

UNITED AID FOR AZERBAIJAN

Charity No. 1068313

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 APRIL 2012**

UNITED AID FOR AZERBAIJAN
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FOR THE YEAR ENDED 30TH APRIL 2012

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UNITED AID FOR AZERBAIJAN

TRUSTEES

Judith Darmady FRCP FRCPCH OBE (Chair)
Andrew Derry
Michael Jones
Geoffrey Barnes

FOUNDER and DIRECTOR

Gwendolyn Burchell MBE

INDEPENDENT ACCOUNTANT

Gilbert Allen & Co
Chartered Accountants
Churchdown Chambers
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ADMINISTRATION

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PRINCIPLE BANKERS

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RH10 1BP

United Aid for Azerbaijan
Annual Report 2012

In 2012, UAFA made significant steps towards achieving its overall objectives.

1. To reduce the number of children in state care by developing and implementing deinstitutionalization mechanisms

UAFA continues to be active in developing and implementing new mechanisms, to support the policy of deinstitutionalization. This year, we have partnered with World Vision in Azerbaijan, to model gate-keeping services in 4 regions. This model features 3 'social workers' who are currently employed by the Ministry of Labour & Social Protection and trained by UAFA to work with children and families which are at risk of separation. Typical problems affecting these families include poverty, lack of housing, disability and family break-up. The 'social workers' inform them about their rights and benefits, they refer them to available services in the community, they alert authorities if there is a serious risk that the child might be placed in an institution. Their goal is to prevent institutionalization and support the family to overcome their problems. In 2012, a total of 197 cases were opened by 12 social workers in 8 months.

On a policy level, UAFA is working with the Government to define the new positions of Social Worker and Social Assistant, so that this becomes a recognized profession.

In 2013, we anticipate expansion of this model to new regions and increased public awareness about the role of the Social Worker.

2. To raise the level of institutional care for those children who need State care as a last resort

As our work in Saray and Shagan institutions for children with severe mental and physical disabilities reached its 10th year, it has been important to reflect on whether this long-term strategy has been worth pursuing. In our opinion, it has because not only have the children's lives transformed, with some able to return home, others integrating into local school for the first time, and all becoming mobile after years of being bed-ridden, the Ministry is taking real steps in recognizing the importance of sustaining the work and raising standards of care.

On a daily basis, all children are involved to some type of activity, ranging from specific rehabilitation therapy to learning to cook. These activities continue to be sponsored by the German Bazaar Committee and JOY (Norwegian partner charity) whose unstinting support has been invaluable, not just in terms of funds but in terms of moral support.

In 2012, UAFA partnered with International Social Service, an organization which protects the rights of children across borders, in order to promote international adoption of children with disabilities. Part of this process involves ensuring that participating countries have the necessary Standards of Care for children in institutions – a target that UAFA has been lobbying the authorities to accept in the past few years. Together with care staff at the institutions, we have developed Minimum Standards of Care and, in 2013, we anticipate that these will be adopted by the Government and our 10 years of work will be sustained in legislation and in practice.

3. The development of social services for children in need of special protection, as an alternative to institutions

In 2012, UAFA's CBR Centres in Yasamal, Khachmaz and Ganja were contracted by the Ministry of Labour & Social Protection, within the pilot project approved by the Ministry of Finance in 2011. During the year, we tested mechanisms for licensing and purchasing, transparent funding and performance evaluation and we have provided much technical assistance to the Policy Department in the Ministry. More than 300 children with disabilities and their families benefited from the services, at a cost we negotiated with Government of 350AZN (\$450) per child per year.

As a result of this successful pilot, contracting will continue in 2013 and, by order of the Cabinet of Ministers, it will expand to other social services and other Ministries that have responsibility for children's issues.

UAFA also expanded into new fields in 2012. Funded by the EU and working in partnership with the local NGO, Centre for Innovations in Education (CIE), we started implementing a pre-school project which targets children who cannot access kindergartens. Only 20% of children attend pre-school services in Azerbaijan and this figure drops to 9% in rural locations. We have developed a low-cost community-based model that involves working with the parents and local community to set up pre-school activities. We now work in 20 villages, with approximately 400 children and their families. The Ministry of Education is closely involved in this project at the district level and we anticipate this model becoming a viable alternative for replication across the country.

Other notable successes worth noting in 2012:

- Huge public awareness campaign against the stigma of disability, with the slogan 'nobody is insured against disability' – featuring in metro stations, on poster and electronic billboards, shopping centres and online media
- Growing support amongst local people in Azerbaijan, indicated by increasing amount of donations to projects and rising number of Facebook supporters
- Launch of a new think-tank by UAFA and CIE, named as the Centre of Social Policy Development, which will use the experience of our projects to perform original research and promote evidence-based policy planning.

Special thanks must also go to the expatriate community who generously support the German Bazaar Committee, the Irish Society and the Caledonian Society to raise funds which support these projects. Many thanks to the businesses and their staff in Azerbaijan who support our work, including AA Services, Bakcell, Weir and Pasha Bank. Last but not least, thanks to the amazing expatriate and local volunteers who help us tirelessly and, without whom, we would not be able to reach so many children and their families.

Gwendolyn Burchell MBE

Director

United Aid for Azerbaijan

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UNITED AID FOR AZERBAIJAN

REPORT OF THE TRUSTEES

The Trustees present their statutory report and the financial statements for the year ended 30 April 2012. The financial statements have been prepared in accordance with the accounting policies set out on page 9 and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005 – 2nd edition).

CONSTITUTION AND GOVERNING DOCUMENT

The Trust was formed on 16 January 1998 by a declaration of trust.

PRINCIPLE OBJECTIVES ACTIVITIES AND POLICY

The charity's principle objectives are to promote the long-term development of life in Azerbaijan with particular focus on children, education and health – the future of any country in the world.

The main current activities are:

- To reduce the number of children in state care (deinstitutionalisation)
- To raise the level of institutional care (capacity-building)
- Development of social services for children in need of special protection.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the policy for utilising charity resources during the year.

ORGANISATION

United Aid For Azerbaijan is a charity, constituted as a trust. It is governed by its trust deed.

FINANCIAL RESULTS

Details of the charity's activities for the year are set out on pages 7 and 8, and in the notes to the financial statements.

The period shows incoming resources of £397,917 (2011 £294,719). Of this amount £339,180 were restricted funds and £58,737 was available for the general objectives of the charity.

FIXED ASSETS

Details are set out in the notes to the financial statements.

RESERVES POLICY

The Trustees have a policy to maintain readily realisable reserves, at a level equivalent to approximately six months core operating costs of the Charity. Restricted funds are those subject to certain conditions imposed by the donors are controlled separately.

UNITED AID FOR AZERBAIJAN REPORT OF THE TRUSTEES (continued)

RISK MANAGEMENT

The Trustees continually review the major, strategic, business and operational risks which the charity faces and confirm that systems have been established to enable necessary steps can be taken to lessen any risks.

TRUSTEES

The composition of the Board of Trustees is under regular review. New Trustees are recruited by word of mouth and applicants are provided with information that includes the history of the organisation details of the governing document, finances, activities and objectives together with the role and responsibilities of a Trustee. Successful applicants are then appointed by the Board. The induction process includes meetings with other Trustees, and key members of the staff team and Director, with visits to the projects. Trustees are circulated training opportunities on a regular basis which includes updates and changes in legislation affecting the charity.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and Wales requires the trustee(s) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 business

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the trustees on 25 February 2013 and signed on their behalf by:

Dr Judith Darmady
Trustee

UNITED AID FOR AZERBAIJAN

Independent Examiner's Report to the trustees of United Aid for Azerbaijan

We report on the financial statements for the year ended 30 April 2012 which are set out on pages 7 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act)) and that an independent examination is needed. It is our responsibility to:

- Examine the financial statements (under section 43 of the Act),
- To follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act), and
- To state whether particular matters have come to our attention

Basis of independent examiner's report

Our 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as 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 financial statements 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 the course of our examination, no matter has come to our attention:

- 1) which gives us reasonable cause to believe that in, any material respect the requirements:
 - to keep accounting records in accordance with section 41 of the 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 our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Gilbert Allen & Co
Chartered Accountants
Churchdown Chambers
Bordyke
Tonbridge
Kent
TN9 1NR

25 February 2013

**UNITED AID FOR AZERBAIJAN
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2012**

	<u>Notes</u>	Unrestricted funds £	Restricted funds £	TOTAL £	2011 £
INCOMING RESOURCES					
Donations and gifts		58,737	339,180	397,917	294,749
Total incoming resources		<u>58,737</u>	<u>339,180</u>	<u>397,917</u>	<u>294,749</u>
RESOURCES EXPENDED					
Project costs	2	-	197,949	197,949	200,335
Administration and support costs	2	2,857	75,500	78,357	86,303
Governance costs	2	18,000	-	18,000	18,000
Exchange adjustments		-	15,207	15,207	6,600
Total resources expended		<u>20,857</u>	<u>288,656</u>	<u>309,513</u>	<u>311,237</u>
NET INCOMING RESOURCES FOR THE YEAR		37,880	50,524	88,404	(16,488)
Funds brought forward		<u>1,542</u>	<u>50,824</u>	<u>52,365</u>	<u>68,853</u>
FUNDS CARRIED FORWARD AT 30 APRIL 2012		<u><u>39,422</u></u>	<u><u>101,348</u></u>	<u><u>140,769</u></u>	<u><u>52,365</u></u>

The notes on pages 9 to 11 form part of these financial statements

**UNITED AID FOR AZERBAIJAN
BALANCE SHEET AT 30 APRIL 2012**

	<u>Notes</u>	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	4	2,510	4,463
CURRENT ASSETS			
Cash at bank		138,259	64,390
TOTAL ASSETS LESS LIABILITIES		140,769	68,853
REPRESENTED BY			
Restricted funds	5	101,348	61,002
Unrestricted funds	5	39,422	7,851
		140,769	68,853

The notes on pages 9 to 11 form part of these financial statements

Approved by the Trustees on 25 February 2013 and signed on their behalf by:

Dr Judith Darmady
Trustee

UNITED AID FOR AZERBAIJAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2012

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The Financial Statements have been prepared under the historical cost convention as modified by the inclusion of donated assets at their estimated market value in the year of receipt, in accordance with applicable accounting standards including the latest Statement of Recommended Practice, Accounting by Charities (“SORP”).

The Balance Sheet Does not include accruals or prepayments as there are none.

1.2 Income

Income is accounted for on an accruals basis in accordance with the guidance for accounting for smaller charities issued by the Charities Commission. Any tax credit arising on income received net of tax will be recognised in the period in which it is received. The income represents voluntary donations and bank interest.

1.3 Funds

When income received is subject to restrictions imposed by the donor or implied by the term of appeal, it is shown in the financial statements as restricted income. The corresponding expenditure is shown as restricted fund expenditure and any unexpended balance at the balance sheet date is carried as a restricted fund in the balance sheet. Where such funds have been raised for a purpose that cannot be satisfied the permission of the donors to release the funds for use in the general purposes of the charity is sought. If that permission is granted the funds are transferred to unrestricted funds. The Trustees may set aside amounts of unrestricted funds, and their discretion, for specific future purposes. Such funds are shown within funds as designated funds.

1.4 Expenditure

Expenditure is recognised on an accruals basis in accordance with the guidance for accounting for smaller charities issued by the Charities Commission. Where expenditure cannot be wholly identified under the main categories shown in the statement of financial activities, it is apportioned over cost headings on the following basis:

- Direct Project Costs – estimated proportion of time spent
- Fund raising activity – estimated proportion of time spent
- Administration – estimated proportion of time spent

1.5 Fixed Assets and Depreciation

Fixed assets are stated at cost and all repairs are written off as incurred. Fixed assets are written down to their residual values over their estimated useful lives, which are reviewed annually. Any fixed asset acquired in the period by close to the year end has no depreciation charged.

The rate currently used is 25% per annum on reducing balances.

UNITED AID FOR AZERBAIJAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2012s (continued)

2. ANALYSIS OF RESOURCES EXPENDED

	Project costs £	Support costs £	Governance costs £	TOTAL £	2011 £
Employee costs	114,197	44,574	18,000	176,771	195,299
Other project costs	83,752	-	-	83,752	74,838
Office and support costs	-	30,926	2,020	32,946	33,384
Depreciation	-	837	-	837	1,116
Exchange adjustments	-	15,207	-	15,207	6,600
	<u>197,949</u>	<u>91,544</u>	<u>20,020</u>	<u>309,513</u>	<u>311,237</u>

3. STAFF COSTS

	2012 £	2011 £
Director's salary	34,156	36,177
Wages and salaries - Azerbaijan	142,615	159,122
Pension costs	-	-
	<u>176,771</u>	<u>195,299</u>
Average number of staff employed	<u>39</u>	<u>36</u>

UNITED AID FOR AZERBAIJAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2012 (continued)

4. TANGIBLE ASSETS	Plant and equipment	Motor vehicles	Total
Cost	£	£	£
At 1 May 2011	10,095	5,685	15,780
Additions	-	-	-
At 30 April 2012	<u>10,095</u>	<u>5,685</u>	<u>15,780</u>
Depreciation			
At 1 May 2011	7,128	5,305	12,433
Charge for the year	742	95	837
At 30 April 2012	<u>7,870</u>	<u>5,400</u>	<u>13,270</u>
Net book value at 30 April 2012	<u>2,225</u>	<u>285</u>	<u>2,510</u>
Net book value at 30 April 2011	<u>2,967</u>	<u>380</u>	<u>3,347</u>
5 CHARITABLE FUNDS			
	Unrestricted funds	Restricted funds	TOTAL
	£	£	£
Balance at 1 May 2011	1,542	50,824	52,365
Incoming resources	58,737	339,180	397,917
Resources expended	(20,857)	(288,656)	(309,513)
Balance at 30 April 2011	<u>39,422</u>	<u>101,348</u>	<u>140,769</u>