

Report and Financial Statements

to

31 March 2009

CONTENTS

1. REFERENCE AND ADMINISTRATIVE DETAILS	1
2. REPORT OF THE TRUSTEES	2
3. INDEPENDENT EXAMINER'S REPORT	6
4. STATEMENT OF FINANCIAL ACTIVITIES	7
5. BALANCE SHEET	8
6. NOTES TO THE FINANCIAL STATEMENTS	9

1. Reference and administrative details

For the period ending 31 March 2009

Charity number:	1117591	
Registered office:	164 Vauxhall Bridge Road Victoria, London SW1V 2RA	
Honorary President	Sir Crispin Tickell	
Honorary Vice-President	Professor David Seddon	
Trustees:	James Flecker Gordon Browne David Drew Sam Gordon Nathalie Koerfer Russell Matcham Richard Muirhead Matt Porterfield Fred Ogana Oliver Tickell Lavinia Thomas	Chair vice-Chair Treasurer
Principal Staff:	Bobby Lambert Eszter Takacs	Executive Director Programme Officer
Banker :	Lloyds Bank 98 Victoria Street London, SW1E 5JL	
Independent Examiner:	Jonathan Orchard 2 Ash View Randwick, Stroud GL6 6JF	

2. Report of the Trustees

For the period ending 31 March 2009

The trustees present their report and financial statements for the period ended 31 March 2009.

The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance & management

The charity is constituted as a charitable trust and is governed by a trust deed dated 22 December 2006. The charity is administered by the Trustees who are normally appointed for a term of two years by a resolution of the Trustees passed at a special meeting with not less than 21 days notice given. The first Trustees hold office for the following periods respectively:

- David Drew Two years
- Nathalie Koerfer Three years
- James Flecker Four years

In selecting individuals for appointment as Trustees, the Trustees will have regard to the skills, knowledge and experience needed for the effective administration of the charity.

The Trustees have delegated the day to day running of the charity to an Executive Director who reports to the board of trustees and is responsible for management of the staff and volunteers.

Its headquarters are in London and it runs country programmes in Kenya and Uganda.

Charitable Object, Vision and Mission

The object of the charity, as set out in its governing document, is to promote, for the benefit of the public, the conservation, protection and improvement of the physical and natural environment by demonstrating the significant benefits of alternative technologies to sustainable development.

The vision of the charity is of a world in which low-income people can access technology that improves their wellbeing and livelihoods whilst preserving and enhancing their environment. Its mission is to facilitate the adoption of high-quality, low-cost, environmentally sound, appropriate technologies for construction, energy, water and sanitation

It does this by assessing the needs and resources of low-income communities and the range of technologies that may meet these needs. It promotes adoption of suitable technologies by raising awareness through the use of practical projects and other activities, by capacity building through training and providing information, by targeted research and development and by the channelling of funding from our supporters.

Achievements and performance

A major achievement in early 2008 was to grow our income almost 3-fold compared with the previous year, which allowed the organisation to develop its activities in Kenya, Uganda and the UK. We decided to focus our efforts on one particular technology, Interlocking Compressed Stabilised Earth Blocks, and the complementary technologies in which it can be used, such as housing, water and sanitation. Our activities were focused primarily on the delivery of a small number of practical projects, complemented by providing advice, training and support to a larger number of organisations and researching the requirements for large-scale adoption of the technology.

Following the completion of a successful practical project in Uganda the previous year, we delivered two practical projects in Kenya. With project funding from Tech4All, and run with the Malewa Trust, we constructed a model house and training centre in Gilgil near Naivasha and trained a group of block-makers in the technical and business aspects of using the technology. Some of these have since gone on to develop successful block-making businesses. With funding from the Body Shop Foundation, we supported the construction of water tanks at a school near Maranjau prison. Valuable lessons were learned from both of these projects on the development and dissemination of the technology.

We provided practical advice and training to some 50 agencies interested in the technology, ranging from the Irish NGO, GOAL, that is working in Uganda to the Constant Gardener Trust working in Kenya. To support this we developed practical information, including manuals on water tank and house construction. To complement our relationship with the Kenya based Makiga Engineering, makers of the hand-operated block-press, we established links with the South African based Hydraform, makers of a power operated press. We have also developed contacts with a number of other suppliers outside of Africa.

We developed relationships with key organisations such as UN-HABITAT and UNICEF, supporting them in their use of the technology on a pilot housing project in Uganda. We also worked with UN-HABITAT on the production of a publication giving their public endorsement to the technology with a range of case studies illustrating its use. This document was subsequently published in July 2009. We worked hard to develop positive working relationships with government, such as Ministry of Housing in Uganda and office the Vice-President in Kenya. They are increasingly supportive of the technology and of Good Earth's role in promoting it.

In the course of the year we continued to develop our capacity, at board and executive level. Five new trustees were recruited, with two stepping down. In Kenya and Uganda, we strengthened our teams, partly through the purchase of vehicles and equipment and partly through the recruitment of a local full-time engineer in Uganda.

In honour of our founder, Jim Cogan, a very successful concert was held at the Barbican on behalf of the Jim Cogan Memorial Fund. Some of the proceeds of this fund were donated to the Good Earth Trust.

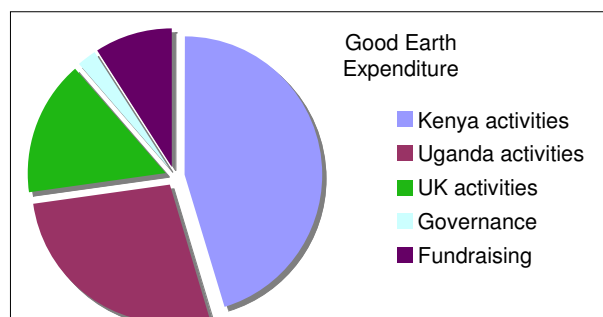
A key development during the year was our review of the potential of carbon finance as a potential long-term sustainable source of funding for the promotion of the technology. Our initial review indicated that there was definite potential to harness this funding, but that it would require considerable research and investment. Following our internal research, in February 2009 we commissioned an external consultant, CarbonAided, to run an orientation workshop for our trustees and key supporters. As a result of this we decided to press ahead with this initiative, with support from our key donors. This requires a reordering of our priorities and it was decided to maintain our focus on Uganda and reduce our activities in Kenya for the time being.

Financial review

Our income for the year was £165k, up from £58k the previous year. Most of this income was from Trusts, supported by some corporate and individual donors. To reduce the risk of over-reliance on any one donor, we increased the number of donors, with no single donor contributing more than 20% of income.

Expenditure in the period was £139k, of which 89% was on the delivery of our objectives, with 2% for Governance and 9% for fundraising. Because of 2 specific projects, the largest expenditure was in Kenya.

Our policy on reserves is to “use funds as soon as is practicable, whilst maintaining sufficient reserves to discharge liabilities.” In line with this, we increased our reserves from £4k to £29k.



Future Plans

During this period, the global financial crisis erupted and our funding environment has tightened considerably, particularly from trusts and donations that depend on investments. However the longer-term prospects for carbon finance remain good and we plan to continue to develop this source of funding which has very great potential to promote the technology at scale.

In line with this we have developed an outline business plan for the promotion of the technology in 6 countries over 10 years from 2011, with a pilot in Uganda in 2010. This will involve developing a suitable corporate structure, involving a trading company based in the UK supporting local organisations in each of the 6 countries. Key issues to be addressed include the securing of the rights to the carbon credits and the system of monitoring and accrediting the carbon credits generated.

Statement of responsibilities of the trustees

The law applicable to charities in England and Wales requires the trustees to prepare statements for each financial year that give a true and fair view of the charities financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Acts. The trustees 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.

Trustees

Trustees who held office during the period covered by this report and up to the date of the report are:

James Flecker	Chairman	founding trustee
David Drew		founding trustee
Nathalie Koerfer		founding trustee
Lavinia Thomas		appointed 6 February 2007 resigned 12 February 2009
Russell Matcham		appointed 6 February 2007
Fred Ogana		appointed 24 April 2007
Oliver Tickell		appointed 19 June 2007
Sam Gordon		appointed 25 February 2008 resigned 12 May 2009
Gordon Browne		appointed 14 November 2008
Matt Porterfield		appointed 12 February 2009
Richard Muirhead		appointed 12 February 2009
Georgina Shelley		appointed 12 May 2009
Alistair Tweedie		appointed 12 May 2009

The trustees have no beneficial interest in the charity.

Independent Examiner

Jonathan Orchard was reappointed as the independent examiner and has expressed his willingness to continue to act in that capacity.

Approved by the trustees on 10/11/2009 and signed on their behalf by

James Flecker Chairman

3. Independent Examiner's Report

To the trustees of The Good Earth Trust, Charity No. 1117591
For the period ending 31 March 2009

I report on the financial statements of the Good Earth Trust for the year ended 31 March 2009, which are set out on pages 7 to 13.

Respective responsibilities of the Trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements (under section 43(3)(a) of the 1993 Act);
- to follow procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act); and
- 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 Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

JONATHAN ORCHARD ACA

2 Ash View
Randwick
Stroud
GL6 6JF

4. Statement of financial activities

For the period ending 31 March 2009

	Note	Restricted £	Unrestricted £	2009 Total £	2008 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	2,000.00	135,834.58	137,834.58	56,551.23
Activities for generating funds				0.00	0.00
Investment income			464.27	464.27	39.73
<i>Incoming resources from charitable activities</i>					
Kenya	3	26,468.50	32.08	26,500.58	0.00
Uganda		0.00	0.00	0.00	1,071.43
Total incoming resources		<u>28,468.50</u>	<u>136,330.93</u>	<u>164,799.43</u>	<u>57,662.39</u>
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income	4		12,658.26	12,658.26	7,931.64
<i>Charitable activities</i>					
Kenya		26,468.50	38,794.23	65,262.73	13,051.51
Uganda		1,658.00	35,652.46	37,310.46	16,793.21
UK			21,006.51	21,006.51	14,125.44
<i>Governance costs</i>			3,112.08	3,112.08	1,977.56
Total resources expended	5	<u>28,126.50</u>	<u>111,223.53</u>	<u>139,350.03</u>	<u>53,879.36</u>
Net incoming (outgoing) resources before gains and transfers					
	6	342.00	25,107.40	25,449.40	3,783.03
Gross transfers between funds		0.00	0.00	0.00	
Net movement in funds		<u>342.00</u>	<u>25,107.40</u>	<u>25,449.40</u>	<u>3,783.03</u>
Funds at the start of the period		442.26	3,340.77	3,783.03	
Funds at the end of the period		<u>784.26</u>	<u>28,448.17</u>	<u>29,232.43</u>	<u>3,783.03</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 To the financial statements.

5. Balance Sheet

As at 31 March 2009

	Note	£	2009 £	2008 £
Fixed Assets				
Tangible fixed assets	9		10,689.18	0.00
Current assets				
Debtors		0.00		0.00
Cash at bank and in hand		25,681.26		6,753.03
		<u>25,681.26</u>		<u>6,753.03</u>
Creditors:				
Amounts due within 1 year	10	7,138.02		2,970.00
			<u>18,543.24</u>	<u>3,783.03</u>
Net current assets				
Net assets			<u>29,232.43</u>	<u>3,783.03</u>
Funds				
Restricted funds				
In surplus		784.26		442.26
In deficit		0.00		0.00
Unrestricted funds				
Designated funds		0.00		0.00
General funds		28,448.17		3,340.77
Total funds	11		<u>29,232.43</u>	<u>3,783.03</u>

Approved by the trustees on 10 November 2009 and signed on their behalf by

James Flecker

Chairman

6. Notes to the financial statements

For the period ending 31 March 2009

1 Accounting policies

- a) The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities Acts. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.
- c) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier, unless they relate to a specific future period, in which case they are deferred.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that the conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

- d) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT, which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Fundraising	20%
UK activities	20%
Governance	5%
Support costs	55%

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Kenya activities	45%
Uganda activities	30%
UK activities	25%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with the constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- e) Costs of generating funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Good Earth Trust

- f) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Motor vehicles 4 years

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

- g) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- h) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- i) Transactions and year-end balances denominated in foreign currency are translated using an average exchange rate for the period. This has no material impact on the reported figures compared to using a daily rate for transactions and year rate for balances

Notes to the financial statements

For the period ending 31 March 2009

2 Voluntary income

	Restricted £	Unrestricted £	2009 Total £	2008 Total £
Ashden Trust		30,000.00	30,000.00	20,000.00
Scotshill		0.00	0.00	500.00
Mary Webb		200.00	200.00	250.00
Westcroft Trust		500.00	500.00	500.00
Hilden Trust		5,000.00	5,000.00	5,000.00
Allan & Nesta Ferguson		0.00	0.00	5,000.00
Charles Hayward		0.00	0.00	5,000.00
The Body Shop	2,000.00		2,000.00	5,000.00
William Chown		500.00	500.00	0.00
Fitzer Lacey Trust		1,300.00	1,300.00	0.00
Waterloo Foundation		30,000.00	30,000.00	0.00
Jim Cogan memorial		21,040.00	21,040.00	250.00
Aspect Capital		20,000.00	20,000.00	0.00
Giles Keating		1,300.00	1,300.00	0.00
Individual donations		16,394.58	16,394.58	5,451.23
Office rent in kind		9,600.00	9,600.00	9,600.00
	<u>2,000.00</u>	<u>135,834.58</u>	<u>137,834.58</u>	<u>56,551.23</u>

3 Incoming resources from charitable activities

	Restricted £	Unrestricted £	2008 Total £	2008 Total £
Kenya	26,468.50	32.08	26,500.58	0.00
Uganda		0.00	0.00	1,071.43
	<u>26,468.50</u>	<u>32.08</u>	<u>26,500.58</u>	<u>1,071.43</u>

Notes to the financial statements

For the period ending 31 March 2009

4 Charitable expenditure	Fundraising £	Activities Kenya £	Activities Uganda £	Activities UK £	Support Costs £	Governance Costs £	UK Costs £	2009 Total £	2008 Total £
Direct Costs									
Fundraising costs	209.96							209.96	21.39
Organisational costs		574.17	1,691.62				850.32	3,116.11	470.00
Staff costs		11,915.96	12,652.04				39,043.52	63,611.52	32,116.92
Office costs		3,760.18	6,771.53				14,483.84	25,015.56	12,440.24
Travel costs		6,618.85	5,307.33				3,263.83	15,190.02	2,041.64
Project costs		26,988.79	618.08				4,600.00	32,206.87	6,789.17
	<u>209.96</u>	<u>49,857.95</u>	<u>27,040.61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,241.51</u>	<u>139,350.03</u>	<u>53,879.36</u>
UK Costs Allocated	20%			20%	55%	5%			
	12,448.30			12,448.30	34,232.83	3,112.08	(62,241.51)		
	<u>12,658.26</u>	<u>49,857.95</u>	<u>27,040.61</u>	<u>12,448.30</u>	<u>34,232.83</u>	<u>3,112.08</u>	<u>-</u>	<u>139,350.03</u>	
Support costs apportioned		45%	30%	25%					
		15,404.77	10,269.85	8,558.21	(34,232.83)				
	<u>12,658.26</u>	<u>65,262.73</u>	<u>37,310.46</u>	<u>21,006.51</u>	<u>-</u>	<u>3,112.08</u>	<u>-</u>	<u>139,350.03</u>	

Basis of allocation

UK costs are allocated to Fundraising (20%), UK activities (20%), Governance (5%) and Support (55%)
Support costs are then apportioned to activities in Kenya, Uganda and UK in proportion to staff time

Notes to the financial statements

For the period ending 31 March 2009

5 Net incoming resources for the period	2009	2008
	Total	Total
	£	£
This is stated after charging:		
Depreciation	3,563.06	0.00
Trustee expenses and remuneration	49.70	0.00
Independent Examination costs	530.00	470.00

6 Staff costs and numbers	2009	2008
	Total	Total
	£	£
Salaries and wages	82,338.38	31,091.00
Social security costs	1,742.64	1,025.92
	<u>84,081.02</u>	<u>32,116.92</u>

No employee earned more than £60,000 during the year.

The average weekly number of employees (full time equivalent) during the year was as follows:

	2009	2008
	Total	Total
	No.	£
UK	0.42	0.37
Kenya	1.58	0.87
Uganda	1.82	0.74
	<u>3.82</u>	<u>1.98</u>

7 Taxation

The charity is exempt from Corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible Fixed Assets

	Kenya	Uganda	Total
	Motor Vehicles	Motor Vehicles	£
	£	£	£
Cost			
At the start of the year	0.00	0.00	0.00
Additions in year	7,991.67	6,260.58	14,252.24
At the end of the year	<u>7,991.67</u>	<u>6,260.58</u>	<u>14,252.24</u>
Depreciation			
At the start of the year	0.00	0.00	0.00
Charge for the year	1,997.92	1,565.14	3,563.06
At the end of the year	<u>1,997.92</u>	<u>1,565.14</u>	<u>3,563.06</u>
Net Book Value			
At the end of the year	<u>5,993.75</u>	<u>4,695.43</u>	<u>10,689.18</u>
At the start of the year	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Notes to the financial statements

For the period ending 31 March 2009

9 Creditors	2009	2008
	Total	Total
	£	£
Accruals	7,138.02	2,970.00

10 Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	2009 Total £	2008 Total £
Tangible fixed assets	0.00	0.00	10,689.18	10,689.18	0
Net current assets	784.26		17,758.99	18,543.24	3783.03
Net assets	<u>784.26</u>	<u>0.00</u>	<u>28,448.17</u>	<u>29,232.43</u>	<u>3,783.03</u>

11 Movements in funds

	At start of period £	Incoming resources £	Outgoing resources £	Transfers £	At end of period £
Restricted funds					
The Body Shop	442.26	2,000.00	1,658.00		784.26
Tech4all	0.00	25,270.86	25,270.86		0.00
Innovation Housing	0.00	1,197.64	1,197.64		0.00
Total restricted funds	<u>442.26</u>	<u>28,468.50</u>	<u>28,126.50</u>	<u>0.00</u>	<u>784.26</u>
Unrestricted funds					
Designated funds	0.00	0.00	0.00		0.00
General funds	3,340.77	136,330.93	111,223.53		28,448.17
Total unrestricted funds	<u>3,340.77</u>	<u>136,330.93</u>	<u>111,223.53</u>	<u>0.00</u>	<u>28,448.17</u>
Total funds	<u>3,783.03</u>	<u>164,799.43</u>	<u>139,350.03</u>	<u>0.00</u>	<u>29,232.43</u>

Purpose of restricted funds

The Body Shop	Direct project costs only. Permission to be obtained to apply balance to support costs
Tech4all	Direct project costs and indirect support costs allowed
Innovation Housing	Direct project costs only