

# ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

## **Charity name and number**

Zambia Orphans of Aids United Kingdom

Registered charity number 1116460

## **Correspondence address**

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website: [www.zambiaorphans.org/ZOAUK.htm](http://www.zambiaorphans.org/ZOAUK.htm)

## **Trustees**

Lord Turnbull (Chair)

Jim Potter MBE FCIS (Hon. Treasurer)

Dr Shimwaayi Muntemba

Peter Gill

Dr Eileen Nkwanga

Sally Marlow (to 14 August 2008)

Dr Keith Rennie

Geoffrey Croome (Hon. Secretary)

## **Professional Advisors**

Legal Advisor:

Prue Murdoch

Bankers:

National Westminster Bank, Market Street, Cambridge

Independent Examiner:

Nigel J De'Ath FIPA

## **Fundraising Manager**

Sally McIver

[zoauk@hotmail.co.uk](mailto:zoauk@hotmail.co.uk)

## **TRUSTEES' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008**

### **Objectives, history and activities of the Trust**

Zambia, one of the poorest countries in the world, is also one of the African countries hardest hit by HIV/AIDS, with as many as one million children orphaned. The mission of Zambia Orphans of Aids is to play a leading part in relieving the resulting crisis, by helping these Zambian orphans to fulfil their potential in the face of the huge difficulties that they and their care-givers encounter.

Zambia Orphans of Aids United Kingdom (ZOA-UK) was registered with the Charity Commission in October 2006. It was formed as the third branch of a grouping that comprises Zambia Orphans of Aids USA (ZOA-US) and Zambia Orphans of Aids Zambia (ZOA-Z). ZOA-US had been established in 2000 by a group of Zambians and friends of Zambia living in the USA, as a response to the growing HIV/AIDS crisis in Zambia and the rapidly increasing number of orphans that it was creating. In 2003, ZOA-Z was registered in Zambia as a non-government organisation.

The approach of the ZOA family of organisations is to support well-established, community-based programmes for orphans and other vulnerable children, mostly in rural areas. Its money is spent principally on housing and feeding children and helping to provide them with healthcare, schooling and skills training.

During 2008, ZOA-UK's income totalled over £61,000, compared with some £50,000 during the previous 16 months, from the organisation's inception. Grants amounting to over £58,000 were made, to 12 different projects. The 19 projects financed by ZOAUK since April 2007 have supported over 1,500 children, many with continuing educational support. The net cost of generating the funds raised in 2008 was just £1,272, equivalent to only two per cent of income.

ZOA-UK's plans envisage that, over the coming years, it will further expand its fund-raising and thus its capacity to support projects that will profoundly improve the lives of Zambian orphans.

### **Management and governance arrangements**

ZOA-UK is an unincorporated charity, governed by a constitution that was adopted on 1 July 2006 and amended on 16 September 2006. Its trustees are subject to re-election each year by the annual general meeting.

During 2008, as in the period since inception, there were no paid positions in ZOA-UK. As well as the trustees, its board includes two advisers, one a solicitor and the other the other the chief executive of a successful charity. The board's work was assisted in 2008 by the work of a former trustee and two voluntary assistants. With effect from June 2009, ZOA-UK has employed a part-time fund-raiser, whose salary and other costs are being met by special contributions from certain trustees.

During 2008, the trustees held four board meetings. The annual general meeting was held on 14 August 2008. In addition, numerous planning meetings were held, as well as discussions with other organisations that are undertaking similar work both in Zambia and elsewhere in Africa.

A memorandum of understanding signed in January 2007 formalised the relationship between ZOA-UK and its counterparts in Zambia and the US. It states that "while they are separately-constituted legal entities with their own constitutions and governance, they will affiliate themselves under the common name of Zambia Orphans of AIDS (ZOA), they will share common principles and a common programme, and they will generally operate as three geographical branches of one organization." ZOA-UK and ZOA-US take primary responsibility for fund-raising, while ZOA-Z is responsible for project identification, monitoring and evaluation.

## **Policy and procedures for grant making**

The principal ways in which ZOA–UK assists orphans and the communities supporting them are by:

- supporting orphans so that they can complete their schooling in a country where secondary education is still not free
- helping school leavers to acquire skills for the world of work
- funding communities so that they can generate more income through business and agricultural projects
- dealing with the social consequences of HIV/AIDS by funding counseling for orphans, bereavement counseling for surviving family members, protecting young girls in particular from abuse and sexual exploitation

The Board of ZOA–Z, whose members all reside in Zambia, seeks, receives and reviews project proposals from on the ground within the country and submits them to ZOA–UK and ZOA–US for funding. Typically, a funding request from a voluntary organisation might be for a sum equivalent to £1,500 to £5,000, for a one year project, though larger projects involving a number of community groups are now being considered and ongoing educational support projects may involve a commitment for up to four years. By agreement between ZOA–UK and ZOA–Zambia, 10% of the grant for each project is directed to supporting ZOA–Z's administrative costs.

Like its US counterpart, ZOA–UK is free as a funding organisation to accept or to decline the request for funding of specific projects, based on the assessment made by ZOA–UK trustees and drawing on the wide range of relevant experience among the ZOA–UK board itself. Most of the UK board have worked and lived in Zambia. Individual board members can assist with in-field expertise, knowledge of HIV/AIDS issues, communication skills, understanding of relevant economic and social conditions, and experience of running organisations ranging from grass-roots charities to businesses and government.

Funds are released to ZOA–Z for disbursement following the signing of a tripartite project agreement that sets out the commitments of those responsible for the project on the ground, as well as those of ZOA–Z and ZOA–UK.

ZOA–Z monitors the projects receiving support, and reports regularly to ZOA–UK and ZOA–US on the progress of such projects. Several ZOA–UK trustees have carried out, at their own expense, fact-finding visits to current or prospective projects in Zambia.

While most donations made to ZOA–UK leave its trustees with full freedom to decide the allocation of funds to projects, restricted donations entail allocation that meets the particular conditions laid down by the donor.

As a matter of policy, in order to maintain a strong chain of responsibility, ZOA–UK and ZOA–US do not share the funding of individual projects.

## **Financial review, investment policy and reserves**

ZOA–UK's income in 2008 amounted to £61,338. Sources comprised annual membership receipts (£5,168), donations (£45,714), Gift Aid (£9,117) and bank interest (£339).

In the period, expenditure consisted of 12 grants to a total value of £58,334, along with net fund-raising costs of £1,272. Net assets at the end of the period amounted to £29,576.

The trustees' objective is to disburse money for projects as soon as viable projects that meet selection criteria have been identified and their applications have been put forward and approved. Thus, funds are not held for investment, but are retained in an interest-bearing bank account prior to disbursement.

### **Future plans**

The present economic climate has added significantly to the difficulties faced by charities in fund-raising. Looking beyond this, ZOA-UK is planning to scale up significantly its fund-raising and disbursement over the coming three or four years. To help achieve this ambition, ZOA-UK began in June 2009 to employ an experienced fund-raiser, whose costs are met by three of ZOA-UK's trustees. As well as building up support from individuals, ZOA-UK is establishing networks with funding agencies as well as with corporate donors in Britain.

In aiming at a very substantial increase in its annual income and grants, the trustees are very conscious of the need for the governance of each part of the chain of responsibility to the beneficiary to be robust and effective. To that end, major emphasis has been given to building up, in line with increased funding, the capacity of ZOA-Z to identify, recommend and monitor projects. A major component of this is likely to be the development of partnerships between ZOA-Z and NGOs on the ground that share its approach to supporting orphans in their communities.

### **Statement of trustees' responsibilities**

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. 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.

### **Independent Examiner**

The trustees intend to ask the existing auditor to undertake the independent examination of the Trust's financial activities in 2009.

Signed on behalf of the trustees

Geoffrey Croome, Hon. Secretary