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# Annual Report and Financial Statements

For the year ended 31 December 2018



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## Annual Report and Financial Statements

For the year ended 31 December 2018

### Directors and Trustees

Duncan Spencer | Chair  
Georgie Fienberg | Founder and Trustee  
John Hickman | Trustee  
Jason Haines | Treasurer; Senior Data Protection Officer  
Frances Cleland Bones | Trustee; Senior Safeguarding Officer  
Martin Ott | Trustee

### Chief Executive Officer

Amy Parker (to 21 February 2018)  
Charlie Hay (from 22 February 2018)

### Company Number

07534096

### Registered Charity Number (England and Wales)

1141028

### Registered Office

21 Southampton Row, London, WC1B 5HA

### Auditors

**Hewitt Warin Ltd**  
Harlow Enterprise Hub, Edinburgh Way, Harlow, Essex CM20 2NQ

### Bankers

**Lloyds Bank**  
106 Kilburn High Road, Kilburn, London, NW6 4HY

The Trustees of AfriKids Ltd. are pleased to present their report together with the financial statements of the Charity for the year ended 31 December 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**FRONT COVER:** A little girl with cerebral palsy attends an AfriKids support clinic, where she sits in a papier mache chair that has been custom-made for her and will help build her strength and muscle control to sit independently.

## Reflections from our Chair, **Duncan Spencer**

Did you know that the single best indicator of a child's survival through infancy is their mother's educational level? It has been proven all over the world that educating girls has a profound impact on the life chances of their children – on average, educated girls have later, safer pregnancies and fewer children who are far more likely to be educated themselves and have secure futures.

In northern Ghana, when AfriKids began working, 1 in 6 children died before their 5th birthday. The latest reports show that alongside massive improvements to educational attainment, this figure has improved to 1 in 16. We still have work to do, but AfriKids' projects contribute to national and international efforts which are making great progress for the world's poorest and most marginalised people.

The UN published a status report on the Sustainable Development Goals in 2018. It showed that on a global level, we are not on track to meet the ambitious targets these Goals set for our planet and its people. Yet this macro view belies a complex story and when we dig beneath the surface, we see countries making great strides on key social indicators like poverty levels, child health and educational attainment. The report highlights progress on most of the key issues being tackled and reiterates the importance of extra investment to support those people who are hardest to reach and need the most help. AfriKids' long-term commitment to northern Ghana means however tough, we won't stop until every child in these communities has the childhood they should – until every child can be healthy, safe and in school.

2018 also saw the international aid community come together for the UK government's landmark Safeguarding Summit, where we welcomed new commitment to protecting the people we exist to serve – especially the most vulnerable. On this front, AfriKids is proud to have this year joined the Keeping Children Safe network and launched a major independent review of our safeguarding policies and procedures, to ensure we are doing absolutely everything we can to keep children safe as we do our work.

AfriKids has always shone a light on the positive story of international development – showing that by working together, the global community is an unstoppable force for change which can meet the rights of every child, everywhere. Now more than ever it is crucial that the world knows this work is protecting the most vulnerable and making a real difference to people's lives. We must not lose the momentum and undo the great progress we have already made but continue to build on that progress toward the prosperous and thriving world we all want to see.

On behalf of the Board of Trustees, my sincere thanks go to all of the AfriKids staff in the UK and Ghana and to every individual and organisation who supported AfriKids' work in 2018, especially our key partners; People's Postcode Lottery, Medicor Foundation Liechtenstein, Waterloo Foundation, Comic Relief, the UK Department for International Development and Pears Foundation. Together we're changing lives, thank you.

*Duncan*



Now more than ever  
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## Reflections from our Chief Executive, Charlie Hay

2018 was a very special year for me. Nine years (*and several gruelling interview processes!*) since joining AfriKids as an intern, I was appointed CEO of this wonderful organisation – a position I'm incredibly proud and honoured to hold.

2018 was a busy and brilliant year in so many ways – we launched our first UK Aid Match campaign with the support of the UK Government; recruited our first celebrity ambassador in the fabulous June Sarpong MBE; were proud to become members of the Keeping Children Safe network; won two more awards for our life-changing work with children with disabilities; welcomed new faces to the team; wrote an ambitious new fundraising strategy; enshrined new principles to guide the way we work (integrity, ambition, agility, community) and most importantly, we delivered 20 education, health and child protection projects which benefitted over 142,000 people.

None of this would have been possible without the empathy, faith and generosity of our wonderful supporters. To everyone who shares our vision for a world where every child is healthy, safe and in school, thank you for helping us make this possible for children in northern Ghana. Together we're giving thousands of children happier childhoods every year – and we don't need to guess what the impact of this will be. With your support, AfriKids has now been changing lives for 17 years, and many of the first children we supported are now going to university! This cohort, who faced challenges no child should have to, are now training to become teachers, nurses, midwives, engineers and more. With a little support, how far they've come and how much richer northern Ghana will be for them. Our family of young people defeating the odds and changing their lives for good is growing all the time and in 2019, we will be working on an ambitious new plan to reach more children than ever over the next five years – watch this space!

A huge thank you from me to our remarkable staff in the UK and Ghana, who continue to amaze me every day with their new ideas, contagious energy and relentless dedication to our cause. The extra mile is your starting block and we really are so lucky to have every one of you, thank you for everything you do.

From me, the AfriKids UK and Ghana teams and 142,316 people in northern Ghana, thank you.

*Charlie*



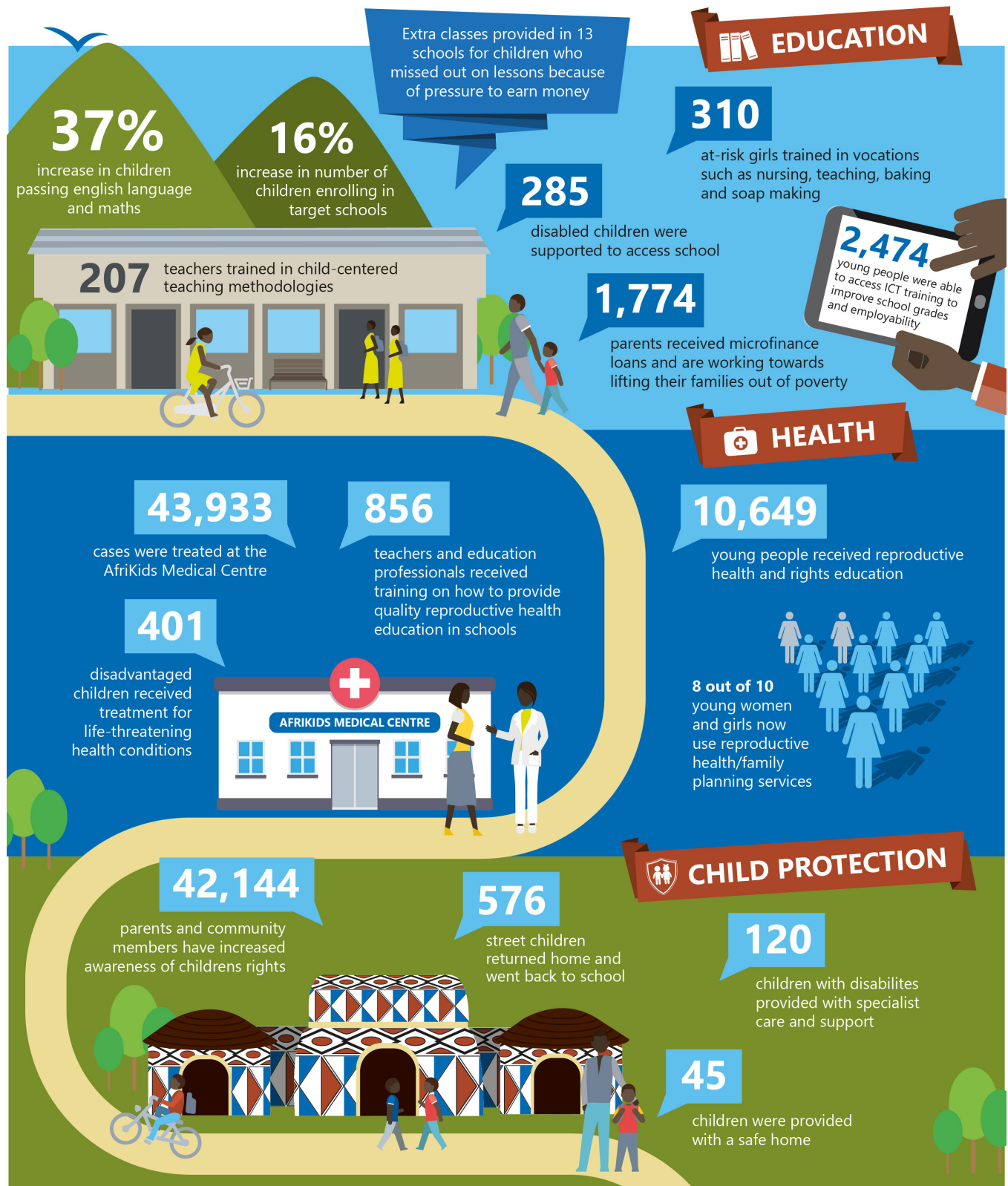
To everyone who shares  
our vision for a world  
where every child is  
healthy, safe and in  
school, thank you for  
helping us make this  
possible for children in  
northern Ghana



In 2018, AfriKids delivered 20 life-changing projects to keep vulnerable children in northern Ghana healthy, safe and in school.

In 2018 alone, **142,316** people benefitted from this support.

To illustrate:

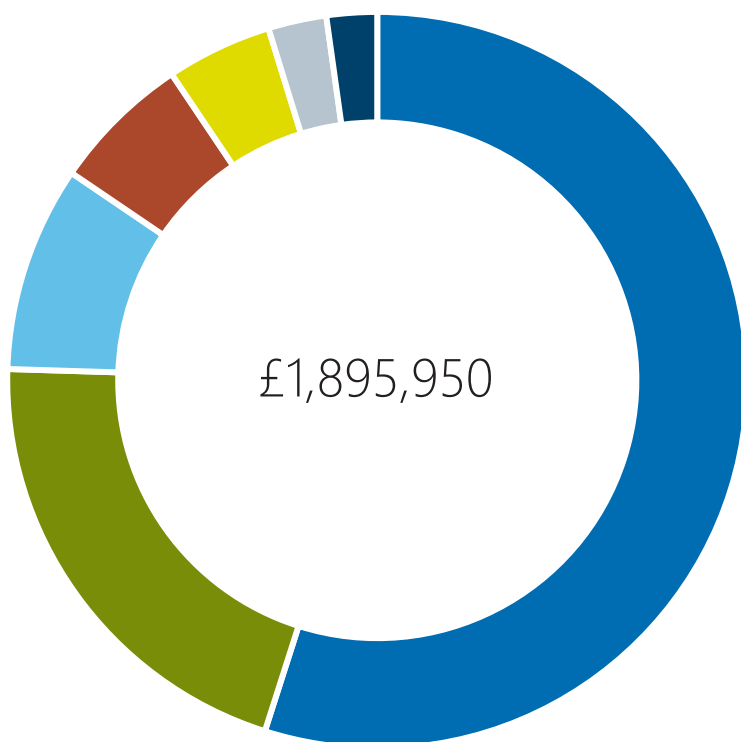


# Income and expenditure summary

A summary of our income and expenditure for the year ended 31 December 2018. You can find more detail in our Financial Statements from page 14 onwards.

**80p**

in every £1 was spent  
on our programmes  
(excluding Gifts in Kind)



## Income

Trusts and foundations  
**£1,041,095 | 55%**

Individuals  
**£390,102 | 21%**

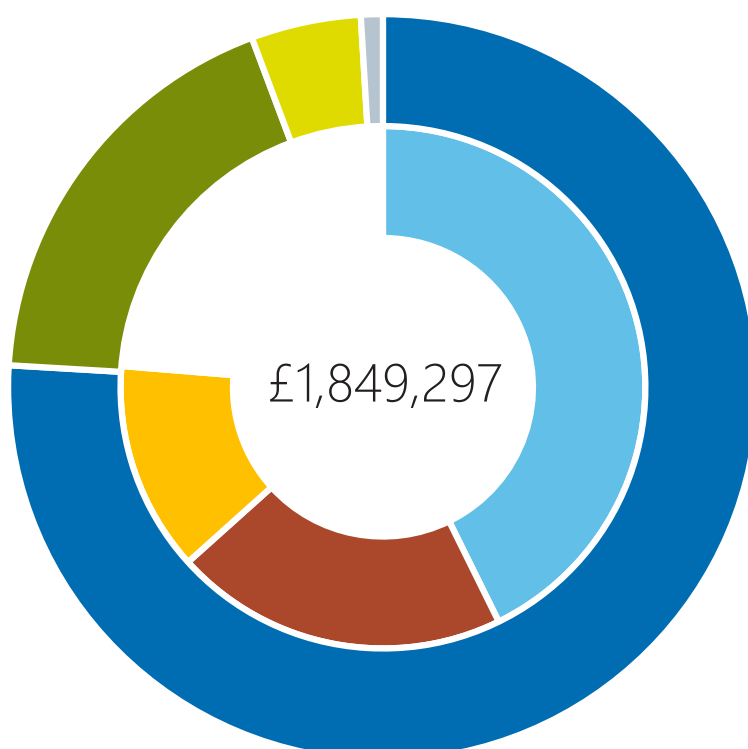
Government and public authorities  
**£171,239 | 9%**

Events and community fundraising  
**£115,719 | 6%**

Gifts in Kind  
**£87,695 | 5%**

Corporate partners  
**£48,273 | 2%**

Other income  
**£41,827 | 2%**



## Expenditure

Programmes  
**£1,404,377 | 76%**

Education  
**£793,322 | 43%**

Healthcare  
**£378,973 | 20%**

Child Protection  
**£232,082 | 13%**

Fundraising  
**£339,764 | 18%**

Gifts in Kind  
**£87,695 | 5%**

Governance  
**£17,461 | 1%**

## Our Education Programme

Goal: Ensure inclusive and equitable quality education and promote learning opportunities for children and young adults

lives changed in 2018:

**42,614**

### Programme objectives:

#### Access

Increase the number of children who access Basic Education, with a particular focus on the most marginalised groups including girls and children with special needs

#### Quality

Improve the quality of public Basic Education

#### Retention

Increase the number of children who complete Basic Education by addressing the root causes of children dropping out of school

#### Progression

Increase the number of young people who progress to further education to improve their livelihood prospects

**Education is fundamental to children lifting themselves out of poverty. Evidence shows that, on average, each additional year of schooling boosts a person's earning potential by 10 per cent, making education one of the most worthwhile investments we can make. In northern Ghana, a child on average will only attend school for six years and just 15% of pupils pass their Basic Education Certificate Exam (equivalent to GCSEs), dramatically reducing their chances of a secure future. We are working to change this.**

In 2018, our Education Programme supported 42,614 children and young people, ranging from kindergarten to university students and vocational trainees. They either received direct, short-term support or attended a school we are working with to embed long term changes to improve learning outcomes for generations to come.

In 2018 we helped some of the poorest families with school fees and materials, providing personal hygiene items (often a factor in girls dropping out) and supplying animals for breeding to grow household income.

140 at-risk girls and 170 out-of-school girls were skills trained in nursing, teaching, and trades such as baking and soap making – gaining employable skills to become self-sufficient adults able to care for their own families.

#### Improving attainment and quality of primary education

This year we concluded a three-year project working to improve the attainment and quality of education in 60 primary schools. We have now trained 360 teachers in more effective, child-centred methods which are revolutionary for northern Ghana ("chalk and talk" teaching still dominates) and have had a big impact on attendance and learning outcomes, particularly for girls. For the first time ever, these schools have seen 95%+ of children completing their primary education and we have far exceeded targets for improving pass rates in English and maths. Just one highlight is the number of girls now passing maths at the end of year 6 in these schools - 27% before the project, now 85%.

Our work educating families and communities - many of whom missed out on school themselves - has been fundamental to the changes we've seen. Parents and community members now precious value their children's education as their best chance of escaping life in poverty and are leading the charge to ensure all children stay in school and that schools are held to account. This local ownership is of course critical to our impact being sustained.

Ghana has been continent-leading in achieving 95% enrolment in primary school and even gender parity at enrolment stage. Yet in the north, up to 65% of children who enrol are forced to drop out of primary school, usually under pressure to marry or work in order to help make ends meet at home. Addressing this will be a key focus for us over the next few years. As we completed this project (which has benefitted around 16,200 children) in 60 primary schools this year, we also embarked on a new three-year journey with 80 more schools.





- At the start of the project, 66% of children of school-going age were enrolled. This had increased to 82% by the end of the project
- By the end of the project, 98% of boys and 99% of girls completed primary school
- English Language and Maths pass rates increased by 37% to 8 in 10 children

Findings of an independent evaluation of AfriKids' 3-year Opening Doors to Schools project. Results based on averages across the 60 schools this project worked with.

### Transforming early years education

The end of 2018 also marked the end of our first major project transforming early years education in northern Ghana. This project was designed in response to alarmingly poor educational attainment at primary level (reports show as few as 2% of primary students can read with fluency and comprehension) and the well-evidenced impact that pre-school years have on this.

Over the last three years, we have worked with Ghana Education Service to improve kindergarten education in 72 schools. This critical stage of learning and development for 3-5 year olds has a huge impact on their future learning and prospects. Many children in northern Ghana do not attend pre-school at all and those who do usually receive very outdated and ineffective teaching methods.

Working with early years experts, we have trained teachers, completely changed how early years education is valued in communities and schools and increased enrolment at this level by 72% in the schools we've worked with. At the start of the project, we set ourselves a target to improve Learning Achievement Records by 65% and have in fact delivered 74% growth in the number of children now "passing" these learning assessments.

This project has had a huge impact in northern Ghana. Kindergartens here are typically dark and cramped outhouses of primary schools (if they exist at all), but we now see colourful classrooms filled with round tables, educational toys made with local materials and incredibly dynamic and enthusiastic teachers who are proud to be specialists in their field. We will be looking to bring this valuable project to more schools in 2019 and beyond.

**Main photo:** When Jennifer (right) dropped out of school, Caroline made sure she returned.

### Lives changed Jennifer and Caroline

When Jennifer met Caroline her life took a turn.

Jennifer had a baby when she was 14 and dropped out of school to take care of things at home. One day she met Caroline collecting water at the local village well.

Caroline was about the same age as her, but in school and a member of the Child Rights Club AfriKids had established there. At the club she was learning about her rights and developing her confidence through quizzes and debates. She and her friends often used their new knowledge and voices to help children and young people, including girls being forced into marriage.

Caroline told Jennifer about her right to education and why it's so important. She encouraged Jennifer to think about her future, not just for herself but her family too, and she explained how her education could benefit them all. Caroline even visited Jennifer's family at home to help them understand the value of Jennifer's schooling and organised for them to visit her school.

A year on from their first meeting, Jennifer and Caroline are now classmates. Jennifer is back in school, studying hard and is already top of her class! She is now also a Child Rights Club member and actively promotes education to other children who might miss out on school and the opportunity of a secure future.

# Our Child Protection Programme

Goal: Ensure all children are safe and supported

lives changed in 2018:

**17,676**

## Programme objectives:

### Safe and supportive homes

Reduce the number of children living without a home that is conducive to their well-being and development promoting family rehabilitation over institutional care wherever possible.

### Safe and supportive communities

Reduce the prevalence of issues threatening child rights like child marriage, the Spirit Child Phenomenon, child streetism and harmful child labour.

### Care and support services

Improve the availability and quality of facilities and protection services for children at risk of abuse, neglect or exploitation.

**Endemic poverty in northern Ghana puts children at an increased risk of being abandoned, orphaned, trafficked, life on the streets, abuse, neglect and of rights violations. We work to change this by promoting positive practices that advance human rights and empower families to keep their children safe.**

In 2018, 17,676 people received support or participated in community empowerment activities under our child protection programme.

273 children without a safe home were supported and cared for. Of these 273 children, 108 were resettled and either sent back to school or received support to learn a trade. We also ran a drop-in centre for children on the streets at the local lorry park, which is a key point of migration for child traffickers and children seeking to travel to southern Ghana in the hope of earning enough to return to school or support their families.

120 children with disabilities attended specialist support clinics. Half of them also received food supplies to address malnutrition and 46 families received goats for breeding to grow their household income.

More than 42,000 young people, women, parents, community members and stakeholders attended AfriKids' talks and workshops in 2018. We worked with communities to address issues putting children at risk, such as child marriage and discrimination towards people with disabilities. We also ran child rights clubs in 310 schools to educate children on their rights and empower them to become agents of change.

We continued to work with NSPCC's Child Trafficking Advice Centre, who trained 490 professionals from across a range of institutions in northern Ghana to increase awareness and prevent and safeguard women and girls from sexual exploitation and trafficking.

### Ending child marriage

Our first major, three-year project tackling child marriage and promoting girls' rights was completed this year and has educated thousands of children and adults on the rights of all children and trained people at all levels of society to continue protecting and promoting them.

We have established 250 adolescent clubs boasting 10,649 young members and counting! Among them, 235 junior ambassadors have been trained and are now leading the youth movement for child rights in their communities. These impressive young champions have already helped prevent children from dropping out of school, being married and from harm.

61 adults in rural communities have been trained as volunteer health campaigners and are now promoting family health services, particularly the importance of professional antenatal care and safe birth. This also supports our efforts to reduce the high prevalence of disability in these communities, often arising from complications during child birth without a qualified attendant.



420 at-risk women have been supported with training and small business loans, and we've seen benefits of this beyond their economic empowerment. As well as now being able to cover the costs of their children's school supplies, these women now claim to have greater influence and authority at home and in their communities, all helping to raise the status of women and girls in traditionally patriarchal societies.

We have also worked with 268 head teachers, 108 health staff and 7 School Health Education Program coordinators, to improve sexual and reproductive health education and services across the region.

### Our front-line projects

Local heroes, Mama Laadi and Sister Jane, continue to support children in the most difficult and dangerous circumstances, while we work in their communities to address the root causes of child neglect and abuse. Their safe homes this year supported around 100 children and (at Sister Jane's centre) vulnerable mums, providing shelter, nutrition, healthcare, childcare training, counselling and support to return to their communities and stand on their own feet.

In Bolgatanga, 100 more "street children" graduated from our School of Night Rabbits this year and have gone on to mainstream schools or vocational trades.



## Lives changed

### Adoko

In rural villages in northern Ghana children can often be found roaming and playing. Adoko was found roaming and drew the attention of an academic who had returned to his village for a funeral. He attempted to speak to Adoko but received no reply, because Adoko can't speak; he is 13 years old, small for his age and developmentally delayed. After speaking to neighbours and unsure what to do the academic called AfriKids for help.

Investigations revealed that Adoko's mother died in early 2018, his father died when he was two, and his older brother lives 580 kilometres away. Like so many people in northern Ghana, Adoko's brother doesn't understand his condition and has rejected him, hence Adoko is now one of 45 children who lives at an AfriKids supported residential home, where he receives the love, care and support needed to help him move forward.

Many of the children with disabilities we support stay with their families and in their communities. We then work with local service providers and schools to ensure the child's needs are met. We will do exactly the same for Adoko - we will try to work with his extended family in the hope he may be resettled one day. In time he will go to school, gain new skills, and perhaps even speak. No matter what we will strive to ensure he achieves his full potential.

**Main photo:** June Sarpong MBE became an AfriKids Ambassador in 2018 and is seen here on her first visit to AfriKids' projects in Ghana. **Left:** Adoko found a new safe home with Mama Laadi (who is also in the Main photo in the checked shirt on the front row).



## Our Health Programme

Goal: Ensure healthy lives and promote well-being for child development

lives changed in 2018:

**82,026**

### Programme objectives:

#### Access

Increase the number of children who can access primary healthcare free of charge through the National Health Insurance Scheme

#### Quality

Improve the quality of primary healthcare facilities and services for children and families

#### Extra needs

Improve the quality of life for children with extra healthcare needs and their families

#### Health advocacy

Increase the number of people that understand and follow good health and well-being practices impacting children, including ante/post-natal care, paediatric health, water, sanitation and hygiene (WASH) and sexual and reproductive health and rights (SRHR)

**Our ultimate goal is to ensure children have happy, healthy lives. Most of our projects include promoting or delivering basic healthcare services. We do this by working with communities and local health authorities to ensure quality primary healthcare is available to everyone, especially the most marginalised families.**

In 2018, 82,026 children, parents, community members and education professionals were engaged through our health interventions.

61,387 children, parents and community members accessed healthcare services with our support. 401 were children who desperately needed treatment for life-threatening conditions and 43,933 received treatment at the AfriKids Hospital.

20,639 young people, parents, community members, and education professionals attended community education workshops or received healthcare training. Topics ranged from physiotherapy and rehabilitation for children with cerebral palsy to reproductive health awareness and rights for women and girls. In September 2018 we commissioned an independent evaluation of the impact of our approach to improving reproductive health rights for women and girls. Some of the key findings were as follows.

#### Securing the sexual and reproductive health and rights of women and girls

In 2018 we concluded a three-year project delivered in seven districts in northern Ghana where access to well-run reproductive health services was poor. We worked with seven health facilities (one per district) to build their capacity to deliver a full range of sexual and reproductive health (SRH) services. This included services such as family planning, sexually transmitted infection (STI) prevention and management, and counselling. At the start of the project, the seven facilities were only delivering 11% of available services between them. By the end of the project they were providing comprehensive quality services and eight out of ten patients were satisfied with the service they received.

At the start of the project, 7% of young women and girls reported using the seven selected service providers and adolescent centres, this increased to 82% by the end of the three year project. The most popular services were family planning, STI prevention and management, SRH education and safe motherhood services.

At the start of the project, 59% of young women and girls reported feeling secure and able to make decisions about their sexual and reproductive health (e.g. when to start a family, marry etc.). By the end of the project 93% felt more secure. This was achieved by educating young women and girls and their male counterparts on how to prevent the abuse of their sexual and reproductive health and rights.

When we started the project only 32% of community members reportedly rejected harmful practices. After delivering a range of community empowerment activities 90% of community members rejected practices like early and forced marriage; 87% rejected female genital mutilation/cutting practices; 82% were campaigning to address high levels of teenage pregnancy.

The project successfully helped 420 young women increase their income by 25% with



micro-finance support. The evaluation found that there was a strong correlation between the financial autonomy gained by the young women who had increased voice and choice and an increase in young women accessing maternal health services for ante/post-natal and family planning services at the target health facilities.

### Supporting children with disabilities

As three projects came to an end in 2018, new work began. Following our unprecedented success ending harmful beliefs and practices around “spirit children” in 18 communities, this year we launched our award-winning programme in 40 more communities.

This three-year project will work with communities, local schools and health services to protect and promote the rights of children living with disabilities, including setting up cerebral palsy clinics to provide specialist physio and massage therapy. Where we have introduced these services before, hundreds of children now live more comfortably, with improved mobility and many have even take their first steps.

This year we were recognised with two more awards for this work from World Cerebral Palsy Day and the Bond International Development Awards.

**Main photo:** AfriKids project manager Joe at one of the support clinics he has established for children with cerebral palsy. This life-changing service has enabled all of these children to take their first steps.

**Below left:** AfriKids Ghana Country Director, Nich, accepts the Bond Humanitarian Hero award on behalf of Joe for his work with AfriKids protecting “spirit children”. **Below right:** Gerald and Dorothy's lives have dramatically improved since they began attending one of AfriKids' specialist support clinics for children with cerebral palsy.

## Lives changed Gerald and Josephine

Due to limited access to healthcare, northern Ghana sadly has high rates of mother and child mortality and cases of preventable disability caused by birth complications.

Gerald and Josephine both had hydrocephalus (water on the brain) and cerebral palsy due to complications which restricted their oxygen supply during child birth. They are two of hundreds of children now attending the specialist support clinics AfriKids has established to provide physical and emotional support to the many families living with these difficult conditions, who have often been ostracised by their communities (who sometimes fear these children may be bad “spirits” sent to bring harm to the community). These new services and our work in these communities is changing that and hundreds of children are now more comfortable, stronger, able to sit, walk and even go to school.

In 2018 a generous donor made it possible for us to help Gerald and Josephine receive life-saving treatment for hydrocephalus. This surgery - not available on the national health service - was to stop fluid accumulating around their brains causing their heads to swell and putting them in increasing danger. Both procedures were successful and the children are both recovering well. They both hope to start school in 2019.





# Financial Review

The results from the 2018 financial year reflect continued financial stability at the charity with funds held and incoming adequately covering projects and operations whilst ensuring appropriate reserves are held.

The Trustees are reporting a decrease in income from the previous year. Income in 2018 was on a par with income levels in 2017 decreasing by just 1% (£11k) to £1.896m (2017: £1.907m). This was in line with expectations for the year.

Overall spend decreased by 8% (£158k) to £1.849m (2017: £2.007m) with spend on charitable activities decreasing by 10% (£153k) to £1.43m (2017: £1.583m). Spend on fundraising activities in the UK office was almost flat, decreasing by 1% (£5k) to £420k (2017: £425k). A significant part of this drop can be attributed to the weakening of the Ghanaian Cedi against the pound as well as lower staffing levels in 2018.

The net effect of this was that the charity returned a surplus of £47k (2017: £100k deficit) overall. The impact on unrestricted funds was to increase the funds available at the end of the year to £606k (2017: £391k).

## Reserves

The Trustees' policy is that the balance of reserves held by AfriKids should be no less than £200k which equates to around three months of the organisation's running costs and one monthly transfer to AfriKids Ghana. The Trustees believe this level of reserves will provide short term financial stability and allow time to secure alternative sources of funding, in the event of a significant drop in income.

During the period, reserves, which form part of unrestricted funds in the balance sheet were maintained at above £200k, in line with the organisation's policy.

# Governance

## Definitions

|  |   |
|--|---|
| AfriKids Limited / AfriKids Ltd. / AfriKids UK | the charity registered in England and Wales that fundraises for and supports AfriKids Ghana, and the organisation which this document reviews |
| AfriKids Ghana                                 | an independent Ghanaian Non-Governmental Organisation which delivers child rights and community development projects in Ghana                 |
| AfriKids                                       | the partnership between AfriKids Limited and AfriKids Ghana - this term is used when referring to shared ideals, achievements and aspirations |

## Structure

AfriKids Ltd. is a company limited by guarantee and a charity registered in England and Wales with the Charity Commission. It is governed by its Articles of Association.

AfriKids Ltd. was incorporated on the 17 February 2011 and gained charitable status on the 24 March 2011. AfriKids was previously registered as a charitable trust (Registered Charity Number 1093624, registered 30 August 2002), though the trust was dissolved following incorporation of the Charity as a limited company.

"AfriKids" generally refers to the partnership between AfriKids Limited and AfriKids Ghana, two legally independent organisations, run by different management teams and governed by different boards of Trustees, but who work in very close partnership towards a shared mission. AfriKids UK, (now AfriKids Ltd.) was registered as a UK charity in 2002 to support a number of small, locally-run projects in northern Ghana. In 2005, this relationship was formalised with the establishment of AfriKids Ghana, an independent NGO registered in Ghana which manages all of the projects that AfriKids supports.

## Annual Report and Financial Statements

For the year ended 31 December 2018

### Trustees

The directors of the charitable company are its Trustees for the purpose of Charity law and the members of the company limited by guarantee. Throughout this report they are collectively referred to as the Trustees. The following individuals served as Trustees during the period:

|                   |                       |
|-------------------|-----------------------|
| Chair             | Duncan Spencer        |
| Founder & Trustee | Georgie Fienberg      |
| Treasurer         | Jason Haines          |
| Trustee           | John Hickman          |
| Trustee           | Frances Cleland Bones |
| Trustee           | Martin Ott            |

All Trustees served for the full year unless otherwise indicated above.

The Trustees meet at least once per quarter to review the activities and direction of the Charity. The day-to-day running of the Charity is delegated to the Chief Executive Officer, who manages a staff team. Individual Trustees maintain an active interest and participation in many of the projects, which is an important part of ensuring the direction and spirit of the Charity stays true to its original vision, aims and objectives.

### Recruitment and appointment of new Trustees

Trustees are appointed through public recruitment, and there is no minimum or maximum length of term.

### Related parties

Details of transactions with related parties are given in note 17 to these accounts.

### Pay policy for senior staff

All staff are paid in accordance with a salary scale which is reviewed each year. Benchmarking is performed every five years.

### Risk Management

The Trustees regularly review the risks the Charity faces, and are satisfied that adequate systems are in place to mitigate the Charity's exposure to major risks where possible.

Cashflow risk is mitigated by monthly review of the funding pipeline for the following twelve months. AfriKids' Organisational Risk Register is updated annually and is available for public distribution on request.

### Public Benefit

AfriKids Ltd. gives regard to the Charity Commission's guidance on public benefit. AfriKids Limited's public benefit is experienced mainly in northern Ghana, where more than 100,000 people directly benefit from AfriKids' programmes every year, and many more benefit from the indirect impact of these interventions.

## Annual Report and Financial Statements

For the year ended 31 December 2018

# Statement of Trustees' Responsibilities

The Trustees (who are also directors of AfriKids for the purposes of company law) are responsible for preparing the Trustees' 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 the year. 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper 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.

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.

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

This report was approved by the Board of Trustees of AfriKids Ltd., as signed and dated below.

  
Duncan Spencer (Jun 26, 2019)

Duncan Spencer  
Chair, Board of Trustees, AfriKids Ltd.

  
J G Haines (Jun 26, 2019)

Jason Haines  
Treasurer, Board of Trustees, AfriKids Ltd.

Jun 26, 2019

# Independent Auditors' Report to the Trustees

We have audited the financial statements of AfriKids Limited (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Annual Report and Financial Statements

For the year ended 31 December 2018

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

### 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 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.

### Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

Signed:

J Warin Bsc FCA  
J Warin Bsc FCA (Jun 26, 2019)

Jun 26, 2019

### Jeffrey Warin BSc FCA (Senior Statutory Auditor)

for and on behalf of Hewitt Warin Ltd, Chartered Accountants and Statutory Auditors, Harlow Enterprise Hub, Edinburgh Way, Harlow, Essex CM20 2NQ

## Annual Report and Financial Statements

For the year ended 31 December 2018

# Statement of Financial Activities

(incorporating the Income and Expenditure Account) for the year to 31 December 2018

|  |           | Unrestricted<br>Funds<br>2018 | Restricted<br>Funds<br>2018 | Total<br>Funds<br>2018 | Unrestricted<br>Funds<br>2017 | Restricted<br>Funds<br>2017 | Total<br>Funds<br>2017 |
|--|-----------|-------------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------|------------------------|
| Note   |           | £                             | £                           | £                      | £                             | £                           | £                      |
| <b>Income</b>  |           |                               |                             |                        |                               |                             |                        |
|  | 2         | 928,329                       | 879,629                     | 1,807,958              | 613,942                       | 1,270,621                   | 1,884,563              |
| Donations and legacies   |           |                               |                             |                        |                               |                             |                        |
|  | 3         | 18,040                        | 28,125                      | 46,165                 | 5,175                         | 7,520                       | 12,695                 |
| Charitable activities  |           |                               |                             |                        |                               |                             |                        |
|  | 4         | 223                           | -                           | 223                    | 30                            | -                           | 30                     |
| Investment income  |           |                               |                             |                        |                               |                             |                        |
| Other income   |           | 41,604                        | -                           | 41,604                 | 9,746                         | -                           | 9,746                  |
| <b>Total income</b>  |           | <b>988,196</b>                | <b>907,754</b>              | <b>1,895,950</b>       | <b>628,893</b>                | <b>1,278,141</b>            | <b>1,907,034</b>       |
| <b>Expenditure</b>   |           |                               |                             |                        |                               |                             |                        |
|  | 5         | 78,518                        | 1,351,017                   | 1,429,535              | 19,104                        | 1,563,415                   | 1,582,519              |
| Charitable activities  |           |                               |                             |                        |                               |                             |                        |
|  | 6         | 419,762                       | -                           | 419,762                | 424,637                       | -                           | 424,637                |
| Cost of fundraising  |           |                               |                             |                        |                               |                             |                        |
| <b>Total expenditure</b>   |           | <b>498,280</b>                | <b>1,351,017</b>            | <b>1,849,297</b>       | <b>443,741</b>                | <b>1,563,415</b>            | <b>2,007,156</b>       |
| <b>Net income/(expenditure)<br/>before transfers</b>                                     |           | <b>489,916</b>                | <b>(443,263)</b>            | <b>46,653</b>          | <b>185,152</b>                | <b>(285,274)</b>            | <b>(100,122)</b>       |
| <b>Gross transfers between funds</b>   |           | <b>(274,628)</b>              | <b>274,628</b>              | <b>-</b>               | <b>(414,319)</b>              | <b>414,319</b>              | <b>-</b>               |
| <b>Net income / (expenditure) in<br/>year and net movement in funds<br/>for the year</b> | <b>10</b> | <b>215,288</b>                | <b>(168,635)</b>            | <b>46,653</b>          | <b>(229,167)</b>              | <b>129,045</b>              | <b>(100,122)</b>       |
| <b>Total funds brought forward</b>   |           | <b>390,966</b>                | <b>400,947</b>              | <b>791,913</b>         | <b>620,133</b>                | <b>271,902</b>              | <b>892,035</b>         |
| <b>Total funds carried forward</b>   | <b>15</b> | <b>606,254</b>                | <b>232,312</b>              | <b>838,566</b>         | <b>390,966</b>                | <b>400,947</b>              | <b>791,913</b>         |

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

## Annual Report and Financial Statements

For the year ended 31 December 2018

# Balance Sheet

as at 31 December 2018

|   | Note  | 2018<br>£       | 2017<br>£ |
|---|-------|-----------------|-----------|
| <b>Fixed assets</b>                                   |       |                 |           |
| Tangible Assets                                       | 11    | 4,110           | 6,547     |
| <b>Total fixed assets</b>                             |       | <b>4,110</b>    | 6,547     |
| <b>Current assets</b>                                 |       |                 |           |
| Debtors   | 12    | 28,332          | 26,554    |
| Cash at bank and in hand                              |       | 839,015         | 771,262   |
| <b>Total current assets</b>                           |       | <b>867,347</b>  | 797,816   |
| <b>Current liabilities</b>                            |       |                 |           |
| <b>Creditors: amounts falling due within one year</b> | 13    | <b>(32,891)</b> | (12,450)  |
| <b>Net current assets</b>                             |       | <b>834,456</b>  | 785,366   |
| <b>Total assets less current liabilities</b>          |       | <b>838,566</b>  | 791,913   |
| <b>The funds of the charity</b>                       |       |                 |           |
| Restricted Funds                                      |       | 232,312         | 400,947   |
| Unrestricted Funds                                    |       | 606,254         | 390,966   |
| <b>Total funds</b>                                    | 15,16 | <b>838,566</b>  | 791,913   |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102 SORP (effective) January 2015.

Approved by the Board on Wednesday 5th June 2019 and signed and dated on their behalf below:

  
Duncan Spencer (Jun 26, 2019)

**Duncan Spencer**  
Chair, Board of Trustees, AfriKids Ltd.

  
J G Haines (Jun 26, 2019)

**Jason Haines**  
Treasurer, Board of Trustees, AfriKids Ltd.

Jun 26, 2019

## Annual Report and Financial Statements

For the year ended 31 December 2018

# Statement of Cash Flows

for the year to 31 December 2018

|   |      | 2018           | 2017            |
|---|------|----------------|-----------------|
|   | Note | £              | £               |
| <b>Cash flows from operating activities:</b>                              |      |                |                 |
| <b>Net cash provided by (used in) operating activities</b>                | 21   | <b>68,889</b>  | <b>(73,486)</b> |
| <b>Cash flows from investing activities:</b>                              |      |                |                 |
| Interest income   |      | 223            | 30              |
| Purchase of tangible fixed assets   |      | (1,359)        | -               |
| Disposal of tangible fixed assets   |      | -              | -               |
| Disposal of investment  |      | -              | 1               |
| <b>Net cash provided by (used in) investing activities</b>                |      | <b>(1,136)</b> | <b>31</b>       |
| <b>Cash flows from financing activities:</b>                              |      |                |                 |
| Repayments of borrowing   |      | -              | -               |
| New borrowing   |      | -              | -               |
| <b>Net cash provided by (used in) financing activities</b>                |      | <b>-</b>       | <b>-</b>        |
| <b>Increase (decrease) in cash and cash equivalents in the year</b>       |      | <b>67,753</b>  | <b>(73,455)</b> |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |      | <b>771,262</b> | <b>844,717</b>  |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |      | <b>839,015</b> | <b>771,262</b>  |

# Notes to the Accounts

for the year ending 31 December 2018

## 1. Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

### (a) Basis of accounting and preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling (£) which is also the functional currency for the company.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The address of the principal office is given on the information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

### (b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

### (c) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required. The transition date was 1 January 2015.

The transition to FRS102 has had no impact on the fund balances.

### (d) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants, whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants



## Annual Report and Financial Statements

For the year ended 31 December 2018

have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Interest income is recognised using the effective interest method..

### **(e) Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be recovered by the charity.

- (i) Expenditure on Charitable activities comprises those costs incurred on projects undertaken in pursuance of the charitable aims of the company.
- (ii) Fund raising incorporates the salaries, direct expenditure and overhead costs of the staff who undertake fundraising work.
- (iii) Governance costs are those costs incurred in the management of the charity's assets, organisation and compliance functions.
- (iv) Support costs are those costs incurred by the company in support of its main charitable activities and projects. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.
- (v) The value of services provided by volunteers has not been included in these accounts.

### **(f) Fund accounting**

- (i) Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (ii) Restricted funds are subject to specific conditions imposed by the donor as to how they may be used.

### **(g) Tangible fixed assets and depreciation**

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are Capitalised. Depreciation is provided at rates calculated to write off the cost on a reducing balance basis over their expected useful economic life. The rate of depreciation is 20% per annum for all assets.

### **(h) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **(i) Foreign currency**

Foreign currency is purchased in on a monthly basis for electronic transfer to Ghana, valued at the spot rate. Forward contracts may also be taken out where the exchange rate is favourable and these are drawn down over the course of the financial year at the contract rate such that all funds are completely drawn down by the end of the year.

## Annual Report and Financial Statements

For the year ended 31 December 2018

### (j) **Group accounts**

The financial statements contain information about AfriKids Limited as an individual company and do not contain consolidated information. The company has taken the option under section 405 of the Companies Act not to prepare consolidated financial statements.

### (k) **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### (l) **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### (m) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities (SoFA) over the period in which the cost is incurred.

### (n) **Taxation**

The company is a registered charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

### (o) **Judgements and key sources of estimation uncertainty**

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

#### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets, and note 1 (g) for the useful economic lives for each class of assets.

#### **Gifts in kind**

Where possible the donor of the service is asked to provide details of the rate that they would charge for the service provided to the charity free of charge. Where this information is not provided, the estimated market rate based on other providers of this service is used.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Annual Report and Financial Statements

For the year ended 31 December 2018

### 2. Voluntary income

|           | 2018<br>£        | 2017<br>£        |
|-----------|------------------|------------------|
| Grants    | 1,212,334        | 1,328,439        |
| Donations | 595,624          | 556,124          |
|           | <u>1,807,958</u> | <u>1,884,563</u> |

Total voluntary income for the year was £1,807,958 (2017: £1,884,563) of which £879,629 (2017: £1,270,621) was restricted and £928,329 (2017: £613,942) was unrestricted.

|                  | 2018<br>£     | 2017<br>£     |
|------------------|---------------|---------------|
| Gifts in Kind:   |               |               |
| Donated services | 87,695        | 57,000        |
|                  | <u>87,695</u> | <u>57,000</u> |

During the year the charity also received in-kind support in the form of services which has been recognised in these accounts.

#### Government funding

Voluntary income also includes a grant from the UK Government's Department for International Development (DfID):

£146,040 (2017: £169,855) for the Futures Freedom project and associated UK support costs

### 3. Charitable activities income

| 2018<br>£     | 2017<br>£     |
|---------------|---------------|
| <u>46,165</u> | <u>12,695</u> |

Charitable activities income totalling £46,165 (2017: £12,695) was generated by putting on events and selling merchandise. Of the total raised £28,125 (2017: £7,520) was restricted and £18,040 (2017: £5,175) was unrestricted.

### 4. Investment income

All of the charity's investment income of £223 (2017: £30) arises from money held in interest bearing deposit accounts and was unrestricted (2017 - unrestricted).

## Annual Report and Financial Statements

For the year ended 31 December 2018

### 5. Charitable activities costs

|   | 2018<br>£        | 2017<br>£        |
|---|------------------|------------------|
| Staff costs (of time spent on charitable activities)                          | 46,043           | 38,494           |
| Grants to AfriKids Ghana  | 1,288,664        | 1,449,670        |
| Direct programme spend in the UK (eg buying books in the UK to send to Ghana) | 33,040           | 21,107           |
| Monitoring and evaluation expenses  | 10,325           | 19,648           |
| Support costs   | 32,896           | 35,203           |
| Governance costs (see note 7)   | 18,567           | 18,397           |
|   | <b>1,429,535</b> | <b>1,582,519</b> |

|   | 2018<br>£        | 2017<br>£        |
|---|------------------|------------------|
| Spend on charitable activities by service area: |                  |                  |
| Education                                       | 797,045          | 667,863          |
| Child Protection                                | 233,171          | 314,022          |
| Health  | 380,752          | 582,237          |
| Governance costs                                | 18,567           | 18,397           |
|   | <b>1,429,535</b> | <b>1,582,519</b> |

Total expenditure on charitable activities was £1,429,535 (2017: £1,582,519) of which £1,351,017 (2017: £1,563,415) was restricted and £78,518 (2017: £19,104) was unrestricted, of which £7,697 was cost attributed to gift in kind income.

### 6. Fundraising costs

|                    | 2018<br>£      | 2017<br>£      |
|--------------------|----------------|----------------|
| Staff costs        | 195,606        | 205,420        |
| Fundraising events | 8,865          | 3,123          |
| Other direct costs | 75,540         | 28,233         |
| Support costs      | 139,751        | 187,861        |
|                    | <b>419,762</b> | <b>424,637</b> |

Total expenditure on fundraising was £419,762 (2017: £424,637) of which £nil (2017: £nil) was restricted and £419,762 (2017: £424,637) was unrestricted, of which £79,998 was cost attributed to gift in kind income.

## Annual Report and Financial Statements

For the year ended 31 December 2018

### 7. Governance costs

|  | 2018<br>£     | 2017<br>£     |
|--|---------------|---------------|
| Staff costs (of time spent on governance activities) | 7,731         | 6,504         |
| Audit  | 5,300         | 5,606         |
| Other direct costs                                   | 12            | 339           |
| Support costs  | 5,524         | 5,948         |
|  | <b>18,567</b> | <b>18,397</b> |

### 8. Support costs

|   | 2018<br>£      | 2017<br>£      |
|---|----------------|----------------|
| Staff costs (of time spent on support activities) | 17,357         | 50,673         |
| Premises costs                                    | 55,561         | 54,586         |
| Other support costs                               | 105,253        | 123,753        |
|   | <b>178,171</b> | <b>229,012</b> |

Support costs are incurred by the charity which support, but are not directly attributable to, its main activities. AfriKids remains a small charity with minimal overheads and as such, its support costs consist mainly of two broad elements; general office costs and staff/associated personnel time that cannot be specifically attributed to charitable activities, fundraising or governance. NB "Other support costs" include £36k as the equivalent value of legal advice and support received for free (in Kind).

In these accounts, these costs have then been allocated across the three areas of fundraising, charitable activities and governance based on the staff time spent on each of these two areas. For the purposes of the Statement of Financial Activities, as required, they are allocated between just charitable activities and fundraising.

For the purposes of disclosing full costs under Notes 5, 6 and 7, support costs have been allocated as follows:

|                               | 2018<br>£      | 2017<br>£      |
|-------------------------------|----------------|----------------|
| Direct charitable expenditure | 32,896         | 35,203         |
| Costs of generating funds     | 139,751        | 187,861        |
| Governance                    | 5,524          | 5,948          |
|                               | <b>178,171</b> | <b>229,012</b> |



## Annual Report and Financial Statements

For the year ended 31 December 2018

### 9. Total staff costs

|                            | 2018           | 2017           |
|----------------------------|----------------|----------------|
|                            | £              | £              |
| Wages and salaries         | 227,554        | 255,343        |
| Social security costs      | 20,685         | 23,637         |
| Pension plan contributions | 18,498         | 22,111         |
|                            | <b>266,737</b> | <b>301,091</b> |

|  | 2018 | 2017 |
|--|------|------|
| The average number of employees during the year was: | 6    | 7    |

No members of staff received emoluments of over £60,000 (2017: One).

The key management personnel of the charity, comprise the trustees, and the Chief Executive Officer (CEO) and the Chief Operating Officer (COO). The total employee benefits of the key management personnel of the charity were £73,704 (2017: £121,936).

NB The CEO who opened 2018 left during the year and this role was filled by the then COO. The COO role was not replaced.

### 10. Net income (expenditure) for the year

|                                       | 2018   | 2017   |
|---------------------------------------|--------|--------|
|                                       | £      | £      |
| <b>This is stated after charging:</b> |        |        |
| Depreciation                          | 567    | 1,637  |
| Auditors' remuneration                | 5,300  | 5,606  |
| Payments under operating leases       | 40,472 | 42,973 |

## Annual Report and Financial Statements

For the year ended 31 December 2018

### 11. Fixed assets

|                            | Computers<br>and office<br>equipment |
|----------------------------|--------------------------------------|
| <b>Cost</b>                |                                      |
| At 1 January 2018          | 16,402                               |
| Additions in year          | 1,359                                |
| Disposals in year          | (12,061)                             |
| <b>At 31 December 2018</b> | <b>5,700</b>                         |
| <b>Depreciation</b>        |                                      |
| At 1 January 2018          | 9,855                                |
| Charge for the period      | 567                                  |
| Disposals in year          | (8,832)                              |
| <b>At 31 December 2018</b> | <b>1,590</b>                         |
| <b>Net book value</b>      |                                      |
| <b>At 31 December 2018</b> | <b>4,110</b>                         |
| <i>At 31 December 2017</i> | <i>6,547</i>                         |

There was a net loss of £2,600 on the disposal of fixed assets in 2018 (2017: Nil). This was arrived at as a result of a loss of £3,229 and a gain of £629 on disposals of fixed assets.

### 12. Debtors

*Amounts falling due within one year*

|                                | 2018<br>£     | 2017<br>£     |
|--------------------------------|---------------|---------------|
| Prepayments and accrued income | 13,417        | 14,792        |
| Other debtors                  | 14,915        | 11,762        |
|                                | <b>28,332</b> | <b>26,554</b> |

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### 13. Creditors

*Amounts falling due within one year*

|                              | 2018          | 2017          |
|------------------------------|---------------|---------------|
|                              | £             | £             |
| Trade creditors              | 3,512         | 7,170         |
| Accruals and deferred income | 29,379        | 5,280         |
|                              | <u>32,891</u> | <u>12,450</u> |

### 14. Deferred income

|  | 2018     | 2017     |
|--|----------|----------|
|  | £        | £        |
| Opening Balance  | -        | 16,329   |
| Amount deferred in year                                      | -        | -        |
| Amounts released to income earned from charitable activities | -        | (16,329) |
| Closing Balance  | <u>-</u> | <u>-</u> |

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### 15. Movement in funds

|  | At 1<br>January<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in / (out)<br>£ | At 31<br>December<br>2018<br>£ |
|--|------------------------------|------------------|--------------------|------------------------------|--------------------------------|
| <b>Restricted Funds:</b>               |                              |                  |                    |                              |                                |
| AfriKids Medical Centre                | 6,365                        | -                | (6,365)            | -                            | -                              |
| Cerebral Palsy Programme               | -                            | 9,047            | (8,940)            | -                            | 107                            |
| Education Fund                         | 1,648                        | 6,551            | (15,213)           | 7,014                        | -                              |
| Foundations for Life 1                 | 42,591                       | 91,602           | (133,972)          | -                            | 221                            |
| Foundations for Life 2                 | -                            | 85,000           | -                  | -                            | 85,000                         |
| Futures Freedom 1                      | 1,232                        | 96,677           | (102,855)          | 4,946                        | -                              |
| GAS Partnership                        | 37,218                       | 61,375           | (51,932)           | -                            | 46,661                         |
| Ghana programme management and support | 113,820                      | 199,519          | (531,268)          | 217,929                      | -                              |
| ICT Academy                            | 7,000                        | 5,346            | (7,513)            | -                            | 4,833                          |
| KNAP Commonwealth                      | 435                          | -                | -                  | (435)                        | -                              |
| Let's Read                             | 1,125                        | 21,636           | (21,711)           | -                            | 1,050                          |
| Medical Fund                           | -                            | 4,323            | (2,372)            | -                            | 1,951                          |
| Opening Doors to Schools 1             | 20,379                       | -                | (18,860)           | -                            | 1,519                          |
| Opening Doors to Schools 2             | -                            | 95,637           | (130,276)          | 34,639                       | -                              |
| Operation Mango Tree                   | 5,186                        | 7,085            | (25,011)           | 12,740                       | -                              |
| Operation Smiles                       | 37,154                       | 26,091           | (39,862)           | -                            | 23,383                         |
| Spirit Child Phenomenon                | 72,500                       | 79,214           | (108,167)          | 435                          | 43,982                         |
| Transforming Futures                   | 7,557                        | 49,200           | (34,813)           | -                            | 21,944                         |
| Young Entrepreneurs Programme          | 40,137                       | 10,597           | (46,629)           | (4,105)                      | -                              |
| UK Support Costs                       | 6,600                        | 58,854           | (65,258)           | 1,465                        | 1,661                          |
| <b>Total restricted funds</b>          | <b>400,947</b>               | <b>907,754</b>   | <b>(1,351,017)</b> | <b>274,628</b>               | <b>232,312</b>                 |
| Unrestricted funds                     | 390,966                      | 988,196          | (498,280)          | (274,628)                    | 606,254                        |
| <b>TOTAL FUNDS</b>                     | <b>791,913</b>               | <b>1,895,950</b> | <b>(1,849,297)</b> | <b>-</b>                     | <b>838,566</b>                 |

The Trustees Report explains under Activities and Achievements in 2018 the nature of the programme work carried out on each of the funds listed above with 2 exceptions.

The Ghana Programme Management and Support fund relates to funds that must be spent on the AfriKids Ghana programme with the exact use at the discretion of the Board of AfriKids Ghana.

The UK support costs fund represents the restricted income received by AfriKids to be spent by / on the UK staff team in supporting the programmes of AfriKids Ghana to which the restricted funds listed above relate.

The majority of transfers between funds relate to the use of

unrestricted funds to provide funding for those funds that were in deficit with a couple of exceptions:

- A transfer of £6,175 was made from the Young Entrepreneurs Programme to cover the indirect costs associated with this project incurred in the UK and Ghana.
- A transfer of £435 was made from KNAP Commonwealth to Spirit Child Phenomenon with the latter project being a continuation of the former.

In the Trustees' opinion, there are sufficient resources held to enable each fund to be applied in accordance with the restrictions imposed by donors.

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For the year ended 31 December 2018

### Projects

| Project name                           | Description   |
|--|---|
| AfriKids Medical Centre                | A public-private hospital established by AfriKids that provides primary healthcare to patients enrolled on the National Health Insurance Scheme and private patients.   |
| Cerebral Palsy Programme               | Direct support for children with conditions such as cerebral palsy at two centres which provide physiotherapy and rehabilitation  |
| Education Fund                         | School fees and living support for children from poor families to attend Senior High School   |
| Foundations for Life 1                 | Improving the number of children who attain quality early years education   |
| Foundations for Life 2                 | Improving the number of children who attain quality early years education (second phase in new schools).  |
| Futures Freedom 1                      | Educating children and communities on sexual and reproductive health and rights (SRHR) to end child marriage and promote the rights of women and girls.   |
| GAS Partnership                        | A health link between Ghana Health Service, AfriKids and University Hospital Southampton NHS Foundation Trust (UHS), working to improve healthcare in northern Ghana.   |
| Ghana programme management and support | Project managers and central senior management and support of AfriKids' projects, including monitoring and evaluation, finance, HR, IT, staff training, vehicles and logistics and governance. This fund also includes an emergency Medical Fund for urgent cases presented at head office for our support. |
| ICT Academy                            | An academy providing access to computers and ICT classes for children and adults in the heart of Bolgatanga.  |
| KNAP Commonwealth                      | The project run by our Kassena Nankana Area Programme (KNAP) Team to eradicate the harmful belief in "spirit children" in 11 communities across the Bongo district.   |
| Let's Read                             | A partner project working to improve literacy through enhanced teacher training and resources for teaching phonics in schools.  |
| Medical Fund                           | A small fund to support critical medical cases brought to us by families who cannot afford to pay for the treatment their children need   |
| Opening Doors to Schools 1             | Working with 60 primary high schools to improve the numbers of children who enrol and complete a basic education.   |
| Opening Doors to School 2              | Working with 80 primary high schools to improve the numbers of children who enrol and complete a basic education (second phase in new schools).   |
| Operation Mango Tree                   | A residential home for children at risk and without a safe home. Children are resettled with families wherever possible.  |
| Operation Smiles                       | A refuge and support centre for mothers and babies at risk. Cases include children affected by birth complications, maternal mortality, malnourishment, and stigmatisation (e.g. being labelled "spirits").   |
| Spirit Child Phenomenon                | Work to eradicate the harmful belief in "spirit children" from 40 more communities across the Bongo and Bolgatanga district areas.  |
| Transforming Futures                   | Student loans and counselling for young people training as teachers and nurses.   |
| Young Entrepreneurs Programme          | Support with school/training fees and living expenses for older children who have relied on the support of children's homes (institutional care) growing up to now set up on their own.   |
| UK Support Costs                       | The fundraising, grant management, due diligence and support work of the AfriKids UK team   |

## Annual Report and Financial Statements

For the year ended 31 December 2018

### 16. Analysis of net assets between funds

|                                       | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>Funds<br>£ |
|---------------------------------------|----------------------------|--------------------------|---------------------|
| Fixed Assets                          | 4,110                      | -                        | 4,110               |
| Current Assets                        | 635,035                    | 232,312                  | 867,347             |
| Current liabilities                   | (32,891)                   | -                        | (32,891)            |
| <b>Net assets at 31 December 2018</b> | <b>606,254</b>             | <b>232,312</b>           | <b>838,566</b>      |

### 17. Related parties

AfriKids Limited works closely with AfriKids Ghana a separate company registered in Ghana. The relationship manifests itself in two distinct areas; directly funding programmes, and building staff capacity to enable AfriKids Ghana to continue to deliver the highest quality programmes. During the year AfriKids Limited granted £1,288,663 (2017: £1,449,670) to AfriKids Ghana.

In 2018 Frances Cleland Bones, a Trustee, provided consultancy services in relation to risk and compliance at a cost of £4,956. This was done with the agreement of the other trustees and as per a written agreement.

During the year AfriKids Limited received donations from its Trustees totalling £22,363 (2017: £9,223).

### 18. Trustees' remuneration and expenses

The charity did not pay to its trustees any remuneration during the year. Trustees claimed £473 in expenses during the year.

### 19. Operating lease commitments

AfriKids' head office lease was renewed until 2023 during the year. The financial commitment is shown below:

|                            | 2018<br>£      | 2017<br>£     |
|----------------------------|----------------|---------------|
| Less than one year         | 36,169         | 22,002        |
| Between two and five years | 126,592        |               |
|                            | <b>162,791</b> | <b>22,002</b> |

### 20. Company limited by guarantee

AfriKids is a company limited by guarantee and therefore has no share capital. The liability of the guarantors, who are the members, is limited to £10 each.

## Annual Report and Financial Statements

For the year ended 31 December 2018

### 21. Reconciliation of net movement in funds to net cash flow from operating activities

|  | 2018          | 2017            |
|--|---------------|-----------------|
|  | £             | £               |
| Net movement in funds  | 46,653        | (100,122)       |
| Add back depreciation charge                                 | 567           | 1,637           |
| Loss on disposal of fixed assets                             | 3,229         | -               |
| Deduct interest Income shown in investing activities         | (223)         | (30)            |
| Decrease (increase) in debtors                               | (1,778)       | 51,939          |
| Increase (decrease) in creditors                             | 20,441        | (26,910)        |
| <b>Net cash received from/(used in) operating activities</b> | <b>68,889</b> | <b>(73,486)</b> |



## Annual Report and Financial Statements

For the year ended 31 December 2018

# Acknowledgements

AfriKids gratefully acknowledges each of the individuals and organisations who supported our work in 2018, with special thanks to:

### Patrons and Trustees

Baroness Lynda Chalker of Wallasey (Patron)  
Dr Gunther Faber (Patron)  
Duncan Spencer (Chair)  
Frances Cleland Bones  
Georgie Fienberg  
Jason Haines  
John Hickman  
Martin Ott

### Ambassadors

Ali Tovey  
Alistair Turner  
Carole Cohen  
Dave Brown  
Diane Mackie  
Emma Watkins  
Fred Cohen  
Graham Hodgkin  
James Ball  
Jane Howard  
Jim and Tessa Rice  
Jo Coles  
June Sarpong MBE  
Kate Cavelle  
Laura Parrett  
Lissa Golaszewska  
Nick Lawson  
Nina Spencer  
Patrick and Paula Grossman  
Paul Hill  
Paul Leonard  
Sam Witney  
Simon Wooller  
Sir Paul and Lady Ruddock  
Stuart and Erica Peters  
Stuart Roden  
Sir Trevor Pears  
Vidya Naidu

### Individuals

Adam Middleton  
Bones Family

Christopher Mackenzie  
Elizabeth and James Dawson  
Emily Barker  
Fienberg Family  
Gabi, Christian, Lauren, Sam & Charlie Matthews  
Gordon Brown  
Helga Van Peer  
Hickman Family  
Ian Wright  
Jim and Tessa Rice  
Jill Hughes  
John Ward  
John Wotton  
Jude Saldanha  
Katherine and Ben Bond  
Luke Muchamore  
Martin and Eugenia Ephson  
Matthias Russwurm  
Max and Caroline Hamilton  
Michael and Stella Carroll  
Nick and Lisa Kent  
Paul and Diana Leonard  
Richard and Max Newman  
Richard Buxton  
Sam Antrobus  
Sheryl Baker  
Simon Wooller  
Spencer Family  
Stuart and Bianca Roden  
Susan Corby  
Susie and Mark Killbourn  
Zoe Mayson

### Community Fundraisers

Amelia Camamile  
Benoir Ribaud  
D. Stewart  
James Arnett  
J. Haines  
Jon Churcher  
Luke Farrant  
M. Nixon  
Michael Haines  
Nadia Barnor  
Nici Harrison

Patrick Adom  
Richard and Gemma Newman  
Rosie Pullinger  
Rupert Corfield  
Tony Pullinger

### Institutions, Trusts & Foundations

The Angus Lawson Memorial Trust  
The Chalk Cliff Trust  
City & Guilds Group  
Comic Relief  
Department for International Development  
The Evan Cornish Foundation  
The Margaret McEwan Trust  
Medicor Foundation Liechtenstein  
Pears Foundation  
People's Postcode Lottery  
Ruddock Foundation for the Arts  
Sir Ernest Cassel Education Trust  
St. James's Place Foundation  
The Waterloo Foundation  
The Wolfson Foundation  
Tropical Health and Education Trust (THET)

### Corporate Partners

Alquity Investment Management Limited  
Chameleon Communications International Ltd.  
CITAC Africa Ltd  
Sodexo

### Pro Bono and Gifts in Kind

Allen & Overy LLP  
Book Aid International  
Capco  
Exceptional Leadership  
Facebook  
White and Case LLP

### Friends of AfriKids USA Board

Fiona Humphrey  
Joe Stefano  
Megan Morgan

## Special thanks to our key partners in 2018



medicor foundation  
Liechtenstein



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**Pears**  
Foundation

