategy for the three year period 2011-2014.

So, this report from the Board of Directors relates to the final close-out of the mission, goals, and activities of the previous ten-year strategy. From next year onwards, the Board of Directors will report against the new strategy.

#### **Mission**

SOS Sahel UK exists to find meaningful solutions to the poverty experienced by millions of people across the semi-arid lands of the African Sahel. We believe that this poverty has its roots in the historical neglect of dryland areas, and particularly in discrimination against pastoralists and nomadic groups. These challenges are deep-seated and call for significant change in the priorities and actions of both state and civil society.

#### **Goals**

Two broad goals guide SOS Sahel UK's development: to operate as an effective centre of excellence on the Sahel, working specifically on pastoralism, that is recognised for innovative and cutting-edge practice; and to be at the forefront of delivering rights-based approaches that bring about sustainable natural resource management in dryland areas via direct work in Sudan.

The organisation's strategic objectives are:

- To help dryland groups in the Sahel challenge marginalisation and secure their rights;
- To build greater understanding among policy-makers, donors, the development community and the UK public about pastoralism in the Sahel;
- To strengthen the quality of development practice in the Sahel.

#### **Activities**

SOS Sahel UK uses a three-pronged approach to address issues of poverty and marginalisation in the Sahel:

- Building from the bottom up by supporting people to secure and advocate their rights, which includes running projects directly ourselves through our Sudan programme, and working with partner organisations and individuals;
- Influencing from the top down by providing information to those with the power to supply rights, through research and advocacy projects;
- Maintaining a specific interest in building better development practice, both by ourselves and within civil society, to support the above two approaches.

## **Board of Directors' report for the year ended 31 March 2011**

### **OBJECTIVES AND ACTIVITIES (continued)**

#### **Activities (continued)**

All of SOS Sahel UK's work is driven by the views and priorities of long-term partners and contacts in Africa. SOS Sahel UK carries out its activities through projects implemented directly by itself and its overseas offices in Sudan, as well as with institutions and individuals in other countries in the Sahel. Grants to partners are made on the basis of the development of projects which fit with the charity's objectives. Current and planned activities supporting these objectives are described in detail on pages 8 – 14.

#### **Public benefit**

From 1 April 2008, the Charities Act 2006 has required all charities to meet the legal requirement of having aims that are for the public benefit. The Charity Commission, in its 'Charities and Public Benefit' guidance, states that there are two key criteria to be met in order to demonstrate that an organisation's aims are for the public benefit: first, there must be an identifiable benefit, and second, that benefit must be to the public or to a section of the public. The Board of Directors is satisfied that the mission, goals, and activities of SOS Sahel UK meet these criteria.

### **ACHIEVEMENTS AND PERFORMANCE**

The countries of the African Sahel remain poor and marginalised. Drought in the Horn of Africa is currently the main concern of the humanitarian sector, particularly the risk of famine in Somalia, but during the 2010-11 year there were also droughts and food shortages in Chad, Niger, and other countries across the Sahel.

Armed conflict and large-scale displacement of civilians has recently occurred in Sudan, related to the separation of South Sudan (as decided in a referendum in January 2011) and the uncertain fate of Abyei and other disputed regions close to the border of this new country. This conflict temporarily disrupted SOS Sahel UK's work in South Kordofan, as we had to evacuate our Kadugli office, which was subsequently looted in the chaos that followed the initial military assault on the area. The office has now been re-equipped and is operating again, and we are assisting with humanitarian relief in the Nuba Mountains.

So, the progress of dryland development remains slow. Life-saving funding for emergencies such as the Somalia famine is easier to raise than longer-term funding in support of conflict reduction, livelihoods, and environmental sustainability, yet these are more cost effective in the long run and seek to empower marginalised people rather than treating them as passive recipients of aid.

With this in mind, SOS Sahel UK has continued to work for the benefit of dryland dwellers during the year, both directly, in the field, and indirectly, through our work with African partner organisations. Where disasters occur that affect the communities that we work with, we assist in the delivery of emergency aid, but our primary aim is to achieve sustainable, long-term reduction in poverty and marginalisation in the countries of the Sahel.

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Review of achievements against objectives for 2010-11**

<b>Objective 1. To help dryland groups in the Sahel challenge marginalisation and secure their rights</b>
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**1.1 Continuing project work in Sudan that meets essential development needs**

Our aim last year:

**Continue to deliver project work in Sudan that meets key development needs in dryland areas – that strengthens civil society and community-based organisations, improves natural resource management, and reduces conflict.**

Our achievements to date:

Our work in Sudan has continued to grow. This year's expenditure on the Sudan programme was £751k, compared to £594k last year – an increase of 26%. Our work has brought benefits to around 100,000 people in the dryland areas of Kordofan and Red Sea State. We have operated from our headquarters in Khartoum and from local offices in Port Sudan, El Obeid, Kadugli, and Muglad.

**1.1.1 Our work in Red Sea State**

In July 2010, we secured new funding from the European Commission for our food security and livelihoods project in Red Sea State, in Eastern Sudan. This was co-financed by the States of Jersey Overseas Aid Commission. Building on the earlier Recovery and Rehabilitation Programme (RRP) consortium in Red Sea State, which was led by SOS Sahel UK, this project will strengthen livelihoods and reduce dependence on food aid for around 25,000 of the rural poor, through investments in water harvesting, fruit and vegetable farming, goat herding, fishing, and small businesses in 50 villages in Gunub and Awleib Locality, in the Red Sea Hills to the north and west of Port Sudan. The Beja people living in this region are extremely marginalised and score exceptionally poorly on standard development indicators such as child malnutrition, maternal mortality, and household income.

The immediate priority of this project was to close the seasonal 'food gap', through distribution of staple foods (particularly sorghum) via food-for-work. Under the guidance of a government water engineer, 1,300 local people excavated seven new reservoirs (*hafirs*) and 32 new wells. Food supplied by the World Food Programme was distributed in return, to benefit the labourers and their families. More than 100 tonnes of food were distributed, in return for almost 30,000 completed working days. Follow-up evaluations showed that the total beneficiaries of the food distributed were around 7,500 people, 45% of whom were women.

In addition to the immediate benefits from the food distribution, the new reservoirs and wells will provide improved water supplies over the years to come, thus helping to move these rural communities away from dependence on food aid, which is a chronic problem in Red Sea State. To support this process, the project has also begun rehabilitating earth diversion terraces (used to divert run-off into fields, for crop watering) and assessing the options for rehabilitation of pasture areas in the drier parts of the region (for example, by re-seeding) to support pastoralism. All of this work is being carried out in collaboration with the local government and with Village Development Committees (VDCs) from each village in the project area. As one of the few remaining international NGOs working in rural Red Sea State – which is one of the poorest parts of Sudan – SOS Sahel UK is committed to continuing this work for as long as we have sufficient funds.



## Board of Directors' report for the year ended 31 March 2011

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### 1.1.2 Our work in Kordofan

We have been unable to secure long-term funding for our Kordofan programme work, but activities have continued to be funded by short-term grants (of up to one year) and contributions from our Sudan Fund, much of which is funded by individual donors in the UK. The Kordofan programme has continued to focus on key development needs, particularly access to water.

We have constructed new water sources, and rehabilitated old ones, at nine conflict 'flashpoint' sites across Greater Kordofan during the year – sites where access to water is limited and is causing local insecurity. These include excavated reservoirs (*hafirs*) at Umm Heitan, Neimatein, Kolandy, Lagory, and Fangalo in South Kordofan, and at Hamaraya in North Kordofan. The largest of these can hold 30,000m<sup>3</sup> of water and are equipped with sand filters, handpumps, and concrete troughs, providing clean drinking water for up to 5,000 people each, as well as their livestock. Where *hafirs* are not appropriate – because of the soil type – we have rehabilitated boreholes, at Ummelgora and Bota in South Kordofan.

We have also constructed a second set of sand dams, at Tourlake in South Kordofan, to complement the first set constructed last year at Damba. As before, these were built by locals, with training, tools, and technical guidance provided by SOS Sahel staff and by Kenyan sand dam expert, Tullu Ibrae. Seven of the 'sand dam trainees' from Damba village travelled to Tourlake to assist with the construction. Six out of these seven young men are ex-soldiers who fought in Sudan's civil war. The new sand dams will trap sand behind them following the summer rains, which will in turn boost the water-holding capacity of the sandy river bed. This process is already working well in Damba, where a follow-up evaluation showed that the three sand dams built last year have raised the water table across a wide area, keeping handpumps working that would previously dry up in the dry season. This, in turn, has led to improved agricultural production and growth in the local industry of brick-making. Word has spread of this success, and Damba has hosted three visits from State Ministries, among others. This basic water technology is under-used in Sudan; we plan to continue to promote its adoption through support for training and dam construction.

All of our water-related activities involve local communities and local government – for example, we have set up monitoring and maintenance committees at each *hafir* site, drawn from respected figures in the local communities, who are able to manage conflicts over use (for example, by large livestock herds) and liaise with the local government on maintenance issues. As part of this process of increasing the capacity of locals, we arranged another exchange visit from Sudan to Northern Kenya in July 2010. Six young Sudanese from our beneficiary communities were shown community-managed water and sanitation technology that is significantly more advanced than in Kordofan, and they returned with enthusiasm to learn from what they had seen in Kenya.

We have also implemented a wide range of community development activities in Kordofan, bringing together different ethnic and livelihood groups, providing training in natural resource management and conflict reduction, and supporting traditional methods of dispute mediation. In particular, we work with women and young people, who tend to be marginalised in decision making. With the Misseriyya youth of South Kordofan, we have supported local football teams, dances, and other social activities, using these events to promote messages of peace and equitable sharing of natural resources; we have also provided vocational training (in carpentry, metalwork, and electrical skills) to provide alternative livelihood options to 40 young men from the Misseriyya who were at risk of being drawn into violence.

We have continued to support environmental protection measures in this fragile dryland environment – for example, creating firebreaks to reduce the spread of wildfires; re-seeding pasture areas; distributing fuel-efficient stoves; and demarcating livestock routes and farming land.

## Board of Directors' report for the year ended 31 March 2011

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### 1.2 Capacity building of the Sudan programme

Our aim last year:

**Continue to build the capacity of the Sudan programme to deliver this work, through investments in staff capabilities and organisational assets.**

Our achievements to date:

All of our programme staff in Sudan are Sudanese. Their local knowledge and understanding is very strong, but we also aim to provide training so that our staff are aware of current best practices in international development. To this end, we have sent programme staff from Red Sea State and Kordofan to training courses delivered by Oxfam Novib and other partners in Nairobi, Kenya, and in El Fasher, Darfur, during the year. We have also strengthened our financial management capacity in Sudan. We hired two additional accounting staff in the year, to work in Port Sudan, and Muglad, and the UK Finance Manager spent eight months of the 2010-11 financial year on secondment in Khartoum, working with local finance staff to build their capacities. We have also sent our Sudan Finance Manager to Oxford for one week to attend the 'Mango' FM2 course in strategic financial management.

We have been able to equip the Sudan programme with three new vehicles in the year – a 2007 'Giad' car for Khartoum, to replace our 1978 Land Rover, and two new 4x4 vehicles for field use – thanks to the generosity of our donors.

#### 1.3 Support to the new organisation SOS Sahel Sudan

Our aim last year:

**Assist the new organisation SOS Sahel Sudan in its objective of becoming an independent, standalone national NGO.**

Our achievements to date:

The new organisation SOS Sahel Sudan is now operating as an independent national NGO, with the support of SOS Sahel UK. It has its own 13-strong board of trustees, who participated in a training workshop in May 2010 in Khartoum. This workshop covered the roles and responsibilities of trustees, and was followed by a two-day strategic planning exercise with the participation of both trustees and staff. This produced a draft five-year strategic plan for SOS Sahel Sudan, which was subsequently adopted by the board of SOS Sahel Sudan. Two of the trustees of SOS Sahel UK travelled to Khartoum to facilitate these events.

Four members of the board of SOS Sahel Sudan subsequently travelled to Addis Ababa, Ethiopia, to visit SOS Sahel Ethiopia – the former country programme of SOS Sahel UK, which became independent in 2007 and is now a flourishing national NGO. The aim of this visit was to build stronger links between SOS Sahel Sudan and SOS Sahel Ethiopia, and to share their lessons learned from the process of becoming independent. The visit was funded by SOS Sahel UK, as part of our strategy of supporting the nationalisation of the Sudan programme.

SOS Sahel Sudan went on to successfully bid for two funding grants during the year – one from the Canadian International Development Agency (CIDA) and one from the international NGO Medair. It has its own bank accounts and accounting system, and in January 2011 successfully produced its first set of audited annual accounts. These activities are not included in this report, as SOS Sahel Sudan is completely separate from SOS Sahel UK. However, we will continue to provide support to this young organisation, with the medium term aim of transferring to it our programme work in Sudan.

ACHIEVEMENTS AND PERFORMANCE (continued)

**Objective 2. To build greater understanding among policymakers, donors, the development community, and the UK public about pastoralism in the Sahel**

**2.1 Dissemination of learning from Sudan**

Our aim last year:

**Share programme reports and learning from our Sudan programme, including analysis of pastoralists and other marginalised groups.**

Our achievements to date:

Our programme activities in Red Sea State and Kordofan have generated several useful reports during the year, including a detailed baseline survey of livelihoods in Gunub and Awlieb Locality, in Red Sea State, which we have shared with local government and other agencies, and reports from the western and central areas of South Kordofan on the links between conflict and access to natural resources.

We have also commissioned specific research during the year, for example:

- A report on potential means of water harvesting to improve livelihoods in the Red Sea Hills, which led to a proposal to DFID for funding of water infrastructure in rural Eastern Sudan. This was unsuccessful, but we will continue to seek funding for this work.
- A report on the livelihoods of pastoral 'drop-outs' who are now living in urban Port Sudan. This work is ongoing following delays caused by access restrictions imposed by the Government of Sudan.

Our interest in pastoralist livelihoods in Sudan has led to a new collaboration with the Feinstein International Centre at Tufts University, in Boston, USA, which began in July 2010. This joint programme works on pastoral livelihoods and markets, and links the research skills of Tufts University's staff with the field experience of SOS Sahel UK's staff. It will review pastoralism-related policies in Sudan, and will develop training materials for policymakers and other key actors to promote pastoral livelihoods.

**2.2 UK-based awareness raising**

Our aim last year:

**Continue with current UK-based awareness-raising activities on relevant African dryland development issues.**

Our achievements to date:

We have maintained our website and other publications (such as our regular newsletters) during the year, providing information to journalists, researchers, donors, and the UK public about our activities in the African drylands.

ACHIEVEMENTS AND PERFORMANCE (continued)

**Objective 3. To strengthen the quality of development practice in the Sahel**

**3.1 Training in best practice for board members and staff**

Our aim last year:

**Spread ideas of best practice in NGO governance and development work in the Sahel through training for board members and staff.**

Our achievements to date:

As noted earlier, we have provided training for the board members of the new organisation SOS Sahel Sudan in their roles and responsibilities as trustees, and we have supported our programme staff in attending training on a range of issues, from conflict management to procurement and logistics.

We have also continued to use a people-centred approach to development: for example, we have constructed a relatively small number of new water sources in dryland Sudan over the year, but each one has been carefully planned with the local community and local government involvement. This approach has grown into a new project in the Muglad-Abyei area of South Kordofan, which is being implemented by our partner organisation SOS Sahel Sudan, in collaboration with the NGO Medair. The aim of this project is to bring together all of the stakeholders involved in managing water infrastructure in the area – NGOs, UN agencies, the State Water Corporation, private businesses, and traditional village-based committees – to map all existing water sources and to agree on the need for a systematic, area-wide approach to water provision. We have several seconded government staff working on our projects in both Kordofan and Red Sea State, helping to build government capacity as we work.

In the medium term, our aim is to transfer all of our activities in Sudan to the new organisation SOS Sahel Sudan. This process of transfer to a national NGO needs time, to build up the skills of our staff, to gain the confidence of donors that SOS Sahel Sudan is a credible and trustworthy organisation, and to manage the legal and administrative work involved. SOS Sahel UK will continue to support SOS Sahel Sudan as the newest member of the Sahel Alliance.

**3.2 The Sahel Alliance**

Our aim last year:

**Collaborate with Sahel Alliance members and other organisations working in dryland areas, including harmonisation of work to avoid duplication, and sharing of lessons learned.**

Our achievements to date:

We have maintained our links with SOS Sahel Ethiopia during the year and are continuing to discuss the possibility of joint programme work involving SOS Sahel Ethiopia, SOS Sahel Sudan, and SOS Sahel UK. We have also continued to investigate possibilities for obtaining funding for a write-up of the history of SOS Sahel UK and the creation of the Sahel Alliance, based on the material held in our archives, so that others can learn from our experience of transforming our organisation into a network of independent national NGOs.

## Board of Directors' report for the year ended 31 March 2011

### FINANCIAL REVIEW

#### Review of results

SOS Sahel International UK had income of £787k for the year ended 31 March 2011 (2010: £1,014k). The organisation's principal funding sources (as detailed in note 1 on page 22-23) included governmental organisations, other grant-making bodies, charitable organisations, and individuals. The decrease in income compared to the prior year is a result of the transfer of our UK-led Kenya programmes to IIED in the prior year, combined with timing differences in the receipt of grants.

Total expenditure was £802k for the year ended 31 March 2011 (2010: £890k). This decrease is partly due to the transfer of our UK-led Kenya programmes to IIED in the prior year, as above, and partly due to cost savings in the UK. For example, UK staff costs have fallen from £121k in the prior year to £58k in the current year, reflecting the cost savings we have gained from having a smaller UK office, and fewer UK staff.

The costs of generating funds were equivalent to 3.0% of total income. Governance costs were equivalent to 2.1% of total income. Thus, 94.9% of total income was available for direct spending on charitable activities.

There were net outgoing resources of £14,900 for the year (2010: net incoming resources of £124,187). For unrestricted funds, there were net outgoing resources (after transfers) of £18,430 for the year (2010: net incoming resources after transfers of £22,473). Unrestricted reserves therefore decreased by 14% during the year ended 31 March 2011. This decrease is attributable to the ongoing process of building up the new organisation SOS Sahel Sudan, and of preparing for the handover of our Sudan-based activities to SOS Sahel Sudan in the medium term.

The results for the year are shown in the statement of financial activities on page 18 and the financial position at the end of the year is shown in the balance sheet on page 19.

#### Reserves levels and reserves policy

The Board of Directors of SOS Sahel International UK maintains unrestricted reserves sufficient to meet the organisation's working capital requirements and to meet any temporary shortfalls in funds arising from unforeseen exposure to foreign exchange losses and other unforeseen costs, so as to enable SOS Sahel International UK to continue to meet its charitable objectives. The organisation's working capital requirements are considered to be the equivalent of three months of unrestricted expenditure plus the equivalent of an additional month to cover any temporary shortfalls.

The Board of Directors reviews this reserves policy and the level of unrestricted reserves required annually as part of the budget-setting process. The designated contingency fund has been reduced to £40,000 during the year, from £100,000 in the prior year, to comply with this policy.

Restricted funds of £403k represent unspent funds received from donors who have specified certain conditions for their use. These funds are fully covered by matched assets (see note 16). The Board of Directors anticipates that these funds will be expended on their related projects.

Designated funds are those funds which have been set aside by the Board of Directors for specific areas of charitable work. The designated fund for fixed assets previously represented resources invested in SOS Sahel International UK's fixed assets. As of 31 March 2011, the net book value of the organisation's fixed assets was nil, and this designated fund has therefore been closed. In line with the accounting policy on page 21, assets purchased in Sudan are not capitalised and are written off in the year of purchase.

## Board of Directors' report for the year ended 31 March 2011

### FINANCIAL REVIEW (continued)

#### Reserves levels and reserves policy (continued)

The remaining designated funds represent the contingency fund as described above (£40,000) and the Bingham legacy fund for Sudan (£17,255), which represents income from the estate of Lord Bingham; this has been approved by the Board of Directors for use in Sudan, in line with the expressed wishes of the Bingham family.

General funds have no restrictions on their use, unlike restricted funds, which must be used for specified purposes. General funds were £52,896 at 31 March 2011 (2010 – £28,581). Total unrestricted funds (general and designated) were £110,151 at 31 March 2011 (2010 – £128,581).

The Board of Directors considers that there are sufficient reserves held at the year-end to avoid an unacceptable level of disruption to the organisation in the event of a downturn in future income. For this reason, the Board of Directors continues to adopt the going concern basis in preparing the accounts.

### PLANS FOR FUTURE PERIODS

As in the prior year, our plan for the immediate future is to prioritise programme work in Sudan, both through direct programmes and through building the capacity of our partner organisation, SOS Sahel Sudan, which is now running small projects under our guidance and will, in the medium term, take on our programme work in Sudan. SOS Sahel UK will continue to provide administrative, financial, and other *ad hoc* support as required.

Meanwhile, a new strategy for the period 2011-2014 is in preparation. Given our limited means, this is necessarily smaller in scope than the previous ten-year strategy. We will focus on our comparative advantages as a UK-based NGO with a long history of development projects in the Sahel, working with African NGOs and doing development work in the field. Our current partner organisation is SOS Sahel Sudan, and we retain a strong specialism on Sudan in the UK Board of Directors. Future opportunities for our charitable activities, depending on the availability of funding, include partnership-based work in Ethiopia, possibly in other countries in the Horn of Africa, and in the Francophone countries of the Sahel. We will consider these opportunities as they arise.

The objectives and activities planned for 2011-12 are as follows:

1. Continue to deliver project work in Sudan that meets key development needs in dryland areas – that strengthens civil society and community-based organisations, improves natural resource management, and reduces conflict.
2. Continue to strengthen the capacity of our partner organisation SOS Sahel Sudan to raise funding, implement projects, monitor its performance, and manage itself as an independent NGO.
3. Complete the strategic planning process begun in 2011 to produce a clear strategy for the period 2011-2014 for SOS Sahel UK.

## Board of Directors' report for the year ended 31 March 2011

### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law, the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the time the financial statements are approved, the directors confirm:

- a) that there is no relevant audit information of which the auditors are unaware, and
- b) that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed on behalf of the Board of Directors:



Roger Blake

Approved by the board on: 5 October 2011

## **Independent auditors' report to the members of SOS Sahel International UK**

### **INDEPENDENT AUDITORS' REPORT**

#### **To the members of SOS Sahel International UK**

We have audited the financial statements of SOS Sahel International UK for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Principal Accounting Policies and the related notes. 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. Our audit work has been undertaken so that we might state to the charity's members 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the statement of directors' responsibilities set out on page 15, the directors (who are also the trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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 Board of 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Board of 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 SOS Sahel International UK

### 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.



**Robert Kirtland, Senior Statutory Auditor  
for and on behalf of Critchleys LLP  
Statutory Auditor  
Oxford**



## Statement of Financial Activities (including Income and Expenditure) for the year ended 31 March 2011

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	1	83,134	659,207	<b>742,341</b>	987,265
Investment income		1,919	—	<b>1,919</b>	3,520
		<u>85,053</u>	<u>659,207</u>	<u><b>744,260</b></u>	<u>990,785</u>
Incoming resources from charitable activities					
	2	11,731	—	<b>11,731</b>	15,056
Other incoming resources					
	3	21,171	9,675	<b>30,846</b>	8,478
<b>Total incoming resources</b>		<u>117,955</u>	<u>668,882</u>	<u><b>786,837</b></u>	<u>1,014,319</u>
<b>Resources expended</b>					
Costs of generating funds					
Costs of generating voluntary income	4	17,606	6,150	<b>23,756</b>	38,215
Charitable activities					
Helping dryland groups in the Sahel challenge marginalisation and secure their rights		86,793	611,307	<b>698,100</b>	727,421
Building greater understanding among policymakers, donors, the development community and the UK public about pastoralism in the Sahel		834	27,382	<b>28,216</b>	64,517
Strengthening the quality of development practice in the Sahel		417	35,074	<b>35,491</b>	29,160
	5	<u>88,044</u>	<u>673,763</u>	<u><b>761,807</b></u>	<u>821,098</u>
Governance costs					
	7	16,174	—	<b>16,174</b>	30,819
<b>Total resources expended</b>		<u>121,824</u>	<u>679,913</u>	<u><b>801,737</b></u>	<u>890,132</u>
<b>Net incoming / (outgoing) resources before transfers</b>		(3,869)	(11,031)	<b>(14,900)</b>	124,187
<b>Transfers between funds</b>		(14,561)	14,561	—	—
<b>Net incoming / (outgoing) resources after transfers</b>	8	(18,430)	3,530	<b>(14,900)</b>	124,187
<b>Balances brought forward at 1 April 2010</b>		128,581	399,761	<b>528,342</b>	404,155
<b>Balances carried forward at 31 March 2011</b>		<u>110,151</u>	<u>403,291</u>	<u><b>513,442</b></u>	<u>528,342</u>

All operations are ongoing. All recognised gains and losses in each of the two years are included above.

*The notes on pages 22 to 28 form part of these accounts.*

**Balance Sheet as at 31 March 2011**

	Notes	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Tangible fixed assets	11		—		—
<b>Current assets</b>					
Debtors	12	75,362		78,387	
Investment account		323,134		321,335	
Cash at bank and in hand		423,961		424,871	
<b>Total current assets</b>		<b>822,457</b>		<b>824,593</b>	
<b>Creditors: amounts falling due within one year</b>	13	<b>(309,015)</b>		<b>(296,251)</b>	
<b>Net current assets</b>			<b>513,442</b>		<b>528,342</b>
<b>Net assets</b>			<b>513,442</b>		<b>528,342</b>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Restricted funds</b>	14		<b>403,291</b>		<b>399,761</b>
General fund			52,896		28,581
Designated funds					
Contingency fund		40,000		100,000	
Bingham legacy fund for Sudan		17,255		—	
			<b>57,255</b>		<b>100,000</b>
<b>Total unrestricted funds</b>	15		<b>110,151</b>		<b>128,581</b>
<b>Total charity funds</b>			<b>513,442</b>		<b>528,342</b>

Approved by the Board of Directors and signed on its behalf by:



Roger Blake

Approved on: 5 October 2011

*The notes on pages 22 to 28 form part of these accounts.*

## Principal accounting policies 31 March 2011

### **Accounting convention**

The accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards, the Statement of Recommended Practice “Accounting by Charities” (March 2005) and the going concern convention which the directors consider appropriate. The format of the Income and Expenditure account has been adapted from that prescribed by the Companies Act 2006 to better reflect the special nature of the charity’s operations.

### **Incoming resources**

Income is recognised in the period in which SOS Sahel International UK is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when SOS Sahel International UK has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

*Gift aid income* is included gross of attributable tax recoverable.

*Grants receivable* are credited to the statement of financial activities in the period in which they fall due.

*Legacies*, notified before the year-end, are accounted for when the amounts to be received can be measured with reasonable certainty.

### **Resources expended**

Where members of staff carry out duties which fall into more than one category, costs, including related overhead costs, have been allocated on the basis of estimates of time spent on their various duties. This will vary for each activity according to the size and complexity of the programmes.

*The costs of generating funds* represent the costs of inducing others to make gifts of voluntary income to the charity.

*Charitable activities* comprise direct expenditure incurred on charitable activities together with those support costs incurred that enable these activities to be undertaken. This is through a combination of direct service provision and grant funding of African partner organisations.

*Support costs* are those costs that, whilst necessary to deliver an activity, do not themselves produce the output of the charitable activity, such as accounting, and monitoring and evaluation.

*Governance costs* represent costs attributable to the governance arrangements of SOS Sahel International UK and include compliance with constitutional and statutory requirements and costs relating to strategic activities.

### **Foreign currency transactions**

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the year end. Any differences are included within the statement of financial activities in the period.

### **Pension scheme**

SOS Sahel International UK makes agreed contributions to individual “money-purchase” pension schemes for certain employees. The contributions payable for the year are expensed as incurred.

## Principal accounting policies 31 March 2011

### **Taxation**

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

### **Tangible fixed assets**

Tangible fixed assets in the UK are stated at cost less depreciation. Depreciation is calculated to write down the cost in equal instalments over their expected useful lives. The cost of office and computer equipment is written off over 3 years. Items of equipment purchased for Africa and items under £1,500 are not capitalised and are written off in the year of purchase.

### **Fund accounting**

*Unrestricted general funds* are those funds which can be used in accordance with the charitable objectives of SOS Sahel International UK at the discretion of the Board of Directors.

*Designated funds* are funds set aside by the Board of Directors out of unrestricted general funds for specific future purposes or projects.

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

### **Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities as incurred.

## Notes to the Accounts 31 March 2011

### 1 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
<b>Governmental organisational grants</b>				
Common Humanitarian Fund for Sudan (CHF)	—	92,028	<b>92,028</b>	125,489
European Commission (EC)	—	324,233	<b>324,233</b>	—
States of Guernsey Overseas Aid Commission	—	—	—	17,000
States of Jersey Overseas Aid Commission	—	61,360	<b>61,360</b>	63,008
United Nations Development Programme (UNDP)	—	—	—	257,915
	—	477,621	<b>477,621</b>	463,412
<b>Other organisational grants</b>				
The Christensen Fund	—	—	—	32,356
Excellent Development	—	—	—	5,000
HG Buffett Foundation	—	—	—	20,568
Humanity United	—	—	—	212,649
IIED	—	—	—	20,000
Oxfam GB	—	—	—	59,950
Oxfam Novib	—	86,301	<b>86,301</b>	—
Pact	—	—	—	16,047
Tufts University	—	41,257	<b>41,257</b>	—
	—	127,558	<b>127,558</b>	366,570
<b>Donations from trusts, corporates, and other groups</b>				
Anonymous Charitable Trust	10,000	—	<b>10,000</b>	10,000
Bryan Guinness Charitable Trust	—	—	—	8,000
The Cumber Family Charitable Trust	1,000	—	<b>1,000</b>	—
Dingwall Charitable Trust	2,000	—	<b>2,000</b>	2,000
The Eleanor Rathbone Charitable Trust	—	—	—	1,000
The Ernest Kleinwort Charitable Trust	—	—	—	10,000
The Funding Network	—	—	—	2,967
The Gibbs Charitable Trust	—	1,000	<b>1,000</b>	—
Man Group Charitable Trust	—	20,000	<b>20,000</b>	20,000
Miss K M Harbinson's Charitable Trust	—	1,000	<b>1,000</b>	—
Paget Charitable Trust	1,000	—	<b>1,000</b>	1,000
The Rhododendron Trust	1,000	—	<b>1,000</b>	—
The Rowan Charitable Trust	—	5,000	<b>5,000</b>	—
The Souter Charitable Trust	—	—	—	2,000
Other trusts	1,100	2,300	<b>3,400</b>	5,550
Other rotary and community organisations	630	800	<b>1,430</b>	3,487
Other corporate organisations	50	160	<b>210</b>	148
	16,780	30,260	<b>47,040</b>	66,152

## Notes to the Accounts 31 March 2011

### 1 Voluntary income (continued)

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
<b>Donations from individuals</b>				
A Bennett	—	—	—	2,000
M J Canty	1,250	—	1,250	1,375
D R Cotton	—	1,500	1,500	500
J M Dingemans	500	500	1,000	500
P Scott	2,500	—	2,500	2,500
W M Sinclair	1,000	400	1,400	1,400
A Smith	2,000	4,000	6,000	3,000
D M Sprackling	1,200	—	1,200	1,200
K Thirlwall	1,320	—	1,320	1,320
W Watson	—	—	—	1,000
Other	31,844	17,368	49,212	69,836
	41,614	23,768	65,382	84,631
<b>Legacies</b>				
W Bennetto	—	—	—	5,000
T Bingham	17,255	—	17,255	—
J France	—	—	—	1,500
M Munro	1,000	—	1,000	—
J B Pinnock	1,235	—	1,235	—
M Toland	5,000	—	5,000	—
Other	250	—	250	—
	24,740	—	24,740	6,500
<b>Total</b>	<b>83,134</b>	<b>659,207</b>	<b>742,341</b>	<b>987,265</b>

### 2 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Sundry sales	18	—	18	1,245
Consultancy	11,713	—	11,713	13,811
<b>Total</b>	<b>11,731</b>	<b>—</b>	<b>11,731</b>	<b>15,056</b>

### 3 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Foreign currency exchange gains	21,171	9,675	30,846	8,478

### 4 Costs of generating funds

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Staff costs	11,318	5,640	16,958	25,393
Office running costs	2,468	—	2,468	6,227
Other costs	3,820	510	4,330	6,595
<b>Total</b>	<b>17,606</b>	<b>6,150</b>	<b>23,756</b>	<b>38,215</b>

## Notes to the Accounts 31 March 2011

### 5 Charitable activities including grants payable and activities directly undertaken by the charity

#### By charitable objective

	Grants payable £	Staff costs £	Project activities £	Other costs £	Support costs £	Total 2011 £	Total 2010 £
Helping dryland groups in the Sahel challenge marginalisation and secure their rights	15,278	130,335	319,510	103,666	129,311	<b>698,100</b>	727,421
Building greater understanding among policymakers, donors, the development community and the UK public about pastoralism in the Sahel	—	2,303	8,010	8,786	9,117	<b>28,216</b>	64,517
Strengthening the quality of development practice in the Sahel	—	—	11,942	18,714	4,835	<b>35,491</b>	29,160
<b>Total</b>	<b>15,278</b>	<b>132,638</b>	<b>339,462</b>	<b>131,166</b>	<b>143,263</b>	<b>761,807</b>	<b>821,098</b>

#### By country

	Grants payable £	Staff costs £	Project activities £	Other costs £	Support costs £	Total 2011 £	Total 2010 £
Ethiopia	—	—	—	—	—	—	902
Mali	—	—	—	—	—	—	4,395
Sudan	15,278	132,638	337,462	131,166	134,146	<b>750,690</b>	593,524
UK-led projects	—	—	2,000	—	9,117	<b>11,117</b>	222,277
<b>Total</b>	<b>15,278</b>	<b>132,638</b>	<b>339,462</b>	<b>131,166</b>	<b>143,263</b>	<b>761,807</b>	<b>821,098</b>

### 6 Support costs

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Staff costs	55,411	23,757	<b>79,168</b>	55,861
Office running costs	20,958	5,180	<b>26,138</b>	13,700
Other costs	11,675	26,282	<b>37,957</b>	10,590
<b>Total</b>	<b>88,044</b>	<b>55,219</b>	<b>143,263</b>	<b>80,151</b>

Support costs comprise specific direct support costs and an allocation of staff and office costs apportioned on the basis of time spent on support activities.

### 7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Staff costs	7,486	—	<b>7,486</b>	19,016
Office running costs	1,633	—	<b>1,633</b>	4,663
Other costs	7,055	—	<b>7,055</b>	7,140
<b>Total</b>	<b>16,174</b>	<b>—</b>	<b>16,174</b>	<b>30,819</b>



## Notes to the Accounts 31 March 2011

### 8 Net incoming resources

This is stated after charging:

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Auditor's remuneration	6,000	—	6,000	5,875
Depreciation	—	—	—	3,597
Operating lease rentals – land and buildings	3,627	—	3,627	11,848

### 9 Staff costs and Board of Directors members' remuneration

	2011 UK-based £	2011 Overseas £	2010 UK-based £	2010 Overseas £
Wages and salaries	51,766	146,314	107,572	188,298
Social security costs	4,951	31,689	8,469	23,616
Pension contributions	1,530	—	4,653	—
	<b>58,247</b>	<b>178,003</b>	120,694	211,914
<b>Total staff costs</b>		<b>236,250</b>		332,608

The average number of employees (full-time equivalent) for the year was:

	2011	2010
UK-based	2	3
Overseas	31	32
	<b>33</b>	<b>35</b>

No employees received a salary of over £60,000 excluding retirement benefits (2010 – none).

SOS Sahel International UK made agreed contributions to a Friends Provident Life & Pensions Ltd 'money-purchase' pension scheme for certain employees, administered by McMillan Tweedley, during the year. The cost represents amounts payable in the year. The scheme assets are separate from the charity.

The employer contribution was 6% to 9% of pensionable earnings, subject to income available. The amount paid by SOS Sahel International UK by way of contributions in the year amounted to £1,530 (2010 – £4,653). The outstanding contributions at the end of the year were nil (2010 – £190).

No member of the Board of Directors received any remuneration in respect of their services during the year (2010 – none). £429 was reimbursed to three members of the Board of Directors in respect of travel expenses during the year (2010 – no member of the Board of Directors reimbursed for any expenses during the year).

### 10 Taxation

SOS Sahel International UK is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## Notes to the Accounts 31 March 2011

### 11 Tangible fixed assets

	UK information technology £	Total £
<b>Cost</b>		
At 1 April 2010	3,102	3,102
Additions	—	—
Disposals	—	—
At 31 March 2011	3,102	3,102
<b>Depreciation</b>		
At 1 April 2010	3,102	3,102
Charge for the year	—	—
Disposals	—	—
At 31 March 2011	3,102	3,102
<b>Net book value</b>		
At 31 March 2011	—	—
At 31 March 2010	—	—

The information technology in the UK was used for generating funds, support, and governance.

### 12 Debtors

	2011 £	2010 £
Grants and donations	36,324	57,500
Prepayments	7,486	9,318
Other debtors	31,552	11,569
	<b>75,362</b>	<b>78,387</b>

### 13 Creditors: amounts falling due in less than one year

	2011 £	2010 £
Social security costs and other taxes	1,676	1,072
Accruals and deferred income	44,815	82,198
Other creditors	262,524	212,981
	<b>309,015</b>	<b>296,251</b>

## Notes to the Accounts 31 March 2011

### 14 Restricted funds

The income funds of SOS Sahel International UK include restricted funds comprising the following grants and donations held on trust to be applied for specific purposes:

	Balance at 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 March 2011 £
<b>Sudan</b>					
Hafir rehabilitation project	65,280	84,912	(111,810)	—	38,382
Borehole rehabilitation project	—	55,785	—	—	55,785
Reduction of resource-based conflict – South Kordofan	51,029	69,411	(114,879)	—	5,561
Red Sea pastoralism project	—	10,426	(6,270)	—	4,156
Red Sea Hills livelihoods project	—	312,696	(72,373)	—	240,323
Sand dams project	28,813	500	(6,388)	—	22,925
Abyei conflict reduction project	183,991	(204)	(182,566)	—	1,221
Environmental management along livestock corridors	24,382	—	(21,014)	—	3,368
Pastoralist livelihoods, trade, and markets project	—	32,650	(32,650)	—	—
Sudan fund	—	54,031	(68,592)	14,561	—
	<b>353,495</b>	<b>620,207</b>	<b>(616,542)</b>	<b>14,561</b>	<b>371,721</b>
<b>UK-led projects</b>					
Fundraising internship support	10,000	—	(6,150)	—	3,850
	<b>10,000</b>	<b>—</b>	<b>(6,150)</b>	<b>—</b>	<b>3,850</b>
<b>Project support</b>	<b>36,266</b>	<b>48,675</b>	<b>(57,221)</b>	<b>—</b>	<b>27,720</b>
<b>Total restricted funds</b>	<b>399,761</b>	<b>668,882</b>	<b>(679,913)</b>	<b>14,561</b>	<b>403,291</b>

### 15 Unrestricted funds

	Balance at 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 March 2011 £
General funds	28,581	100,700	(121,824)	45,439	52,896
<b>Designated funds</b>					
Contingency fund	100,000	—	—	(60,000)	40,000
Bingham legacy fund for Sudan	—	17,255	—	—	17,255
	<b>100,000</b>	<b>17,255</b>	<b>—</b>	<b>(60,000)</b>	<b>57,255</b>
<b>Total unrestricted funds</b>	<b>128,581</b>	<b>117,955</b>	<b>(121,824)</b>	<b>(14,561)</b>	<b>110,151</b>

The contingency fund represents the designated reserves as approved by the Board of Directors to cover SOS Sahel International UK's working capital requirements and to meet any temporary shortfall in funds. The Bingham legacy fund for Sudan represents designated reserves as approved by the Board of Directors for use in Sudan, in line with the expressed wishes of the Bingham family.

Notes to the Accounts 31 March 2011

**16 Analysis of net assets between funds**

	General funds £	Designated funds £	Restricted funds £	Total £
Investment account	—	—	323,134	<b>323,134</b>
Cash	54,715	40,000	329,246	<b>423,961</b>
Current assets	11,205	17,255	46,902	<b>75,362</b>
Current liabilities	(13,024)	—	(295,991)	<b>(309,015)</b>
	<b>52,896</b>	<b>57,255</b>	<b>403,291</b>	<b>513,442</b>

**17 Leasing commitments**

Operating leases

SOS Sahel International UK leases its office premises at The Old Music Hall, 106-108 Cowley Road, Oxford. Under the terms of the lease, SOS Sahel International UK has an annual rental commitment of £3,727 (2010 – £3,603) inclusive of service charges and rates, with a break clause of four months' notice. The lease expires in 2 – 5 years.

**18 Capital commitments**

At 31 March 2011 there were no outstanding commitments for capital expenditure (2010 – none).