

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM



Report and Financial Statements 1 April 2015 to 31 March 2016

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:

<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 Sophie Poore
admin@zoa.org.uk

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

DIRECTORS'/TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

Objectives, history and activities of the Charity

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 1.4 million orphans in the country. The charity's mission 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 AID USA (ZOA-US) and Zambia Orphans AID 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.

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 organization." ZOA-UK and ZOA-US take primary responsibility for fund-raising, while ZOA-Z is responsible for project identification, monitoring and evaluation. Since 2015, the three organisations have operated as Zambia Orphans AID, in order to clarify their focus.

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 educating and feeding children and helping to provide them with skills training and mentoring.

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.

During the period, five ZOA-UK trustees, including the Chair, Vice-Chair and Treasurer, 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 benefitted from sponsorship. Some Trustees also met a number of children's grandparents and guardians, who expressed deep gratitude for the educational support they are unable to afford. Trustees also inspected the development of ZOA-funded capital projects at Chibolya and Hope and Faith schools, they visited various ZOA-funded income generating businesses, including a piggery, metal-work shop and school farm.

Our local partners are all highly compassionate, dedicated and skilled people who are making a significant impact on the lives of many underprivileged children despite very difficult circumstances. These Trustee visits are invaluable in helping us to better understand the complex issues and challenges they face and also enabling us to report back in detail to our donors.

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. This work is led by ZOA-Zambia’s Executive Director, Elizabeth Nkhoma, who has gained over 20 years’ experience in project implementation, monitoring and evaluation from working at CARE, Plan International and United Nations High Commission for Refugees. Her knowledge is of huge benefit to ZOA.

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 and advises the projects being supported, and reports regularly on the projects 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 learning, identify best practice and raise issues. The conference is jointly funded by ZOA-UK and ZOA-US.

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 2016 amounted to £137,053, of which £96,957 were restricted funds. Sources comprised annual membership receipts £8,478, donations £120,641 (of which £113,536 from trusts) and Gift Aid rebate £7,934.

In the period, expenditure consisted of 14 grants to a total value of £138,074, along with fund-raising and

governance costs of just £2,781 after netting out grants from certain trustees to meet fundraiser and administrative salaries. Net assets at the end of the period amounted to £161,314, compared with £165,116 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 a bank account prior to disbursement.

The hands-on Trustees manage the charity on a daily basis, assisted by one part-time fund-raiser and a part-time book-keeper. Employees work from home to keep overheads as low as possible; their salaries and other costs were met by special contributions from certain trustees.

Fundraising

This was a record year for fundraising, with income at £137,053. The bulk of our funding came from 30 generous Charitable Trusts and Foundations, some of whom have supported us since inception in 2006. We are extremely grateful for their help.

We also raised funds from a number of corporates, including SABMiller who kindly sponsored our new website redevelopment.

We are also very thankful for our circle of Friends, most of whom came aboard in 2006, and have continued to donate a regular annual fee. This unrestricted money is particularly useful, as it enables us to send funds where they are most urgently needed. In the last period this included funds for a laptop for a visually impaired student and college fees for a young man who was accepted on to a teaching course just a week before it started.

Overview of Activities

In the period 2015/16:

- we supplied uniforms, shoes, books, requisites and user fees to 410 primary age OVCs
- we supplied fees and uniform, shoes, books, requisites to 157 secondary school age OVCs, including 31 Grade 12 (final year) students
- we supported 43 older OVCs with tertiary level fees, requisites and other support costs
- 13 tertiary students supported by ZOA-UK graduated, including nine teachers, two agriculturalists, a motor mechanic and a secretarial and business administration graduate. This brought to 38 the current total of ZOA-sponsored graduates
- we supplied school meals to 1,057 poor OVCs at three community schools. For some it is their only guaranteed meal of the day
- Phase II of infrastructure development at Chibolya Memorial School was completed, including two new classrooms (taking the total to five), latrines, school farm and an access road. This has enabled a further 50 children to enroll at the school in 2016
- we supported food and nutrition education programmes for 20 HIV+, malnourished under-five OVCs
- we helped to fund construction of a science laboratory at a slum community school with 700 pupils, many of them orphans

Future plans

After a decade of economic growth, Zambia is now facing some very tough years. Owing to a fall in copper

prices, drought and ongoing severe power outages, the Kwacha fell over 50% against the pound and dollar in late 2015. Soaring inflation is making food and schooling even more unaffordable for the very poorest Zambians.

We hope our donors will continue to support these children. School meals in community schools have become even more of a lifeline and we will expand support in this area.

The only 'silver lining' in the current situation, albeit a very small one, is that the pound sterling now goes further in Zambia.

We will continue to focus on supporting capable and hardworking older orphans to gain tertiary qualifications, as this has the most transformative effect. We have seen that graduate level jobs can lift entire extended families permanently out of poverty.

In the UK, the present economic climate continues to make fundraising a challenge. 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 2017.

Signed on behalf of the trustee



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 2016

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.

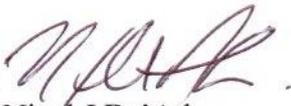
Independent examiner's statement

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 April 2015 and 31 March 2016 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 2015 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 2016

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: August 27th 2016

ZAMBIA ORPHANS OF AIDS UNITED KINGDOM

Statement of Financial Activities (1) for the 12 month period 1 April 2014 to 31 March 2015 & 12 month period 1 April 2015 to 31 March 2016

INCOME & EXPENDITURE

	12 months 2014/15	12months 2014/15	12 months 2014/15	12 months 2015/16	12 months 2015/16	12 months 2015/16
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Resources						
B/f 1 Jan/1 April	59,270	98,210	157,480	72,230	92,886	165,116
Voluntary						
Income						
Friends	8,313	0	8,313	8,478	0	8,478
Trusts & other						
Donations	13,512	96,540	110,052	23,684	96,957	120,641
Other Income						
Gift Aid rebate	3,219	3,600	6,819	3,434	4,500	7,934
Total incoming						
resources (Note 2)	25,044	100,140	125,184	35,596	101,457	137,053
Expenditure						
Costs of						
generating/						
managing funds						
Fundraising costs						
(net) (note 5)	1,348	0	1,348	1,886	0	1,886
Governance costs						
(Note 6)	3,051	0	3,051	895	0	895
Charitable						
Activities						
Project grants						
(Note 3)	7,685	105,464	113,149	20,532	117,542	138,074
Total resources						
expended	12,084	105,464	117,548	23,313	117,542	140,855
Total C/f						
31 March	72,230	92,886	165,116	84,513	76,801	161,314
(Note 10)						

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Statement of Financial Activities (2) for the 12 month period 1 April 2014 to 31 March 2015 & 12 month period 1 April 2015 to 31 March 2016

BALANCE SHEET

	31 March 2015	31 March 2016
Fixed Assets	0	0
Current Assets		
Debtors	2,575	6,725
Bank Accounts	164,584	157,055
	167,159	163,780
Current Liabilities		
Creditors (Note 11)	2,043	2,466
Net Assets (Note 10)	165,116	161,314
of which Restricted	92,886	76,801
Unrestricted	72,230	84,513

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 2015 to 31 March 2016

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.

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Notes to the Accounts (continued) for the period 1 April 2015 to 31 March 2016

2 Analysis of Income

	12 months 2014/15	12 months 2015/16
Friends regular giving	8,313	8,478
Donations		
Individuals	15,048	7,105
Trusts	95,004	113,536
Gift Aid	6,819	7,934
Total	125,184	137,053

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Notes to the Accounts (continued) for the period 1 April 2015 to 31 March 2016

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 2014/15	12 months 2015/16
1	ZOA Zambia/Salary/Admin/Transport	0	10,718
7	Kasama Christian Community Care (School & Social Support)	26,455	26,740
8	Lubushi Orphans Resettlement Scheme	8,757	8,471
12	Maseele Widows Club for OVCs	4,380	3,112
14	Nevers Care & Educational Support Group	12,439	11,950
15	Chipembi School for Girls	2,155	0
19	Chibolya Education & Health Org. (CEHOZ)	8,891	14,855
21	Hope & Faith Science Laboratory Building	15,300	23,500
21	Hope & Faith School Feeding & Education	7,778	12,270
26	Twavwane School & Home Based Care	6,455	*12,973
28	Rise Community Aid Programme (RICAP)	5,556	5,209
31	RICAP Metal Fabrication Workshop	878	0
33	Solar Aid Lights	1,000	0
34	Mulele Mwana	8,703	1,313
35	KCCC Piggery	4,402	6,963
Total		113,149	138,074

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

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Notes to the Accounts (continued) for the period 1 April 2015 to 31 March 2016

4 Fundraising Salary Cost

	12 months 2014/15	12 months 2015/16
Grants from Trustees including Gift Aid b/f	8,018	12,623
Grants from Trustees including Gift Aid	21,750	19,500
	29,768	32,123
Fundraising Salaries	17,145	19,170
Restricted funds c/f	12,623	12,953

5 Other Fundraising Expenses

	12 months 2014/15	12 months 2015/16
Just Giving/Virgin Money/CAF Fees	398	528
Fundraising Expenses	950	1358
	1,348	1,886

6 Governance Cost

	12 months 2014/15	12 months 2015/16
Bank Transfer	552	662
Webhost Fee	32	0
Website Development	2,070	0
ICO Registration	35	35
Brochure Printing	0	198
Database/Information Services	354	0
Postage	8	0
	3,051	895
Grant from Trustee including Gift Aid b/f	7,665	4,512
Grant from Trustee including Gift Aid	0	3,000
	7,665	7,512
Admin salary	3,153	3,293
Restricted funds c/f	4,512	4,219

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

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 2015 to 31 March 2016

10 Analysis of Assets between Funds

	31 March 2015	31 March 2016
Restricted Fund (Chipembi)	3,719	3,719
Restricted Fund (CEHOZ)	0	13,094
Restricted Fund (Hope & Faith)	24,700	1,200
Restricted Fund (Lubushi)	5,001	0
Restricted Fund (KCCC Piggery)	6,598	0
Restricted Fund (Nevers Care)	0	4,611
Restricted Fund (Hope & Faith Higher Education)	0	717
Restricted Fund (Higher Education)	35,733	36,288
Restricted Fund (Fundraiser Fees, note 4)	12,623	12,953
Restricted Fund (Admin Salary, note 6)	4,512	4,219
	92,886	76,801
Unrestricted Fund	72,230	84,513
31 March	165,116	161,314

11 Creditors

	31 March 2015	31 March 2016
Fundraising March 2015/March 2016 Salary & Expenses	1,824	2,086
Admin March 2015 Salary/ March 2016 Salary	219	380
	2,043	2,466

12 Movements in Funds

	Unrestricted Funds	Restricted Funds	Total Funds
12 months 2014/15			
Balances b/f	59,270	98,210	157,480
Incoming Resources	25,044	100,140	125,184
Less Outgoing Resources	12,084	105,464	117,548
Balance c/f to 2015/16	72,230	92,886	165,116
 12 months 2015/16			
Incoming Resources	35,596	101,457	137,053
Less Outgoing Resources	23,313	117,542	140,855
Balance c/f to April 2016 inc. reserves	84,513	76,801	161,314

13 Guarantee

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