

ZAMBIA ORPHANS AID UK



Report and Financial Statements 1 April 2018 to 31 March 2019

Company Registration No. 7863487 (England & Wales)

Registered Charity No. 1145721

Registered Office: 32 Warnborough Road Oxford OX2 6JA

ZAMBIA ORPHANS AID UK

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ZAMBIA ORPHANS AID UK

Reference and Administrative Details

Charity Registration Number	1145721
Company Registered Number	7863487
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
Legal Advisor	Tom Murdoch
Independent Examiner	Nigel De'Ath FIPA
Directors/Trustees	The Directors/Trustees who served during the period were:

<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
Adam Lethridge	18/04/2016
Prof Hugh MacMillan	02/06/2011
Garnet Mulomo	19/03/2018
Tom Murdoch	28/10/2009
Rachel Quine	24/10/2011
Dr J Keith Rennie	16/09/2006

Since the accounting date Prof MacMillan, Dr Rennie and Mr Murdoch have resigned from the Board of Directors and as Trustees

Executive Director	Katy Dore	katy@zoa.org.uk
Fundraising	Danielle Harris	danielle@zoa.org.uk

ZAMBIA ORPHANS AID UK

DIRECTORS'/TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Objectives, history and activities of the Charity

Zambia Orphans of AIDS United Kingdom, the previous name of Zambia Orphans Aid United Kingdom (ZOA-UK), was registered with the Charity Commission in October 2006. It was formed as the third branch of a grouping that also comprises Zambia Orphans Aid USA (ZOA-US) and Zambia Orphans Aid Zambia (ZOA-Z). ZOA-US was founded in Washington D.C in 2000 by Dr. Shimwaayi Muntemba, a gender advisor working on the World Bank's HIV/AIDS programmes, 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. Since 2015, the three organisations have operated as Zambia Orphans Aid, with a shared focus to support the most impoverished children, who may not necessarily be orphans of AIDS. ZOA-UK and ZOA-US take primary responsibility for fundraising and communications, while ZOA-Z is primarily responsible for project development and management, monitoring and evaluation.

Zambia is one of the African countries where HIV/AIDS has hit hardest. The prevalence is 12% of the total population and accounts for around half of the estimated 1.2 million orphans in the country¹. Our vision is of a Zambia in which all orphans, vulnerable children (OVC) and youths can achieve their potential. To do this, we must break the cycle of poverty for orphans, vulnerable children and youths by empowering communities, improving access to a quality education, and providing social and economic support. ZOA's approach is to build the capacity of established, community-based organisations to reach marginalised OVC and youth. We focus on access to education and nutrition programmes, as well as supporting much needed skills training and mentoring.

At the end of the period covered to 31 March 2019, 696 OVC and youths were being supported by ZOA-UK to attend schools and colleges and 1,374 were receiving nutritional support.

Management and governance arrangements

During the period, the trustees held four board meetings. In addition, planning meetings were held, as well as discussions with other organisations undertaking similar work both in Zambia and elsewhere in Africa. Three ZOA-UK Trustees carried out, at their own expense, visits to our projects in Zambia. Trustees were able to meet current and former students in their schools, colleges, homes and workplaces to learn how they had benefited from support. ZOA-UK's Executive Director attended the annual partners' meeting in Lusaka in May 2018 organised by ZOA-Z. This provided an opportunity to review ZOA's monitoring, evaluation, learning and accountability.

¹ UNICEF

Visits to Zambia help the charity to keep up to date with the complex issues and challenges faced by OVC and youths, as well as to report back to ZOA-UK's donors.

ZOA-UK partners with eight local community-based organisations - five community groups and three schools. These are run by highly compassionate, dedicated and skilled people, many of whom are volunteers. These partners have a significant impact on the lives of many underprivileged children, who, if out of school, would be at increased risk of child labour, early marriage and sexual exploitation.

Policy and procedures for supporting OVC

ZOA-Z manages and supports local partners to assist OVC and youths and the communities supporting them by:

- Funding tuition and exam fees, uniforms, books, stationery and transport costs so that they can attend school and tertiary college, as required.
- Helping school leavers to acquire vocational and academic skills for the world of work.
- Funding nutritious school meals that improve students' attendance and attainment.
- Helping communities to develop business and agricultural projects, profits from which are used to help support the basic needs of OVC and youths in their care.
- Supporting capacity building activities that help our grassroots, community-based partners to improve outcomes for disadvantaged students.

In addition to funds approved for individual projects, ZOA-UK provides funds for ZOA-Z's project development, evaluation, monitoring and reporting costs. In December 2018 Elizabeth Nkoma who had been leading this essential work retired. She has been succeeded by Grace Kanchea. With degrees in Development Studies and Tropical Agriculture and over 25 year experience in rural development and microfinance we look forward to working with Grace and continuing to grow our work supporting disadvantaged children in Zambia.

Most of the UK trustees have worked and lived in Zambia. Individual board members assist with expertise in project planning, knowledge of HIV/AIDS, gender issues and development, risk management, communications and fundraising, infrastructure development, understanding of relevant economic and social conditions, and experience in education and of running organisations ranging from grassroots charities to businesses and government.

ZOA-Z manages, monitors and advises the projects being supported, providing regular progress reports to ZOA-UK and ZOA-US. An annual conference for local partners is held by ZOA-Z in Lusaka. This is a forum to provide training, project reviews, and to enable the partners to network with each other, share best practice and to raise and resolve issues. In order to maintain a strong chain of responsibility. ZOA-UK and ZOA-US do not co-fund individual projects.

Financial review, investment policy and reserves

ZOA-UK's income in the year ending March 31 2019 amounted to £338,163, of which £265,863 were restricted funds with conditions attached to how they could be spent. Sources comprised annual membership receipts £10,318, donations £296,695 (in addition to which certain Trustees gave £22,078 to meet fundraiser and administrative salary costs), a Gift Aid rebate of £8,300 and £772 of investment interest. £200,585 of all donations came from trusts.

In the period, expenditure included grants to a total value of £264,361, fundraising costs of £35,644 (10% of income) and governance costs of just £16,872. Net assets at the end of the period amounted to £191,628, compared with £170,342 at the beginning of the period.

Grants comprised £117,915 for support of OVCs in primary and secondary education, covering mainly nutrition, fees and requisites, £77,750 for students in tertiary education and training, £34,818 for a new project designed to reduce period poverty and girls' absenteeism, and £33,878 to cover ZOA-Z's related administration, monitoring and evaluation costs.

The trustees' objective is to disburse money for projects as soon as possible. Therefore, funds are not held for investment, but are retained in a bank account prior to disbursement.

The Trustees are involved in the charity on a daily basis. They are assisted by ZOA-UK's Executive Director, a fundraiser and a book-keeper, all part-time and each working from home to keep overheads as low as possible.

Fundraising

This was a record year for fundraising, with income at £338,163, compared with £293,550 in the previous year. The bulk of our funding came from 36 generous Charitable Trusts and Foundations, some of whom have supported us since 2006. We are extremely grateful for their help. We are also very thankful for our circle of Friends, many of whom came aboard in 2006, and have continued to donate a regular gift. This unrestricted money is particularly useful, as it enables us to send funds where they are most urgently needed. In August 2018 we secured a Small Charities Challenge Fund grant funded with UK aid from the UK Government to run a two-year project to provide girls with reusable sanitary pads, helping them remain in the classroom and progress in education. The funding from UK Aid Direct runs until 2020.

Overview of Activities

In the period 2018/19:

- We supplied uniforms, shoes, books, requisites and tuition and exam fees to 320 OVCs attending primary schools.
- We supplied fees and uniform, shoes, books, requisites to 284 OVCs attending secondary schools, including 47 Grade 12 (final year) students.
- We supported 67 older orphans and vulnerable youths with fees for vocational and higher educational courses, alongside requisites and other support costs. We also recruited 38 new students to start tertiary courses in early 2019.

- We purchased and distributed refurbished laptops to all our tertiary students, allowing them to complete their coursework more easily
- 19 tertiary students supported by ZOA-UK graduated, including 15 teachers and two nurses. The current total of ZOA-sponsored graduates is now 87.
- We funded nutritional school meals for 1,274 OVCs at three community schools and a further 100 OVC received food supplements. For some it was their only guaranteed meal of the day.
- We supported menstrual hygiene management workshops for 681 boys and girls, sensitized 28 carers, provided 189 girls and women with reusable sanitary pads, and improved hand-washing facilities at one community school.

Future plans

During the period a good rainy season meant that power outages have ceased and agricultural output increased. However, a temporary aid freeze to the Zambian Government from several major international funders led to a sharp fall in the value of the Kwacha, which has failed to fully recover. Other factors, combined with the Brexit effect have resulted in sterling weakening substantially against the Kwacha. The Kwacha rate against sterling fell from an average of K15.3/£1 for grant transfers in 2016/7 to K14.4/£1 in 2018/9.

Job creation remains a key priority for the government as Zambia has a low formal employment base with most people relying on street trading or subsistence farming to earn a living. This environment continues to make food and schooling even more unaffordable for the very poorest Zambians. We will continue to support capable and hardworking older orphans and vulnerable youths to gain vocational qualifications, as this has proved to be an effective way of breaking the cycle of poverty. Graduate level jobs can lift entire extended families out of poverty.

To meet the challenge from the fall in sterling and the increasing needs of OVC and youths in Zambia, ZOA-UK must continue to scale up its fundraising and disbursements. In aiming at a substantial increase in its annual income and project expenditure, 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 manage, monitor and evaluate projects effectively.

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 financial statements 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

Following his retirement from his day job, Nigel De'Ath has asked us to accept his resignation as Independent Examiner. The Trustees do this with regret, but also with grateful thanks to him for his very helpful oversight of our financial records over the 12 financial years since our formation.

Signed on behalf of the trustees

Geoffrey Croome, Hon. Secretary

A handwritten signature in black ink that reads "Geoffrey Croome". The signature is written in a cursive style with a large 'G' and 'C'.

ZAMBIA ORPHANS AID UK

INDEPENDENT EXAMINERS REPORT

Report to the trustees of Zambia Orphans Aid UK, charity no. 1145721, company no 7863487, on the accounts for the twelve months ended 31 March 2019

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 AID-Zambia (ZOA-Z), for a corresponding period, I am not able to confirm that all project moneys received by ZOA-Z from the UK between 1 April 2018 and 31 March 2019 have been paid out to the various projects for which they were intended. However, the Executive committee of ZOA-Z can confirm that for the year ending 31 December 2018 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 ZOA-Z between January and March 2019.

Signed:



Name: Nigel J De'Ath

Relevant professional qualification of body: Fellow (retired) of the Insolvency Practitioners Association.

Address: 12 The Rookery Balsham Cambridge CB21 4EU

Date: October 23rd 2019

ZAMBIA ORPHANS AID UK

Statement of Financial Activities (1) for the 12 month period 1 April 2018 to 31 March 2019 & 12 month period 1 April 2017 to 31 March 2018

INCOME & EXPENDITURE

	12 months 2018/19	12months 2018/19	12 months 2018/19	12 months 2017/18	12 months 2017/18	12 months 2017/18
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Resources						
B/f 1 April	83,905	86,437	170,342	84,711	67,755	152,466
Voluntary						
Income						
Friends	10,318	0	10,318	10,518	0	10,518
Trusts & other						
Donations	58,429	238,266	296,695	34,525	211,498	246,023
Other Income						
Trustee Salary Gift	0	22,078	22,078	0	23,500	23,500
Gift Aid rebate	2,781	5,519	8,300	7,634	5,875	13,509
Invest Interest	772	0	772	0	0	0
Total incoming resources (Note 2)	72,300	265,863	338,163	52,677	240,873	293,550
Expenditure						
Costs of generating/ managing funds						
Fundraising costs (Notes 4 & 5)	3,248	32,396	35,644	2,089	23,061	25,150
Governance costs (Notes 4 & 5)	16,872	0	16,872	11,866	0	11,866
Charitable Activities						
Project grants (Note 3)	68,552	195,809	264,361	39,528	199,130	238,658
Total resources expended	88,672	228,205	316,877	53,483	222,191	275,674
Total C/f 31 March (Note 9)	67,533	124,095	191,628	83,905	86,437	170,342

ZAMBIA ORPHANS AID UK

Statement of Financial Activities (2) for the 12 month period 1 April 2018 to 31 March 2019 & 12 month period 1 April 2017 to 31 March 2018

BALANCE SHEET

	31 March 2019	31 March 2018
Fixed Assets	0	0
Current Assets		
Debtors	7,219	9,330
Debtor (ZOAZ unallocated suspense account)	19,764	21,158
Investment	100,672	0
Bank Accounts	66,273	143,003
	193,928	173,491
Current Liabilities		
Creditors (Note 10)	2,300	3,149
Net Assets (Note 9)	191,628	170,342
of which Restricted	124,095	86,437
Unrestricted	67,533	83,905

To avoid issues which arise from day to day fluctuations in the exchange rate, cash transferred to Zambia Orphans Aid Zambia is allocated to a suspense account. When grants are due to community partners, they are authorised by ZOAUUK and then paid from the suspense account. The balance of £19,764 on that account is treated as a debtor and a prior year adjustment has been made.

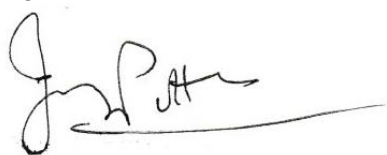
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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, Trustee and Hon. Treasurer

ZAMBIA ORPHANS AID UK

Notes to the Accounts for the period 1 April 2018 to 31 March 2019

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 three part-time staff including the Executive Director. Fundraising salary costs are met by the Trustees. (Note 4)
- 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.

ZAMBIA ORPHANS AID UK

Notes to the Accounts (continued) for the period 1 April 2018 to 31 March 2019

2 Analysis of Income

	12 months 2018/19	12 months 2017/18
Friends regular giving	10,318	10,518
Donations		
Trustee Fundraising Salary Gift	22,078	23,500
Individuals/Other Organisations	96,110	45,811
Trusts	200,585	200,212
Interest	772	0
Gift Aid	8,300	13,509
Total	338,163	293,550

ZAMBIA ORPHANS AID UK

Notes to the Accounts (continued) for the period 1 April 2018 to 31 March 2019

3 Project Grants to Zambia

Grants are made by ZOA-UK Trustees on a project by project basis. The sister charity – Zambia Orphans AID Zambia (ZOA-Z) has four employees who evaluate, monitor and report on projects on behalf of ZOA-UK. ZOA-Z costs amount to 15% of total grants.

The grants sent to ZOA-Z in the year including evaluation, monitoring and reporting costs were:

Project	12 months 2018/19	12 months 2017/18
ZOAZ Admin/Monitoring & Evaluation	33,878	29,347
OVC Support-Primary & Secondary Education (Nutrition, fees & requisites)	117,915	159,331
Tertiary Education and Training	77,750	45,579
Other	34,818	4,401
	264,361	238,658

ZAMBIA ORPHANS AID UK

Notes to the Accounts (continued) for the period 1 April 2018 to 31 March 2019

4 Fundraising Salary Costs

	12 months 2018/19	12 months 2017/18
Grants from Trustees including Gift Aid b/f	22,363	16,049
Grants from Trustees/Donor including Gift Aid	29,139	29,375
	51,502	45,424
Fundraising Salaries	32,396	23,061
Restricted funds c/f	19,106	22,363

5 Other Expenses & Governance Costs

	12 months 2018/19	12 months 2017/18
Salaries	13,330	10,193
Fundraising/Just Giving/ CAF Fees	400	575
Fundraising Expenses	2,848	1,514
Bank Transfer	360	688
ICO Registration	35	35
Other costs	3,147	950
	20,120	13,955

6 **Trustee Expenses** - There are no Trustee expenses.

7 **Staff** - The Charity employs three part-time staff including the executive director.

8 **Taxation** - The Charity is exempt from corporation tax. All its income is charitable and is applied for charitable purposes

ZAMBIA ORPHANS AID UK

Notes to the Accounts (continued) for the period 1 April 2018 to 31 March 2019

9 Analysis of Assets between Funds

	31 March 2019	31 March 2018
Restricted Fund (Project Funds)	24,219	7,689
Restricted Fund (Higher & Vocational Education Fund HVEF)	80,770	56,385
Restricted Fund (Fundraising Salaries, note 4)	19,106	22,363
	124,095	86,437
Unrestricted Fund	67,533	83,905
31 March	191,628	170,342

10 Creditors

	31 March 2019	31 March 2018
Salary & Expenses March 2019/March 2018	2,300	3,149
	2,300	3,149

11 Movements in Funds

	Unrestricted Funds	Restricted Funds	Total Funds
12 months 2017/18			
Balances b/f	84,711	67,755	152,466
Incoming Resources	52,677	240,873	293,550
Less Outgoing Resources*	53,483	222,191	275,674
Balance c/f to 2018/19	83,905	86,437	*170,342

12 months 2018/19

Incoming Resources	72,300	265,863	338,163
Less Outgoing Resources	88,672	228,205	316,877
Balance c/f to April 2019 inc. reserves	67,533	124,095	191,628

12 Guarantee

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

*Prior year adjustment