

Charity Registration No. 1093624

AFRIKIDS
TRUSTEES REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

AFRIKIDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Anna Maria Kennedy
John Hickman - Chairman
Hugh Taylor
Nicholas Fry

Director

Georgina Fienberg

Secretary

Anna Maria Kennedy

Charity number

1093624

Principal address

5 Stone House Court
London
EC3A 7NL

Auditors

Arram Berlyn Gardner
30 City Road
London
EC1Y 2AB

AFRIKIDS

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AFRIKIDS

TRUSTEES REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2006

The trustees present their report and accounts for the period ended 31 December 2006. AfriKids has changed its financial year end from 30th April 2007 to 31st December 2006, to be in line with AfriKids Ghana. The year reported on here acted as a bridge period lasting eight months.

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 Charities Act 1993 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

AfriKids is registered as a charity with the charity commission, registration number 1093624

The trustees who served during the year were:

Anna Maria Kennedy - Secretary

John Hickman - Chairman

Hugh Taylor

Nicholas Fry

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.

Objectives and activities

AfriKids' mission is to ensure that every child under the age of 21 in 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.

AfriKids shares strategic objectives with AfriKids Ghana (a local Non Government Organisation) and they are as follows;

- To empower and support existing local organisations, Civil Society Organisations and agencies to develop and sustain their work which they have initiated in response to a clear need, and which ultimately supports child rights.
- To directly address the needs of children and their communities where appropriate support is not already being delivered.
- To facilitate and enhance the understanding and use of best practice and collaboration between local, national and international organisations, Civil Society Organisations, agencies and individuals.
- To develop a small UK based team to raise funds in accordance with AfriKids' values, provide guidance in the best and proper use of these fund to all individuals and groups benefiting from them and empower and enable the Ghana team to control the maximum possible range of organisational operations.
- To develop a core team of experts in Ghana who are capable of advising partners and developing core projects and enterprises in such a way that they reduce and ultimately end dependency on the UK team.
- To contribute to the development of the Upper Eastern Region's economy with the aim of increasing children and their communities' access to the benefits and opportunities of an enhanced economic climate.

During the period ended 31 December 2006 AfriKids supported 11 projects in northern Ghana. AfriKids' role was twofold; firstly to establish and facilitate partnerships between UK donors and the projects, secondly to oversee the projects on behalf of the donors and offer advice and training to the projects.

AFRIKIDS

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

Achievements and performance

The increase in AfriKids' income over the period matched the pace of previous years although the rate of growth in projects was slower. The number of projects grew from 10 to 11 in total as the School of Night Rabbits initiative was expanded and formalised. This reflects a period of consolidation spanning May-December 2006, during which AfriKids' priority was investment in existing projects and the organisation's core capacity both in the UK and Ghana rather than new initiatives. AfriKids' long term goal is for AfriKids Ghana to exist without dependence on UK funding. To ensure this is possible, consolidating on growth and aligning Ghana head office with project capacities are vital.

Below is a brief summary of the achievements and performance of the charity over the period.

AfriKids Ghana - AfriKids took on a professional accountant as Finance Manager to manage the accounts of the organisation as well as oversee and offer training in the accounting procedures of individual projects. This is in line with its goal of developing a core team of experts. AfriKids Ghana hosted its first staff awards night which proved a huge morale booster and team building exercise for the organisation's staff. AfriKids Ghana secured the purchase of the AfriKids Medical Centre, its first sustainability business, which will go into operation in 2007.

AfriKids (UK) - AfriKids took on a full time Strategic Development Manager to design, implement and oversee formal management and operational processes in Ghana and the UK. Employing somebody in this role is an unusual step for a small charity and has been crucial to our development in 2006. It has set the organisation on a path to controlled, focused and efficient development. AfriKids also formalised its Fundraising Department, appointing an existing member of staff to the post of Fundraising Manager to enable more strategic and structured fundraising.

AfriKids has successfully delivered the following core projects- these projects are run and managed directly by AfriKids Ghana and overseen by AfriKids

- **Operation Sirigu**, Mission: To address and ultimately stamp out child abuse, child neglect and child suffering across the Kassena Nankana district, with a base in Sirigu
- **Operation Fresh Start**, Mission: Operation Fresh Start is a ground breaking project to tackle child trafficking and the associated problems of child streetism and child labour in Northern and Southern Ghana. It takes a 3 track approach to addressing the issues; collaboration, action and prevention. The short term aim is to reduce the levels of child trafficking and the resulting child streetism and labour, the long term aim is to stamp it out altogether
- **The AfriKids Academy**, Mission: To increase the IT skills base of school children and adults across the greater Bolgatanga district with the aim of widening choice and opportunities in employment and business development for the local economy
- **The School of Night Rabbits**, Mission: To give children and young mothers living on the streets of Bolgatanga the chance to access quality education for free on their own terms
- **The Street Mothers' Programme**, Mission: To improve the living conditions of women living on the streets of Bolgatanga and increase their capacity to care for their children
- **Outreach Funds and Special Appeals**, Mission: To open up opportunities to individual children and families who are in need of financial assistance to improve their standard of living but do not need or desire to be enrolled on one of AfriKids major programmes

AFRIKIDS

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

AfriKids has successfully delivered the following partner projects- these projects are run and managed by local boards, supervised by AfriKids Ghana and are funded and overseen by AfriKids

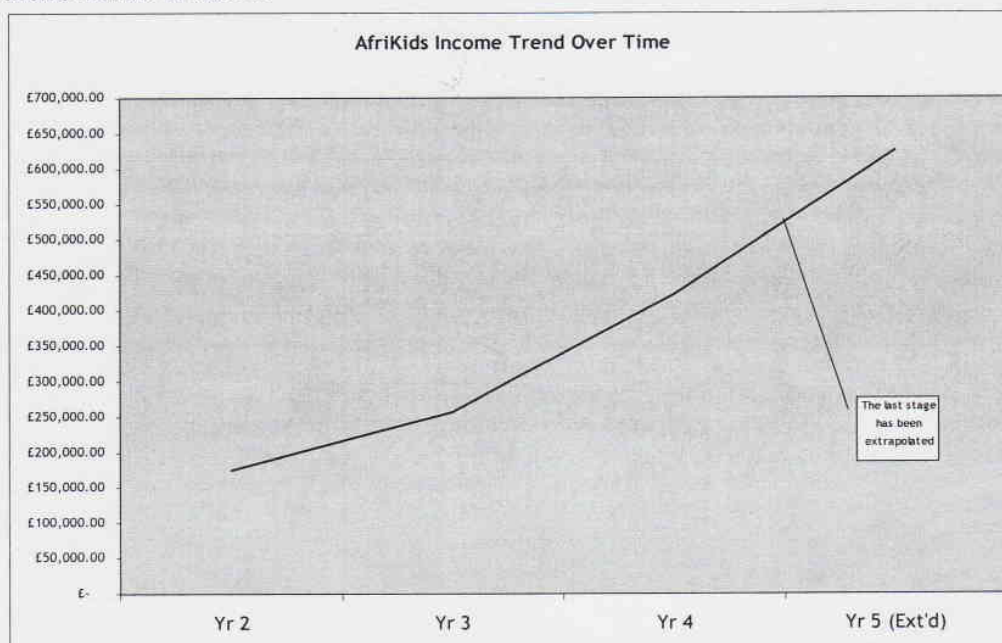
- **Operation Bolgatanga**, Mission: To promote human and social development of vulnerable children, especially street children and other young people at risk, by providing care and educational facilities, and through community initiatives aimed at addressing the root causes of streetism
- **Operation Mango Tree**, Mission: To give the most disadvantaged and vulnerable children in greater Bolgatanga's community a new start in life, be it from increasing their access to education to giving 24 hour love, care and rehabilitation from the suffering they have endured
- **Operation Zuarungu**, Mission: To treat the symptoms and root causes of child neglect in Zuarungu and surrounding communities by improving life for children at home and providing the facilities for them to build their lives there with the aim of reducing child streetism and migration
- **Operation Smiles**, Mission: To build the capacity of the community of Nakuaabi and surrounding villages in the Northern Region to care for their children
- **The Bright Academy**, Mission: To increase the services offered by and the sustainable capacity of the Bright Academy; a school for street children and those from the poorest families in Bolgatanga

More information on all the projects is available at www.afrikids.org.

Several of the projects AfriKids supports in Ghana are now on the path to sustainability and AfriKids Ghana is now supporting and delivering the total number of projects it is anticipated it can maintain in the long term. In 2007 the Ghana core office will require further investment in its core capacity and expertise e.g. employing a micro-finance and sustainability manager. It will take on fewer new projects, focusing on bringing existing partner projects through to sustainability and investing in commercial enterprises which will fund AfriKids Ghana in the long term.

Financial review

AfriKids has had a strong performance in fundraising over the period having built on the rate of growth rate achieved in previous years. Approximately the same amount was raised in the eight months of 2006 in total as in the twelve months of 2005-6.



AFRIKIDS

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

The make up of our donor base has remained largely the same as previous years: 53% of income came from foundations, 29% from individuals and 11% from gifts in kind. The strongest growth has been in these three areas and in donations direct to Ghana.

AfriKids is now operating to its full fundraising capacity and needs to expand the department. Our fundraising efforts are guided by the needs of the work in Ghana. Whilst in the long term we aim for the funding need to level off and decline, in the short term increased funding is needed to invest in the projects, AfriKids Ghana's capacity and its sustainability; such projects are initially capital intensive. Now that AfriKids has successfully formalised and consolidated its fundraising department, 2007 will focus on investing in increased capacity.

Asset cover for funds

Note 12 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

On behalf of the board of trustees



John Hickman - Chairman

Trustee

Dated: 25/9/07

AFRIKIDS

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the period.

In preparing accounts giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts 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 the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 1993 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AFRIKIDS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFRIKIDS

We have audited the accounts of Afrikids for the period ended 31 December 2006 set out on pages 7 to 14. These accounts have been prepared under the accounting policies set out on page 9.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of, and regulations made under Section 44 of, the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 5, the trustees are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees Report is not consistent with the accounts, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 December 2006 and of its incoming resources and application of resources in the period then ended; and
- the accounts have been properly prepared in accordance with the Charities Act 1993.


Arram Berlyn Gardner

Chartered Accountants

Registered Auditor

30 City Road

London

EC1Y 2AB


Dated:

AFRIKIDS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 DECEMBER 2006

				8 Months to	Year ended
		Unrestricted	Restricted	31 December	30 April
		funds	funds	2006	2006
	Notes	£	£	£	£
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	211,300	216,946	428,246	423,038
Investment income	3	656	-	656	340
Total incoming resources		211,956	216,946	428,902	423,378
<u>Resources expended</u>					
<u>Costs of generating funds</u>					
Costs of generating donations and legacies	4	60,209	-	60,209	64,362
Net incoming resources available		151,747	216,946	368,693	359,016
<u>Charitable activities</u>					
Ghana projects		121,942	145,745	267,687	350,303
Total resources expended		182,151	145,745	327,896	414,665
Net income for the year/ Net movement in funds		29,805	71,201	101,006	8,713
Fund balances at 1 May 2006		481	37,253	37,734	29,021
Fund balances at 31 December 2006		30,286	108,454	138,740	37,734

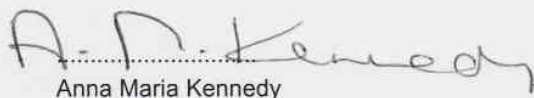
AFRIKIDS

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	31 December 2006		30 April 2006	
		£	£	£	£
Fixed assets					
Tangible assets	8		10,796		8,414
Current assets					
Debtors	9	3,845		11,358	
Cash at bank and in hand		127,076		19,917	
		<u>130,921</u>		<u>31,275</u>	
Creditors: amounts falling due within one year	10	(2,977)		(1,955)	
Net current assets			<u>127,944</u>		<u>29,320</u>
Total assets less current liabilities			<u><u>138,740</u></u>		<u><u>37,734</u></u>
Income funds					
Restricted funds	11		108,454		37,253
Unrestricted funds			30,286		481
			<u>138,740</u>		<u>37,734</u>

The accounts were approved by the Trustees on 25/9/07


 Anna Maria Kennedy
 Trustee


 John Hickman - Chairman
 Trustee

AFRIKIDS

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when received by the charity. 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.

Gifts in kind are recognised in the accounts as a donation received and expenditure incurred. These gifts are recorded at their marked 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.

1.3 Resources expended

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.

1.4 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
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1.5 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.

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

2 Donations and legacies

	Unrestrict funds £	Restricted funds £	8 months 31 Dec 06 £	Year to 30 Apr 06 £
Donations and gifts	211,300	216,946	428,246	423,038

AfriKids acknowledges restricted income from the following donors in the period;

- **The Pears Foundation**- Operation Fresh Start, Operation Sirigu, the Bright Academy, the AfriKids Academy, UK and Ghana Core Costs
- **Home UK**- Operation Zuarungu and Operation Mango Tree
- **Paul Ruddock**- AfriKids Medical Centre
- **Nick and Alison Eastcott**- AfriKids Medical Centre
- **Charles Hayward Trust**- Operation Smiles
- **The Sir Halley Stewart Trust**- AfriKids Ghana and UK Salary Costs
- **Anonymous Corporate Donor**- Operation Zuarungu
- **The Besom**- Operation Smiles
- **Dorfred Trust**- Operation Smiles
- **Rowan Charitable Trust**- Operation Zuarungu
- **Clara E Burgess Charitable Trust**- Operation Mango Tree
- **Various Individuals**- Atingabony Appeal

3 Investment income

	8 months 31 Dec 06 £	Year to 30 Apr 06 £
Interest receivable	656	340

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

4 Total resources expended

	Staff costs £	Depreciation £	Other costs £	8 months 31 Dec 06 £	Year to 30 Apr 06 £
Costs of generating funds					
Costs of generating donations and legacies	23,380	-	36,829	60,209	64,362
Charitable activities					
<u>Ghana projects</u>					
Activities undertaken directly	38,940	2,935	203,200	245,075	333,935
Support costs	9,943	-	12,669	22,612	16,368
Total	48,883	2,935	215,869	267,687	350,303
	<u>72,263</u>	<u>2,935</u>	<u>252,698</u>	<u>327,896</u>	<u>414,665</u>

The vast majority of AfriKids' administrative and fundraising costs are sponsored directly or through gifts in kind. As a result we estimate that a maximum of 5% of general funds are channeled into core funding. In addition, if donors request that 100% of their money goes directly to a specific project then we ensure that it does. AfriKids would like to acknowledge the following supporters for gifts in kind or direct sponsorship given during the period;

- Free **office space** provided by Heron Properties Limited
- **Airmiles** for flights to Ghana provided by Paul Ruddock of Lansdowne Partners Ltd
- **Business rates** sponsored by Anna Maria Kennedy, AfriKids' trustee
- **Water rates** covered by Heron Properties Limited
- Free **Web design** provided by Daniel Western
- Free **Graphic Design** provided by Feverpitch
- Free **printing** provided by Windsor Prints and CLP Structured Finance
- Free **proof reading** by Cathy Thomas
- **Staff training** funded through the Projects Company
- **Fundraising Manager's Salary** sponsored by the Pears Foundation
- **Strategic Development Manager's Salary** sponsored by the Sir Halley Stewart Trust
- **Legal Advice** provided free of charge by James Rice and Victoria Love of Linklaters plc
- **Accounts** audited and **payroll** managed for free by Arram Berlyn Gardner

AfriKids is working towards full cost recovery across our fundraising but will continue to secure direct sponsorship in line with our ethical fundraising policy (available on request).

5 Support costs

	8 months 31 Dec 06 £	Year to 30 Apr 06 £
Ghana projects	7,669	3,296
Property costs	5,000	2,040
Staff costs	9,943	11,032
	<u>22,612</u>	<u>16,368</u>

AFRIKIDS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the period.

7 Employees

Number of employees

The average monthly number of employees during the period was:

	8 months to 31 Dec 06 Number	Year to 30 Apr 06 Number
Management and administration	4	3
Ghana operations staff	2	2
	<u>6</u>	<u>5</u>

There were no employees whose annual emoluments were £60,000 or more.

8 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 May 2006	13,014
Additions	5,317
At 31 December 2006	<u>18,331</u>
Depreciation	
At 1 May 2006	4,600
Charge for the period	2,935
At 31 December 2006	<u>7,535</u>
Net book value	
At 31 December 2006	<u>10,796</u>
At 30 April 2006	<u>8,414</u>

AFRIKIDS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

9 Debtors	31 Dec 06	30 Apr 06
	£	£
Other debtors	3,845	11,358
	=====	=====
10 Creditors: amounts falling due within one year	31 Dec 06	30 Apr 06
	£	£
Taxes and social security costs	2,977	1,955
	=====	=====
11 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 in funds		
	Balance at 1 May 2006	Incoming resources	Resource s expended
	£	£	£
Operation Bolgatanga	2,666	-	(2,666)
Operation Mango Tree	-	19,100	(3,584)
Zuarunga Children's Centre	1,216	80,551	(32,095)
Operation Fresh Start	15,124	4,230	(4,230)
Operation Smiles	134	14,145	(10,820)
Afrikids Academy	-	10,978	(5,094)
Bright Academy	18,113	1,144	(19,257)
Operation Sirigu	-	4,196	(4,196)
Ghana Head Office	-	13,426	(12,426)
General Medical Fund	-	5,000	(1,233)
Medical Clinic	-	27,000	(12,968)
UK Office	-	37,176	(37,176)
	37,253	216,946	(145,745)
	=====	=====	=====

AFRIKIDS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

12 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 December 2006 are represented by:			
Tangible fixed assets	9,216	1,580	10,796
Current assets	119,835	11,086	130,921
Creditors: amounts falling due within one year	(2,977)	-	(2,977)
Transfers between funds	(95,788)	95,788	-
	<u>30,286</u>	<u>108,454</u>	<u>138,740</u>