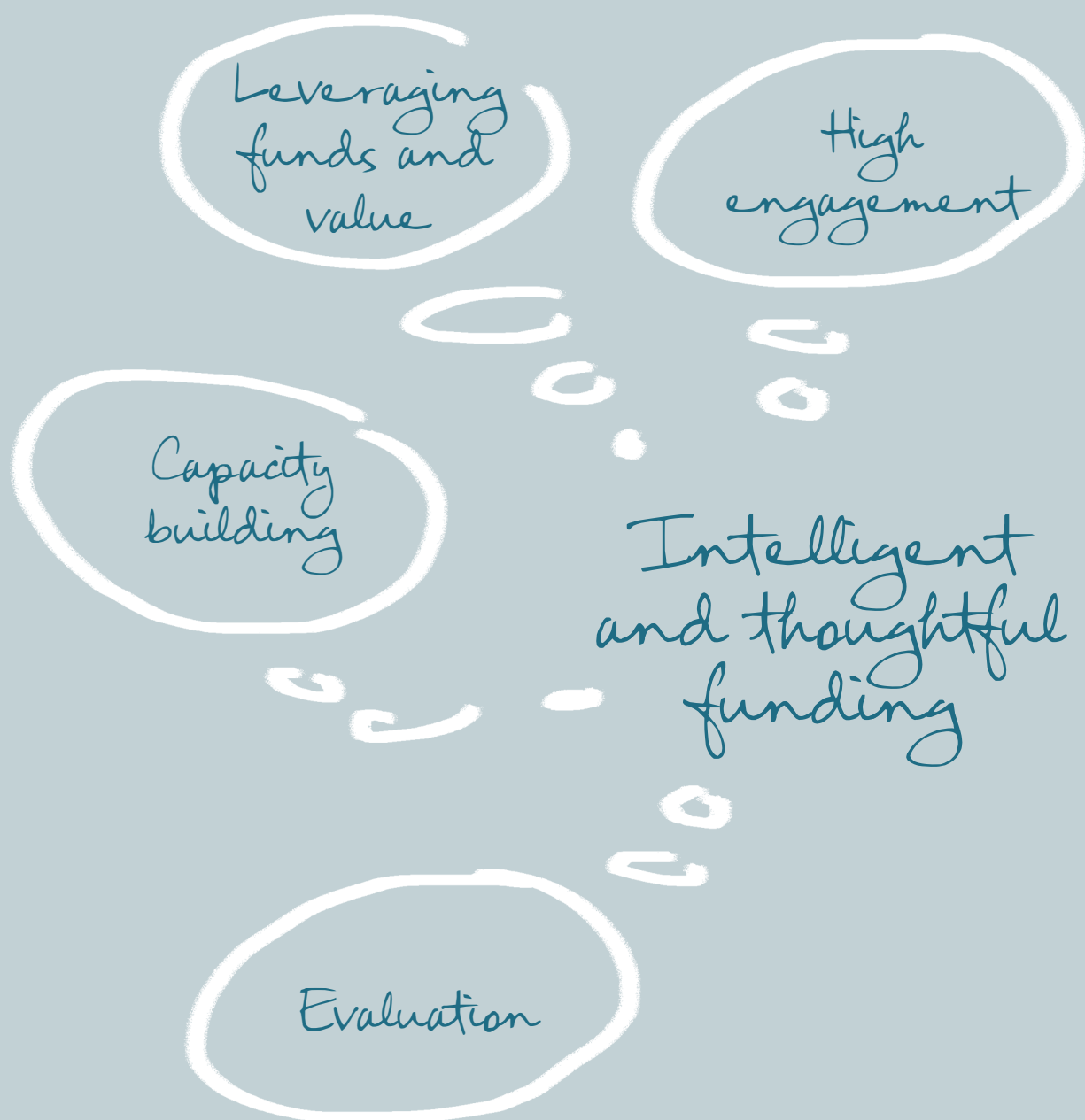


Two years on
October 2009



Chairman's overview

As Wood Group has globalised, I have been increasingly concerned at the huge inequities that exist in wealth, health and opportunity across the world.

Wood Group has benefited significantly from globalisation and along side this must come some corresponding global responsibilities. We are all part of the same humanity and as global citizens must be prepared to contribute to improving the economic well being of people and nations which are struggling badly to get above the breadline.

In developed countries, there are those who are not engaged in society or at risk of not engaging and who face inequity and lack of opportunity. Those of us who are lucky to create wealth must be prepared to help the impoverished, the hungry, the sick and the needy.

In response to the above the Wood Family Trust was set up to contribute what it can to the one third of the world's population living on less than £1 a day and to enhance the citizenship and tolerance principles in young people in the western world, encouraging the next generation to create a more equitable and sharing world that we can be proud of.



A handwritten signature in black ink, appearing to read 'Sir Ian Wood'.

Sir Ian Wood
Chairman Wood Family Trust



Jo Mackie
Chief Executive



David Knopp
Director of Africa



Caroline Gilbert
UK Manager

About us

The Wood Family Trust (WFT) will invest £50 million towards economic, community and enterprise activities in Sub Saharan Africa and the UK over the next 5 – 10 years with the aim to develop and support individuals to become independent, contributing and caring members of society. We are a Scottish based Trust with a Global Outlook.

We aim to be an open, intelligent and thoughtful funder and we recognise that money alone will not solve some of society's greatest inequalities. We are therefore operating under a Venture Philanthropic model, where help in business development and capacity support to our partners have the same priority as the funds we provide. We refer to this blend as "investments" – reflecting the investment of our resource and time as well as our funding.

Through the activities of the Wood Family Trust, we will constantly work to improve our understanding of a very complex global landscape. We will

remain proactive, we will take risks and we will make strategic investments. Our funding decisions will be based on key business principles which will work towards socio-economic benefits to our selected communities and partners.

The Trust has established a highly experienced and talented management team, in both the UK and East Africa, who lead and support the execution of the Trust's agenda. Our excellent small team is the foundation for our successes now and going forward.

WFT is focussed on three programme areas which will be delivered with carefully chosen partners and assessed against key performance indicators.

Making Markets Work for the Poor Sub Sahara Africa

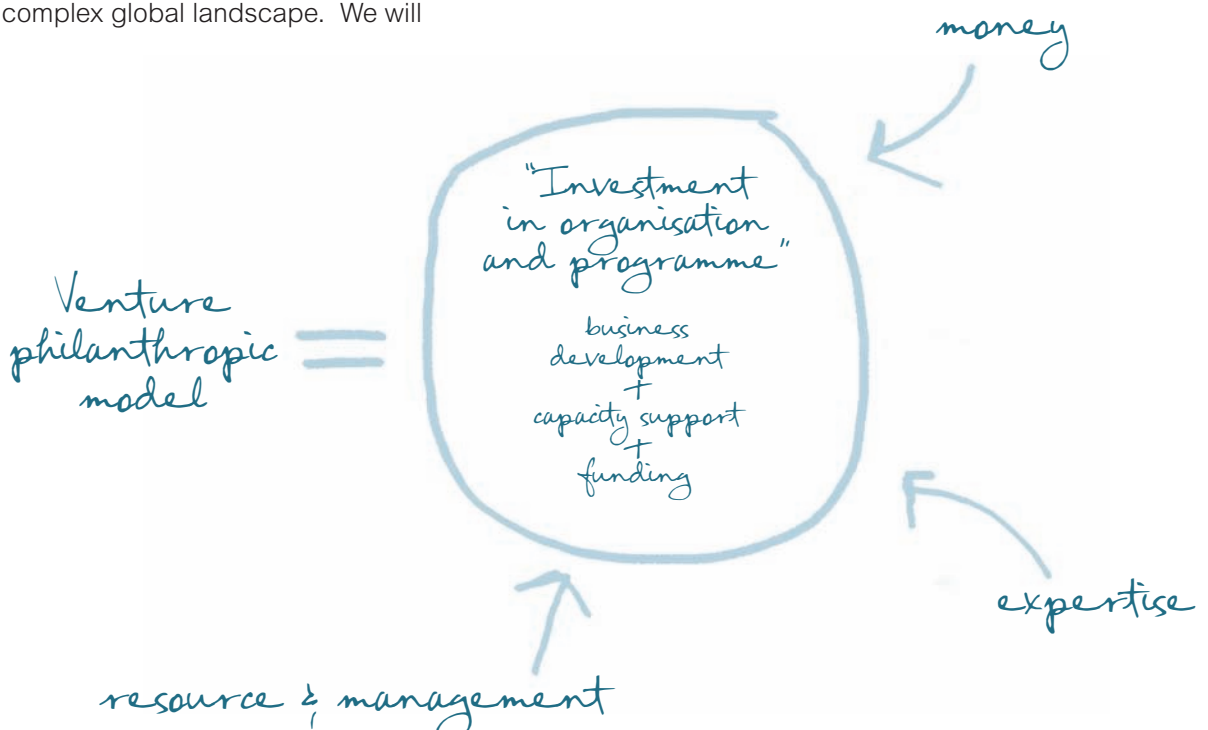
Anticipated to be 75% of the overall fund

Volunteering Overseas & Global Citizenship

Anticipated to be 12.5% of the overall fund

Developing Young People in Scotland

Anticipated to be 12.5% of the overall fund



Making Markets Work for the Poor Sub Sahara Africa



This is our main programme to which we anticipate allocating 75% of our overall fund. Our geographic focus is East Africa and our intention is long term poverty reduction through trade and employment.

Our approach is to increase and sustain trade and employment opportunities and will be based on unblocking constraints within high potential value chains. We will seek to analyse the blockages from front end production to the end market and design interventions to support targeted sectors to operate more effectively.

We believe we will only effect change by helping local people and communities to help themselves and achieve this in a way that is consistent with their culture and way of life. Money alone cannot buy the vision, but the effective application of market analysis, quality minds, effective delivery partners and local entrepreneurs will, we believe, create sustainable change.

The Trust will be careful not to distort markets or just focus on short term impact – It's our firm intention to support the local private sector and related organisations in order to catalyse longer term systemic change.

"Well managed smallholder tea farms provide a steady income and this can alleviate poverty in rural areas for over 100 years. This project aims to do just that, by laying the foundation to attain sustainable management through the relevant support."

Jones Sikira,
Executive Director of the
Tea Association of Tanzania



"Chai – Kwa Maendeleo ya Tanzania"

Tea - for the development of Tanzania

\$9,000,000
over a six year period

"Chai – Kwa Maendeleo ya Tanzania" (Tea - for the development of Tanzania) is the first WFT programme in East Africa which will see an investment of up to \$9million USD over a six year period.

The Chai project was launched in joint funding partnership with the Gatsby Foundation, in Tanzania, on the

28th September 2009. The programme has been developed in association with the local Tanzanian tea sector, who have come on board as partners and supporters of the programme.

Chai project aims:

- Doubling smallholder "made tea" production; and
- Increasing the overall competitiveness of the sector.

While the target beneficiary is the smallholder tea farmer, the Chai Project will undertake a portfolio approach to unblock constraints and inefficiencies at all levels in the value chain, from input supply to end market.

Support will be provided through a variety of mechanisms including technical assistance, matching grants, loan guarantees, debt/equity investments, and any other type of intervention that is commercially viable and will add value to the sector.



Tanzanian Tea – A Sector of Growth Potential

Tea is the fourth largest export crop in Tanzania with \$28.7 million in export earnings. 31,253 smallholders are directly engaged in production; from a combination of estate and smallholder production, the sector reaches over 50,000 families.

While tea is a sector of economic importance within Tanzania, it faces a number of significant challenges:

- Poor smallholder productivity and yields
- Limited access to material inputs and extension services
- Low business experience of farmers
- Poor infrastructure constraints
- Low quality of made tea and poor reputation on international markets
- Lack of smallholder stake in processing operation

These constraints limit new investment and reduce margins for smallholder farmers. However, this is a sector with significant growth opportunities if yields and quality can be improved. We see real opportunities for Tanzanian tea to be a significant player in the global market. Most importantly, we see a vibrant and expanding tea sector having a significant impact on job and increased economic activity in Tanzania.

An Industry Partnership

The Chai Project will support the Tanzanian Tea Industry and work closely with its associated stakeholders to support the aims of the Tea Industry's Development Plan for the sector. It will build upon the Government's theme of "Kilimo Kwanza," and other key documents such as the Tanzania Development Vision 2025, National Strategy for Growth and Reduction of Poverty (MKUKUTA), Poverty Reduction Strategy Paper (PRSP), and the Millennium Development Goals

The first objective detailed in the Industry Plan – "To increase tea production and productivity with a view of increasing incomes among the smallholder farmers" – will be a particular focus of Chai Project support.

Developing young people in Scotland

The objective of this programme is to invest in the future of Scotland by ensuring we have a nation of enterprising young people who have an understanding of citizenship values and a tolerance for others.

Programme aims:

- Promoting Positive Destinations into Enterprise, Education and Training
- Enhancing Enterprise Education and Business Start Ups
- Promoting Citizenship and Tolerance

All of our investments are targeted at supporting organisations which have the ability to deliver sustainable projects to scale and achieve systemic impact. We have a small portfolio of partners, ensuring that we can effectively provide in depth support and an appropriate level and length of funding. Our major partners are: The Youth Philanthropy Initiative, Columba 1400, The Princes Trust, Positive Coaching Scotland, Princes Scottish Youth Business Trust and Inspiring Scotland.

"I'm really pleased with a) the quality of what they produced as I think on the whole it was beyond their normal 'level' at school and b) even the shy and public speaking 'refusers' still got up and had a go (and a very impressive go at that), which was brilliant!!"

Alan Millar, Torry Academy

Youth Philanthropy Iniative (YPI)

£400,000
over a three year period

Scottish pupils taking part in YPI work in small teams in their year groups, to consider the needs of their local community and identify a grassroots social service charity they believe can make a positive contribution. Having been guided on how to analyse the charity's management and strategy, they are encouraged to build relationships with the charity and then exercise their skills in advocacy and public speaking to make a case as to why their proposed charity should receive the £3,000 award for that school.

In the first year, this innovative citizenship programme has been rolled out to ten schools in Aberdeen and Aberdeenshire with over 1,500 pupils between the ages of 14 and 16 taking part and ten local charities sharing £30,000. In the third year, this will have increased to over 9,000 young people from 50 secondary schools across Scotland - engaging with over 200 charities.

The long term vision for YPI is to see a sustainable model which can be delivered across all secondary schools in Scotland.

WFT has worked in partnership with YPI to strengthen their operational performance, strategy development, monitoring and evaluation, external leverage and Public Relations.



Princes Trust – Get Into

£243,000
over a three year period

The Get Into programme provides industry specific training and direct routes into employment for disadvantaged young people who want to find employment but lack the vocational skills, experience and qualifications to find jobs.

The Prince's Trust works with employers to help run the courses and these partners provide work placements which often lead to apprenticeships and direct routes into employment.

WFT funding has supported the Prince's Trust to deliver over 34 Get Into training courses for 240 young people, 75% of whom are from the most deprived areas of Scotland. Our support will further embed the programmes into the relevant Local Authority areas and create in depth evidence to promote the programme to mainstream funders.

WFT has been working with the Prince's Trust to develop their tracking for long term monitoring systems and will continue to work on areas of monitoring and evaluation in partnership with Inspiring Scotland.



Volunteering overseas and global citizenship

Positive Coaching Scotland (PCS)

£219,000
supporting a two year pilot

Based on a highly successful model developed by Stanford University, Positive Coaching Scotland (PCS), delivered by the Winning Scotland Foundation, is a community-based coaching programme which aims to redefine winning and increase young people's participation in sport. Moving away from the traditional 'win at all costs' mentality, PCS attempts to instil a culture which recognises effort, commitment and teamwork.

Including parents, coaches and teachers in the process, PCS is well placed to embed good practice and deliver sustained change. Indeed, through sport, the programme imparts life lessons which are as valuable off the pitch as on.

PCS is being piloted in four Local Authority Areas and by the Scottish Football Association in Fife. Over a two year period PCS will have delivered 440 workshops, engaging with 28,000 parents, teachers and coaches, which will result in 66,000 young people engaging with the new coaching model.

Based on the success of the pilot WFT has been supporting PCS to look at business models which will achieve appropriate scale in Scotland.



The objective of the programme is to develop opportunities for individuals to volunteer overseas, allowing them to develop their understanding of global citizenship principals and challenges, as well as contributing to the sustainable development of the country in which they are operating.

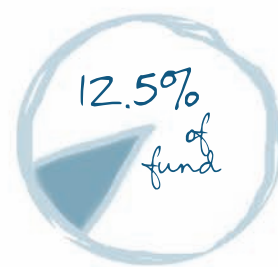
Volunteer placements should be part of a longer term commitment to building the capacity of the target communities. We are particularly focused on the concept of providing specific skills relevant to country requirements, to help bring about planned change. Additionally our supported volunteers must not displace local employment or business.

VSO Global Xchange

£400,000
over three years

Global Xchange is a cross-cultural programme, managed in partnership by the British Council and VSO, delivered in Aberdeen by Aberdeen Foyer and in Tanzania by the Tanzanian Youth Coalition. The Xchange will see 9 individuals from the UK and 9 from Tanzania come together to live and work in cross-cultural pairs for six months; spending three months in Aberdeen and three months in the Tanzanian capital of Dar es Salaam.

The programme supports the young people to explore thematic challenges in both countries and promote awareness within their host communities of the global citizenship agenda.



WFT has been working with VSO to pilot a new operating model which will: embed Global Xchange into the host communities, attract a broader range of young people to partake in the programme, generate cost savings within the model and enhance long-term sustainability of the programme.

Project Trust

£300,000
over three years

Widely respected as one of the UK's most experienced and professional gap year organisations, Project Trust sends over two hundred volunteers, aged 17-19, overseas annually. Such placements provide young people with the opportunity to immerse themselves in an entirely different culture; living and working in an unknown community for a year. Project Trust's volunteer positions are carefully vetted to ensure that they do not deprive local people of employment and are always sufficiently challenging to ensure young people are pushed out of their comfort zones and develop essential life skills.

WFT has supported Project Trust to implement an ambitious volunteer recruitment strategy which will see a 30% increase in the number of young people being placed overseas during a three year period. This growth will ensure that more young people are equipped with the skills needed to succeed in an increasingly globalised economy whilst simultaneously protecting the long-term future of the organisation.

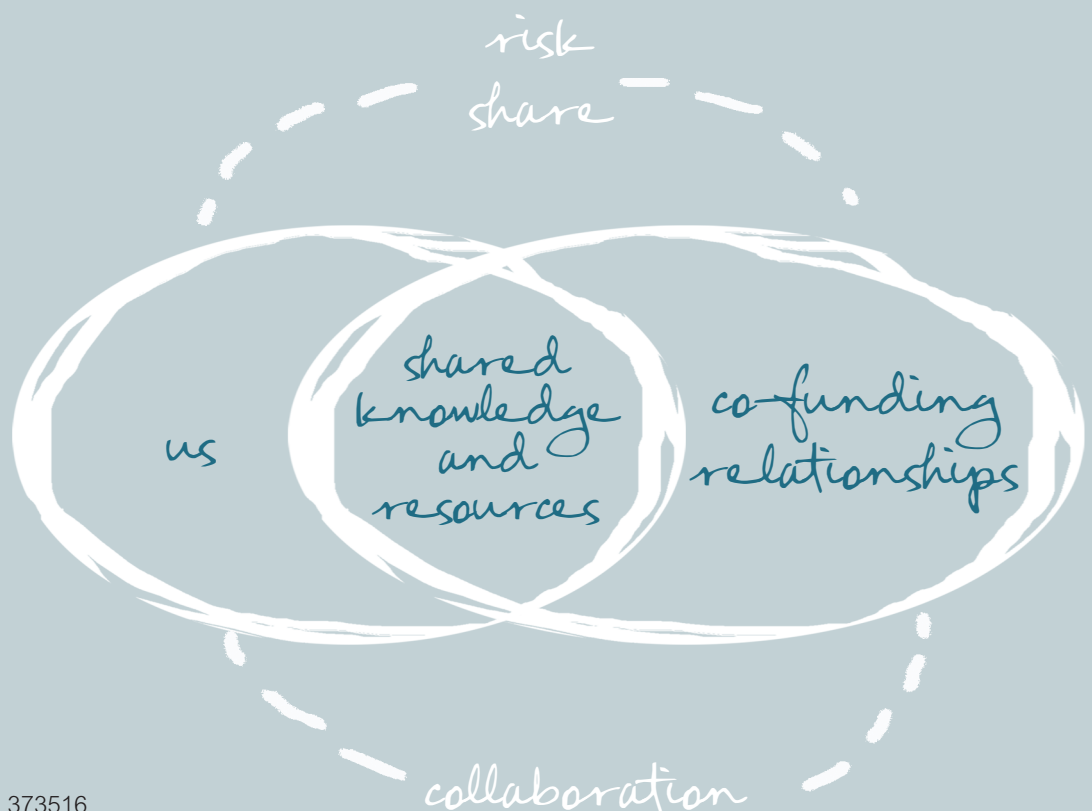
Progress to date has exceeded all expectations and with increasing competition for college and university places, a young person's involvement with Project Trust will help to differentiate them from the majority of applicants.



Future Look

We will continue to develop the organisational capacity of the Trust to meet the needs of our three programme areas and be reactive to changes in societies and markets.

As we build up our experience and management capacity, and look at bigger projects, we will actively seek to develop co-funding relationships with Governments and other Foundations to achieve collaboration and risk share, as well as providing the platform to share knowledge and resource.



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The information contained in this report relates to the activities of WFT Africa, Company No. SC361033 and Scottish Registered Charity No. SC040580 and its parent charity, The Wood Family Trust, Scottish registered Charity Number SC037957.

Trustees: Chairman Sir Ian Wood, Lady Helen Wood, Garreth Wood, Graham Good

Chief Executive: Jo Mackie