

# ZAMBIA ORPHANS AID UK



## **Report and Financial Statements 1 April 2016 to 31 March 2017**

Company Registration No. 7863487 (England & Wales)

Registered Charity No. 1145721

Registered Office: 32 Warnborough Road Oxford OX2 6JA

# ZAMBIA ORPHANS AID UK

## Contents

	<b>Page</b>
<b>Reference and Administration Details</b>	<b>2</b>
<b>Directors’/Trustees’ Report</b>	<b>3</b>
<b>Independent Examiners Report</b>	<b>8</b>
<b>Income &amp; Expenditure Account</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Notes to the Accounts</b>	<b>12</b>

# 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](mailto:admin@zoa.org.uk)  
website: [www.zoa.org.uk](http://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:

<u>Name</u>	<u>Appointed</u>
Lord Andrew Turnbull (Chair)	16/09/2006
Dr Shimwaayi Muntamba (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
Tom Murdoch	28/10/2009
Rachel Quine	24/10/2011
Dr J Keith Rennie	16/09/2006

Fundraising Katy Dore [Katy@zoa.org.uk](mailto:Katy@zoa.org.uk)  
Danielle Harris [Danielle@zoa.org.uk](mailto:Danielle@zoa.org.uk)

# ZAMBIA ORPHANS AID UK

## DIRECTORS'/TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

### Objectives, history and activities of the Charity

Zambia is one of the African countries where HIV/AIDS has hit hardest. The prevalence of HIV/AIDS is 12% of the total population and accounts for around half of the estimated 1.2 million orphans in the country<sup>1</sup>. Our vision is a world in which all children are able to achieve their potential and we are working to break the cycle of poverty for orphans, vulnerable children (OVCs) and youth by empowering communities, and improving access to a quality education and social support.

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 comprises Zambia Orphans Aid USA (ZOA-US) and Zambia Orphans Aid Zambia (ZOA-Z). ZOA-US was founded in the US 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, as at that time it was agreed that the shared focus should be to support the most impoverished children, who may not be orphans of HIV/AIDS. ZOA-UK and ZOA-US take primary responsibility for fundraising and communications, while ZOA-Z is responsible for project identification and management, as well as monitoring and evaluation.

ZOA's approach is to partner with well-established, community-based organisations in order to reach marginalised OVCs and youth. Its work focuses on access to education, school feeding programmes, as well as on supporting much needed skills training and mentoring.

At the end of the period covered to 31 March 2017, a total of 1,849 OVCs and youths were being supported by ZOA-UK.

### Management and governance arrangements

During the period, the trustees held three 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.

Four ZOA-UK Trustees, including the Chair and Vice-Chair, carried out, at their own expense, separate 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.

---

<sup>1</sup> UNICEF

Trustees also inspected the development of ZOA-funded capital projects at Twawwane, Chibolya and Hope & Faith schools, and they visited ZOA-funded income generating businesses, including a school farm. Trustee visits help the charity to keep up to date with the complex issues and challenges faced by OVCs and youths, as well as to report back to ZOA-UK's donors.

ZOA-Z's local partners consist of eight community groups and five schools (seven of which are supported by ZOA-UK donations and six by ZOA-US). They are run by highly compassionate, dedicated and skilled people, many of whom are volunteers. These partners are having a significant impact on the lives of many underprivileged children, who, if out of school, would be at risk of child labour, early marriage, and prostitution.

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

The principal ways in which OVCs and youths and the communities supporting them are assisted is by:

- Funding tuition and exam fees, uniforms, books, stationery and transport costs so that they can attend school.
- Helping school leavers to acquire vocational skills for the world of work.
- Funding nutritious school meals, improving students' attendance and attainment.
- Funding communities to develop business and agricultural projects, profits from which are used to help support the basic needs of OVCs and youths in their care.

ZOA-Z seeks, receives and reviews project proposals from local community groups and submits them to ZOA-UK and ZOA-US to consider funding. A funding request from a voluntary organisation might be for between £1,500 to £10,000, for a one-year project. However, larger projects are considered and educational support for students involves a commitment until the child has completed their education.

An additional 10% of total project costs are sent by ZOA-UK and ZOA-US to ZOA-Z, to cover project development, evaluation, monitoring and reporting costs. This essential work is led by ZOA-Z's Executive Director, Elizabeth Nkhoma, who has over 25 years' experience in project implementation, monitoring and evaluation gained while working at CARE, Plan International and United Nations High Commission for Refugees. Her knowledge is of huge benefit to ZOA.

Most of the UK board have worked and lived in Zambia. Individual board members assist with programmatic expertise, knowledge of HIV/AIDS and gender issues, communications and fundraising, 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 manages, monitors and advises the projects being supported, providing regular progress reports to ZOA-UK and ZOA-US. ZOA-Z holds an annual three-day conference for local partners in Lusaka. This is a forum to provide training, and to enable the partners to network with each other, share best practice and to raise and resolve issues. The conference is jointly funded by ZOA-UK and ZOA-US. However, 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 2017 amounted to £217,694, of which £155,616 were restricted funds with conditions attached to how they can be spent. Sources comprised annual membership receipts £9,818, donations £169,036 (in addition to which certain Trustees gave £21,500 to meet fundraiser and administrative salary costs) and a Gift Aid rebate £17,340. £115,870 of all donations came from trusts.

In the period, expenditure included 17 grants to a total value of £191,361 and non-salary fundraising and governance costs of just £7,183. Net assets at the end of the period amounted to £152,466, compared with £161,314 at the beginning of the period.

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 two part-time fundraisers and a part-time book-keeper, who work from home to keep overheads as low as possible, with their salary costs being met by contributions from certain Trustees.

## **Fundraising**

This was a record year for fundraising, with income at £217,694, compared with £159,516 in the previous year. The bulk of our funding came from 44 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, most 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.

## **Overview of Activities**

In the period 2016/17:

- We supplied uniforms, shoes, books, requisites and tuition and exam fees to 339 OVCs attending primary schools
- We supplied fees and uniform, shoes, books, requisites to 195 OVCs attending secondary schools, including 31 Grade 12 (final year) students
- We supported 48 older orphans and vulnerable youths with fees for vocational courses, alongside requisites and other support costs
- 16 tertiary students supported by ZOA-UK graduated, including 14 teachers, an electrician and a nurse. This brought to 54 the current total of ZOA-sponsored graduates.
- We funded school meals for 1,396 poor OVCs at three community schools. For some it is their only guaranteed meal of the day

- We funded a piggery with our partner, KCCC, in Kasama District, Northern Province. Profits from which will be used to support OVCs in the local area
- New school desks were purchased for Twavwane School in Lusaka, so children no longer have to sit on the floor while they are learning
- We helped to fund the construction of two science laboratories at Hope & Faith School, a community school in a slum area of Lusaka with around 700 pupils, many of them OVCs

## **Future plans**

In 2016 Zambia continued to face economic challenges following another year of low copper prices and crippling electricity supply cuts. A new government took office in September 2016 and although there has been an increase in political unrest, which is unusual and hopefully temporary for Zambia, the economy has stabilised, metal prices have risen and as a result of a good rainy season power outages have ceased and agricultural output risen.

However these factors, combined with the Brexit effect have resulted in sterling weakening substantially against the Kwacha. In 2017 the Kwacha rate against sterling has fallen from an average of K15.25 per £ sterling for grant transfers in 2016 to K11.75 in 2017...a fall of 25%.

Job creation is a key priority for the new government as Zambia retains a low formal employment base of just 11% of total employment. 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 permanently out of poverty.

To meet the challenge from the fall in sterling and the increasing needs of OVCs and youths in Zambia, ZOA-UK must scale up its fundraising and disbursements. To achieve this aim, in November 2016 we recruited a second part-time fundraiser, doubling the amount of time we can spend raising money. 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 manage, monitor and evaluate 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 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**

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 2018.

Signed on behalf of the trustee

Geoffrey Croome, Hon. Secretary

A handwritten signature in black ink that reads "Geoffrey Croome". The signature is written in a cursive style with a horizontal line underneath.

# **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 2017

### **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 Act
- have 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 (ZOAZ), for a corresponding period, I am not able to confirm, that all project moneys received by ZOAZ from the UK between 1 April 2016 and 31 March 2017 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 2016 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 January & March 2017



**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:** 17<sup>th</sup> September 2017

# ZAMBIA ORPHANS AID UK

## Statement of Financial Activities (1) for the 12 month period 1 April 2016 to 31 March 2017 & 12 month period 1 April 2015 to 31 March 2016 (restated-see Note 1(i))

### INCOME & EXPENDITURE

	12 months 2016/17	12months 2016/17	12 months 2016/17	12 months 2015/16	12 months 2015/16	12 months 2015/16
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Resources B/f 1 April</b>	<b>84,513</b>	<b>76,801</b>	<b>161,314</b>	<b>72,230</b>	<b>92,886</b>	<b>165,116</b>
<b>Voluntary Income</b>						
Friends	9,818	0	9,818	8,478	0	8,478
Trusts & other Donations	40,295	128,741	169,036	23,684	101,420	125,104
<b>Other Income</b>						
Trustee Salary Gift	0	21,500	21,500	0	18,000	18,000
Gift Aid rebate	11,965	5,375	17,340	3,434	4,500	7,934
<b>Total incoming resources (Note 2)</b>	<b>62,078</b>	<b>155,616</b>	<b>217,694</b>	<b>35,596</b>	<b>123,920</b>	<b>159,516</b>
<b>Expenditure</b>						
<b>Costs of generating/ managing funds</b>						
Fundraising costs (Notes 4 & 5)	2,324	24,142	26,466	1,886	19,170	21,056
Governance costs (Notes 4 & 5)	4,859	3,856	8,715	895	3,293	4,188
<b>Charitable Activities</b>						
Project grants (Note 3)	54,697	136,664	191,361	20,532	117,542	138,074
<b>Total resources expended</b>	<b>61,880</b>	<b>164,662</b>	<b>226,542</b>	<b>23,313</b>	<b>140,005</b>	<b>163,318</b>
<b>Total C/f 31 March (Note 9)</b>	<b>84,711</b>	<b>67,755</b>	<b>152,466</b>	<b>84,513</b>	<b>76,801</b>	<b>161,314</b>

# ZAMBIA ORPHANS AID UK

## Statement of Financial Activities (2) for the 12 month period 1 April 2016 to 31 March 2017 & 12 month period 1 April 2015 to 31 March 2016 (restated-see Note 1(i))

### BALANCE SHEET

	31 March 2017	31 March 2016
<b>Fixed Assets</b>	0	0
<b>Current Assets</b>		
Debtors	14,799	6,725
Bank Accounts	141,866	157,055
	<b>156,665</b>	<b>163,780</b>
<b>Current Liabilities</b>		
Creditors (Note 10)	4,199	2,466
<b>Net Assets (Note 9)</b>	<b>152,466</b>	<b>161,314</b>
<b>of which Restricted</b>	<b>67,755</b>	<b>76,801</b>
<b>Unrestricted</b>	<b>84,711</b>	<b>84,513</b>

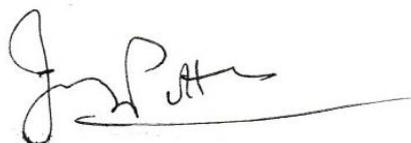
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

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 AID UK

## Notes to the Accounts for the period 1 April 2016 to 31 March 2017

### 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 two part-time fundraisers 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 changed its name** from Zambia Orphans of AIDS United Kingdom to Zambia Orphans Aid UK on 29<sup>th</sup> September 2016
- i) **Change of accounting policy and restatement of the 2015/16 accounts.** In previous years the notes to the accounts have shown fundraising expenditure netted off against Trustee Gifts made for the purpose of subsidising fundraising costs thus excluding both items from the I&E account. These items have now been brought into the main I&E account and the previous 2015/16 figures restated accordingly. Full details are still shown in the notes to the accounts.

# ZAMBIA ORPHANS AID UK

## Notes to the Accounts (continued) for the period 1 April 2016 to 31 March 2017

### 2 Analysis of Income

	12 months 2016/17	12 months 2015/16
Friends regular giving	9,818	8,478
<b>Donations</b>		
Trustee Salary Gift	21,500	18,000
Individuals	53,166	11,568
Trusts	115,870	113,536
<b>Gift Aid</b>	17,340	7,934
<b>Total</b>	217,694	159,516

# ZAMBIA ORPHANS AID UK

## Notes to the Accounts (continued) for the period 1 April 2016 to 31 March 2017

### 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 (ZOAZ) evaluate, monitor and report on projects on behalf of ZOA-UK for which a fee averaging around 10% is granted.

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

Proj No	Project	12 months 2016/17	12 months 2015/16
1	ZOA Zambia	13,459	10,718
7	Kasama Christian Community Care (School & Social Support)	32,560	26,740
8	Lubushi Orphans Resettlement Scheme	11,290	8,471
12	Maseele Widows Club for OVCs	8,678	3,112
14	Nevers Care & Educational Support Group	14,548	11,950
15	Chipembi School for Girls	3,205	0
19	Chibolya Education & Health Org. (CEHOZ)	33,621	14,855
19	Chibolya Education & Health Org (Capital)	7,228	0
21	Hope & Faith Science Laboratory Building	11,178	23,500
21	Hope & Faith School Feeding & Education	13,198	11,588
26	Twavwane School & Home Based Care	26,877	*12,973
26	Twavwane School (Kitchen)	6,500	0
28	Rise Community Aid Programme (RICAP)	0	5,209
33	Solar Aid Lights	2,271	0
34	Mulele Mwana	0	1,313
35	KCCC Piggery	3,100	6,963
101	M Mwansa	3,648	682
<b>Total</b>		<b>191,361</b>	<b>138,074</b>

\*This total includes a grant of £2,750 from the Peter Stebbings Memorial Charity in April 2015

# ZAMBIA ORPHANS AID UK

## Notes to the Accounts (continued) for the period 1 April 2016 to 31 March 2017

### 4 Fundraising & Admin Salary Costs

	12 months 2016/17	12 months 2015/16
Grants from Trustees including Gift Aid b/f	17,172	17,135
Grants from Trustees including Gift Aid	26,875	22,500
	<b>44,047</b>	<b>39,635</b>
Salaries	27,998	22,463
<b>Restricted funds c/f</b>	<b>16,049</b>	<b>17,172</b>

### 5 Other Fundraising Expenses & Governance Costs

	12 months 2016/17	12 months 2015/16
Just Giving/ CAF Fees	417	528
Fundraiser Expenses	1,907	1,358
Bank Transfer	792	662
ICO Registration	35	35
November Reception & Student Speaker Costs	3,283	0
Other costs	749	198
	<b>7,183</b>	<b>2,781</b>

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

7 **Staff** - The Charity employs two part-time self-employed fundraisers and a part-time bookkeeper.

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 2016 to 31 March 2017

### 9 Analysis of Assets between Funds

	<b>31 March 2017</b>	<b>31 March 2016</b>
Restricted Fund (Chipembi)	514	3,719
Restricted Fund (CEHOZ)	10,345	13,094
Restricted Fund (Hope & Faith)	0	1,200
Restricted Fund (Nevers Care)	0	4,611
Restricted Fund (Solar Lights)	1,755	0
Restricted Fund (Hope & Faith Higher Education)	0	717
Restricted Fund (Higher Vocational Education Fund HVEF)	39,092	36,288
Restricted Fund (Salaries, note 4)	16,049	17,172
	<b>67,755</b>	<b>76,801</b>
Unrestricted Fund	84,711	84,513
<b>31 March</b>	<b>152,466</b>	<b>161,314</b>

### 10 Creditors

	<b>31 March 2017</b>	<b>31 March 2016</b>
Fundraising Salary & Expenses March 2017/March 2016	3,859	2,086
Admin Salary March 2017/March 2016	340	380
	<b>4,199</b>	<b>2,466</b>

### 11 Movements in Funds

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
<b>12 months 2015/16</b>			
Balances b/f	72,230	92,886	165,116
Incoming Resources	35,596	123,920	159,516
<b>Less</b> Outgoing Resources	23,313	140,005	163,318
Balance c/f to 2016/17	<b>84,513</b>	<b>76,801</b>	<b>161,314</b>
<b>12 months 2016/17</b>			
Incoming Resources	62,078	155,616	217,694
<b>Less</b> Outgoing Resources	61,880	164,662	226,542
Balance c/f to April 2017 inc. reserves	<b>84,711</b>	<b>67,755</b>	<b>152,466</b>

### 12 Guarantee

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