

UNITED AID FOR AZERBAIJAN

Charity No. 1068313

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 APRIL 2013**

UNITED AID FOR AZERBAIJAN
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FOR THE YEAR ENDED 30TH APRIL 2013

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UNITED AID FOR AZERBAIJAN

TRUSTEES

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

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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United Aid for Azerbaijan Annual Report 2013

Education For All became UAFA's focus in 2013, as our EU-funded program to develop a low-cost, alternative model of pre-school education began to show its results. The year culminated in a massive fund-raising campaign to raise awareness of the need for pre-school and raise funds from local society to continue our activities in 17 villages. This was the first time that we targeted the local population with a fundraising campaign – and we successfully raised nearly 30,000AZN and increased UAFA's profile in society, amongst local businesses and within influential circles.

Pre-school: more than 400 children and their parents (mainly mothers) have been participating in new pre-school groups set up in isolated villages and areas without access to State kindergartens. In fact, less than 23% of the under-6 population has a place in State kindergartens, and this drops to 8% in the regions. So the need for an alternative, low-cost model which targets all ages under 6 years is urgent. UAFA. Our model has brought together the local education sector, municipalities and families to provide daily play groups for pre-school children. We have had challenges – most of the villages are very poor and lack decent space for community activities, so we have had to consider aspects such as heating, as well as education! Overall, though, the communities have come together and supported the initiative because they have seen the impact on their children – becoming sociable, more confident, able to play and learn basics such as letters and numbers. Local teachers have noted that when children are now entering primary school from areas without a State kindergarten, those that have participated in these play groups have settled in very well and are able to learn effectively.

During the year, we have been mindful about sustainability of this project as the EU grant will come to an end in March 2014, and so have had a number of meetings with the Ministry of Education and the Department of Municipalities, to discuss how to sustain and expand the model further. This will continue to be the focus of our advocacy work in 2014, as well as continuing our support of the 17 pre-school groups.

Community-Based Rehabilitation: after a successful pilot in 2012, in which the Ministry of Labour & Social Protection contracted 3 UAFA CBR Centres, this pilot was approved and expanded in 2013 to contract more than 15 NGO service providers! UAFA won two more contracts so was able to expand the CBR strategy to 2 more regions – now covering Yasamal (Baku district), Khachmaz, Ganja, Shamkir and Bilisuvar. We have trained new CBR workers in each region, and continued to work with parents to empower them to take more responsibility for Centre activities. For example, in Yasamal, the Parents' Union members are now regularly organizing events for the children independently, they are travelling to the other regions to share their experience with new parents, and they are starting to be more active in campaigning at a national level. The long-term goal of CBR is that responsibility for managing the program shifts to the community and it seems that this transition is starting to be realized. In a post-Soviet environment, this is a significant success.

By shifting responsibility for funding and managing of services to the State and community, this now gives UAFA the opportunity to concentrate on improving the quality, depth and knowledge of its skills base. This will be the main objective in a new partnership with JOY (Norwegian voluntary association). Together, we have won a 3-year grant from a Norwegian foundation to establish a new **Centre of Child Development** which will model best practices in child development. This Centre will run as a not-for-profit business, and generate income to support UAFA's projects with low-income families and vulnerable children. In 2013, we began the process of physically establishing a new Centre, fully adapted for disability, which will open in early 2014. A team of 5 local specialists and 1 foreign specialist has been recruited and training in Active Learning (model of Danish origin) has started.

Other news:

Gate-keeping teams have expanded from 4 to 6 regions – UAFA now is managing 6 teams of 3 social workers in Yasamal, Khachmaz, Ganja, Siyazin, Lenkoran and Bilisivar who have the task of working with vulnerable children and families to prevent family break-up. In 2014, this area of our work with take centre stage. This project is funded by World Vision.

Activities in **Saray and Shagan institutions** for children with disabilities continue on a daily basis. We continue to lobby for Minimum Standards of Care for Children with Disabilities – in partnership with International Social Services, we introduced ‘life books’ for each child this year; this book records all aspects of their life to give them a history and identity.

Many thanks to our supporters:

German Bazaar Committee	ALACS	Azerbaijan Airlines
Irish Society Azerbaijan	JOY	28 Mall
Caledonian Society Azerbaijan	IWC	Park Bulvar
European Union	Nargiz Magazine	Ministry of Labour & Social Protection
World Vision	Synergy Group	Alma Store
Bakcell	Vestel	AB Gala Lenkoran
AA Services	Icheri Sheher Administration	Ministry of Education

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

www.uafa.az

www.cspd.az

www.facebook.com/uafa.az

UNITED AID FOR AZERBAIJAN

REPORT OF THE TRUSTEES

The Trustees present their statutory report and the financial statements for the year ended 30 April 2013. 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 £416,138 (2012 £397,917). Of this amount £385,768 was in respect of restricted funds and £30,370 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 14 February 2014 and signed on their behalf by:

GK Barnes
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

14 February 2014

**UNITED AID FOR AZERBAIJAN
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2013**

	<u>Notes</u>	Unrestricted funds £	Restricted funds £	TOTAL £	2012 £
INCOMING RESOURCES					
Donations and gifts		30,370	385,768	416,138	397,917
Total incoming resources		<u>30,370</u>	<u>385,768</u>	<u>416,138</u>	<u>397,917</u>
RESOURCES EXPENDED					
Project costs	2	-	272,550	272,550	197,949
Administration and support costs	2	660	84,331	84,991	78,357
Governance costs	2	18,877	33	18,910	18,000
Exchange adjustments		-	(5,825)	(5,825)	15,207
Total resources expended		<u>19,537</u>	<u>351,089</u>	<u>370,626</u>	<u>309,513</u>
NET INCOMING RESOURCES FOR THE YEAR		10,833	34,679	45,512	88,404
Funds brought forward		<u>39,422</u>	<u>101,348</u>	<u>140,769</u>	<u>52,365</u>
FUNDS CARRIED FORWARD AT 30 APRIL 2013		<u><u>50,255</u></u>	<u><u>136,027</u></u>	<u><u>186,281</u></u>	<u><u>140,769</u></u>

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

**UNITED AID FOR AZERBAIJAN
BALANCE SHEET AT 30 APRIL 2013**

	<u>Notes</u>	2013	2012
		£	£
FIXED ASSETS			
Tangible assets	4	1,883	2,510
CURRENT ASSETS			
Prepaid expenses		12,685	-
Cash at bank		171,713	138,259
TOTAL ASSETS LESS LIABILITIES		186,281	140,769
REPRESENTED BY			
Restricted funds	5	136,027	101,348
Unrestricted funds	5	50,255	39,422
		186,281	140,769

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

Approved by the Trustees on 14 February 2014 and signed on their behalf by:

GK Barnes
Trustee

UNITED AID FOR AZERBAIJAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2013

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 2013 (continued)

2. ANALYSIS OF RESOURCES EXPENDED

	Project costs £	Support costs £	Governance costs £	TOTAL £	2012 £
Employee costs	198,689	45,766	18,877	263,332	176,771
Other project costs	73,861	-	-	73,861	83,752
Office and support costs	-	38,598	33	38,631	32,946
Depreciation	-	627	-	627	837
Exchange adjustments	-	(5,825)	-	(5,825)	15,207
	<u>272,550</u>	<u>79,166</u>	<u>18,910</u>	<u>370,626</u>	<u>309,513</u>

3. STAFF COSTS

	2012 £	2011 £
Director's salary	38,339	34,156
Wages and salaries - Azerbaijan	224,993	142,615
Pension costs	-	-
	<u>263,332</u>	<u>176,771</u>
Average number of staff employed	<u>62</u>	<u>39</u>

UNITED AID FOR AZERBAIJAN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2013 (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	7,870	5,400	13,270
Charge for the year	556	71	627
At 30 April 2012	<u>8,426</u>	<u>5,471</u>	<u>13,897</u>
Net book value at 30 April 2013	<u>1,669</u>	<u>214</u>	<u>1,883</u>
Net book value at 30 April 2012	<u>2,225</u>	<u>285</u>	<u>2,510</u>
5 CHARITABLE FUNDS	Unrestricted funds	Restricted funds	TOTAL
	£	£	£
Balance at 1 May 2012	1,542	50,824	52,365
Incoming resources	30,370	385,768	416,138
Resources expended	(19,537)	(351,089)	(370,626)
Balance at 30 April 2013	<u>12,375</u>	<u>85,503</u>	<u>97,877</u>