

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM



Report and Financial Statements 1 April 2013 to 31 March 2014

Company Registration No. 07863487 (England & Wales)

Registered Charity No. 1145721

Registered Office: 32 Warnborough Road Oxford OX2 6JA

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

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ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

Reference and Administrative Details

Charity Registration Number	1145721																		
Company Registered Number	07863487																		
Registered Office	32 Warnborough Road Oxford OX2 6JA																		
Administrative Office	2A Nine Chimneys Lane Balsham Cambs CB21 4ES email: admin@zoa.org.uk website: www.zoa.org.uk																		
Bankers	NatWest Bank plc 23 Market Street Cambridge CB2 3PA																		
Independent Examiner	Nigel De'Ath FIPA 12 The Rookery Balsham Cambs CB21 4EU																		
Directors/Trustees	The Directors/Trustees who served during the period were: <table><thead><tr><th><u>Name</u></th><th><u>Appointed</u></th></tr></thead><tbody><tr><td>Lord Andrew Turnbull (Chair)</td><td>16/09/2006</td></tr><tr><td>Dr Shimwaayi Muntemba (Vice Chair)</td><td>16/09/2006</td></tr><tr><td>Geoffrey Croome (Hon Secretary)</td><td>16/09/2006</td></tr><tr><td>Jim Potter (Hon Treasurer)</td><td>16/09/2006</td></tr><tr><td>Prof Hugh MacMillan</td><td>02/06/2011</td></tr><tr><td>Tom Murdoch</td><td>28/10/2009</td></tr><tr><td>Rachel Quine</td><td>24/10/2011</td></tr><tr><td>Dr J Keith Rennie</td><td>16/09/2006</td></tr></tbody></table>	<u>Name</u>	<u>Appointed</u>	Lord Andrew Turnbull (Chair)	16/09/2006	Dr Shimwaayi Muntemba (Vice Chair)	16/09/2006	Geoffrey Croome (Hon Secretary)	16/09/2006	Jim Potter (Hon Treasurer)	16/09/2006	Prof Hugh MacMillan	02/06/2011	Tom Murdoch	28/10/2009	Rachel Quine	24/10/2011	Dr J Keith Rennie	16/09/2006
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Tom Murdoch	28/10/2009																		
Rachel Quine	24/10/2011																		
Dr J Keith Rennie	16/09/2006																		
Fundraising	Sophie Poore admin@zoa.org.uk																		

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

Directors’/Trustees’ report for the period ended 31 March 2014

Objectives, history and activities of the Trust

Zambia, one of the poorest countries in the world, is also one of the African countries where HIV/AIDS has hit hardest. HIV/AIDS accounts for at least half of the estimated one million orphans in the country. The mission of Zambia Orphans of AIDS is to play a leading part in relieving the resulting crisis, by helping these 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.

At the end of the period covered here, over 2,000 orphans and other vulnerable children were being supported.

Management and governance arrangements

During the period reviewed, the trustees held three board meetings. In addition, planning meetings were held during the year, 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 stated 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 organisation.” 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:

- giving support so that orphans can complete their schooling
- 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 counselling for orphans and protecting young girls in particular from abuse and sexual exploitation

The Board of ZOA–Z, whose members all live 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 £10,000, for a one-year project, though larger projects involving community groups are considered and ongoing educational support projects may involve a commitment for up to four years. By agreement between ZOA–UK and ZOA–Z, 10% of the grant for each project is directed to supporting ZOA–Z’s project development, evaluation, monitoring and reporting 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 in education and of running organisations ranging from grass-roots charities to businesses and government.

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

While many of the 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 the year ending March 31 2014 amounted to £144,216, of which £121,725 were restricted funds and £22,491 were unrestricted funds. Sources comprised annual membership receipts £8,389, donations £129,496 (of which £1,102 from individuals and £128,394 from trusts) and Gift Aid rebate £6,331.

In the period, expenditure consisted of 15 grants to a total value of £147,992, along with fund-raising and governance costs of just £2,681 after netting out grants from certain trustees to meet fundraiser and administrative salaries. Net assets at the end of the period amounted to £157,480, compared with £163,937 at the beginning of the period.

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.

At the end of the period, ZOA-UK employed one part-time fund-raiser and a part-time book-keeper. Their salaries and other costs were met by special contributions from certain trustees.

Future plans

The present economic climate has added to the difficulties faced by charities in fund-raising. Looking beyond this, ZOA-UK has been planning to scale up significantly its fund-raising and disbursement. To help achieve this ambition, since the end of 2009 ZOA-UK has used the services of experienced part-time fundraisers, a strategy that, in particular, has successfully brought ZOA-UK to the attention of grant-giving trusts.

In aiming at a substantial increase in its annual income and grants, the trustees are highly 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.

Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year that 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 the year ending March 31 2015.

Signed on behalf of the trustees

Geoffrey Croome, Hon. Secretary

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

Independent Examiners Report

Report to the trustees of Zambia Orphans of AIDS UK, charity no. 1145721, company no 07863487, on the accounts for the twelve months ended 31 March 2014

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. 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 accounts under section 43 of the 1993 Act.
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act, and
- state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

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 Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

As there have been no audited accounts in respect of Zambia Orphans of Aids-Zambia (ZOAZ), for a corresponding period, I am not able to confirm, that all project moneys received by ZOAZ from the UK between 1 January and 31 March 2014 have been paid out to the various projects for which they were intended. However, the Executive committee of ZOAZ has confirmed in ZOAZ's accounts for the year to 31 December 2013, that all funds received from the UK have been paid out to the projects for which they were intended. I have no reason to believe that that is not also the case for funds paid to ZOAZ between 1 January and 31 March 2014.

Signed:

Name: Nigel J De'Ath

Relevant professional qualification of body: Fellow of the Insolvency Practitioners Association

Address: 12 The Rookery Balsham Cambridge CB21 4EU

Date: 1 August 2014

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Statement of Financial Activities (1) for the 3 month period 1 January to 31 March 2013 & 12 month period 1 April 2013 to 31 March 2014

INCOME & EXPENDITURE

	3 months 2013	3 months 2013	3 months 2013	12 months 2013/14	12 months 2013/14	12 months 2013/14
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Resources						
B/f 1 Jan/1 April	15,917	30,735	46,652	68,904	95,033	163,937
Voluntary Income						
Friends	929	0	929	8,389	0	8,389
Trusts & other Donations	56,128	72,599	128,727	11,371	118,125	129,496
Other Income						
Gift Aid rebate	367	3,125	3,492	2,731	3,600	6,331
Total incoming resources (Note 2)	57,424	75,724	133,148	22,491	121,725	144,216
Expenditure						
Costs of generating/ managing funds						
Fundraising costs (net) (note 5)	192	0	192	956	0	956
Governance costs (Note 6)	135	0	135	1,725	0	1,725
Charitable Activities						
Project grants (Note 3)	4,110	11,426	15,536	29,444	118,548	147,992
Total resources expended	4,437	11,426	15,863	32,125	118,548	150,673
Total C/f 31 March (Note 10)	68,904	95,033	163,937	59,270	98,210	157,480

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

Statement of Financial Activities (2) for the 3 month period 1 January to 31 March 2013 & 12 month period 1 April 2013 to 31 March 2014

BALANCE SHEET

	31 March 2013	31 March 2014
Fixed Assets	0	0
Current Assets		
Debtors	3,492	2,394
Bank Accounts	161,985	156,343
	165,477	158,737
Current Liabilities		
Creditors (Note 11)	1,540	1,257
Net Assets (Note 10)	163,937	157,480
of which Restricted	95,033	98,210
Unrestricted	68,904	59,270

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the trustees

Jim G Potter, Director and Hon. Treasurer

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

Notes to the Accounts for the period 1 April 2013 to 31 March 2014

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), revised in May 2008, applicable accounting standards and the provisions of the small companies regime within Part 15 of the Companies Act 2006.

The Charity has opted not to produce a cash flow statement, in line with the small company exemption in the Companies Act 2006.

- b) Voluntary income received by way of donations and gifts for the support of Orphans and Vulnerable Children (OVCs) in Zambia is included in full in the statement of income receivable.
- c) Friends income is unrestricted income received on a regular payment basis from individual supporters of the Charity.
- d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the relevant fund.
- e) Expenditure, including attributable VAT which cannot be recovered, is recognised in the period in which it is incurred.
- f) The Charity employs one part-time fundraiser and a part-time bookkeeper. All their costs are met by the Trustees. (Notes 4 & 6)
- g) Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.
- h) The Charity has changed its year end and accounting date to 31 March.

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Notes to the Accounts (continued) for the period 1 April 2013 to 31 March 2014

2 Analysis of Income

	3 months 2013	12 months 2013/14
Friends regular giving	929	8,389
Donations		
Individuals	8,397	1,102
Trusts	120,330	128,394
Gift Aid	3,492	6,331
Total	133,148	144,216

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Notes to the Accounts (continued) for the period 1 April 2013 to 31 March 2014

3 Project Grants to Zambia

Grants are made by ZOA-UK Trustees on a project by project basis. The sister charity – Zambia Orphans of AIDS Zambia (ZOAZ) evaluate, monitor and report on projects on behalf of ZOA-UK for which a 10% fee is granted.

The grants sent in the year including evaluation, monitoring and reporting costs were:

Proj No	Project	3 months 2013	12 months 2013/14
1	ED Salary contribution	0	4,000
7	Kasama Christian Community Care (KCCC)	0	18,592
8	Lubushi Orphans Resettlement Scheme	4,110	6,231
12	Maseele Widows Club for OVCs	0	3,900
14	Nevers Care & Educational Support Group	0	4,833
15	Chipembi School for Girls	0	7,416
19	Chibolya Education & Health Organisation	0	45,936
21	Hope & Faith School Feeding Programme	0	14,960
22	John Laing Sausage Making & OVC Support	0	2,171
26	Twavwayne Home Based Care Initiative	5,250	6,865
28	Rise Community Aid Programme (RICAP)	4,250	9,900
31	RICAP Metal Fabrication IGA	0	6,468
32	Higher & Vocational Education Fund (HVEF)	1,926	11,100
33	Solar Aid Lights	0	270
34	Mulele Mwana	0	5,350
Total		15,536	147,992

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Notes to the Accounts (continued) for the period 1 April 2013 to 31 March 2014

4 Fundraising Salary Cost

	3 months 2013	12 months 2013/14
Grants from Trustees including Gift Aid b/f	14,753	10,563
Grants from Trustees including Gift Aid	0	12,000
	14,753	22,563
Fundraising Salaries	4,190	14,545
Restricted funds c/f	10,563	8,018

5 Other Fundraising Expenses

	3 months 2013	12 months 2013/14
Just Giving/Virgin Money Fees	54	305
Fundraising Expenses	138	651
	192	956

6 Governance Cost

	3 months 2013	12 months 2013/14
Bank Transfer	100	638
Webhost Fee	35	75
ICO Registration	0	35
Brochure Printing	0	500
Database/Information Services	0	477
	135	1,725
Grant from Trustee including Gift Aid b/f	0	5,209
Grant from Trustee including Gift Aid	6,250	6,000
	6,250	11,209
Admin salary	1,041	3,544
Restricted funds c/f	5,209	7,665

7 Trustee Expenses

There are no Trustee expenses in 2013 or 2013/14.

8 Staff

The Charity employs one part-time self-employed fundraiser and a part-time bookkeeper.

9 Taxation

The Charity is exempt from corporation tax all its income is charitable and is applied for charitable purposes

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Notes to the Accounts (continued) for the period 1 April 2013 to 31 March 2014

10 Analysis of Assets between Funds

	31 March 2013	31 March 2014
Restricted Fund (Chipembi)	13,290	5,874
Restricted Fund (Chibolya)	8,522	1,970
Restricted Fund (Hope & Faith)	0	29,260
Restricted Fund (Higher Education)	57,449	45,423
Restricted Fund (Fundraiser Fees, note 4)	10,563	8,018
Restricted Fund (Admin Salary, note 6)	5,209	7,665
	95,033	98,210
Unrestricted Fund	68,904	59,270
31 March	163,937	157,480

11 Creditors

	31 March 2013	31 March 2014
Fundraising March 2013/March 2014 Salary & Expenses	1,260	977
Admin March 2013 Salary/ March 2014 Salary	280	280
	1,540	1,257

12 Movements in Funds

	Unrestricted Funds	Restricted Funds	Total Funds
3 months 2013			
Balances b/f	15,917	30,735	46,652
Incoming Resources	57,424	75,724	133,148
Less Outgoing Resources	4,437	11,426	15,863
Balance c/f to 2013/14	68,904	95,033	163,937

12 months 2013/14

Incoming Resources	22,488	121,725	144,216
Less Outgoing Resources	32,123	118,548	150,673
Balance c/f to April 2014 inc. reserves	59,267	98,210	157,480

13 Guarantee

The Company is limited by guarantee. The guarantee of each Trustee Director is limited to a maximum of £1.