



AQUEDUCT

ANNUAL REPORT

YEAR ENDING 31 OCTOBER 2014

Aqueduct

Unit 34, New House

67-68 Hatton Garden

London

EC1N 8JY

Charity Ref 1090302

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1 Reference and administrative information

STATUS	A Charitable Trust
Charity Registration No:	1090302
Chief Executive Officer (CEO)	Dr Peter Frensham Lingwood
TRUSTEES	Dr Peter Frensham Lingwood (Chairman) Mr James William Baldwin (secretary to the Trustees) Mrs Lesley Karen Marrett Mr Neville Hilton (Elected 29 April 2014)
REGISTERED ADDRESS	Aqueduct Unit 34, New House 67-68 Hatton Garden London. EC1N 8JY T: 01542 422895 E: info@aqueduct.org.ok W: www.aqueduct.org.uk
INDEPENDENT EXAMINER (1)	Mervyn Catterell
BANKERS	Charities Aid Foundation CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent. ME19 4JQ

(1) Charities with a gross income over £25,000 must also submit the Trustees' Annual Report and an independently examined or audited set of accounts.

The Trustees of Aqueduct present their annual report together with the accounts for the year 1 November 2013 to 31 October 2014. It includes the administrative information and a list of the charity's Trustees set out above.

Annual Reports have been prepared since the inception of the charity. This is the first report however, that has been submitted to the Charities Commission, being the first year when the annual income has exceeded £25,000.

It has been compiled taking into the guidance provided by the Charity Commission especially the Commission's public benefit guidance First published 14 February 2014.

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2 Structure governance and management

2.1 The Trust

The Trust is a registered charity number 1090302 and is constituted under the Trust Deeds dated 1 October 2001. The Trust was established by Dr Peter Lingwood as response to the needs he observed during his regular visits to Pakistan on behalf of his then employer. Since then the charity has been supported by private donations.

2.2 Trustees

New Trustees are appointed by the existing Trustees. The Trust Deeds provides for a minimum of three Trustees who shall meet at least twice per year. The Deeds require that the Chairman shall be elected at the first meeting of each year.

The Trust is a member of the National Council for Voluntary Organisation (NCVOP) Service which provides training and much useful information on good practices.

On appointment, new Trustees shall sign a model declaration statement committing them to giving their time and experiences free of charge.

All Trustees' are required to disclose all relevant interest and register them with the Chief Executive and withdraw from decisions where a conflict of interest raises. They are also required to present copies of any DBS check that they hold. The Trustees don't "request criminal checks for Trustees because they consider do not have "close and unsupervised contact with beneficiaries".

2.3 Changes in Trustees

- Alan Mathers retired as a Trustee March 2014
- Neville Hilton was unanimously elected as a Trustee, 29 April 2015.

2.4 Meetings of Trustees

3 December 2013	3 June 2014	Minutes are available for all meetings
25 February 2014	31 October 2014	
29 April 2014	16 September 2014	

2.5 Risk management

The Charity does not carry any insurance because the risks are assessed as minimal for the following reasons:

- The Charity has no employees or contracts of employment in the UK or overseas.
- The Charity does not own any buildings in the UK or overseas.
- The Charity does not enter into contracts either in the UK or overseas.
- The majority of the fund raising activities are the responsibility of the individual promoter
- Any fund raising activities run by the Charity in the UK are subject to a risk assessment.

The risk of changes in exchange rates is accommodated in the requirement to keep sufficient to funds to cover 6 months of committed expenditure.

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The risk management status is reviewed annually by the Trustees in conjunction with the volunteers responsible for the area of activity.

Any changes of status are reviewed before being entered into to assess that they could not significantly impact upon the Charity's ability to fulfil its objectives.

2.6 Serious incidents

Serious incidents are those that result in significant:

- Loss of the charity's money or assets;
- Damage to the charity's property or
- Harm to the charity's work, beneficiaries or reputation.

Serious incidents include:

- Fraud, theft or other significant loss;
- A large donation from an unknown or unverified source;
- Links to terrorism or to any organisation that's 'proscribed' due to terrorist activity;
- A disqualified person acting as a trustee;
- Not having 'vetting' procedures in place to check your prospective trustees, volunteers and staff are eligible or
- Suspicions, allegations or incidents of abuse of vulnerable beneficiaries.

No serious incidents are known to have occurred this year.

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3 Objectives and activities for the public benefit

3.1 Objectives

The objects of Aqueduct as stated by the Trust Deeds are

The relief of poverty and such other charitable objectives that the Trustees shall from time to time decide.

Aqueduct does this by supporting the Christian Church overseas (primarily in Pakistan) as it serves within and outside of its' community.

The Trust carries out these objectives by providing its partner Church in Pakistan (The United Methodist Church of Pakistan, Lahore) by the following methods:

- Skills transfer;
- Networking with other commercial organisations and charities both in the UK and Pakistan to provide relevant services;
- Financial support and
- Prayer support.

The United Methodist Church of Pakistan carries out the following with the assistance and support of Aqueduct:

- The establishment and operation of combined primary and secondary schools;
- The provision of educational and technical training scholarship;
- The provision of repayable, new business start-up loans ;
- Teacher and vocational training;
- Literacy classes ;
- Establishment of fixed and mobile libraries and
- Health camps

The UMCP carries out its educational function through the United Methodist Education School System (UMESS) Board .

3.2 Grant making policy

Grants for individual UMCP projects are considered by the Trustees on the basis of need and fulfilment of the charitable objectives. The Chairman has been given the authority to approve grants up to £500 without prior permission of the Trustees. These grants must be reported to the next meeting of the Trustees.

Grants are made on a monthly basis to the United Methodist Church of Pakistan, Lahore as follows

- regular payments: to cover regular expenditures.
- special payments: to cover exceptional approved expenditure.

These funds are only released on receipt and approval of the previous month's accounts and Bank Statement.

3.3 Personal loans

Occasional personal loans may be granted to individuals in furtherance of the objectives of the Charity. These loans are interest free, repayable loans the agreed repayment either being deducted

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from payments to them at source or by monthly, banked payments into the "Aqueduct" Bank Account.

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4 Achievements and performance

4.1 Primary / Secondary Schools

School Inspectors

In order to improve the standards of teaching a School Inspector reports on each school every month. These reports are reviewed in the UK to identify where there is good progress and where improvements can be made.

As a result of the significant increase in the number of schools Aqueduct appointed an additional inspector for the schools north of Lahore.

School Teachers

Aqueduct continued to financially support and to oversee the schools operated by UMESS in and around Lahore. It has successfully raised the standards of the new schools that joined in 2012 / 13 when Aqueduct doubled the number of schools and the number of teachers it supported.

The current number of teachers and schools is show bellow:

Type of Establishment	Number of schools		Teachers Paid by Aqueduct	Teachers Paid from Fees	Students
	North area	South area			
Schools	12	9	30	21	1307
Literacy classes	0	1	1	0	18
Totals	13	10	31	21	c.1330

Note: All pupil numbers are estimates as they fluctuate throughout the year

School books and equipment

The provision of books at the start of the school year in April continues to be a significant cost for Aqueduct and other organisations in this sector.

During the year all school were issued with the following:

- a clock to help the pupils to learn to tell the time.
- A Pakistani flag to demonstrate the pupils allegiance to their country

4.2 Scholarships for girls

Aqueduct continued to pay monthly scholarships to three girls who would otherwise not be able to continue their education because they come from very poor families. Pakistani culture does not value girls who are often seen as burden.

4.3 Vocational and literacy

Sewing classes

- Training was provided for about 14 girls on 5 afternoons per week for one year to enable them to make their own clothes. The girls pay the fees from their own pocket money. Very few of them are at school - most help their mothers at work as domestic servants in other people houses. This class closed in December because of the lack of students in that locality.
- The sewing equipment, which was in need of significant repair, given to the sewing teacher who has started a new business in her home to support her family.
-

Literacy classes

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Aqueduct is supporting 20 women to learn how to read and write by paying for their books and for their teacher.

4.4 Community Support

Training of Sunday school teachers

24 Sunday school teachers were trained by the Pakistan Sunday School Ministry 5-6 June 2014 in how to use imaginative teaching methods to tell Bible stories.

Individual gifts

Aqueduct gives occasional gifts to those who are severely in need and where the gift would make a significant difference to their life. The gifts this year included the following:

Walking frame	The frame has given a widow a new lease of life as she is now far more mobile
Orthopaedic shoes	He can now move about more freely and is able to seek work to support his family
Bicycle to a pastor	He can now make many more visits than he was previously able to do

Interest free loans

Interest free loans are made where this would make a significant contribution to the work of Aqueduct. The loans enable recipients to buy goods etc. that they would not normally be able to afford because of the high cost of borrowing in the informal sector. They are excluded from the formal sector because of cost and their low and irregular earnings.

During the year all existing loans were paid in full by the borrowers.

Loan to	Purpose	Status
Person A	To start a sewing machine assembly business. He unfortunately died of Dengue fever. The loan was repaid by his son	Repaid in Full
Person B	To enable him to build an extra floor to his house to accommodate the school, Bible College, Sunday school and church	Repaid in Full
Schools inspector	To purchase a reliable second hand motor bike to enable him to visit the schools	Repaid in Full
Local church	To replace sound system which was stolen	Repaid in Full

4.5 Emergency Aid

Aqueduct made a small grant to household affected by the flood so that they could buy food and small household items.

4.6 Other activities

Contacts were maintained with the following organisations in Pakistan in order to plan joint action in the coming years.

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Name of organisation	Service	Activity with UMCP/ UMESS
Active cooperation with		
Sight Savers	Eye tests and glasses	No combined projects this year
Pakistan Sunday School Ministry		No combined projects this year
Citizen Foundation	Teacher Training	No combined projects this year
Social & Humanitarian Initiative for Improvement literacy and Development (SHIELD)	Leadership training	No combined projects this year
Operation Christmas Child	Give out presents in shoe boxes	No combined projects this year
Starfish Asia	Large primary and secondary schools	No combined projects this year
In discussion with		
Layton Rahmatulla Benevolent Trust	Eye tests and glasses	No combined projects this year

4.7 Plans for the following year (2014/15)

Trust management

- Review of aims objectives and implementation to focus our message.
- Away weekend for Trustees.

Pakistan

- Issue personal Bible study notes to the teachers..
- Develop post school training scholarships.
- A week of training for the teachers.
- The training of young men to travel in pairs to nearby villages to encourage Christians and to help establish churches.
- Developing a course for Womens' Workers to start home groups.
- Establishment of a Christian reading room in the UMESS Office
- Starting of another sewing centre

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5 Financial review

5.1 Bank Accounts

Bank Account	CAF Bank	Current account (Cheques and transfers authorised jointly by P Lingwood and James Baldwin)
Money Transfer	CAF Bank	Deposit account Habib Bank, London free of charge if > £75 transferred each time. Verification is required if a single amount is greater than £650 to comply with the UK ' Money laundering regulations)
Inland Revenue		A claim for £747.30 has been submitted and received for the reimbursement of tax for the financial year 2013/14.
Charity Commission.		For the first time since its founding Aqueduct income has exceeded £25,000. It has been necessary to lodge formal accounts with the Charity Commission
Accounts		Prepared by Ann Lingwood

5.2 Accounts

The annual accounts for the period 1 November 2013 to 31 October 2014 are attached. They may be summarised as follows:

	UK £	Pakistan £	Pakistan equivalent Rupees
Total income	25,242.15	0	
Total spending	18,723.00	18,723	3,195170
Net Balance	6,519.15	0	

5.3 Financial management

Strict financial control is maintained by the Trust through the following procedures:

- Monthly, financial UMCP accounts are prepared by the Schools Inspector. Subsequent grants are released only if these are satisfactory.
- The maintenance of a dedicated "Aqueduct" account in Pakistan. The monthly bank statements are checked against the UMCP account to ensure that they are consistent.
- The grants are fully itemised and compared to the UMCP_monthly financial accounts.
- Records of all expenditure are submitted to the Trustees at each Trustees meeting for their retrospective approval.
- Photographs are required of all purchases.
- Purchases are inspected, whenever possible during the regular visits to Pakistan.

5.4 Reserves Policy

The Trustees try to maintain an operating balance sufficient to meet the Harity's commitments projected for the following 6 months. The Trustees are informed when this is not possible.

No separate reserves are kept

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5.5 Sources of income

The sources of income may be summarised as follows:

- Single donations
- Standing orders
- Interest
- Tax repayments
- Money generated in Pakistan from the progressive repayment of loans and the sale of items eg Scholl badges bought in bulk.

5.6 Methods of donating

Donating to Aqueduct can be made using the following methods. All registrations are free

Name	Method	Extent of use
	mobile phone giving (dial0: 70070 to text GOOD42)	Unused
	Shopping through this portal means the supplier donates to Aqueduct	Regular low volume use.
	Web based giving	Greatest use because there is a link on the web site. Also used for sponsorship of events
	Web based giving	Incidental use
	Web based giving	Incidental use
	Web based giving	Incidental use
	Web based giving	Incidental use

5.7 Grants received

Whist selected grants will continue to be applied for they are not relied on to fanace the work of the charity.

This year the charity was successful in bidding for funds via the Kerygma funds. This enabled us to start a number of projects which would have been impossible without this additional funding.

Grant Giving Body	Purpose	Amount £
Kerygma Fund	<ul style="list-style-type: none"> • To purchase Christian Work Books for the students • To continue The Bible College • To train Women’s Groups to tell gospel stories In their own “heart “language. • To train Young Men To Travel To Outlying Villages To Plant New Churches 	10,239

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5.8 Significant Expenditure

Significant expenditure continues to be as follows:

- Monthly Payments to teachers and the School Inspectors.
- Annual payment for school books.

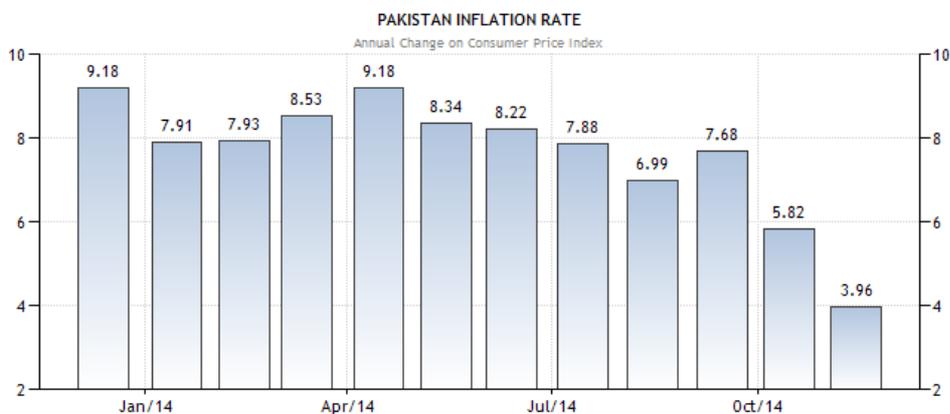
5.9 Exchange rate and inflation

The value of the Pakistani rupee fell towards the end of the reporting year so that Aqueduct was able to purchase less for the same money. It is likely that this trend will continue.

The inflation rate in Pakistan is not accurately known because Government statistics are generally regarded as unreliable: they refer to the whole economy and not the poor and because basic food stuffs are subsidised by the government. Aqueduct aims to increase the payment to the teachers at or below inflation. The current rate is thought to be 5-10% per annum.



Annual payments to the teachers will now be set annually in November each year in preparation for Christmas, which is the annual time when most households buy non-food items



SOURCE: WWW.TRADINGECONOMICS.COM | PAKISTAN BUREAU OF STATISTICS

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5.10 Financial projections

	£	£
Annual committed expenditure 2013/14	20,000	
Available funds including reserves	17,868	
Annual Projected income		-2,132
Expected one off donations 2012/13		0
Possible balance at the end of the year		-2,132

The committed expenditure excludes

- Salary inflation increases
- Additional justified expenditure

With the funds available Aqueduct will be able to meet the Trustees' policy of retaining reserves sufficient for the commitments that have been entered into for the next 6 months.

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6 Statement of Trustees responsibilities

Charity law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the profit and loss of the Charity for that period.

In preparing these accounts, the Trustees are required to:-

- Select suitable accounting policies and then apply them consistently.
- Make adjustments and 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 Trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Charities Acts. 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.

The Trustees confirm that the accounts comply with current statutory requirements and those of the Charity's Trust Deeds.

We, the undersigned Trustees, approve the above annual report year ending 31 October 2014 and the attached accounts.

Signed on behalf of the Trustees

<i>Signed</i>	<i>Name in full</i>	<i>Position (if any)</i>	<i>Date</i>
	Dr Peter Frensham Lingwood	<i>Chairman</i>	
	James William Baldwin	<i>Secretary to the Trustees)</i>	
	Mrs Lesley Karen Marrett		
	Mr Neville Hilton		