

# **AFRIKIDS TRUSTEES REPORT AND ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2013

**AfriKids Limited**

21 Southampton Row, London WC1B 5HA  
Tel: +44 (0) 207 269 0740 | Email: [info@afrikids.org](mailto:info@afrikids.org)  
Registered Charity No.: UK – 1141028

**AfriKids Ghana**

PO Box 166, Bolgatanga, UER, Ghana  
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Registered Charity No.: Ghana – DSW/3024

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Trustees</b>	John Hickman – Chairman David Atugiya – Treasurer Georgina Fienberg Anna Maria Kennedy – Secretary Vedrana B. Riley Duncan Spencer Loughlinn Kennedy Jacqui Moller Larsen Sophie Hug Williams Jason Haines
<b>International Director</b>	Georgina Fienberg
<b>Charity Number</b>	1141028*
<b>Company Number</b>	07534096
<b>Principal address</b>	AfriKids Limited 21 Southampton Row London WC1B 5HA
<b>Auditors</b>	Wilkins Kennedy LLP 5 Yeomans Court Ware Road Hertford Herts. SG13 7HJ
<b>Bankers</b>	Lloyds TSB 106 Kilburn High Road Kilburn London NW6 4HY  Ghana International Bank 67 Cheapside London EC2V 6AZ

## TRUSTEES REPORT

The trustees present their report and accounts for the period 1<sup>st</sup> January - 31 December 2013.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Memorandum and Articles of Association.

### Glossary

<b>AfriKids Limited</b>	the UK registered charity that fundraises for and supports AfriKids Ghana and the body whose finances are reviewed here
<b>AfriKids Ghana</b>	the Ghanaian registered charity which delivers child rights work in northern Ghana
<b>AfriKids</b>	the partnership between AfriKids Limited and AfriKids Ghana- this term is used when referring to shared ideals, achievements and aspirations

### Structure, Management and Governance

\*AfriKids (a company Limited by Guarantee) is a registered charity with Charity Commission, registration number 1141028. AfriKids was previously registered under the number 1093624, though this was revised when AfriKids incorporated in 2011 as AfriKids Ltd., and the new number refers to the new company charity. Both numbers are still verifiable at <https://www.charitycommission.gov.uk/>.

### Recruitment and appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Management Committee. Trustees are appointed through public recruitment, and there is not minimum or maximum length of term.

The trustees who served during the year were:

John Hickman – Chairman  
David Atugiya- Treasurer  
Georgina Fienberg  
Nick Fry  
Anna Maria Kennedy – Secretary  
Vedrana Riley  
Duncan Spencer

In 2011 AfriKids Ltd, a company limited by guarantee (company number 7534096), was created by the Trustees of AfriKids and registered as a charity (charity number 1141028). The current trustees of AfriKids, as well as Georgina Fienberg, the current International Director, are registered as the Directors of the new company charity, AfriKids Ltd. This company charity was a shell in 2012; all of the assets, liabilities and contracts of AfriKids were transferred to the company in 2013, with the exception of a few Standing Orders yet to be redirected. Once all the standing order transfers have been made, all charitable activities will be run through AfriKids Ltd.

### Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity, and are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates.

## Risk Assessment

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. AfriKids' register of risks is updated annually as part of its business plan review and is available for public distribution on request.

## Chairman's comments

2013 was another transformational year for AfriKids.

In the UK we said goodbye to a number of our staff as they left to start families, travel the world and seek pastures new. Our special thanks go to Jo, Vieve and Lissa for their long standing and exceptional commitment to AfriKids, and for the unique skills, spirit and life they gave to our organisation. We also welcomed six new members of staff; Felix, Amy, Chanade, Paul, David and Phil; you can read about our new recruits on our website. We also said our goodbyes to Nick Fry our wonderful Trustee who is moving on after 10 years of support, he will be sorely missed.

This represents a period of unprecedented change for AfriKids Limited. It's significant not just because of the people we have lost and gained, but because these changes have reshaped the organisation in important ways and set us firmly on the path to 2018. The balance of the team has shifted markedly towards business and programmes, with associated roles now accounting for half our UK staff. We firmly believe we now have the right organisational structure, balance and skill set required to take AfriKids Limited along the final leg of our journey.

Our major business initiatives in Ghana continued their development. The AfriKids Medical Centre goes from strength to strength, both in terms of its physical size and its capacity to deliver high quality health care to tens of thousands of patients a year. We're also focusing on strategic investments in profit-making tourism services, through developing the region's services skills base and embedding standards of excellence and social responsibility. A further 87 individuals from 13 organisations visited Ghana with AfriKids in 2013, 35 of whom participated on our wildly popular Experience Challenge, which, 4 years from its conception is now at the core of upcoming investments in the tourism and hospitality division of our social enterprise portfolio. Read more about this under the Business section of this report.

AfriKids dominated the national media in 2014. We welcomed Comic Relief's British Bake Off team, whose trip was broadcast during the Comic Relief appeal featuring Lorraine Pascale. An AfriKids Radio 4 appeal was broadcast, narrated by Sorious Samura (the BAFTA and Emmy Award-winning journalist who produced "How to Make a Difference in Africa" - a documentary on AfriKids' work). We launched Spirit Boy, Paul Apowida's harrowing but inspiring autobiography, to widespread acclaim. Georgie's Radio Four 'Four Thought' piece was replayed as part of their 'Best of' series, and was accompanied by global coverage across the BBC. And, after only six months, the AfriKids blog was recognised as an example of best practice by Social Misfits Media.

The programmes departments in the UK and Ghana continue to deliver initiatives making fundamental and lasting change to the lives of young people, their families and their communities in the Upper East Region (UER). 2013 saw local leaders announcing their commitment to ending the Spirit Child Phenomenon in a celebration durbar, and AfriKids Ghana securing their first large grant directly from UK Department for International Development (DfID) in Ghana, a fitting recognition of the high standards of their work.

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Astonishingly, at the end of 2013, the fundraising team had trebled their financial target for their partnership with Allen and Overy; 75 of the firm's staff from 22 global offices had visited our projects and over 1,200 hours of pro bono work had been provided. The two year partnership comes to an end in May 2014 wildly exceeding all of our expectations. The fundraising team has much to look forward to in 2014 including a new corporate partnership with IPIN Global, registration in the United States, a new Corporate Partnership Manager joining us from School of Social Entrepreneurs and being one of the Live Below the Line partners. Reflecting on another year of achievements and looking forward another year closer to 2018, it only leaves me to thank all of the staff in the UK and Ghana who continue to go beyond the call of duty as we strive towards our unique goal of a sustainable, self-sufficient AfriKids Ghana.

## Objectives and Activities

AfriKids Limited and AfriKids Ghana are separately registered organisations with different management teams and boards of trustees. AfriKids Ghana, which is based in Bolgatanga, northern Ghana, was registered in 2005 and has developed out of the work supported by AfriKids Limited, which was registered in 2002 and is based in London. The two organisations work in close partnership but are legally distinct entities. AfriKids Ghana is on a path towards complete financial and managerial independence from AfriKids Limited by 2018. This is being achieved through the development of various sustainability initiatives including investments in profitable social enterprises in northern Ghana and a set of strategies to ensure the handover of all operations currently performed by AfriKids Limited which will be critical to the ongoing, sustainable operation of AfriKids Ghana. AfriKids Limited in turn aims to close its fundraising operations in the UK when this independence is achieved.

AfriKids Limited and AfriKids Ghana's business plans, including their mission and objectives, are reviewed each year. For 2013 the partners shared a mission which was:

*“To ensure that every child under the age of 21 in northern Ghana is afforded his/her rights as outlined in the UN Convention on the Rights of the Child; and to do this by building the capacity and resources of local people, organisations and initiatives in such a way that they will be able to continue their efforts independently and sustainably in the future.”*

The UN Convention on the Rights of the Child states that a child is of age 18 and under. However AfriKids incorporates 'children' up until the age of 21 into their project work. This is due to the fact that AfriKids considers some children to have 'lost' years on the streets or in child labour, and therefore seeks to afford such individuals, for some time beyond their 18th birthdays, the level of support normally reserved for children under the age of 18.

### **AfriKids Limited's objectives:**

1. To fundraise in an ethical and transparent manner in order to meet the needs of AfriKids Ghana's project delivery work
2. To raise the capital required for investment in the sustainability businesses that are intended to enable AfriKids Ghana to operate on a financially independent basis
3. To source and create partnerships that help AfriKids Ghana meet its delivery and sustainability objectives
4. To offer and source technical expertise to AfriKids Ghana to give it the competence and confidence to execute all programmes and enterprises independently
5. To monitor and evaluate the operations of AfriKids Ghana to ensure that donations and investments provided through AfriKids Limited are used in a demonstrably efficient, strategic and transparent manner that is recognised by all donors and partners

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- To promote, through AfriKids Squared, AfriKids' best practice in fundraising and programme delivery as scalable methodologies within the wider development and charity communities

#### **AfriKids Ghana's Objectives:**

- To design and deliver programmes in northern Ghana which ensure that children's rights are better met and that children have a greater prospect of fulfilling secure futures
- To empower and support existing local organisations, civil society organisations and agencies to allow them to develop and sustain the work which they have initiated in response to a clear need, and which ultimately supports child rights
- To facilitate and enhance the understanding and use of best practices and collaboration among local and international organisations, civil society organisations and agencies
- To ensure that all of the work undertaken is sustainable through the development of local businesses and linkages that will reduce, and eventually end, dependence on charitable donations
- To ensure that donor funds are used in a transparent and accountable manner through due diligence and accurate feedback on operations
- To develop and maintain a mutually beneficial partnership with AfriKids Limited in the areas of fundraising, technical support, linkages, project design, implementation and excellent feedback processes

#### **Public benefit**

AfriKids Limited has had regard to the Charity Commission's guidance on public benefit. AfriKids Limited's public benefit is experienced mainly in northern Ghana, where our support is focused. During the period January – December 2013, AfriKids Limited supported our partner, AfriKids Ghana, to deliver and oversee 22 projects and 2 businesses in northern Ghana, with 141,257 beneficiaries.

As a result of work under AfriKids Squared, the division of AfriKids which is committed to sharing best practice, there is also public benefit felt in the UK and internationally. This is both in terms of a better understanding of development work among the general public and agencies engaged in support for development projects. 30 organisations working in over 100 countries have received free or sponsored consultancy support from AfriKids Squared in 2013.

<b>High Level objective 2013</b>	<b>Progress at year end</b>
Raise the committed fundraising target	Not achieved- but minimum target was exceeded meaning all commitments were met and some new developments funded
Manage agreed HR changes including recruiting the Head of UK Operations, UK Operations Coordinator, Head of Fundraising, and Head of Programmes	Achieved- with the addition of a Business and Programmes Finance Manager in the Programmes and Business team and Head of Corporate Partnerships in the fundraising team. AfriKids' HR developments are detailed in the organisation's business plan and the staff profiles published online- <a href="http://www.afrikids.org/uk-staff">http://www.afrikids.org/uk-staff</a>
Maintain a strong level of accountability, transparency and communication between AfriKids Limited and AfriKids Ghana	Achieved as evidenced by internal and external financial audits, annual project reviews and numerous funder reports and visits to and from Ghana by staff, beneficiaries and funders
Adapt and evolve the high level roadmap through to 2018	Achieved with activities on-going. A new business case developed for realisation in 2014, and work done on the non-financial components

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	of the sustainability strategy. Various tools have been developed to improve business investment appraisals and the business team capacity has been increased with the addition of a new Business and Programmes Finance Manager with a focus on Ghana-facing financial activities.
Ensure a substantial and realisable cash flow from two sustainability businesses	Partially achieved: Medical Centre – the centre continues to generate profits however it has not been possible to extract profits because of increased demands on working capital., Energy For Live Initiative – underperforming against original projections, but still providing a steady, realisable cash flow.

## Achievements and Performance

AfriKids has a comprehensive business plan which is produced internally and reviewed every six months. As part of this the team track key performance indicators which, for 2013, are provided below.

Key Performance Indicator	Category	Baseline- 'the healthy range'	Source of the baseline	2013 figure
<b>Donor Retention</b> - the percentage of our regular donors who give from one year to the next	Fundraising practice	80-100%	AfriKids fundraising strategy	86%
<b>Expenditure breakdown</b> - the balance of how we spend our money	Financial management	Up to 7% support, 23% fundraising and 70% or higher programmes	AfriKids Annual Accounts	8% <sup>1</sup> support, 18% fundraising and 74% programmes
<b>Level of reserves</b> - the amount of unrestricted free reserves we hold in the bank	Financial management	Between one and three months running costs	AfriKids finance policy	Achieved
<b>Funding pipeline</b> - the amount of funding we have guaranteed to come into our account in the future	Financial management	Between three and twelve months running costs	AfriKids finance policy	Achieved at year end however the pipeline did dip below three months at one point in the last quarter. New tracking measures have been introduced which will allow us to better spot early warning signals.
<b>Unmanaged staff attrition</b> - the	Human Resources	Less than 10%	AfriKids	36% <sup>2</sup> . Five members of staff left the organisation during

<sup>1</sup> 2% of the support costs were Gifts in Kind. Once these have been taken into account the split is 6% support, 18% fundraising and 76% programmes

<sup>2</sup> 5 leavers/weighted average of 11.5 full time equivalent employees in 2013

number of staff who leave the organisation				2013, after more than 12 years combined service.
<b>Fundraising target-</b> which of our income scenarios we are able to meet which in turn determines which plans AfriKids Ghana are able to deliver	Fundraising performance	To reach a level of income which meets or exceeds the committed target	AfriKids fundraising strategy	Not achieved- but minimum target was exceeded meaning all commitments were met and some new developments funded

## Governance, Management and Administration

2013 saw a major restructure at AfriKids Limited as the organisation evolved in response to a number of staff departures and the changing demands of AfriKids Ghana, as they move towards their sustainability target of 2018.

Key developments in this department were:

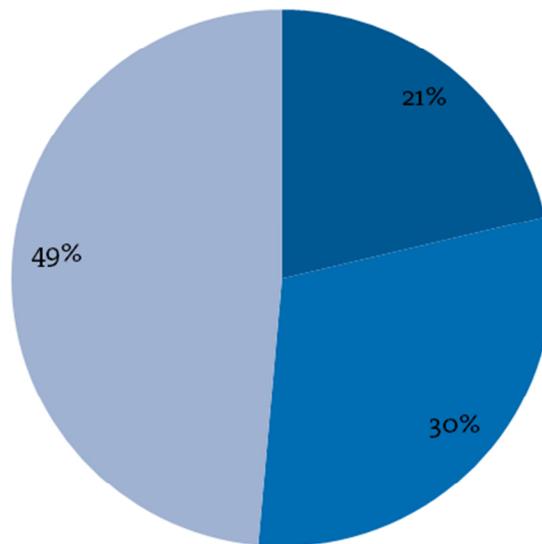
- The following staff left the organisation in 2013:
  - Lissa Golaszewska (nee Wallington), Head of Communications (2008-2013)
  - Joanna Stewart, Events and Corporate Partnerships Manager (2010-2013)
  - Genevieve Easton Poole, Head of Finance (2010-2013)
  - Martin Nsiah, Finance and Programmes Officer (04/2012-06/2013)
  - Paul Anderson, Head of Fundraising (02/2013-07/2013)
- Sally Vivyan (nee Eastcott), Director of Programmes, took a year's maternity leave from the end of August 2013. Her absence was managed through the recruitment of a new Head of Programmes (Felix Wood), Head of Fundraising (Amy Parker) and the coinciding return of Andy Thornton, Director of Business and Programmes, who returned from a year-long sabbatical in October 2013. This restructure provided much needed additional capacity in all areas. After eight years' service with AfriKids, Sally has a substantial working knowledge and experience of all areas of the organisation's operation, and has requested that her role upon return from maternity leave be considered in line with needs at the time. This will be reviewed in Q1-2, 2014.
- The following new recruits were made this year in response to the changes listed above:
  - David Whitworth, Business and Programmes Finance Manager (05/08/13)
  - Phil Crosby, Head of UK Finance and Operations (16/09/13)
  - Chanade Bandaranayake, UK Finance and Operations Coordinator (05/08/13)
  - Amy Parker, Head of Fundraising (14/10/13)
  - Emma Mortoo, Corporate Relations Manager (27/01/14)
- At the start of 2014 there were the following changes made to the Board of Trustees:
  - Nick Fry resigned on the 07/01/14
  - Loughlenn Kennedy was appointed on 01/04/14
  - Jacqui Moller Larsen was appointed on 01/04/14
  - Sophie Hug Williams was appointed on 01/04/14
  - Jason Haines was appointed on 01/04/14

## Staff Time Allocation

UK staff time has been spent as shown in the pie chart below which shows 49% of time spent on fundraising, 30% on projects and 21% on support costs which includes financial management.

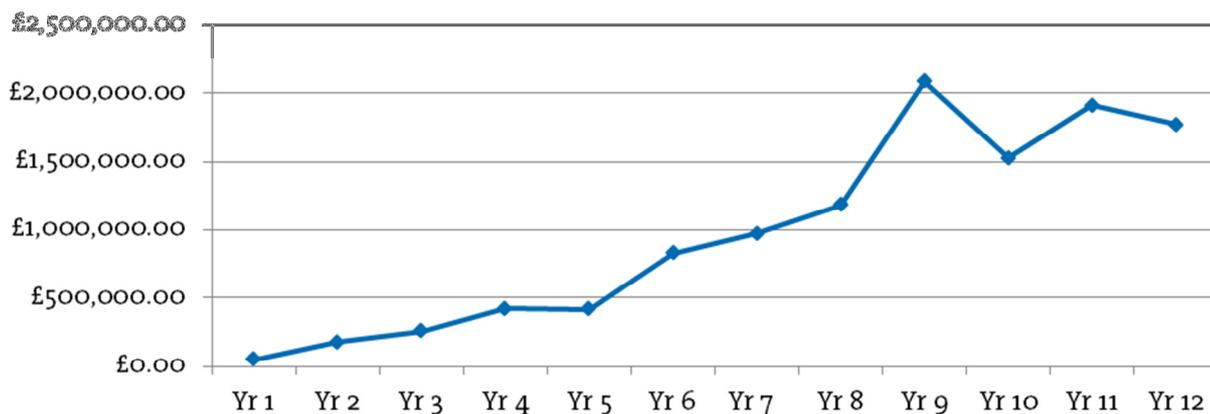
## Use of staff time in the UK

■ Admin ■ Prog ■ Fund



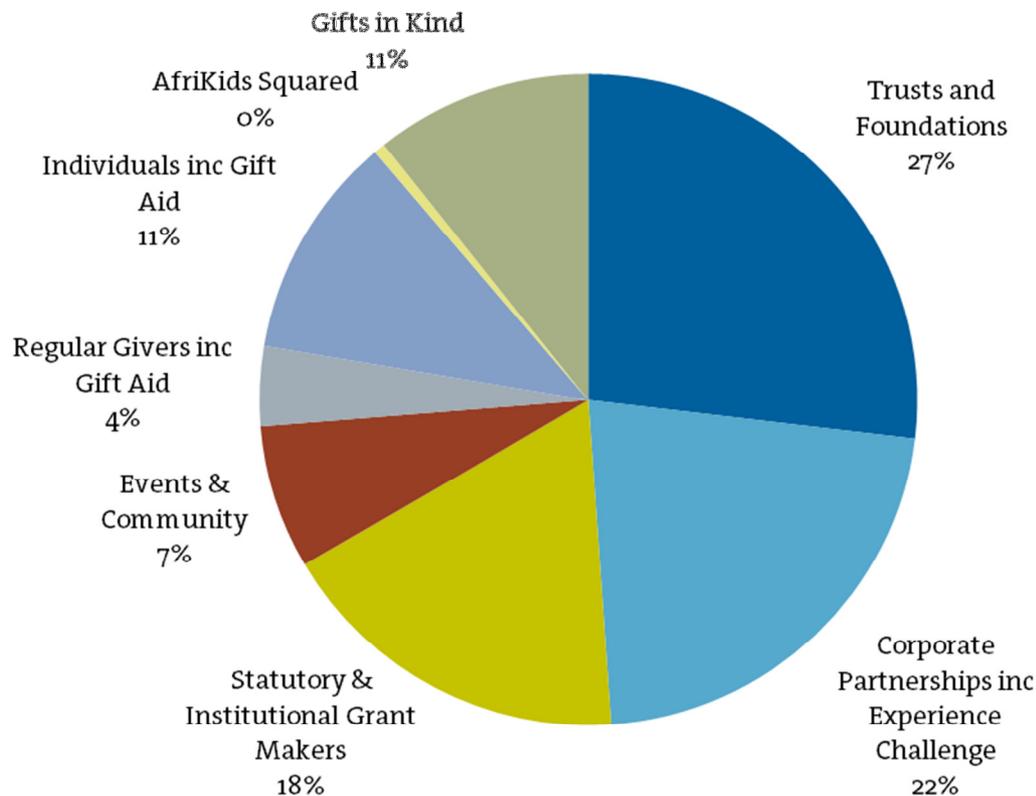
## Fundraising and Communications

### Income over 12 years



Note: Year 5 only includes 8 months of income due to a change of reporting dates.

## 2013 income breakdown



### Analysis of income pattern:

2013 saw growth in income across our key areas of focus: corporate partnerships, trusts and foundations, the Experience challenge, and individual donors.

Total annual income, however, was down on the previous year due largely to a reduction in gifts in kind support (down by more than £180,000 on 2012) and staff vacancies in the fundraising team which were filled in Q4.

### Areas of note for 2013:

AfriKids' continued to build on the success of our Global Charity Partnership with law firm Allen and Overy in 2013. More than double the original £250,000 fundraising target for the two year partnership was raised in the first 18 months and we are on track to treble this by the end of the partnership in May 2014. Income from Corporate Partnerships was up by 119%.

Six challengers took on the Simien Mountain Trek in Ethiopia in March, raising a phenomenal £49,835.16 for AfriKids. Three of AfriKids' Ambassadors, Alistair Turner, Simon Wooller and Dan Salmons took part, their third sponsored challenge since 2008 (Toubkal in 2008 and Kili in 2010).

We hosted four more weeks of Experience Challenge which raised more than £80,000.

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Our top six funders in 2013 were Allen & Overy (via our corporate partnership), Comic Relief, Department for International Development, The Pears Foundation, Garfield Weston Foundation and The Wolfson Foundation.

In October 2013 we employed a new Head of Fundraising, Amy Parker, who joins us from the Corporate Citizenship team at Deutsche Bank and who has been an AfriKids Ambassador since 2010. We also employed a new Corporate Partnerships Manager, Emma Mortoo, who joins us in January 2014 from the School of Social Entrepreneurs.

## Communications

2013 was a very productive year for AfriKids' communications team with a range of successes across the board. AfriKids' online presence was boosted by an increased focus on regular supporter communications specifically through a new blog and a more strategic approach to social media. As a result of this, the website saw a 33.5% year-on-year increase in unique page views in 2013 (to 88,205). The blog was officially launched in June with 60 regular posts being published online by the end of the year generating over 4,260 unique views – making it responsible for 5% of all unique visitors in just half of the year. Despite being so new, the content of the blog – credit due to staff across the organisation in the UK and Ghana – was of such high quality and interest that AfriKids was featured in a social media content guide by the organisation Social Misfits Media – this then led to being featured in the Guardian and on numerous other third sector publications, as well as invitations to present to other organisations.

In terms of external coverage of AfriKids' work, 2013 saw AfriKids take part in a BBC Radio 4 Appeal raising over £10,000 as well as a repeat of the 2012 'Four Thought' broadcast by Georgie Fienberg. Print coverage was achieved in The Guardian, The Daily Mirror and other smaller publications, most notably in relation to AfriKids' involvement in Paul Apowida's 'Spirit Child' book.

AfriKids strides forward with communications in 2013 are keeping the organisation on track to reaching new audiences with a view to making a real positive financial impact on the organisation and an increase in 'real world' opportunities.

## Programmes (including the achievements and performance of AfriKids Ghana)

During 2013 the Programmes Department and Business Departments merged to form a single, Ghana facing department. A Head of Programmes (Felix Wood) was recruited to give a full-time programme oversight function. The department has three key strands to its work:

1. Facilitation of AfriKids Ghana's work; the department is responsible for ensuring everything that needs to flow from the UK to Ghana for them to meet their goals is in place. This varies from assigning and transferring funds to helping create and manage voluntary support groups and partnerships which have members based in the UK, such as the G.A.S. Partnership.
2. Capacity building of AfriKids Ghana; where needed the department also acts much like a consultancy for AfriKids Ghana, transferring specific skills and helping to drive strategic developments where needed.
3. Monitoring of AfriKids Ghana's work; this is to provide accountability to donors and to help provide the information needed by AfriKids Ghana and AfriKids Limited to evaluate work and refine it.

### Areas of note for 2013:

1. The Recruitment of a Head of Programmes for AfriKids Limited
2. Securing a major Grant from Big Lottery Fund for the Kassena Nankana Area Programme

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3. Embedding of monitoring and evaluation (M&E) initiatives including annual survey for Education Bridge, Annual Reviews and Quarterly Reporting, and a review of AfriKids M&E framework conducted by an external consultant.
4. AfriKids Ghana securing a major grant from DFID Ghana for work on Complementary Basic Education, and smaller grants from African Women's Development Fund
5. Development of partnership work across projects including with the G.A.S. Partnership, Let's Read!, TOMS, Community Rehabilitation, NECPAD Ghana and Teepalig Waisenkinder .
6. Even closer consultation and partnerships established with the Department of Social Welfare, the head of Children's Homes for Ghana and the Ghana Education Service.
7. Initiation of the 'Programmes Effectiveness Project' as part of the Path to 2018

## **Project Activity in 2013**

### **1. Core Projects**

These projects are run and managed directly by AfriKids Ghana and supported by AfriKids Limited. As of April 2010 most of these projects have been delivered through three geographically-focused umbrella Area Programmes. These areas line up with the local government's administrative districts and each has an area manager, field team of two-three and core administrative and financial support. The Area Programmes are: Kassena Nankana Area Programme (KNAP), Bolgatanga Area Programme (BAP) and Talensi Nabdram Area Programme (TNAP).

#### **1.1. New Beginnings Phase One (BAP and TNAP)**

This project is supported by the Baring and John Ellerman Foundations. Its objectives are to resettle 60 children who had been displaced through poverty or child labour and build the capacity of field staff supporting these and other children. In 2013 58 out of the 60 children continued to receive mentoring support and were provided with an investment package to help forward their careers or education, ahead of the final year of funding in 2014.

#### **1.2. New Beginnings Phase Two (KNAP, BAP and TNAP)**

With the support of Comic Relief the second phase of New Beginnings continues, resettling street and working children and build the capacity of their families, schools and communities to support them. In 2013 200 were supported in their full time formal education or training. They receive material and mentoring support throughout the year. The programme also supports children through Child Rights Clubs.

#### **1.3. New Beginnings Phase Three (TNAP)**

AfriKids Ghana has attracted local funding partners to take on additional beneficiaries to New Beginnings. In 2012 funding from the UN Fund on Contemporary Forms of Slavery was extended to continue the support of ten former child miners. A partnership with NECPAD (Network for Community Planning and Development), a national NGO via the support of the International Labour Organisation, was continued to support 189 children involved in mining to re-engage with full time education.

#### **1.4. The Education Bridge (KNAP, BAP and TNAP)**

This Department for International Development (DFID) Civil Society Challenge Fund (CSCF) project was launched in June 2011 and aims to bridge the gap between educational policy and the reality as experienced by vulnerable children. In 2013 the area programmes continued to work with 75 communities to form education committees, school management committees and child rights clubs in over 200 schools. The annual schools and parents survey was a major achievement in 2013, and gave a significant data set to

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assess the progress of the programme. The survey showed that the programme was over-achieving against milestones for enrolment of students, and pointed to areas that future programmes could engage in.

### **1.5. The Spirit Child Programme (KNAP)**

This ground breaking project which began in 1997 as 'Operation Sirigu' has continued its awareness raising and family reconciliation work in 2013 for approximately 30 communities families. The focus of the project is on breaking down the belief in 'spirit children' and ending the practice of child abuse and infanticide associated with it. The project continued to work with the AfriKids Concoction Men's Association which now campaigns for child rights, the children who have been affected by the belief, women's groups and Child Rights Clubs in schools. A significant point to note this year was AfriKids being approached by leaders in other areas inviting the team to carry out similar work to eradicate the Spirit Child Phenomenon in their communities.

### **1.6. AfriKids Family Livelihoods Support Programme (KNAP, BAP and TNAP)**

The AfriKids Family Livelihoods Support Programme (FLiSP) has continued to provide revolving loans for Women's Groups and Parents of young people reached through the new beginnings programme. AfriKids has been working with A&O's micro-finance group and Sadrudin Akbarali from the Aga Khan Foundation to plan the scale up of the Micro-Finance element of the programme to reach sustainable micro-finance institution status. Groups continue to achieve repayment rates of over 90%, and report positive impacts on livelihoods and their lives more widely.

### **1.7. School of Night Rabbits**

This project provides transitional education to children living on the streets of Bolgatanga two nights a week and provides them with basic sanitation, food supplements and cultural activities. In 2013 43 children passed out from the school; of which 24 then enrolled in full time education and 10 were resettled back with their families

## **2. Stand-alone Core Projects**

These projects are overseen directly by Nich Kumah (AfriKids Ghana Director) and his Senior Management Team.

### **2.1. AfriKids Academy (BAP)**

This ICT academy provides free ICT education to all middle school leavers and ICT teachers in the Bolgatanga district and offers fee paying classes to adults. In 2012 the Academy trained 2,387 direct beneficiaries including adults and children.

### **2.2. Young Entrepreneurs Programme**

This project offers transitional support for young adults graduating from residential care at AfriKids' partner projects and moving on to independent adulthood. In 2012, 13 young adults were supported in vocational and tertiary education.

### **2.3. AfriKids Education Fund**

This centrally managed fund provides scholarships to students who fall outside of AfriKids' projects' remit but who apply with a clear need for financial support. In 2013 173 children were supported at all levels of the schooling system.

### **3. Partner Projects**

These projects are run and managed by local boards, supervised by AfriKids Ghana and are funded and overseen by AfriKids Limited.

#### **3.1. Operation Mango Tree**

Run by the inspirational Mama Laadi, this project provides long-term foster care to 35+ children for whom life in their family home is no longer possible either because they have been orphaned or badly abused. In 2013 Operation Mango Tree continued to provide high quality care, complying with newly introduced legislation under the Care Reform Initiative.

#### **3.2. Operation Bolgatanga**

Centred on the Next Generation Home (NGH), Operation Bolgatanga provides transitional residential care for children living and working on the streets of Bolgatanga. In 2013 children who had either been resettled from the NGH or who were at risk of becoming street children were given educational support in their family homes and children intercepted whilst being trafficked were given temporary care at the home along with other children using its 'drop in' services. 60 children were given longer term residential care and gradual resettlement support. The Home also continued to comply with newly introduced legislation under the Care Reform Initiative.

#### **3.3. Operation Zuarungu**

Centred on the Grace International School, this project provides education and family support to over 400 vulnerable children in a rural setting. In 2013 AfriKids continued to fund the school's improvement plan which will enable it to become a model school for the region and the Ghana Education Service took on more of its running costs and management responsibility. A new Headmistress was taken on, and is overseeing the closer implementation of improvements. The need for financial support from AfriKids lessens with each year as the school get closer to full independence from the charity, which is due to be achieved by 2014-15.

#### **3.4. Operation SiNGh**

SiNGh (Support in Northern Ghana) is one of the organisations AfriKids Ghana has partnered with over the years, During this period, SiNGh with the support of AfriKids Ghana has operated in 3 districts (Bongo, Talensi & Nabdam) and in 5 communities (Lungu, Yagzore, Yinduuri, Santeng ,Zandoya,). Operation SiNGh's focus has been in improving access to education, quality health care and general wellbeing for needy children and their families. Over the period the project supported 150 direct children, 2,100 indirect children through the provision of support for their schools. Also all five target communities received solar lanterns and refrigerators to help run their community health compounds effectively. SiNGh's partnership with AfriKids ended in 2013 and they are currently working towards completing an end of project report.

#### **3.5. Operation Smiles**

This project based in rural Nakwabi in the Northern Region is run by the phenomenal Sr Jane Naaglosegme, AfriKids' original and longest standing partner. As well as supporting a network of mothers through micro-finance and vocational training, Operation Smiles runs a transitional programme for babies whose mothers die in childbirth. The children are taken in with a carer (often an older sister or aunt) who is taught parental

#### **AfriKids Limited**

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#### **AfriKids Ghana**

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Registered Charity No.: Ghana – DSW/3024

skills as the babies build up their strength and are then resettled in their family's home after 3-6 months. Many of the resources the project needs are generated by its small holding and/or sales of produce. Sr Jane helped 43 infants and 39 adults directly during 2013 and a further 2,000 through health talks.

### **3.6. G.A.S. Partnership**

This partnership between Ghana Health Service Upper East Region, AfriKids and Southampton University Hospitals NHS Foundation Trust has facilitated training visits to the Upper East Region across five clinical and non-clinical specialties: maternity, paediatric health, imaging and diagnostics, safe surgery and estates planning. They work with all seven district hospitals and the regional hospital in the UER and provide continuous professional development training to all professionals in the region in each clinical area. Significantly this year the G.A.S. Partnership secured a £100,000 grant from the Wolfson foundation to continue and expand its work.

## **Business**

The role of AfriKids Limited's business team is to:

1. Work in partnership with AfriKids Ghana to identify business opportunities, establish their feasibility and help create new businesses
2. Facilitate the operation and development of AfriKids Ghana's existing businesses
3. Build the capacity of AfriKids Ghana's staff to manage and develop businesses
4. Monitor and evaluate the performance of AfriKids Ghana's businesses
5. Work with AfriKids Ghana to design and implement an achievable strategy to financial and managerial sustainability, with a target date of 2018.

### **Areas of note for 2013:**

The recruitment of a Business and Programmes Finance Manager, with a key focus on the financial activities of and directly affecting AfriKids Ghana. This role has increased the capacity of the Programmes and Business team, providing functions such as sophisticated investment appraisal of new business opportunities and a comprehensive systems and processes review of finance operations at AfriKids Ghana.

## **Business Activity in 2013**

### **1. Public Services Division**

This division of the AfriKids social enterprise portfolio consists of revenue-generating activities which have a direct, large-scale social benefit aligning with public services, such as healthcare and education initiatives. The AfriKids Medical Centre is the only business currently operational under this division, though its impact is substantial and opportunities for expanding and extending its reach have been under consideration for some time.

#### **1.1. AfriKids Medical Centre (AfMC)**

The AfriKids Medical Centre has had a consistent year in 2013 retaining previous patient levels at just under 70,000. The AfMC remains a highly significant, valued and popular service provider in the Bolgatanga area and continues to innovate on its services and respond to changing local demand; antenatal care has seen significant improvement in the year with the appointment of new senior midwifery staff and an associated

27% increase in like for like patients during the year. Profit also remained stable except for the impact of a tariff error from the National Health Insurance Scheme (NHIS) that effected payments in the fourth quarter. At the time of going to press 2013 financials were still under review as NHIS changes were still being scrutinised. The AfMC continues to enjoy the significant support of the G.A.S. Partnership with Southampton Hospitals Trust under which a notable highlight being the contribution of the Estates work-stream in master-planning the AfMC's expansion, led by architect and highly experienced health infrastructure specialist, Keith Dowell.

In 2013, a strategic review of AfriKids' social enterprise portfolio and business investment opportunities was undertaken. Two business cases in development were selected as the priorities for further analysis, one being a major expansion of the AfMC, to meet significant (68k+ patients in 2012) and growing demand. This large scale project would exceed £1m in investment and see a 36 bed paediatric ward built with input and oversight from a UK NHS estates and planning consultant. The result would be a state-of-the-art facility committed to providing the highest standards in healthcare, specialising in paediatric and maternal health services, which are desperately needed in Ghana's Upper East Region, where child and maternal health statistics desperately lag behind the rest of the country.

The case for the AfMC expansion will be further interrogated, with a view to sign-off in 2014.

## **2. Hospitality and Tourism Division**

These businesses are focused on harnessing the opportunity to expand and improve the hospitality and tourism services of northern Ghana. As this sector develops at a rapid rate in the south of Ghana, AfriKids are investing in extending the opportunity – the industry is widely recognised as one of the most promising and secure for emerging economies – to the north. These businesses will not only create new training and employment opportunities for AfriKids' beneficiaries, but raise the region's profile nationally and internationally and capitalise on a ripe opportunity to attract new markets to the region.

### **2.1. AfriKids Blue Sky Lodge (ABSL)**

In October 2013, the AfriKids Limited Programmes and Business Team held a series of workshops and meetings reviewing the Path to 2018 – AfriKids' unique sustainability strategy. These meetings included concluding a major strategic review of the Blue Sky Lodge project, which, after several years of Research and Development, had reached tender stage. This comprehensive milestone review focused on the following key areas:

- Alignment with organisational strategy
- Cost
- Risk
- The business case – Return on Investment, Social Return on Investment
- Opportunity cost (what alternative opportunities AfriKids would be compromising/sacrificing in order to pursue the ABSL project)

These factors were reviewed in detail using a variety of technical assessments, stakeholder discussions and expert consultation. The Blue Sky Lodge was considered alongside a number of other business cases when reviewed against these criteria.

The conclusion of the ABSL strategic review was as follows:

Realisation of the full Blue Sky Lodge plans has not been selected as a current business investment priority for AfriKids.

This decision was based on the following summarised reasons:

- Significantly negative Net Present Value (NPV) following major construction cost escalation
- Relatively low social return on investment when compared with alternative business cases developed in parallel
- Cost escalation meant upfront capital investment was unrealisable and represented a disproportionate level of risk to the organisation
- The business case did not sufficiently maximise the organisation's significant existing knowledge and experience in hospitality and tourism and instead required a significant amount of new learning and external consultation
- Significant maturation period (long payback period)
- Opportunity cost and assessment of alternative investment options at this time
- Donor restrictions and timelines – urgency to invest funds available before they expire and to avoid depreciation while long-term business cases are developed

Having invested a significant amount of time and resources into researching and developing the Blue Sky Lodge project, deciding to put it on hold was a very difficult decision. However, AfriKids are committed to continuously monitoring and evaluating their work to ensure all investments and activities are currently relevant, appropriately prioritised and represent value for money to the organisation and its stakeholders.

The Blue Sky Lodge plans continue to present a large opportunity and will be reconsidered in the future, though at this time, two alternative business cases were selected as priorities for AfriKids' next major investments in business: The ICAP Training Centre and Experience Tourism Company (working title) and an expansion of AfriKids Medical Centre'. These business cases were recognised as representing higher value to both the financial and social objectives of the organisation, and so selected for further investigation.

The Blue Sky Lodge is notably a very different project to more "obvious" social enterprise like private healthcare, with benefits that would materialise over a longer time frame, and at a broader level of socio-economic development for the region - with less immediate, "direct" beneficiaries. In order to assess these different levels of impact through all of their social enterprises, AfriKids are developing a set of business investment appraisal tools which will comprehensively examine both financial and social impact (Financial and Social Return on Investment – ROI/SROI) for more accurate and informed strategic decision-making.

All stakeholders on the Blue Sky Lodge project, including consultants have been informed of the status of the project. Internally, all staff have been reassigned to other projects and businesses, both in the UK and Ghana, with no surplus as projects and alternative businesses have been developing in parallel, including their HR requirements.

## **2.2. ICAP Training Centre and Experience Tour Company**

Investment and growth in northern Ghana's hospitality and tourism sector demonstrates huge potential and despite the decision to postpone the Blue Sky Lodge project, the decision was made in 2013 to undertake a less capital-intensive project, which would instead maximise social return, leverage the organisation's

existing knowledge and experience in the sector and provide an opportunity to scale-up in future, potentially including the development of Blue Sky Lodge.

The ICAP Training Centre (named after its cornerstone donor) and Experience Tour Company will focus on providing new training and employment opportunities in northern Ghana - an area that currently has a very limited range of available jobs, which rely primarily on small, local markets, and capitalise on the opportunity to expand the organisation's hugely successful Experience Challenge.

With a lower upfront capital investment, shorter payback period, and significantly higher ROI/SROI than Blue Sky Lodge, the ICAP Training Centre presents a lucrative opportunity at minimal risk. It will house the Experience Company which will provide a platform for practical training by operating a wide range of tourism services, from local walking tours to bespoke packages for groups - all with a firm commitment to responsible tourism and benefitting the local community. These services will be a scale-up of the currently active and successful Experience Challenge operated through AfriKids Limited and Ghana. By investing in a purpose-built facility with dedicated staff, the ICAP Training Centre will enable AfriKids to maximise the significant demand for trips and tours without disrupting or diverting AfriKids' charity resources from programme delivery.

The AfriKids Experience Challenge – a unique homestay experience in rural Africa - has already hosted 150 participants and raised over £350K for AfriKids since 2010. The ICAP Training Centre will also leverage much of the research and planning undertaken for the Blue Sky Lodge project and will incorporate much of its business model now and in future scale-up phases.

The business case and delivery plan for the ICAP Training Centre and Experience Tour Company were underway at the end of 2013, with a view to implementation beginning in Q1, 2014.

### **3. Ethical Trade Division**

These businesses involve the supply and or distribution of goods produced in northern Ghana. Historically, these have included one-off projects including shea butter export and garment wholesale supply. The Energy for Life Initiative is the only ethical trade business currently in operation.

#### **3.1. AfriKids Energy for Live Initiative**

This business was developed in 2012 with support from the Vitol Foundation. Its main goal is to introduce and distribute fuel efficient cook stoves across northern Ghana. The stoves are based on traditional charcoal pots but use far less fuel and produce less smoke ensuring that cooking is cheaper, safer and less harmful to the environment. AfriKids' first phase of this initiative is selling subsidised stoves manufactured by Envirofit and will be selling the carbon credits produced to Vitol as part of their internal offset plan.

In 2013 the Energy for Life Initiative sold 6018 Envirofit CH-2300 cook stoves – the world's most fuel efficient charcoal cook stove. These offer significant direct economic, health and environmental benefits to over 30,000 people and have generated nearly 160,000 GHS in revenue. While the business did not hit its projected sales targets, a revised sales and marketing strategy was implemented in November 2013 based on lessons learned, and subsequent sales have been encouraging. The business aims to sell through a further 9,000 stoves in 2014.

## **AfriKids Squared**

In 2013, AfriKids was able to support 30 organisations working in over 100 countries thanks to its consultancy arm, AfriKids Squared. Providing six key services, from tailored consultancy to workshops and key note speaking, AfriKids Squared amplifies AfriKids' knowledge and experience in international development – which spans almost two decades and is multi award-winning – across the industry and beyond. This facility, while an innovative revenue-generating activity for AfriKids, also commits an allocation of pro bono hours to industry shared learning, and is a resource that has been utilised by the private sector as well as other charities and not-for-profit organisations.

AfriKids Squared highlights in 2013 included a major piece of consultancy in effective and engaged community entry for a prospective private rural agriculture investor in southern Ghana; a healthcare roundtable session for GSK; sitting on the board for one of the STARS Impact Awards (AfriKids were not eligible) and chairing a discussion panel at Oxford University. In addition, AfriKids Squared planned and delivered its first pro bono Chatham House rules workshop for medium sized international development charities to share successes and lessons learned in organisational structuring and HR management.

### Future plans

AfriKids Limited aims to work with AfriKids Ghana through to the time when AfriKids Ghana achieves financial and managerial sustainability. The aim is to achieve AfriKids Ghana's independence through a set of initiatives including a local, profitable social enterprise portfolio. AfriKids aim to achieve this sustainability target by 2018. This is a prediction rather than a firm target and AfriKids Limited is committed to supporting AfriKids Ghana for as long as needed.

To continue this progress in 2014, AfriKids Limited aims to further increase voluntary income in order to be able to invest in the identified business investment opportunities while maintaining commitments to current projects and their development plans. As with previous years, AfriKids are working towards a set of income scenarios in an approach that balances ambition with feasibility.

This report has been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities" (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

On behalf of the board of trustees

John Hickman  
Chairman  
Dated: May 2014

## TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of AfriKids Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure the accounts comply with the Companies Act 2006. 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 keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **REPORT OF THE INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **To The Members and Trustees of AfriKids Limited**

We have audited the financial statements of AfriKids Limited for the year ended 31 December 2013 as set out on pages 24 to 34. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 144 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alison L. Nayler (Senior Statutory Auditor)

for and on behalf of Wilkins Kennedy LLP,  
Statutory Auditor

Wilkins Kennedy LLP  
5 Yeomans Court  
Ware Road  
Hertford  
Herts, SG13 7HJ  
Dated: May 2014

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

Company number: 07534096

	Note	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2.1	669,699	640,194	1,309,893	1,423,834
Activities for generating funds					
- Events		54,792	13,000	67,792	250,947
- Sponsored external fundraising		42,585	-	42,585	61,472
- Donations from corporate partners	2.1.2	411,434	-	411,434	167,750
- Other		19,857	-	19,857	5,745
Investment income					
- Bank interest		176	-	176	1,566
<i>Other incoming resources</i>					
					797
<b>Total incoming resources</b>		<b>1,198,543</b>	<b>653,194</b>	<b>1,851,737</b>	<b>1,912,111</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
- Costs of generating voluntary income	3.3	122,977	-	122,977	289,941
- Events		26,858	-	26,858	145,402
- Sponsored external fundraising		31,909	-	31,909	36,437
- Corporate sponsorships		96,511	-	96,511	42,459
- Other		43,391	-	43,391	26,977
<b>Total costs of generating funds</b>		<b>321,646</b>	<b>-</b>	<b>321,646</b>	<b>541,216</b>
<b>Governance costs</b>	3.1	<b>4,622</b>	<b>-</b>	<b>4,622</b>	<b>4,023</b>
<b>Net incoming resources available</b>		<b>872,275</b>	<b>653,194</b>	<b>1,525,469</b>	<b>1,366,872</b>
<i>Charitable activities</i>					
	3.6				
- Education		310,862	231,339	542,201	591,013
- Healthcare		35,184	39,281	74,465	98,266
- Childcare		145,639	72,631	218,270	134,071
- Family income generation		32,371	28,532	60,903	44,193
- Child Rights education		23,480	74,313	97,793	139,001
- Sustainability		226,160	287,482	513,642	496,197
<b>Total resources expended</b>		<b>773,696</b>	<b>733,578</b>	<b>1,507,274</b>	<b>1,502,741</b>
<b>Net movement in funds</b>		<b>98,579</b>	<b>(80,384)</b>	<b>18,195</b>	<b>(135,869)</b>
Fund balances as at 1 January		77,146	414,397	491,543	627,412
<b>Fund balances as at 31 December</b>		<b>175,725</b>	<b>334,013</b>	<b>509,738</b>	<b>491,543</b>

**AfriKids Limited**

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Registered Charity No.: UK – 1141028

**AfriKids Ghana**

PO Box 166, Bolgatanga, UER, Ghana  
Tel: +233 (0) 382 023 829  
Registered Charity No.: Ghana – DSW/3024

## BALANCE SHEET AS AT 31 DECEMBER 2013

Company number: 07534096

	Notes	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		10,918		10,442
<b>Current assets</b>					
Debtors	5	177,553		157,429	
Cash at bank and at hand	6	364,266		407,979	
		<u>541,819</u>		<u>565,408</u>	
<b>Creditors: amounts falling due within one year</b>	7	(42,999)		(84,307)	
<b>Net current assets</b>			<u>498,820</u>		<u>481,101</u>
<b>Total assets less current liabilities</b>			<u>509,738</u>		<u>491,543</u>
<b>Income funds</b>					
Restricted funds	8,9		334,013		414,397
Unrestricted funds	9		<u>175,725</u>		<u>77,146</u>
			<u>509,738</u>		<u>491,543</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities and with the Financial Reporting Standards for Smaller Entities (effective April 2008).

The accounts were approved by the Trustees on May 2014

John Hickman  
Trustee (Chairman)

David Atugiya  
Trustee (Treasurer)

## NOTES TO THE ACCOUNTS

### 1. Accounting policies

#### 1.1. Basis of preparation

The accounts have been prepared under the historical cost convention.

These accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practices, “Accounting and Reporting by Charities”, issued in March 2005, the Charities Act 2011, Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008) and the Companies Act 2006.

The income and expenditure of the charity, AfriKids (prior to incorporation on 1 January 2013) have been included as comparatives for 2012 in the statement of financial activities and the balances sheet of Afrikids as at 31 December 2012 is presented as a pro forma comparative. Not all items on the Statement of Financial Activities have prior year comparatives due to the different reporting regulations that were applicable in 2012.

#### 1.2. Going Concern

The trustees consider it appropriate to prepare the accounts on a going concern basis.

#### 1.3. Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when notification of the income is received in writing. The income from the fundraising ventures is shown gross, with the associated costs included in the fundraising cost. No permanent endowments have been received during the year.

Grant income is recognised as an incoming resources based on the terms of the signed grant agreement.

Gifts in kind are recognised in the accounts as a donation received and expenditure incurred. These gifts are recorded at their market value of the service or goods provided.

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

#### 1.4. Resources expended

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Where possible, costs are allocated directly to the activities to which they relate. Other costs are then allocated between charitable activities, fundraising and support costs based on the apportionment of direct costs.

Support costs include those relating to business support (including human resource and general administration expenses), executive management, finance, and information systems. The details of support costs are shown under note 2.2. Support costs are split using the following allocation:

Staff costs	Based on timesheet allocation
Office rental and costs	Based on the nature of the expenditure and the staff time using them
Computer costs	Based on total cost apportionment of direct programme and support costs
Depreciation	Based on total cost apportionment of direct programme and support costs
Other costs	Based on total cost apportionment of direct programme and support costs

Expenditure is accounted for on an accruals basis. Fundraising expenditure comprises of costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of publicity and the staging of fundraising events.

Administration expenses include all expenditure not directly related to the charitable activity of fundraising ventures.

### 1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% reducing balance
--------------------------------	----------------------

### 1.6. Accumulated funds

Unrestricted funds are general funds available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

### 1.7. Corporation Tax

As a charity, AfriKids is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gain Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## 2. Incoming Resources

### 2.1. Voluntary Income

Voluntary income for the year falls into the following categories:

	Unrestricted Funds £	Restricted Funds £	<b>Total 2013 £</b>	Total 2012 £
Donations and legacies:				
- Regular giving	59,934	1,544	<b>61,478</b>	75,879
- General donations – individuals	140,132	13,089	<b>153,221</b>	174,503
- General donations – organisations	75,759	4,172	<b>79,931</b>	11,297
- Non-sponsored external fundraising	21,677	-	<b>21,677</b>	15,030
Grants:				
- Institutions	1,060	311,632	<b>312,692</b>	369,963
- Trusts and Foundations	180,381	309,757	<b>476,138</b>	405,724
Gifts in Kind	190,756	-	<b>190,756</b>	371,438
<b>Total voluntary income</b>	<b>669,699</b>	<b>640,194</b>	<b>1,309,893</b>	<b>1,423,834</b>

During the year AfriKids received a total of £640,194 restricted funds. Within these were the following funds from the following organisations:

Comic Relief - £209,328  
 Department for International Development - £93,696  
 Wolfson Foundation - £50,000  
 Baring Foundation - £48,745

AfriKids would also like to acknowledge the following unrestricted donations which also helped to cover core costs:

Pears Foundation - £85,000  
 Garfield Weston Foundation - £50,000  
 Venture Partnership Foundation - £35,000

### 2.1.1. Gifts in Kind

In 2013 AfriKids' corporate partners Allen & Overy LLP provided invaluable pro bono and in kind support for AfriKids, across a vast range of projects and areas. Pro bono projects included programme expansion and development, advocacy work in Ghana, HR advice, and the creation and printing of various resources and booklets for AfriKids Limited and AfriKids Ghana.

Besides the generous support from our corporate partners Allen & Overy, AfriKids also received in kind support through the donation of auction prizes for AfriKids' portfolio of events in 2013, which included the ALMT Burns Night and the IPFA corporates quiz.

We would particularly like to recognise the following gift in kind donors in 2013:

Allen & Overy LLP  
 Connected Worlds  
 Dave Brown (Ape Inc.)  
 Paul Apowida

James Yeats-Brown Photography  
Radisson Blu  
Kololi Beach Club  
Andrea Etherington  
Style Bureau  
Nina's Hair Parlour  
Dove Spa  
WhiteStuff  
Blush

### 2.1.2. Donations from Corporate Partners

This income includes donations that have come directly from Corporate Partners, and does not include associated income from Corporate Partnerships that may arise through fundraising events or through donations from individuals who are in the employment of our Corporate Partners but who give or fundraise separately.

## 3. Resources Expended

### 3.1. Governance costs

Governance costs includes £4,622 (2012: £4,023) of direct governance costs, and £0 (2012: £0) of indirect governance costs. Wilkins Kennedy LLP were paid audit fees of £4,572 (2012: £3,700) for the year end audit, and this is included in the governance figure. Non audit fees of £1,080 were paid to Wilkins Kennedy LLP during the year.

### 3.2. Allocation of support costs and overheads

The breakdown of support costs and how these were allocated between governance and charitable activities is shown in the table below:

Cost type	Direct Costs	Gifts in Kind	Total Allocated	Fundraising Costs	Governance	Charitable Activities	Basis of costs apportionment
Staff costs	493,855	-	493,855	214,667	-	279,188	Staff time
Office rental and costs	65,860	39,405	105,265	11,553	92	93,620	Nature of expenditure and staff time
Computer costs	3,256	-	3,256	571	-	2,685	Overall cost apportionment
Depreciation	2,270	133	2,403	398	-	2,005	Overall cost apportionment
Other	8,445	-	8,445	2,851	4,530	1,064	Overall cost apportionment
<b>Total</b>	<b>573,686</b>	<b>39,538</b>	<b>613,224</b>	<b>230,040</b>	<b>4,622</b>	<b>378,562</b>	

The total support costs allocated to charitable activities is then apportioned pro rata based on the project expenditure within the various categories:

<b>Total Costs</b>	<b>£</b>
Education	136,177

Healthcare	18,702
Childcare	54,820
Family income generation	15,296
Child Rights education	24,561
Sustainability	129,006
<b>Total</b>	<b>378,562</b>

### 3.3. Cost of generating voluntary income

The breakdown of the cost of generating voluntary income is as follows:

<b>Total cost of generating voluntary income</b>	<b>£</b>
Staff costs	80,823
Fundraising and PR	31,698
Office and financial management	5,674
Project understanding	3,368
HR governance and administrative costs	1,414
<b>Total</b>	<b>122,977</b>

### 3.4. Employees

#### Number of employees

The average monthly number of full time employees during the year was:

	2013	2012
Governance, Management and Administration*	2.5	3
Fundraising and Communications*	5.5	3.5
Programmes	2	4.5
Business	1.5	-
<b>Total</b>	<b>11.5</b>	<b>11</b>

\* Breakdown in the 2012 report was split between Fundraising and administration; Programmes. The allocation to Fundraising and Administration of 6.5 in 2012 was split using a best estimate between this new break down.

	2013	2012
	£	£
Gross wages and salaries	421,788	372,764
Employers' National Insurance costs	44,524	37,895
<b>Total</b>	<b>466,312</b>	<b>410,659</b>

No employees were paid £60,000 or more during the year.

### 3.5. Annual commitments under operating leases

AfriKids' head office has been leased until 2018. The cost of this is shown below:

<b>Length of lease remaining</b>	<b>£</b>
----------------------------------	----------

	<b>Land and buildings</b>
Less than 1 year	37,055
2 – 5 years	134,807
Over 5 years	-
<b>Total</b>	<b>171,862</b>

AfriKids secured free office space for the first nine years of the organisation's existence but the end of an ongoing pro bono agreement in 2011 necessitated a move to paid-for premises. With the majority of AfriKids' voluntary income coming from sources and relationships based in Central London, as well as all staff being resident in the city, a central office space is key to present and future successes. Extensive benchmarking was done with other organisations of our size and location, and an array of options was compared. Our current Holborn location is the best value for money for our requirements and proved cheaper and better value than other options. We would like to thank Simon Wooller, an AfriKids Ambassador, for his assistance in securing such great value. We are open to discuss this further.

### 3.6. Costs of charitable activities

Service areas	Activities undertaken directly	Support costs	Total
Education	406,024	136,177	542,201
Healthcare	55,763	18,702	74,465
Childcare	163,450	54,820	218,270
Family income generation	45,607	15,296	60,903
Child Rights education	73,232	24,561	97,793
Sustainability	384,636	129,006	513,642
<b>Total</b>	<b>1,128,712</b>	<b>378,562</b>	<b>1,507,274</b>

## 4. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £
<b>Cost</b>	
At 1 January 2013	<b>19,122</b>
Additions	<b>2,878</b>
Disposals	-
<b>At 31 December 2013</b>	<b>22,000</b>
<b>Depreciation</b>	
At 1 January 2013	<b>8,680</b>
Charge for the year	<b>2,402</b>
On disposals	-
<b>At 31 December 2013</b>	<b>11,082</b>
<b>Net book value</b>	
<b>at 31 December 2013</b>	<b>10,918</b>
At 31 December 2012	10,442

## 5. Debtors

	2013	2012
	£	£
Trade debtors	97,132	101,122
Prepayments and accrued income	79,000	55,220
Other debtors	1,421	1,087
<b>Total</b>	<b>177,553</b>	<b>157,429</b>

## 6. Cash at bank and at hand

	2013	2012
	£	£
Bank	363,576	407,278
Petty cash	690	701
<b>Total</b>	<b>364,266</b>	<b>407,979</b>

## 7. Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	18,003	5,743
Taxes and social security costs	19,730	-
Accruals and deferred income	5,266	53,727
Other creditors	-	24,837
<b>Total</b>	<b>42,999</b>	<b>84,307</b>

## 8. Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement of Funds			Balance at 31 December 2013
	Balance at 1 January 2013	Incoming Resources	Resources Expended	
	£	£	£	£
New Beginnings 1	-	48,745	4,762	<b>43,983</b>
New Beginnings 2	21,981	209,382	159,641	<b>71,722</b>
DFID Education Bridge	-	93,696	93,696	-
Livelihoods Programme	7,062	15,250	22,312	-
School of Night Rabbits	-	570	570	-
AfriKids Academy	1,878	44,034	24,869	<b>21,043</b>
Young Entrepreneurs	4,906	9,172	4,906	<b>9,172</b>
Operation Mango Tree	42,377	10,548	28,104	<b>24,821</b>

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Registered Charity No.: UK – 1141028

### AfriKids Ghana

PO Box 166, Bolgatanga, UER, Ghana  
Tel: +233 (0) 382 023 829  
Registered Charity No.: Ghana – DSW/3024

Operation Bolgatanga	35,125	14,000	49,125	-
Operation Zuarungu	7,500	11,588	10,839	<b>8,249</b>
Operation Smiles	6,135	22,693	28,828	-
AfriKids Medical Centre	13,654	461	11,945	<b>2,170</b>
The AfriKids Blue Sky Lodge	246,957	10,000	164,868	<b>92,089</b>
The G.A.S. Partnership	16,104	68,385	31,419	<b>53,070</b>
Education	-	11,214	5,396	<b>5,818</b>
AfriKids Ghana Head Office	611	46,342	46,632	<b>321</b>
Operation Singh	-	15,922	15,321	<b>601</b>
Let's Read!	-	4,150	3,196	<b>954</b>
Energy for Life Initiative	10,107	5,378	15,485	-
Big Lottery Fund	-	11,664	11,664	-
<b>Total</b>	<b>414,397</b>	<b>653,194</b>	<b>733,578</b>	<b>334,013</b>

## 9. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2013 are represented by:			
Tangible fixed assets	<b>10,918</b>	-	<b>10,918</b>
Current assets	<b>207,806</b>	<b>334,013</b>	<b>541,819</b>
Creditors: amounts falling due within one year	<b>(42,999)</b>	-	<b>(42,999)</b>
<b>Total</b>	<b>175,725</b>	<b>334,013</b>	<b>509,738</b>

## 10. Related parties

Georgina Fienberg, the International Director, is a Trustee. She continues to be remunerated as an employee.

AfriKids also has a long-standing contract with Connected Worlds, which is owned and managed by Fred Cohen, Georgina Fienberg's brother. This relationship is reviewed each year to ensure that the services provided are the best value available. The cost of services provided by Connected Worlds in 2013 were £2,156, some of which was direct repayment for domain and e-mail hosting, and some of which was payment for below market rate IT services.

Nick Eastcott is the father of an employee of AfriKids Limited. and works as the Chairman of the G.A.S. Partnership. Nick works on an expenses-only basis, and during the year, expenses of £990 were paid on his behalf by AfriKids Limited.

During the year AfriKids Limited donated £940,500 to AfriKids Ghana. At the end of the year AfriKids Limited has a trade debtor of £31,743 and a trade creditor of £17,620 with AfriKids Ghana. AfriKids Ltd's relationship with AfriKids Ghana manifests itself in two distinct areas; directly funding programmes, and building staff capacity. To prepare for the 2018 goal, AfriKids Ltd is investing heavily in training schemes across AfriKids Ghana, with four staff members engaged solely to enable AfriKids Ghana to continue to deliver the highest quality programmes from 2018 onwards. Rather than employing consultants for this

capacity building component, it represents significantly better value to employ permanent staff members, and this allows for stronger, more bespoke training plans to be delivered. In the coming years senior roles will be transferred to AfriKids Ghana, which will be reflected in a higher proportion of funds being transferred. The total charitable activities expenditure of £1,507,274 on the SOFA more accurately reflects the total invested in AfriKids Ghana for programmatic spend and staff capacity building combined

## **11. Trustees**

The Trustees have not received any remuneration or reimbursement of their expenses during 2013, except for the remuneration provided to Georgina Fienberg disclosed in note 10 above.

## **12. Post balance sheet events**

There have been no post balance sheet events other than the changes to trustees outlined in the Trustees report.

## ACKNOWLEDGEMENTS

AfriKids gratefully acknowledges each of the individuals and organisations who contributed to our work in 2013, including:

### Statutory Grant Maker/Institutions

Comic Relief  
DFID  
Big Lottery Fund

### Trusts, Foundations and Other Donor Partners

The Pears Foundation  
Garfield Weston Foundation  
The Wolfson Foundation  
The Baring Foundation  
Venture Partnership Foundation  
Marple Charitable Trust  
The Allan & Nesta Ferguson Charitable Trust  
The Waterloo Foundation  
The Equitable Charitable Trust  
The Two Walters  
The Angus Lawson Memorial Trust  
Chalker Foundation  
Sir Ernest Cassell Education Trust  
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CHOCS – Varndean School  
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### Corporates

Allen & Overy LLP  
Reed Elsevier  
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Alpha FMC  
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## **Individual Supporters**

Catherine Husted  
 Sir Paul and Lady Ruddock  
 John Richards  
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 Andrew Disley  
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Metro Imaging  
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Dave Brown (Ape Inc.)  
Paul Apowida  
James Yeats-Brown Photography  
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Andi Sapey Photography  
Oriol Colwyn Gallery  
Style Bureau  
Nina's Hair Parlour  
Dove Spa  
WhiteStuff  
Dr. Aaron Denham  
Brooks and Brooks Hairdressing  
Patisserie Valerie  
Sam Witney Photography

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Nany Tran  
Kevin Danesi  
Kalera Nichols-Agard  
Alice Tilton  
Sam Hamdieh  
Romy Lewis  
Matt Clackett