

REGISTRAR

Charity Registration No. 1122809

Company Registration No. 05717237 (England and Wales)

PEARL OF AFRICA CHILD CARE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

PEARL OF AFRICA CHILD CARE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R G Whaite, Chairman C G Paxman C Blyth R Brocken R Burrow
Secretary	M S MacOun
Charity number	1122809
Company number	05717237
Registered office	52 Fore Street Callington Cornwall PL17 7AJ
Independent examiner	WJ Gould Rickard Luckin Limited Aquila House Waterloo Lane Chelmsford Essex CM1 1BN
Bankers	NatWest Bank Plc - Lewes 11 High Street Lewes East Sussex BN7 2ZX

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PEARL OF AFRICA CHILD CARE LTD

TRUSTEES REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2016

The Trustees of Pearl of Africa Child Care Ltd. present their annual report and the accounts for the period ended 29 February 2016. The financial statements have been prepared in accordance with the Memorandum and Articles of Association, the Charities Act 2011, the Small Companies regime under the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Charitable Status

Pearl of Africa Child Care Ltd. ("PoACC") has charitable status (Registered Charity England & Wales: number 1122809).

Structure, Governance and Management

PoACC is governed by its Memorandum & Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. Details of the Trustees (who, for the purposes of company law are the directors of the company) during the year and up to the date this report was signed, together with any special responsibilities they held, are set out below.

The trustees who served during the year were:

R G Whaite
C G Paxman
R Brocken
R Burrow
L. Preece (coopted August 2016)

Their roles are defined as:

R. G. Whaite: Chairman, ensures that PoACC is effectively governed and that its resources are prudently managed.

CG Paxman: Oversees financial activity of the Charity as well as financial liaison with our beneficiary, the Molly and Paul Childcare Foundation in Uganda.

R Brocken: Monitors the website content and interaction with social media; analyses informatics and actions some grant applications

R Burrow: Specialises in the Charity's administration and was appointed the Choir tour manager 2016.

L Preece: Donations and sales.

Criteria for Selection of Trustees

The criteria are as follows:

1. Membership of PoACC.
2. Commitment to the aims and the objectives of PoACC.
3. A specific set of skills and experience needed by the Charity and complementary to that of the other trustees.
4. The ability and preparedness to give time regularly to the running of the Charity.

The minimum number of Trustees is three with a maximum of nine. Each year one third of Trustees (or the nearest number to one third) are required to retire and may stand for re-election. Potential new trustees are identified by the board for the particular skills, knowledge or experience they can bring to enhance its skill set. The induction of new Trustees normally involves: attendance at one or more meetings as an observer prior to co-option, provision of recent minutes, financial reports and other

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FOR THE YEAR ENDED 29 FEBRUARY 2016

relevant materials, and close liaison with other Trustees.

The Trustees are guided in their responsibilities by the Company's Memorandum of Association and the Charity Commission's publication "Good Governance – A code for the Voluntary and Community Sector". The Trustees embrace the Code's six key principles which describe how an effective board provides good governance and leadership:

- Identify their role.
- Ensuring delivery of organisational purpose.
- Working effectively both as individuals and a team.
- Exercising effective control.
- Behaving with integrity.
- Being open and accountable.

The Trustees meet regularly (either face-to-face or 'virtually', by telephone conference) and hold additional *ad hoc* phone conferences as required. A countrywide community of volunteers provided technological support as well as PR, marketing, finance and also legal advice on a *pro bono* basis.

Remuneration

None of the Trustees, or volunteers supporting PoACC, received remuneration for their work. The Charity has mechanisms in place to allow for claiming re-imbursement for reasonable out-of-pocket expenses, though frequently our Trustees and supporters forgo such claims.

Objects of the Charity, principal activities and organisation of our work

PoACC's objects are the relief of poverty and the advancement of education in Uganda. Thus we aim for the improvement of education, health and welfare especially for people suffering through disease, war and poverty in that country and our more specific objectives are to:

- Advance the education of children and families.
- Improve their health, nutrition and care.
- Promote and encourage sustainable projects in farm produce, health and welfare, energy production, sanitation and clean water.

We do this by providing both financial support and also professional and practical assistance to a Ugandan Foundation with whom we have a close working relationship. That relationship is governed by a Memorandum of Understanding, described further below.

Activities, Achievements and Performance

The Charity's main work during the year was to continue to support and raise funds for the Molly & Paul Childcare Foundation ("MPCCF") of Uganda. This is a non-governmental organisation (NGO) and charity (registered charity (Uganda) S.5914/481), with origins over 30 years ago, which today runs a group of schools, orphanages, a farm school, and one clinic in southern Uganda, providing education, food, accommodation and basic healthcare for over 2,000 children, many of whom are orphans or otherwise destitute. In particular, the Charity (alongside other volunteer organisations, charities and individuals) has provided professional support and advice to MPCCF, especially in the fields of teaching, management and accounting, agriculture, and safeguarding. PoACC currently provides this Ugandan NGO with over a third of its income and additionally, an even greater proportion of its logistical support in terms of accountancy and business advice. As part of our effort to strengthen MPCCF's management and accountancy, for the past six years, we have also funded the audit of their accounts by reputable auditors with expertise in the field of NGOs.

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FOR THE YEAR ENDED 29 FEBRUARY 2016

The Trustees should like to place on record their thanks to the many people who gave generously of their time, money, commitment and enthusiasm over the past twelve months. That support and commitment by many have been consistent over quite a number of years and we are deeply indebted to them. The work is enhanced by the dedication, skills and commitment of the teachers and other staff employed by the MPCCF and we pay tribute to the MPCCF management for their willingness to adopt new practices to improve their working methods and standards.

Choir Tour 2015

The tour duration was from mid September to early December and was successful thanks to the steadfast support of organisers and volunteers. Schools were enthusiastic supporters and most engaged very well because of the support of all teachers and pupils. Some schools have maintained their fundraising activity throughout the year, demonstrating the considerable commitment by volunteers and supporters to the tour.

We recognise the need for MPCCF to reduce reliance on funds raised by the choir tours, and the New Kabaale project (discussed below) is a significant step in the right direction. Until we are successful in identifying new funding streams, the choir tours together with the regular monthly giving they help generate remain our major income stream. We continue to ensure high standards of accounting of both our accounts and those of the MPCCF and we keep our operating costs to the minimum while also encouraging the MPCCF to operate as cost effectively as possible.

We pay tribute to the work of the accountants in the UK and Uganda and are grateful for the information and advice given to Trustees during the formal meeting in Kampala which included the Foundation's Directors.

Safeguarding

PoACC recognise that the welfare of the child is paramount and accepts the need to provide a safe and caring environment for children and young people enabling them to reach their full potential. The Charity acknowledges that our beneficiaries (children, young people) can be the victims of physical, sexual, and emotional abuse, and neglect. PoACC remains strongly committed to the United Nations Universal Declaration of Human Rights and the International Covenant of Human Rights, along with the Convention on the Rights of the Child. Beyond the statutory categories of children and vulnerable adults, PoACC also recognises the potential vulnerability of the adult Ugandans we work with, both here in the UK and in Uganda.

PoACC has a designated Safeguarding Officer and Deputy (neither being a Trustee). The Charity has adopted the procedures set out in the PoACC Safeguarding Policy in accordance with statutory guidance. This policy is subject to regular review by the Officers and Board, with recent attention being particularly directed to the growing problems of exploitation through the internet and social media.

The Charity is committed to ensuring the safety of all children, young people and vulnerable adults with whom we have contact. In addition PoACC strives to ensure no child or adult will be disadvantaged should they make a disclosure or allegation of abuse. In relation to the MPCCF choir tours to the UK, all relevant host families have been subject to enhanced Disclosure & Barring Service (DBS) checks, compliance with best practice, and our policy of renewing DBS checks every 3 years. Trustees of PoACC also ensure their own knowledge of Safeguarding is up to date, e.g. by attendance at CCPAS training, or online training.

PoACC has worked closely with MPCCF's Board to draft and implement a Child Protection Policy for use in the Foundation and all of the units. This has included ongoing training for all members of staff within MPCCF. We are proud to support an organisation that is one of very few NGOs in Uganda with both a child protection policy and Child Protection Officer. We have shared the Ugandan safeguarding policy with other interested charities and NGOs, to help protect other vulnerable children. In February and summer 2016, two Trustees and the Deputy Safeguarding Officer of PoACC visited MPCCF and during

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these visits reviewed the day-to-day operation of the Policy.

Outline plans of the Charity for the future.

MPCCF is committed to move towards self-sustaining operations, and thus to be less reliant on grants from foreign organisations (such as ours). MPCCF's new *vision and objective* are as follows: *To make education more accessible in Uganda and raise levels of achievement through financially self sustaining schools that include places for poor and disadvantaged children. The Objective is to develop schools that attract sufficient local fee income to offer at least one-quarter of their places free or substantially subsidised to poor or needy children.* PoACC is committed to help them towards this goal.

Self-Sustainability Project at New Kabaale, Busega School.

With the professional assistance of a PoACC volunteer, one of the other donor organisations has been developing a business plan to move the NKB school gradually to a position of self-sustainability. Key elements of the plan include increasing the proportion of fee-paying pupils while still maintaining access for large numbers of orphans and destitute pupils, and improving and increasing the capacity of the school buildings to match. In collaboration with several other donors, the Board has decided to help fund this project over the next 3 years in accordance with a fully detailed business plan, which will be closely monitored. The UK Trustees' members visiting the Foundation checked on the school's progress as it prepared for implementation of the plan. It is intended that the NKB plan will act as pilot project for future initiatives by other units of the Molly and Paul Foundation.

Through our close working relationship, we are able to be confident that our partners – the Molly and Paul Child Care Foundation – deliver the financial accountability and transparency that elude similar organizations in many countries, and we continue to monitor the Foundation's accounts on a monthly basis to check they appropriately apply the funds entrusted to them. There has been a welcome and increasing trend towards greater communication and coordination with other charitable benefactors.

PoACC continued its work to broaden and deepen expertise in the areas of Management and Safeguarding. Among other things, this involved continued training of MPCCF staff in accountancy with the aim of improving still further their financial reporting and analysis. Two of the UK trustees visited Uganda in February 2016 to inspect all the units, talk to many of the staff and children, and to check on their management, accountancy and safeguarding procedures.

PoACC recognizes the need to reduce the reliance upon UK choir tours as the main source of income. The steps required to achieve this are now set as our short term (1-3 year) goals, and we aim to utilise our pool of supporters more effectively for specific tasks in this context. We are encouraging MPCCF to progress towards self-sustainability and are targeting a proportion of our funding towards that aim. Of course, this is not without risks, and we regret to report that the Farm School hen project in which we invested - with the laudable aim of providing both income for the Farm School and better nutrition for the children in Kamuzinda - showed signs of failing during the year because of the unexpected fall in the market price of eggs.

Communications

Communications continue to present problems, despite the best endeavours of Trustees and volunteers. To improve our communications with supporters and the wider public, we are re-designing the website and have made an increased use of social media, especially in the context of the Choir tour; because of costs and logistics we have not published any paper newsletters this past year. We endeavour to monitor 'third party' postings to social media both for both accuracy and the possibility of inappropriate content.

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FOR THE YEAR ENDED 29 FEBRUARY 2016

Financial Review

Our reserves are kept at a level that allows us both to spread our budgeted funding over the financial year and, monitoring our beneficiaries' needs, to meet occasional emergencies should they arise. Our budgets are discussed in advance with MPCCF.

Of the various English bodies contributing to MPCCF's operations, PoACC makes the biggest contribution. Naturally we consult and work with these other bodies - a notable example being the collaboration over the self-sustainability project at New Kabaale Busega, described earlier in this report - and target our funding accordingly. At present, the cost of MPCCF's operations exceeds the funds available to it and so, with some advisory input from us and others, MPCCF has changed its policy objectives and reviewed, and continues to review, the scale and nature of its operations: MPCCF is now moving towards the objective of self-sustainability, by developing schemes that generate more income locally.

Our incoming resources during the year amounted to £186,515. That is an increase of £22,476 on the previous year. Those funds include choir tour donations and other fundraising as well as standing order income throughout the year. It also includes Ugandan crafts sold during the tour and these created £31,610 of additional funds. We pay tribute to the training of the choir and their skillful singing and skillful and exuberant dancing. We rely on the organisers, hosts and volunteers for their seemingly inexhaustible skills and commitment. This is never taken for granted especially as the tour is our major source of income. That dependency on tours needs to be diversified with a greater variety of income.

The net funds raised are allocated in proportion to the Foundation's budget the following year and transferred by instalments at regular intervals. The Charity's governance costs and expenses are kept to a minimum to maximise the benefit for the children within the Foundation. Apart from the cost of running the tour all our income is directed to Uganda to benefit the children we support, aside from UK costs of £415 (insurance) and bank charges for the transfers to Uganda. Some of the funding we send is restricted for particular purposes.

Risk Management

The Trustees have regularly reviewed the risks to which the Charity is exposed and, focusing on the Charity Commission's Risk Assessment Cycle, have implemented a risk management strategy that comprises:

- Identify, assess and prioritise risk and gain an understanding of how risks might present themselves. For each risk identified, there are actions agreed by the Trustees to manage or mitigate its effects.
- Robust governance and financial reporting to remove or reduce the risks of corruption or irregularities, as known risks of operating in Africa.
- Design systems and procedures to mitigate or manage the identified risk.
- Implement procedures, seek and take advantage of training to support the Charity. Offer guidance to the organisation's partners in Uganda to manage the risk.
- Monitor and review performance, taking on board lessons learned.

Certain risks are inevitable because of the nature of the activities we engage in and their location in Uganda. We actively manage these risks.

We have a Memorandum of Understanding ('MoU') with MPCCF. This governs our working relationship, and provides for accounting, reporting, and other essential matters. The MoU codified and built on the 'TAP' principles that have applied since the start of the relationship: that is, the principles of Transparency, Accountability, and Participation (i.e. active participation by all parts of MPCCF, not just senior management). Pursuant to the MoU, the Charity's relationship with MPCCF is itself subject to regular review. Trustees endeavour to visit the Ugandan Foundation we support every 2 years for the purpose (among others) of monitoring their activities; between these visits, the Charity is in frequent contact with MPCCF by email or phone to obtain additional information and explanation as required, supplementing the regular reports.

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TRUSTEES REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2016

Statement of the Charity's Reserves Policy

Because the Charity does not generally incur liabilities and uses, directly or indirectly, virtually all its funds for its beneficiaries in Uganda, the level of unrestricted (designated) reserves is kept to a minimum consistent with a fairly even distribution throughout the year.

Some restricted fund reserves are held by the UK charity for projects for which insufficient funds have thus far been raised as well as to fund activities in Uganda consistent with our Aims and Objectives throughout the succeeding 12 months.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.



R.G. Whaite
Chairman.

Date: 17th November 2016



C.G. Paxman
Trustee

Date: 18th November 2016

PEARL OF AFRICA CHILD CARE LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF PEARL OF AFRICA CHILD CARE LIMITED

I report on the accounts of the charity for the year ended 29 February 2016, which are set out on pages 8 to 16.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Pearl Of Africa Child Care Limited for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

W J Gould FCA
Independent Examiner
Rickard Luckin Limited
Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

Dated:

PEARL OF AFRICA CHILD CARE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 FEBRUARY 2016

		Unrestricted funds	Designated funds	Restricted funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	3	38	76,278	17,662	93,978	77,401
Other trading activities	4	-	92,537	-	92,537	86,638
Total income		<u>38</u>	<u>168,815</u>	<u>17,662</u>	<u>186,515</u>	<u>164,039</u>
<u>Expenditure on:</u>						
Raising funds	5	-	49,631	-	49,631	45,609
Charitable activities	6	-	89,820	13,403	103,223	114,489
Total resources expended		<u>-</u>	<u>139,451</u>	<u>13,403</u>	<u>152,854</u>	<u>160,098</u>
Net incoming resources before transfers		38	29,364	4,259	33,661	3,941
Gross transfers between funds		-	(581)	581	-	-
Net income for the year/ Net movement in funds		<u>38</u>	<u>28,783</u>	<u>4,840</u>	<u>33,661</u>	<u>3,941</u>
Fund balances at 1 March 2015		-	84,216	5,028	89,244	85,303
Fund balances at 29 February 2016		<u>38</u>	<u>112,999</u>	<u>9,868</u>	<u>122,905</u>	<u>89,244</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PEARL OF AFRICA CHILD CARE LIMITED

BALANCE SHEET

AS AT 29 FEBRUARY 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Debtors	11	15,042		13,125	
Cash at bank and in hand		107,863		76,119	
		<u>122,905</u>		<u>89,244</u>	
Net current assets			<u>122,905</u>		<u>89,244</u>
Income funds					
Restricted funds	13		9,868		2,610
<u>Unrestricted funds</u>					
Designated funds	14	112,999		-	
General unrestricted funds		38		86,634	
		<u>113,037</u>		<u>86,634</u>	
			<u>122,905</u>		<u>89,244</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 29 February 2016. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17th Nov. 2016 and are signed on its behalf by:



R G Whaite, Chairman
Trustee



C G Paxman
Trustee

Company Registration No. 05717237

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2016

1 Accounting policies

Company information

Pearl Of Africa Child Care Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 52 Fore Street, Callington, Cornwall, PL17 7AJ.

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 (Update Bulletin 1), the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 29 February 2016 are the first accounts of Pearl Of Africa Child Care Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 March 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

1 Accounting policies (Continued)

1.5 Resources expended

Liabilities and all expenses are included in the Statement of Financial Activities on an accruals basis.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2016

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Endowment funds designated	Restricted funds	Total 2016	Total 2015
	£	£	£	£	£
Donations and gifts	38	61,076	13,527	74,641	60,304
Gift Aid Tax Reclaimed	-	15,042	-	15,042	13,157
Appeals and Donations	-	-	4,135	4,135	3,740
Subscriptions	-	160	-	160	200
	<u>38</u>	<u>76,278</u>	<u>17,662</u>	<u>93,978</u>	<u>77,401</u>
For the year ended 28 February 2015	<u>-</u>	<u>67,104</u>	<u>10,297</u>		<u>77,401</u>

4 Other trading activities

	2016	2015
	£	£
Choir tours		
Collections	59,543	56,664
Sale of crafts	31,610	28,876
Other income	1,384	1,098
	<u>92,537</u>	<u>86,638</u>
Other trading activities		

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2016

5 Raising funds

	2016	2015
	£	£
<u>Raising Funds</u>		
Transport and sundry tour costs	34,873	37,986
Safeguarding costs	977	1,797
Insurance	415	877
Craft materials	13,366	4,949
	<u>49,631</u>	<u>45,609</u>

6 Charitable activities

	Bank charges £	Uganda £	Total 2016 £	Total 2015 £
Kamuzinda	-	7,151	7,151	8,235
Wheeling Feeding	-	2,108	2,108	594
MPCCF	-	90,227	90,227	101,370
Kibuye	-	3,326	3,326	3,849
	<u>-</u>	<u>102,812</u>	<u>102,812</u>	<u>114,048</u>
Share of support costs (see note 7)	411	-	411	441
	<u>411</u>	<u>102,812</u>	<u>103,223</u>	<u>114,489</u>

7 Support costs

	Support costs £	Governance costs £	2016 £	2015 £	Basis of allocation
Bank charges	411	-	411	441	100%
	<u>411</u>	<u>-</u>	<u>411</u>	<u>441</u>	
Analysed between Charitable activities	411	-	411	441	
	<u>411</u>	<u>-</u>	<u>411</u>	<u>441</u>	

Governance costs includes payments to the auditors of £** (2015- £**) for audit fees.

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2016

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

No trustees' expenses occurred during the year.

9 Employees

There were no employees during the year.

10	Financial instruments	2016 £	2015 £
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Carrying amount of financial assets

Debt instruments measured at amortised cost	122,905	87,244
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11 Debtors

	2016 £	2015 £
Amounts falling due within one year:		

Other debtors	15,042	13,125
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12 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £34,873 (2015 - £37,986).

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2016

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 March 2015	Incoming resources	Resources expended	Transfers	Balance at 29 February 2016
	£	£	£	£	£
Farm School Fund	311	190	(501)	-	-
Maize Mill Fund	2,428	-	-	-	2,428
Wheeling Feeding	772	1,232	(1,574)	-	430
Kamuzinda Clinic	202	3,062	(2,951)	-	313
Kamuzinda Feeding	679	4,135	(4,200)	-	614
Kilimanjaro Trek	236	-	-	-	236
Kibuye Classroom	400	1,720	(2,000)	-	120
Afripads	-	4,600	(850)	-	3,750
Kibuye feeding	-	2,723	(1,327)	581	1,977
	<u>5,028</u>	<u>17,662</u>	<u>(13,403)</u>	<u>581</u>	<u>9,868</u>

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				
	Balance at 1 March 2015	Incoming resources	Resources expended	Transfers	Balance at 29 February 2016
	£	£	£	£	£
Kamuzinda Fund	84,216	168,815	(139,451)	(581)	112,999
	<u>84,216</u>	<u>168,815</u>	<u>(139,451)</u>	<u>(581)</u>	<u>112,999</u>

The Kamuzinda Fund has been designated for the support of the Molly and Paul Childcare Foundation. Support is provided in the Kamuzinda area in Central Uganda.

PEARL OF AFRICA CHILD CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2016

15 Analysis of net assets between funds

	£	£	£	Total £
Fund balances at 29 February 2016 are represented by:				
Current assets/(liabilities)	113,037	-	9,868	122,905
	<u>113,037</u>	<u>-</u>	<u>9,868</u>	<u>122,905</u>
	<u>113,037</u>	<u>-</u>	<u>9,868</u>	<u>122,905</u>

16 Related party transactions

There were no disclosable related party transactions during the year (2015- none).

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

2016 £	2015 £
<u> </u>	<u> </u>