

**VOLCANOES SAFARIS PARTNERSHIP TRUST**  
**ANNUAL REPORT 2012**

**INTRODUCTION**

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The officers present their report and the financial statements of the Volcanoes Safaris Partnership Trust (hereinafter referred to as the ‘VSPT’) for the period of 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012. The financial statements have been prepared in accordance with the accounting policies of IFRS and comply with the Trust’s constitutional and applicable law.

**LEGAL AND ADMINISTRATIVE INFORMATION**

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The Volcanoes Safaris Partnership Trust, Plot 27 Lumumba Avenue, Kampala is an unincorporated association and registered with the Minister of Lands, Housing and Urban Development, Section 1 (Registration Number 37536). The Trust was registered on the 29<sup>th</sup> May 2009 and is governed by the Constitution of The Republic of Uganda of 8<sup>th</sup> October 1995. The following served as Trustees over the period covered by this report:

Praveen Moman (Chairman)	
Yusuf Mulima Mubiru (Vice Chairman)	
Ravi Govindia (Treasurer)	
Oscar John Kihika (Member)	
Catherine Watson (Member)	16/02/2012
Elizabeth Ross (Member)	16/02/2012
Anne Akol (Member)	16/02/2012
Penn Staples (Member)	18/10/2012
Giulia Marsan (Member)	18/10/2012

The power of appointing new or additional Trustees is vested in the majority of the Board of Trustees. Investment decisions are at the discretion of the Trustees.

The Trust’s bankers and auditors during this period were as follows:

Bankers	Stanbic Bank Forest Mall Branch P. O. Box 7131 Kampala, Uganda	Auditors	PKF Consulting Ltd Plot 37 Yusuf Lule Road P.O Box 24544 Kampala, Uganda
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## **AIMS AND ORGANISATION**

The VSPT is a non-profit public benefit organisation that undertakes community and conservation activities in Uganda and other African countries as appropriate.

The goal of the VSPT is to support specific projects that enhance the livelihood of local communities, support the conservation of vulnerable ecosystems and in turn, safeguard great apes and their habitat.

The objectives of the VSPT are achieved through regular donations from Volcanoes Safaris Ltd who contribute a voluntary donation of \$100 from every full cost safari purchased. As per the Service Level Agreement entered into by Volcanoes Safaris Ltd with the VSPT, a full cost safari is one where the client is offered no discount other than commercial commissions payable to a Tour Operator Company.

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## **REVIEW OF PROGRESS AND ACHIEVEMENTS FOR THE PUBLIC BENEFIT**

### **KYAMBURA GORGE ECO-TOURISM PARTNERSHIP PROJECT KYAMBURA, UGANDA**

The Kyambura Gorge Eco-Tourism Partnership Project helps to link the local community to conservation. The aim of the initiative is to promote sustainable eco-tourism and conserve the Greater Virunga landscape, which is one of the most important areas for avian, primate and wildlife biodiversity in Africa. It consists of series of projects that have been carefully thought out and executed with the objective of promoting the conservation of wildlife and the welfare of the community around the gorge, linking the conservation activities with income generating activities. This has been possible through the advice of the Project Coordinator based in Kyambura, Nicole Simmons.

The different activities carried out as part of the Kyambura Gorge Eco-Tourism partnership project were:

### **1. Kyambura Gorge chimpanzee monitoring and field support**

#### **Total expenditure \$829**

Research carried out by Nicole Simmons in 2009 concluded that the Chimpanzee population in Kyambura Gorge had become isolated from other Chimpanzees in the Kasyoha-Kitomi Forest Reserve, due to human encroachment and habitat destruction along the banks of the Kyambura River. Given Nicole's extensive knowledge of the area and the Chimpanzee community in the Gorge, she is working with the Uganda Wildlife Authority (UWA) to provide monitoring, advice and technical support to their staff stationed at Fig Tree Camp, and with their Guides to improve the quality of Guiding and tracking in the Gorge.

In particular, in 2012, the VSPT bought four pairs of binoculars for the Fig Tree Camp at Kyambura Gorge in an effort to improve chimpanzees' identification and monitoring.

### **2. Large mammal trench maintenance, Queen Elizabeth National Park**

#### **Total expenditure \$nil**

The Uganda Wildlife Authority considers the southern boundary of Queen Elizabeth National Park and Kyambura Gorge as a "priority hot zone" for human-wildlife conflicts given the proximity of the park to farmland and villages. In order to reduce the incidents of crop raiding and property destruction due to large mammals (elephants, hippopotami, buffalo) trenches have been built in the past, but erosion has made them largely ineffective: the UWA are often forced to use gunfire to scare large animals away from the local community. Deeper trenches would reduce the need for such drastic measures.

The VSPT continue to engage with the UWA to assist with the excavation and maintenance of all trenches within a 5-kilometer radius of Kyambura Gorge.

### **3. Omumashaka wetland restoration project, Kyambura**

#### **Total expenditure \$127**

The VSPT secured a 30-acre wetland south of Kyambura Gorge in 2010. Previously used as an illegal brick works site, it is now rapidly regenerating back to its natural state and attracts over 100 species of birds. The VSPT monitors and records flora and fauna species, especially birds, and has reintroduced and restored endemic wetland flora. In 2012 the VSPT renovated a security house on the property, surveyed the site and established boundaries and installed property markers.

### **3. Omwani Woman's Coffee Cooperative, Kyambura**

#### **Total expenditure \$2,669**

The Omwani Women's Coffee Cooperative is a community-based initiative designed to provide vocational training to women and an alternative, but sustainable, source of income.

Fifteen local women and their families are actively involved in the cooperative. They tend to over 1000 Arabica and Robusta coffee plants in 100 acres of rejuvenated VSPT land, and process the coffee by hand at a communal processing plant. Members of the cooperative commit to growing the coffee organically, without the use of pesticides or chemical fertilizers.

The Woman's Coffee Cooperative's primary objective for 2012 was for the cooperative to become self-sufficient with only operational support from the VSPT. In order to achieve this objective, the VSPT sponsored a counselling session in March to teach co-operative management, group dynamics and finance. The group drafted and adopted a constitution and are now a fully functioning cooperative, collecting \$2,356 from coffee sales in 2012, displaying a positive work ethic. The officers of VSPT share the pride and joy of watching this cooperative grow from strength to strength, having successfully brought their coffee through the entire value addition process from the fields to the coffee cup for the third season.

#### **4. Rusty roof exchange, Kyambura**

##### **Total expenditure \$1,504**

Since 2011 the VSPT partnered with Volcanoes Safaris Kyambura Gorge Lodge to provide new roofs for impoverished families living in the Kyambura area.

In March 2012 Kirungu and Kichwamba primary schools and a mosque in Kyenzaza village, opposite the Empundu Playground, were re-roofed, ensuring that the spaces remained dry. VSPT purchased iron sheets and the Volcanoes Safaris construction team provided transport and carried out the work to replace the iron sheet roofing.

#### **5. Bee Keeping**

##### **Total Expenditure \$704**

The *Omumashaka Bee Keepers Cooperative* have been producing honey in Kyambura since 2006 and VSPT in consultation with them felt that training would be beneficial to the cooperative. This was provided to the community by VSPT in partnership with Malaika Honey, which actively pursues a corporate social responsibility programme to mitigate poverty through bee keeping. During quarter one of 2012, the VSPT organised training, where Malaika Honey provided apiary management, care and harvesting information to members. Malaika Honey also helped farmers to find a reliable market in honey and hive products and trained them onsite to acquire the necessary skills to become commercial beekeepers.

## **6. Empundu Community Playground**

### **Total Expenditure \$655**

The VSPT in 2010 donated land for the creation of a playground, which was built by members of Kyenzaza village. In quarter one of 2012 the VSPT sponsored uniforms for the Kyenzaza Men's Football Team and Kyenzaza Primary School's boys team. In return for sponsored uniforms, the teams maintain the ground.

## **7. Omumashaka Drama Group**

### **Total Expenditure \$2,129**

The VSPT has also continued to support this group, which consists of five tribes who perform educational plays about conservation and HIV/AIDS awareness to the local community once a month, and to Volcanoes Safaris clients on request. The support is in form of a monthly donation, which is distributed among the members to ensure sustainability and to supplement the performers' income.

## **8. Community and Conservation Centre**

### **Total Expenditure \$4,905**

VSPT has begun the renovation of a Community and Conservation Centre at the Kyambura site. Expenditure during 2012 includes security and maintenance of the current buildings, as well as improvement works on the new building.

9. In addition the VSPT has supported maintenance of a *Demonstration Garden* (2012 expenditure **\$307**) that provides training in sustainable crop farming and organic pesticides.

## **BWINDI COMMUNITY HOSPITAL, BWINDI**

### **Total expenditure \$5,848**

The Bwindi Community Hospital was founded by Dr. Scott Kellerman in 2003 and provides health care and education services to a population of more than 60,000 people.

In 2012 the VSPT started supporting a project to encourage hygiene and sanitation with a quarterly grant. The objective of the *Sanitation Project for Schools and Homesteads in Uganda* is to improve public awareness of hygiene and sanitation and empower children to become active agents of sustainable hygiene and sanitation.

## **BATWA DEVELOPMENT PROJECT, BWINDI**

### **Total Expenditure \$Nil**

The Bwindi Batwa community were evicted from the impenetrable Forest when this was made a World Heritage Site in 1992. As hunter-gatherers, the Batwa Pygmies owned no land and were given no compensation. Outside the forest, their existence became so difficult that they now are one the most marginalised section of Ugandan society.

The VSPT is working at developing a partnership with this community. It is currently donating an average of 3 Kilograms of coffee per month to the Batwa Development Project Café and Craft Shop, set up by the Kellerman Foundation. The coffee is sourced from the Omwani Women's Coffee Cooperative. The Batwa of the Bwindi region are looking to expand their product range by creating their own handcrafted bags to dress the Omwani coffee bottles for sale to visitors. There has also been an active pursuit of closer cooperation and partnership between the Batwa Community in Bwindi and the Batwa Community in Mgahinga. An exchange visit was organised by the VSPT in order to encourage an interchange of ideas on the different projects that the Mgahinga community could learn from the Bwindi community.

#### **AMAGARA COOPERATIVE, BWINDI**

##### **Total expenditure \$29**

In January 2012 the VSPT sent a trainer to assist with crop rotation on site, to *Amagara*, a non-profit community organization that trained members in target crop production and natural resource management to increase the yield of their produce and in turn, household income which subsequently improved. Thereafter VSPT stopped any further support, since this organization obtained a large grant from UNICEF which made VSPT's contribution unnecessary.

#### **MOUNT GAHINGA BATWA PROJECT, MGAHINGA NATIONAL PARK, UGANDA**

##### **Total expenditure \$2147**

The VSPT appointed the consultant Will Symes, as a VSPT Project Coordinator at Mt. Gahinga in October 2011 to develop a series of income generating activities in conjunction with the local Batwa, another largely marginalized community on the boundary of Mgahinga National Park.

The Pygmy Batwa are a minority hunter-gatherer group who traditionally lived within the forests of Mount Gahinga. When Mgahinga National Park was gazetted in 1991 they were forced to abandon their traditional way of life and subsequently suffered various socio-economic problems. Also this community remains marginalized and is one of the poorest communities in Uganda, as the Batwas in Bwindi.

In the course of 2012 a range of projects have been initiated in consultation with the Batwa community. When the VSPT initially identified the creation of a *Batwa Dance Group* for support, which would be performing in the UWA Batwa Trail in Mgahinga National Park. However the arrangement offered only limited opportunity to generate an income and improve performance through practice. Subsequently, the VSPT agreed to recast the initiative entirely.

The group now performs once a week on Volcanoes Safaris land near Mount Gahinga Lodge, which provides an opportunity for practice and interaction with the local community, with whom the Batwas have only tenuous links. Consequently, there has been a marked improvement in the standard of performance and the group has begun to develop a greater repertoire of songs. In order to build on these developments and further enhance the performances, VSPT purchased drums for the group. The responses by Volcanoes Safaris guests to the group have been overwhelming and between 30-40 members of the local community attend their performances each week, helping to bridge the gap between the Batwa and the latter group.

As part of the *Batwa Cultural Experience*, a medicinal garden has been set up in the grounds of Volcanoes Safaris Mount Gahinga Lodge to strengthen trust between the VSPT and the local Batwa community.

The VSPT has also completed the construction of three traditional Batwa Huts on site with the objective of using them as part of the cultural experience for community and guests.

With the advice of Will Symes, the need to train interested members of the Batwa Community in practical skills was identified. In this particular case, The VSPT offered a house, which is being renovated and converted into a sewing centre for members of the community to be trained in this skill, that they can then use it to improve their levels of income and living conditions. Training is expected to start in early 2013.

## **BATWA LAND COMMITTEE AND BATWA AGRICULTURAL PROJECT, GAHINGA**

### **Total expenditure \$Nil**

Regular dialogue with members of the Batwa Community in Gahinga and the VSPT, has established that the priority for the local Batwa Community is access to land.

To this end the VSPT has agreed to help the Batwa form a *Land Acquisition Committee*, in order to consolidate their desire for acquiring land into more defined goals, and answer fundamental questions as to who would own the land, how much it would cost and how many community members would access it.

Due to the historical problem of limited access to land, which meant the Batwa were unable to grow their own food, VSPT supported the *Batwa Agricultural Project*. VSPT has donated to the Batwa Community a quarter of an acre for purposes of growing food. In the second season of 2012, the community enjoyed a bumper harvest of potato crop and had enough small potatoes to act as seedlings for the following season.

#### **DENTAL PROJECT, GAHINGA**

##### **Total expenditure \$82**

The VSPT sponsored a free 2-day dental clinic in the local area with support from Californian dentists from the Kolunga village project in Kenya. With 92 patients seen for dental cleaning and training on oral hygiene and 100 teeth extracted, well in excess of the projected results, the project was a great success. The VSPT plans to repeat and expand the dental outreach clinic in 2013.

#### **MWIKO SCHOOL, VIRUNGA, RWANDA**

##### **Total expenditure \$11,366**

Mwiko is a local primary school with twelve dedicated teachers and 800 pupils, nestled below VS Virunga Lodge. Over the last four years the VSPT has improved and maintained the school's facilities. In 2012 the VSPT repaired the roof of a classroom and provided signs to the school.

#### **INTORE DANCE TROOP, VIRUNGA**

##### **Total expenditure \$6,927**

Intore Dance is the finest example of Rwanda's varied musical and dance tradition. Since its inception VSPT has trained and equipped a troop of local dancers and trainers based at Virunga Lodge. The Intore Dance Troop continues to perform regularly for guests staying at the Lodge.

In supporting the troop, by providing training, costumes and musical instruments, the VSPT helps preserve this aspect of Rwanda's cultural heritage.



## **REVIEW OF MARKETING ACTIVITIES**

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The VSPT regularly updates patrons and donors via the news page on the Volcanoes Safaris website and in 2011 launched a Volcanoes Safaris Partnership Trust page, which offers a comprehensive overview of projects undertaken by the VSPT. Further online information was provided via regular updates on Facebook and via a series of blogs and news posts provided by consultants in the field.

A leaflet was designed and distributed countrywide and each project/partnership carries a branded sign for further visibility in country.

In Kyambura the VSPT is working in conjunction with Volcanoes Safaris to develop, implement and market tours of the projects for visiting clients. The VSPT intends to build an education and interpretation centre for visiting lecturers in 2013.

## **FUTURE PLANS FOR THE PUBLIC BENEFIT**

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The Trustees will offer continued support to their partners and develop further plans for the development of projects in the proximity of the Volcanoes Safaris Lodges subject to their collective decisions at the AGM.

## **REVIEW OF FINANCIAL ACTIVITIES AND AFFAIRS**

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Total income for 2012 was \$118,838 (2011: \$131,178). This was made up from voluntary donations of \$100 from every full cost safari purchased through Volcanoes Safaris Ltd \$114,386; Coffee sales from the Kyambura Women's Coffee Co-operative \$2,355; and individual donations \$995.

Total project expenditure in 2012 was \$99,120 (2011: \$82,894). This includes \$5,848 (2011: \$1,973) for Bwindi Community Hospital, \$6,851 (\$6,354) for Intore dancers, \$11,366 (2011: \$14,285) for expenditure at Mwiko School, and \$2,669 (2011: \$4,153) for the Women's Coffee Co-operative.

For 2012 total project expenditure includes salary and consultancy costs of \$53,093 (2011: \$39,875) which are directly attributable to the projects of VSPT. These have not been split out

and allocated between the projects noted above for 2012, but will be done so from 2013 to enable the full cost of the projects to be disclosed.

Admin costs for 2012 were \$16,869 in total (2011: \$16,308). This includes \$2,816 (2011: \$2,905) which is 7.5% of the project costs in the period, recharged to VS for the use for VS resources, as per the Service Level Agreement with VS. Also included in admin costs are audit fees \$2,564 (2011: \$2,467), insurance \$1,595 (2011: \$1,650), and travel of \$4,607 (2011: \$2,610).

Other costs during 2012 were depreciation \$610 (2011: \$576) and finance expenses \$1,077 (2011: \$2,083).

There was a deficit overall for 2012 of \$1,998, in comparison to the surplus of \$31,633 in 2011. The cash balance held as at 31 Dec 2012 was \$3,452 (2011: \$10,518). The net balance between VSPT and Volcanoes Safaris Ltd as at 31 Dec 2012 was a receivable of \$27,213 (2011: \$44,208).

## **RISK REVIEW**

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Given that VSPT is almost wholly reliant on contributions from Volcanoes Safaris guests, the primary risk in this area is the robustness of Volcanoes Safaris client base and their continuing patronage. VSPT permits it to diversify its income base by attracting direct donations from NGOs and individual donors. Trustees will receive an annual statement on extent of funds obtained from non Volcanoes Safaris sources. In addition the Trustees will receive an annual report in Volcanoes Safaris' trading outlook to enable future project planning. Given that the original source of VSPT income is abroad it is unable to mitigate foreign exchange risk. However it will generally arrange the transfer of funds at the most advantageous times. The core of VSPT risk management is to only undertake activities that can be fully supported from identified resources already within VSPT's control.

Trustees have approved in 2010 a set of Bye Laws to ensure that all expenditure is properly authorised and signed within limits set in the Bye Laws. The Bye Laws are subject to periodic review to ensure that they remain robust and relevant.

## **RESERVE POLICY**

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VSPT is a recently registered Trust and is in the process of developing a detailed reserves policy including setting up restricted and designated reserves for identified purposes. Until that policy is fully developed and agreed by the Trustees, VSPT continues to hold all funds in one unrestricted reserve.

VSPT will at all times ensure that there are sufficient funds in the reserves to meet up to 12 months of on-going support for the activities VSPT is currently engaged in.

Trustees aim to conduct periodic review of its work, successes and opportunities. When ever possible it shall be the policy to retain in reserves sufficient funds to enable Trustees to resource any new priorities they may identify in their periodic reviews.

The Trustees agree to hold cash balances, aside from petty cash, in secure bank deposits, which if possible should be in interest bearing accounts with the VSPT's bankers.

## **STATEMENT OF THE TRUSTEES' RESPONSIBILITIES**

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The Trustees Incorporation Act, cap. 165 requires the Trustees to prepare financial statements which give a true and fair view of the state of affairs of the Trust as at the end of the financial year and of the operating results for that year also requires the Trustees to ensure that the Trust maintains proper accounting records which disclose with reasonable accuracy the financial position of the Trust. The Trustees are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charity law requires the Trustees prepare financial statements for the year as at 31 December 2012. Under that law, the Trustees have elected to prepare the financial statements in accordance with the Uganda Accounting Standard and comply with the Trust's constitutional and applicable law. The Trustees are required by law not approve the financial statements unless they are satisfied that these give a true and fair view of the state of affairs of the Trust and for its incoming resources and application of resources for the period.

The Trustees accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates consistent with previous periods, making judgements and estimates that are reasonable and prudent, prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate and in conformity with the International Financial Reporting Standards and the requirements of the Trustees Incorporation Act, cap 165 and comply with the requirements of the Land, Housing and

Urban Development Act. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Trust as at 31 December 2012 and of its operating surplus for the year then ended. The Trustees further confirm the accuracy and completeness of the accounting records maintained by the Trust which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

The Trustees confirm that the financial statements comply with the current legal requirements, Volcanoes Safaris Partnership Trust's governing document and appropriate accounting standards as required by the Uganda Accounting Standards.

Nothing has come to the attention of the Trustees to indicate that the Trust will not remain a going concern for at least the next twelve months from the date of this statement.

## **ACKNOWLEDGEMENTS**

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The VSPT would like to thank its dedicated staff and partners in the field, who have made possible the work and objectives of the trust. The VSPT would like to thank the staff of Volcanoes Safaris who provide precious marketing, administrative and bookkeeping support. Finally the VSPT would also like to thank the Trustees for their continued support and guidance.

Signed on behalf of the Trustees by

Petua Lutuu

Volcanoes Safaris Partnership Trust Administrator