

Charity Registration No 1068313

**UNITED AID FOR AZERBAIJAN
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016**



GOLDWINS
Chartered Accountants & Registered Auditors
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West Hampstead
London NW6 2EG

UNITED AID FOR AZERBAIJAN

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UNITED AID FOR AZERBAIJAN

ADMINISTRATIVE INFORMATION

Trustees

Amanda Hopper

Charity registration number

1068313

Principal address

30 St. Marys Road
Leatherhead
Surrey
KT22 8EY

Registered

520 Huseyn Javid Prospect
House 2
Baku
Azerbaijan

Independent Examiners

Goldwins Limited
75 Maygrove Road
London
NW6 2EG

UNITED AID FOR AZERBAIJAN

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 December 2016

The trustee presents the report and accounts for the year ended 31 December 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing documents and the financial reporting standard FRS102.

Structure, governance and management

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

The trustees who served during the year were:

Amanda Hopper
Elizabeth Collins

There were no changes in the make-up of the Board this year. We recruit new Board members on the basis of the needs of the Board and in particular to ensure that the Board contains a good range of skills, experience, perspectives and expertise. Recruitment is by a mix of personal recommendation and advertising, specifying the particular skills required. Personal recommendation comes from other Board members, staff, advisors and users of United For Aid Azerbaijan services. A candidate meets first with both the Chair and Executive Director before being invited to meet other Board members, which is followed by a formal interview by existing Board members.

Election to the Board is by a vote of existing Board members. The United Aid for Azerbaijan maintains a right to have two of its appointees on the Board at any one time and appointees need to be approved by a vote of the entire Board.

The Board is currently considering fixed terms for its members and roles.

Induction and Training of Board Members

New Board members are provided with background materials on the activities and history of the charity and spend time with members of staff learning about the various operations of the charity. Those trustees with particular interests in legal and financial matters (Treasurer, for example) are briefed in detail on processes, systems, and reporting procedures, and are given appropriate direct access to information systems. Trustees are also invited to meet users of United Aid For Azerbaijan services.

Running the Charity

The charity's governing body, its Board, meets 2-3 times a year, according to the Governing Document. With the use of modern communication methods which suit international organisations, the Board and Director are able to have regular online meetings. The Board sets strategic direction and oversees the proper operations of the charity but does not generally involve itself in detailed operational matters and decisions.

Responsible to the Board is the Chief Executive Officer, Ms Gwendolyn Burchell MBE, who is invited to attend and report to Board meetings. Ms. Gwendolyn Burchell manages all operational matters, including management of other staff, and may also recommend policy to the Board for its discussion. The Chief Executive Officer is not authorised to commit the charity to any single new expenditure over £2,000 without prior Board approval. All expenditure requires at least two signatures, one of which must be from a Trustee.

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Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. There is a register of risks and contingency plans for significant disasters.

UAFA consistently maintains its direction with regards to its mission and objectives in Azerbaijan, working towards a child welfare system that emphasizes family care, inclusion and education for all.

Key developments in 2016

After a period of low activity in 2014/15, 2016 saw an upswing in UAFA's activities and direct service provision. We launched a new Early Intervention program thanks to support from BP Azerbaijan, with the aim of opening 10 service centres in public health facilities along the South Caucasus Pipeline. We also piloted two new Family Support Work teams in the southern regions of Bilisivar and Celilabad, putting in place two qualified social workers and one social work assistant in each region. This is with the support of the Regional Development Public Union, funded by the Heydar Aliyev Foundation.

UAFA also embarked on a major public awareness campaign, to raise the profile of the organisation and its mission. With the in-kind support of State media, TV and radio, UAFA achieved significant coverage of its campaign 'Every Child is Our Child' which was displayed on billboards, metro and bus stops all over Baku. This led to a high increase in traffic to UAFA's online sites and enquiries to our office, from people needing support and advice.

The following table lists the different services and total number of direct and indirect beneficiaries: After a downturn in the number of children reached in 2015 due to new restrictions on funding of NGOs in Azerbaijan, the increase in 2016 reflects the fact that UAFA has been able to put these challenges in the past and start building up service provision again, and with local funding, as opposed to international sources of funds, which are now forbidden

Service	# of services			Direct beneficiaries – children			Indirect beneficiaries – parents, siblings, communities		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Community Based Rehabilitation Services	6	5	5	510	464	546	1250	682	592
# of children included to mainstream education						28			
Institutions – care & rehabilitation	2	2	2	163	162	180	-	-	-
Early Intervention services	-	-	10	-	-	-	-	-	538
Social work/case management teams	-	-	2	-	-	51	-	-	68
TOTAL	8	7	19	673	626	805	1250	682	862

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 December 2016

CBR services in Yasamal, Khachmaz, Ganja, Bilisuvur and Celilabad regions:

These services continue to support the inclusion of children with disabilities and their families to their community, and all Centres have had achievements in building strong relationships with the local executive authorities, leading to in-kind support for venues, events and inclusion to mainstream education. This is one of the outcomes upon which UAFA evaluates the effectiveness of our work in CBR Centres, and we are observing a growing association between the teachers, parents and UAFA child development staff as we support children's inclusion to kindergartens and primary schools from which they may have otherwise been excluded as demonstrated by the statistic for inclusion in the table above which is entirely community led and not yet recognised officially by any Ministry of Education mandates.

Another example of community participation came in April 2016, when youngsters who have been coming to Yasamal CBR Centre most of their lives participated in the new event, Baku Marathon (Half marathon), and were the only people with disabilities to do so. To reward their achievement, Leyla Aliyeva (daughter of President) sent them presents.

Care & Rehabilitation work in Shagan & Saray institutions

In October 2016, a 'high society' fundraising dinner was held to raise funds for UAFA's work in Saray and Shagan, hosted by the co-patrons of the Anglo Azerbaijan Society, Professional Nargiz Pashayeva (sister of the First Lady) and Lord German (UK House of Lords). The event was a huge success and raised approximately £40,000. This surge in funding ensures that UAFA's life skills activities will continue for at least one year with secured funds, and will enable our team to expand some activities to the Children's Department in Mashtaga Psychiatric Institution.

This work continues to target some of the most vulnerable children who have severe disabilities and do not have the care of their family to support their development. The mandate of the institutions continues to be only to keep children fed, clean and clothed. UAFA's mission is to introduce Minimum Standards of Care and lobby for de-institutionalization of these services, and the continued funding of our work with these children gives us the platform to keep advocating for these aims.

Social Work program – family support in 2 regions- Bilisuvur and Celilabad

With the support of the Regional Development Public Union and funded by the Heydar Aliyev Foundation, UAFA established two teams of social workers in two southern regions which rate highly in terms of poverty and social problems. We have recruited 4 social work graduates in Baku who have moved to the regions to act as case managers, and recruited 1 social work assistant in each region. Their role is to focus on cases where the child may be at risk of institutionalization or exclusion from mainstream society due to disability, location and family breakdown.

The team uses internationally accepted case management procedures and they build links with all local structures in an effort to create some networks of support for families. The next steps will be working on prevention issues such as raising public awareness on concerns such as domestic violence, negative outcomes of early marriage and inter-family marriage and disability awareness.

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JOY Centre for Child Development

The JOY Centre continues to grow and develop, reaching more clients and upgrading of services with technical assistance from JOY Norway specialists. The Centre offers services in Russian, Azerbaijani and English, meaning that it is also becoming a valuable resource for the expatriate community which has no access to other English-speaking services for children with special needs. Two team members visited Norway in December 2016 to learn more about how day-care services are planned and provided, in an effort to increase the day-care provision at JOY.

The JOY Centre acts as a training hub for UAFA's CBR and EI services around the country, providing a venue for practical training and observation, as well as new materials development.

Future plans for 2017

- To increasing coverage of Early Intervention and pre-school services for children in villages
- To increase number of CBR services
- To increase number of social work teams
- To strengthen linkages with Universities with the goal of introducing modern methodology courses
- To continue high level public awareness campaigns
- To explore the role of social enterprise to sustain our funding

Financial review

For the year ended 31 December 2016, the results show a deficit of 58,632 and a reserve carried forward of £21,527 (2015: £80,159).

We invested in fundraising, for mainly core costs, and have been delighted to receive the continued support of major funders, as well as establishing new relationships with new trusts and individuals.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent of 6 months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves is the goal for fundraising albeit on the basis that in such a situation, costs would be lowered accordingly.

UNITED AID FOR AZERBAIJAN

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 December 2016

Responsibilities of the Trustees

The charity's trustees are responsible for preparing the Trustees Annual Report and the Financial Statements in accordance with applicable laws and regulations.

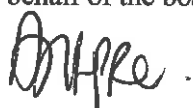
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure 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 in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. The trustees 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.

On behalf of the board of trustees



Ms. Amanda Hopper
Trustee

Date: 29th October 2017

UNITED AID FOR AZERBAIJAN

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

I report to the trustees on my examination of the accounts of the United Aid for Azerbaijan Trust (the Trust) for the year ended 31 December 2016.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Stephen Goodwin MA FCA CTA
Goldwins Limited
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

Date: *29th Dec* 2017

UNITED AID FOR AZERBAIJAN

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account) FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
INCOME FROM:					
Donations & legacies		36,218	87,688	123,906	116,601
TOTAL INCOME		36,218	87,688	123,906	116,601
EXPENDITURE ON:					
Raising funds		8,387	-	8,387	7,345
Charitable activities		42,610	131,541	174,151	67,396
TOTAL EXPENDITURE	2	50,997	131,541	182,538	74,741
NET MOVEMENT IN FUNDS		(14,779)	(43,853)	(58,632)	41,860
FUNDS BROUGHT FORWARD		36,306	43,853	80,159	38,299
FUNDS CARRIED FORWARD		21,527	-	21,527	80,159

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The attached notes form part of these financial statements.

UNITED AID FOR AZERBAIJAN

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016		2015	
	s	£	£	£	£
Current assets					
Debtors	5	800		-	
Cash at bank and in hand		22,227		103,842	
		<u>23,027</u>		<u>103,842</u>	
Creditors: amounts falling due					
within one year	6	(1,500)		(23,683)	
Total assets		<u>21,527</u>		<u>80,159</u>	
Income funds					
Restricted funds			-	43,853	
Unrestricted funds		<u>21,527</u>		<u>36,306</u>	
Total funds	7	<u>21,527</u>		<u>80,159</u>	

These financial statements were approved by the members of the committee on 29th October 2017 and are signed on their behalf by:



Ms. Amanda Hopper
Trustee

UNITED AID FOR AZERBAIJAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

a) **Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102).

b) **Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014 and no restatements were required.

c) **Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received

Income relating to activities represent the invoiced value of services provided.

e) **Expenditure**

Expenditure is recognised in the period in which it is incurred.

All expenses are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, comprising salary and overhead costs of the central function, is apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

f) **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard 102 (revised January 2017) from including a cash flow statement in the financial statements on the grounds that the charity is small.

UNITED AID FOR AZERBAIJAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES (continued)

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount.

i) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

2. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2015
	£	£	£
INCOME FROM:			
Donations & legacies	25,443	91,158	116,601
TOTAL INCOME	25,443	91,158	116,601
EXPENDITURE ON:			
Raising funds	7,345	-	7,345
Charitable activities	-	67,396	67,396
TOTAL EXPENDITURE	7,345	67,396	74,741
NET MOVEMENT IN FUNDS	18,098	23,762	41,860
FUNDS BROUGHT FORWARD	18,208	20,091	38,299
FUNDS CARRIED FORWARD	36,306	43,853	80,159

UNITED AID FOR AZERBAIJAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. ANALYSIS OF EXPENDITURE

	Basis of allocation	Cost of raising funds	Charitable activities	Support costs	Governance costs	2016 Total	2015 Total
		£	£	£	£	£	£
Staff costs	Direct	-	157,874	-	-	157,874	71,839
Travel	Direct	-	5,653	-	-	5,653	3,354
Bank charge	Direct	-	1,877	-	-	1,877	438
Other project cost	Direct	-	16,288	-	-	16,288	3,931
Office support cost	Indirect	-	1,565	6,226	661	8,452	8,767
Accountancy fees	Indirect	-	-	-	1,500	1,500	950
Exchange (gain)/loss			(9,106)				(14,538)
		-	174,151	6,226	2,161	191,644	74,741
Support costs				6,226	(6,226)		
Governance costs					2,161		
Total 2016		8,387	174,151	-	-	182,538	
Total 2015		7,345	67,396	-	-	74,741	

Of the total expenditure, £50,997 was unrestricted (2015: £7,345) and £131,541 was restricted (2015: £67,396).

Support and governance costs are allocated based on projected time spent by staff.

4. STAFF COSTS

	Total 2016	Total 2015
	£	£
Wages and salaries	157,874	71,839

UNITED AID FOR AZERBAIJAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. DEBTORS

	2016	2015
	£	£
Other debtors	800	-
	<u>800</u>	<u>-</u>

6. CREDITORS (amounts falling due within one year)

	2016	2015
	£	£
Other creditors	1,500	23,683
	<u>1,500</u>	<u>23,683</u>

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Designated funds	Restricted funds	Total funds 2016
	£	£	£	£
Funds Balances at 31 December 2016 are represented by				
Current assets	23,027	-	-	23,027
Current liabilities	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>
Total Net Assets	<u>21,527</u>	<u>-</u>	<u>-</u>	<u>21,527</u>

8. TAXATION

The charity is provisionally exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.