

AFRIKIDS

TRUSTEES REPORT AND

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

John Hickman – Chairman
David Atugiya – Treasurer
Nicholas Fry
Anna Maria Kennedy – Secretary

International Director

Georgina Fienberg

Charity Number

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TRUSTEES' REPORT

The trustees present their report and accounts for the period 1st January - 31 December 2011.

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 2011.

Structure, Governance and Management

AfriKids is a registered charity with the charity commission, registration number 1093624. The trustees who served during the year were:

- * John Hickman – Chairman
- * David Atugiya- Treasurer
- * Nicholas Fry
- * Anna Maria Kennedy – Secretary

Associate members who served during the year were:

- * Vedrana Riley
- * Georgie Fienberg
- * Duncan Spencer

During the year AfriKids Ltd, a company limited by guarantee (company number 7534096), was created by the Trustees of AfriKids and registered as a charity (charity number 1141028). The current trustees of AfriKids are registered as the Directors of the new company charity, AfriKids Ltd, and Georgie Fienberg, the International Director will be added later this year. This company charity was a shell in 2011; however all the assets, liabilities and contracts of AfriKids will be transferred to this organisation during 2012 and it will be the primary legal structure for the charitable activities from then on.

Risk Assessment

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. AfriKids' register of risks is updated annually as part of its business plan review and is available for public distribution on request.

Chairman's comments

As most readers will know, AfriKids was one of the three charities the Sunday Telegraph chose to support in their 2011 Christmas Appeal.

Having re-read the four articles which were published at the time of writing, including the one of eight pages in the Telegraph magazine of 3rd December, I was reminded of what AfriKids has achieved in its 10 years of existence which has been acknowledged through five international and six national awards. In 2011 alone we won the Third Sector Excellence Award for Public Partnership and were runners up for Best National Corporate Partnership, Best Fundraising Event and Best Brand Development, a remarkable achievement by any standard.

This Report describes in detail the work in progress of all 16 projects and three businesses, but I wanted to emphasise the dedication and professionalism of those working tirelessly in both AfriKids Ghana and AfriKids UK in bringing about that success. Our scrutinising donors recognise this for themselves, and their support is reflected in their generosity of spirit, enthusiasm and funding.

After benefitting hugely from becoming one of Deutsche Bank's two charities of the Year in 2010, 2011 might have flagged in comparison, but happily enthusiasm was maintained and it was another hugely successful year for fundraising, meaning the work of AfriKids continued seamlessly.

Looking forward, plans are virtually complete for AfriKids' newest business, a large eco lodge in northern Ghana which is now named the 'AfriKids Blue Sky Lodge'. Though this exciting project will provide employment for some of the beneficiaries of our projects, its main purpose is to help AfriKids Ghana become totally self-sufficient by 2018. I look forward to staying there in 2013!

Finally, I should like to thank all our wonderfully generous donors and supporters, the teams in Ghana and in the UK for all their hard work, my fellow trustees for all their wise guidance and Nich Kumah and Georgie Fienberg for their outstanding leadership, without which none of the above would be possible. Thank you so much.

Glossary

AfriKids (UK) - the UK registered charity that fundraises for and supports AfriKids Ghana and the body whose finances are reviewed here

AfriKids Ghana- the Ghanaian registered charity which delivers child rights work in northern Ghana

AfriKids- the partnership between AfriKids (UK) and AfriKids Ghana- this term is used when referring to shared ideals, achievements and aspirations

Objectives and Activities

AfriKids (UK) and AfriKids Ghana are separately registered organisations with different management teams and boards of trustees. AfriKids Ghana which is based in Bolgatanga, northern Ghana was registered in 2005 and has developed out of the work supported by AfriKids (UK), which was registered in 2002 and is based in London. The two organisations work in very close partnership but are legally distinct entities. AfriKids Ghana is on a path towards complete financial and managerial independence from AfriKids (UK) by 2018. This will be achieved through the development of the sustainability businesses and management structures in place in Ghana. AfriKids (UK) in turn aims to close its fundraising operations in the UK when this independence is achieved.

AfriKids (UK) and AfriKids Ghana's business plans, including mission and objectives are reviewed each year. For 2011 the partners shared a mission which was:

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

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

AfriKids (UK)'s objectives:

1. To fundraise in an ethical and transparent manner in order to meet the needs of AfriKids Ghana's project delivery work
2. To raise the capital required for investment in the sustainability businesses that are intended to enable AfriKids Ghana to operate on a financially independent basis
3. To source and create partnerships that help AfriKids Ghana meet its delivery and sustainability objectives
4. To offer and source technical expertise to AfriKids Ghana to give it the competence and confidence to execute all programmes and enterprises independently

5. To monitor and evaluate the operations of AfriKids Ghana to ensure that donations and investments provided through AfriKids (UK) are used in a demonstrably efficient, strategic and transparent manner that is recognised by all donors and partners
6. To promote, through AfriKids Squared, AfriKids' best practice in fundraising and programme delivery as scalable methodologies within the wider development and charity communities

AfriKids Ghana's Objectives:

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

High Level objective 2011	Progress at year end
Raise the committed fundraising target	Partially Achieved - minimum target exceeded and committed exceeded when excluding AfriKids Blue Sky Lodge (ABSL) fundraising target
Secure new office space for a minimum of three years	Achieved – Southampton Row, Holborn
Incorporate AfriKids	Achieved – Business Registration Number: 1141028
Manage the leave of absence of the two Directors	Achieved
Maintain a strong level of accountability, transparency and communication between AfriKids (UK) and AfriKids Ghana	Achieved
Develop a high level roadmap through to 2018	Achieved
Ensure a substantial and realisable cash flow from two sustainability businesses	ABSL – planning stage extended and therefore fundraising delayed Medical Centre – achieved but work to be done on extracting profit

Public benefit

AfriKids (UK)'s public benefit is experienced mainly in northern Ghana where our support is focused. During the period January – December 2011 AfriKids supported our partner AfriKids Ghana to deliver and oversee 16 projects and three social enterprises in northern Ghana, with 127,923 beneficiaries. This brings the total, non-duplicated (many people benefit for several years), beneficiary number since registration in 2002 up to 660,009. As a result of work for AfriKids Squared, the division of AfriKids which is committed to sharing best practice, there is also public benefit felt in the UK. This is both in terms of a better understanding of development work among the

general public and agencies engaged in support for development projects. 49 organisations working in 27 different countries have received free or sponsored consultancy support from AfriKids Squared in 2011.

Achievements and Performance

In this first quarter of 2011 AfriKids reviewed our organisational development planning processes. It was decided that the departmental strategies should be combined into a single business plan covering all operations of the organisation. With the support of Stephen Duckett, a mentor provided to AfriKids via the Venture Partnership Foundation, this document was drafted in January and reviewed in June and December. Below is a summary of progress towards high level goals at the end of the year.

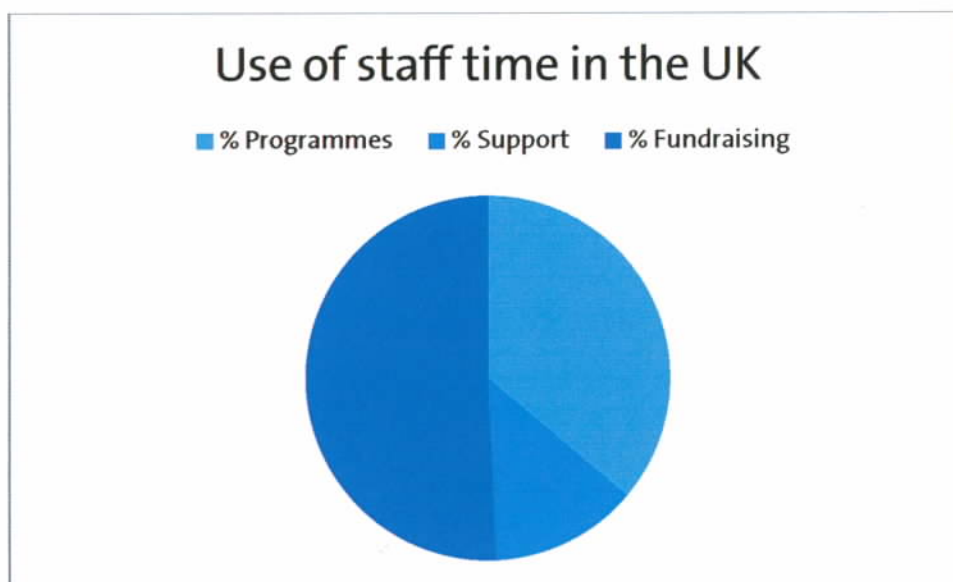
Below is the 'How We Measure Ourselves' table taken from the December 2011 draft and a short summary of achievements in each of AfriKids' departments as drawn from the business plan.

Key Performance Indicator	Category	Baseline- 'the healthy range'	Source of the baseline	2011 figure
Donor Retention- the percentage of our regular donors who give from one year to the next	Fundraising practice	80-100%	AfriKids fundraising strategy	96%
Expenditure breakdown- the balance of how we spend our money	Financial management	Up to 7% support, 23% fundraising and 70% or higher programmes		5% support, 15% fundraising, 80% programmes
Level of reserves- the amount of unrestricted free reserves we hold in the bank	Financial management	Between one and three months running costs	AfriKids finance policy	No less than one month
Funding pipeline- the amount of funding we have guaranteed to come into our account in the future	Financial management	Between three and twelve months running costs	AfriKids finance policy	No less than three months
Unmanaged staff attrition- the number of staff who leave the organisation	Human Resources	Less than 10%	AfriKids	0%
Fundraising target- which of our income scenarios we are able to meet which in turn determines which plans AfriKids Ghana are able to deliver	Fundraising performance	To reach a level of income which meets or exceeds the committed target	AfriKids fundraising strategy	Exceeded minimum target, close to committed target (when excluding the Blue Sky Lodge for which fundraising was paused, the committed target was exceeded)

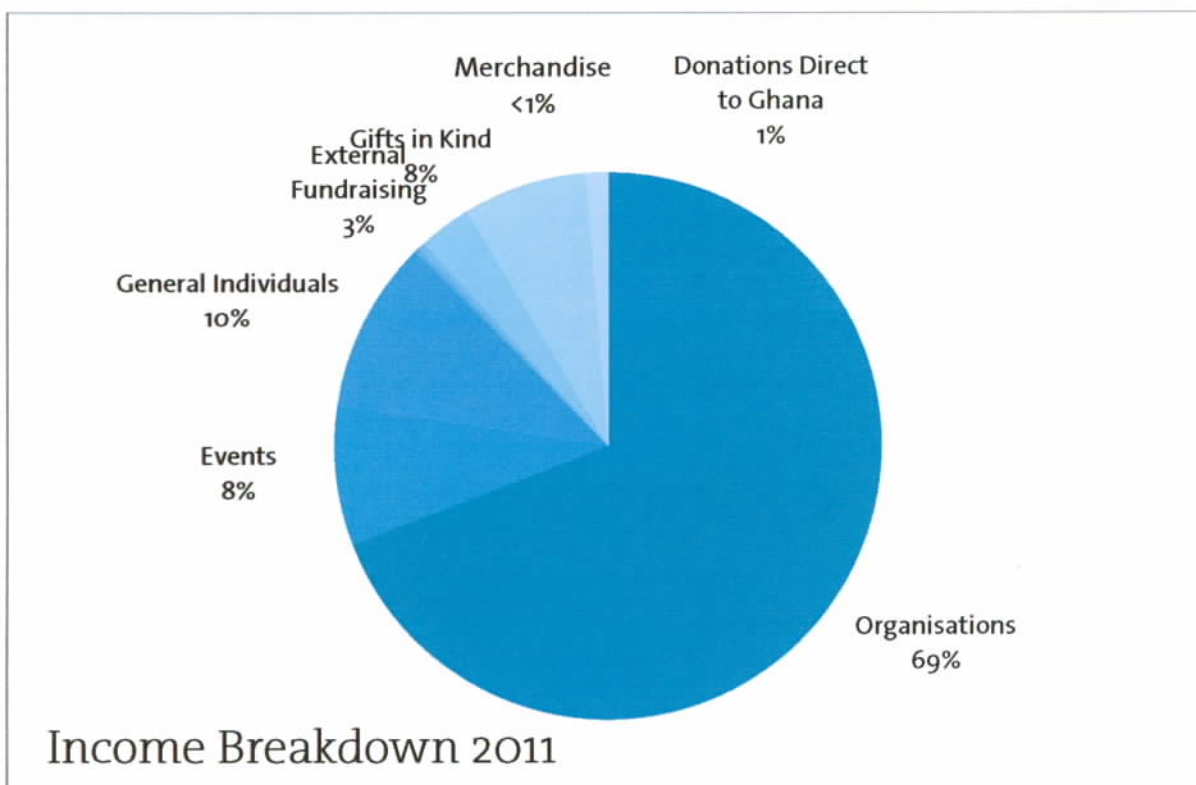
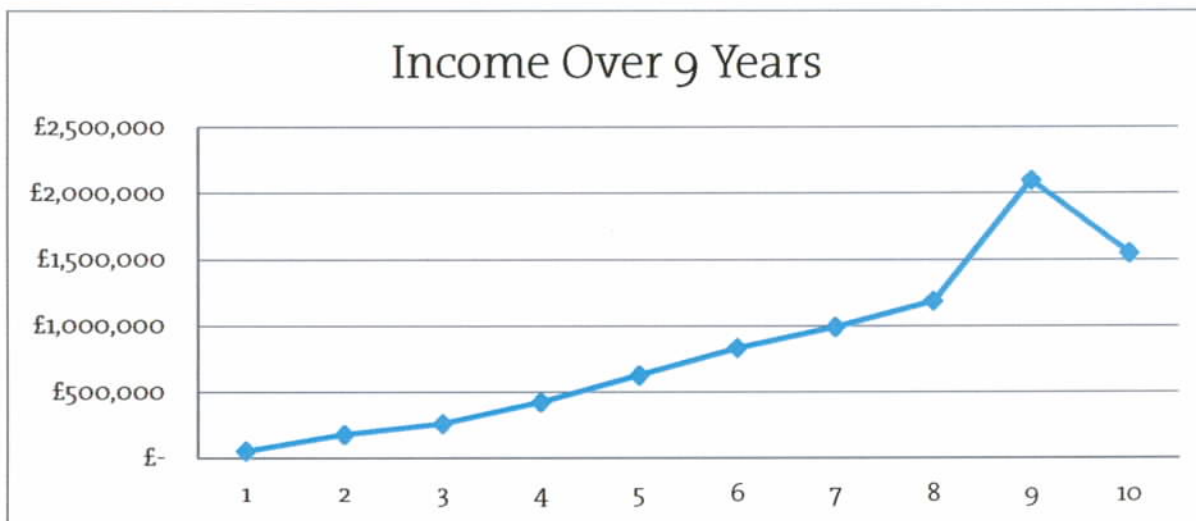
Governance, Management and Administration

There have been several developments in this department in 2011, the most notable being:

- * AfriKids is transferring operations to a registered company and will operate primarily through the newly registered company (number 1141028) from 2012 onwards. The decision was made to incorporate to relieve the personal financial responsibilities trustees bore as board members of an unincorporated association and to ensure that AfriKids had the structures in place to develop commercial or trading arms should this become important in helping AfriKids Ghana achieve their sustainability plans
- * Three associate members have served on the board this year; Vedrana (Bilanovic) Riley, Duncan Spencer and Georgie Fienberg, each of whom were identified to bring new skill sets to the board of AfriKids, the company of which they will become Directors in 2012 along with the existing trustees
- * Having taken on the role of Treasurer in 2010, David Atugiya has played an active role in the financial management of the organisation and has supported Genevieve Easton Poole (Head of Business and Finance) to review and update AfriKids' Finance policies and processes
- * It was also a goal this year to clarify the relationship between AfriKids (UK)'s board of trustees and AfriKids Ghana's board of Directors. To achieve this a very constructive meeting was held in Ghana in October between representatives of the Ghana board (Fr Moses Akebule and Dr Agnes Apusiga) and Nick Fry and it was agreed that the boards would hold an annual meeting and continue to communicate via the respective management teams on a day to day basis
- * Having had four years free office space provided by the Pears Foundation, AfriKids is moving on in late 2011 to allow space for expansion of the Pears' funded Jewish Social Action Hub. With the pro bono support of Simon Wooller of Land Securities and Reed Smith LLP, we have secured a good value long term let in Holborn and core funding that we will use to cover the first year's rent
- * Staffing levels have remained constant in 2011. One intern (Carly Adams) has been made a full member of staff and at least two out of three Directors have been working at any one time. Georgie Fienberg took maternity leave from April- September and Andy Thornton began a one year unpaid sabbatical to pursue a MBA at Oxford University from September. UK staff time has been spent as shown in the pie chart below which shows 50% of time spent on fundraising, 36% on projects and 13% on support costs which includes financial management.



Fundraising



2011 was a very strong year for AfriKids' fundraising team.

Analysis of income pattern

- * Although income decreased in 2011, the picture was distorted somewhat by the one year Deutsche Bank partnership in 2010 which alone rose over £1 million (50% of the year's income). Despite not being able to secure a partnership of equivalent scale and working in the context of a recession, AfriKids' income grew by £300,000 or approximately 25% on the 2009 income figure.
- * 2011 income exceeded the minimum target required and exceeded need in all areas other than funding for the AfriKids Blue Sky Lodge, meaning that AfriKids Ghana were able to expand and build on their plans for the year. AfriKids Blue Sky Lodge fundraising was postponed until 2012 due to delays in the planning process.

- * Several long term grants were secured in 2011 including from Comic Relief and DFID's CSCF, meaning there was significant success in securing the longer term fundraising objectives than in previous years.

Areas of note for 2011

- * Development of professional communication tools using the new brand, these include a new website and general leaflet and the development of in house capacity for improved annual report design.
- * Increased use of social media presence and use in campaigns including a text focused campaign in December.
- * The Sunshine Ball organized and hosted by AfriKids in June 2011, which was the first major black tie event drawing primarily on AfriKids' donor base rather than partners'.
- * Securing Comic Relief and DFID grants which are some of the largest structural grants available to development NGOs in the UK.
- * Being chosen as one of the Telegraph's Christmas appeal charities boosting income and profile at the turn of the year. For example, by 23rd December 2011 approximately 2,500 had given to AfriKids via the Telegraph appeal, whilst our entire donor base previous to this was made up of approximately 1,500 individuals.

Awards and recognition

- * Third Sector Excellence Award for Public Sector Partnership- G.A.S.
- * AfriKids was shortlisted for the largest number of awards at the Third Sector Awards 2011
- * Case study chosen by Gordon Brown for inclusion in EFA report to G8

Programmes (including achievements and performance in Ghana)

In the UK AfriKids' programmes team has grown to match the demand for support from Ghana. Two people now work full time on programmes and three of the four Senior Managers now dedicate a significant proportion of their time to programmes. Key achievements of this team in 2011 have been as follows:

- * Successfully moving away from key man dependency on Andy Thornton (Programmes Director who is taking a 12 month sabbatical).
- * Extremely strong personal performances and rapid development among all three of the existing team members, demonstrated by their promotions and the decision that the team did not need to hire in an interim replacement for Andy.
- * Winning the Third Sector Award for Public Sector Partnership which is a recognition of the success of the GAS partnership and AfriKids' role in it, particular contributions to this by the programmes team have been the development of a coherent and efficient toolkit for logistical management and monitoring and evaluation.
- * Improved project management tools for AfriKids Medical Centre and AfriKids Blue Sky Lodge.
- * Establishment of ABSL Project Delivery Teams in the UK and Ghana and development of the project Masterplan.
- * Business finance capacity building in Ghana took place leading to improvements in monitoring, analysis and reporting from AfMC to AfriKids.
- * Path to 2018 mapped out using business income forecasting and scenario planning for project costs.
- * 21 GAS volunteers at 7 hospitals.
- * Production of feasibility study and provisional business case on reduced energy stoves distribution.
- * Delivery of M&E developments – quarterly reports near 100% submissions.
- * Info- sharing within AfriKids was strongly developed, with regular project info sessions, programmes tweets, knowledge sharing documents created and circulated.

Core projects

These projects are run and managed directly by AfriKids Ghana and supported by AfriKids (UK). As of April 2010 most of these projects have been delivered through three geographically-focused umbrella Area Programmes. These areas line up with the local government's administrative districts and each has an area manager, field team of 2-3 and core administrative and financial support. The Area Programmes are: Kassena Nankana Area Programme (KNAP), Bolgatanga Area Programme (BAP) and Talensi Nabdam Area Programme (TNAP).

New Beginnings Phase One (BAP and TNAP)

This project is supported by the Baring and John Ellerman foundations. Its objectives are to resettle 60 children who had been displaced through poverty or child labour and build the capacity of field staff supporting these and other children. In 2011 59 out of the 60 children continued to receive material and mentoring support to help them stay in full time education or training and their families received a comprehensive support package including micro-finance, health insurance and goats for rearing. Four staff were also supported and received in house training to develop their professional skills.

New Beginnings Phase Two (KNAP, BAP and TNAP)

With the support of Comic Relief a second phase of New Beginnings was launched, this time to resettle street and working children and build the capacity of their families, schools and communities to support them. In 2011 200 children have been identified in partnership with the Ghana Education Service and District Assemblies and supported to enter full time formal education or training. Child Rights Clubs have also been started in their schools and their families' most pressing needs investigated for future support.

New Beginnings Phase Three (TNAP)

AfriKids Ghana has attracted local funding partners to take on additional beneficiaries to New Beginnings. In 2011 funding from the UN Fund on Contemporary Forms of Slavery enabled seven extra children to be taken out of child mining and put into education. A partnership with NECPAD (Network for Community Planning and Development), a national NGO via the support of the International Labour Organisation, has half funded TNAP to identify 189 new children who will be supported in 2012.

The Education Bridge (KNAP, BAP and TNAP)

This Department for International Development (DFID) Civil Society Challenge Fund (CSCF) project was launched in June and aims to bridge the gap between educational policy and the reality as experienced by vulnerable children. In 2011 the Education Bridge has been the focus of AfriKids Ghana's first large scale independent baseline survey taking in 239 schools all of which will be supported to form child rights clubs and functioning management committees under the project. In addition, the area programmes have started working with 75 communities with whom community education committees will be formed over the next four years.

The Spirit Child Programme (KNAP)

This ground breaking project which began in 1997 as 'Operation Sirigu' has continued its awareness raising and family reconciliation work in 2011 for approximately 30 communities families. The focus of the project is on breaking down the belief in 'spirit children' and ending the practice of child abuse and infanticide associated with it. The project continued to work with the AfriKids Concoction Men's Association which now campaigns for child rights, the children who have been affected by the belief, women's groups and Child Rights Clubs in schools.

AfriKids Livelihoods Programme (KNAP, BAP and TNAP)

In 2011 all of AfriKids' micro-finance support has been centralised and is managed by a Livelihoods team of three. This year they supported over 602 individuals with micro-finance loans and business skills training. The team's quarterly reports indicate that the loans are enabling significant and tangible improvements in families' lifestyles including enabling children to enter school and families to access National Health Insurance.

School of Night Rabbits

This project provides transitional education to children living on the streets of Bolgatanga two nights a week and provides them with basic sanitation and food supplements and cultural activities. In 2011 40 children went through and graduated from the school.

Standalone Core Projects

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

AfriKids Academy (BAP)

This ICT academy provides free ICT education to all middle school leavers and ICT teachers in the Bolgatanga district and offers fee paying classes to adults. In 2011 1,130 children and 64 teachers were trained.

Young Entrepreneurs Programme

This project offers transitional support for young adults graduating from residential care at AfriKids' partner projects and moving on to independent adulthood. In 2011, 6 young adults were supported in vocational and tertiary education.

AfriKids Education Fund

This centrally managed fund provides scholarships to students who fall outside of AfriKids' projects' remit but who apply with a clear need for financial support. In 2011 over 100 children were supported at all levels of the schooling system.

Partner Projects

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

Operation Mango Tree

Run by the inspirational Mama Laadi, this project provides long-term foster care to 35+ children for whom life in their family home is no longer possible either because they have been orphaned or badly abused. In 2011 Laadi continued to provide top quality health, education and emotional care to the children and two of the older children achieved a distinction in their Secondary School entrance exams, a huge achievement for children from difficult backgrounds. Alongside the foster home the project runs Mama's Place. Mama's Place is a profit-making guest house which has its own staff so the work of running it does not affect the foster home. It's whose revenue grew in 2010 and which will make a significant contribution to the running of the foster home in 2012.

Operation Bolgatanga

Centred on the Next Generation Home (NGH), Operation Bolgatanga provides transitional residential care for children living and working on the streets of Bolgatanga. In 2011 children who had either been resettled from the NGH or who were at risk of becoming street children were given educational support in their family homes, and over 50 children intercepted whilst being trafficked were given temporary care at the home along with other children using its 'drop in' services. Approximately 20 children were given longer term residential care and gradual resettlement support. In the second half of the year investments were made in the project's 'Helping Hands' business – a canopies and chairs rental service which is run mainly by former beneficiaries and is conservatively forecast to raise around 15% of the project's annual costs in net profits from year 2 onwards.

Operation Zuarungu

Centred on the Grace International School, this project provides education and family support to over 400 vulnerable children in a rural setting. In 2011 AfriKids continued to fund the school's improvement plan which will enable it to become a model school for the region and the Ghana Education Service took on more of its running costs and management responsibility. The first year of children to receive Junior Secondary Education at the school sat their Secondary School entrance exams and a higher than average number of children passed with good grades.

Operation SINGh

A second phase of 'Support in Northern Ghana' began in 2011 and it has supported 150 children with educational materials and their families with National Health Insurance and 'goats for fees' to ensure that the families have a new stream of income to help pay schooling costs after the project ends. Under the scheme, the families are given two goats for rearing, the income from which is earmarked for the child's education.

Operation Smiles

This project based in rural Nakwabi in the Northern Region is run by the phenomenal Sr Jane Naaglosegme, AfriKids' original and longest standing partner. As well as supporting a network of mothers through micro-finance and vocational training, Operation Smiles runs a transitional programme for babies whose mothers die in childbirth. The children are taken in with a carer (often an older sister or aunt) who is taught parental skills as the babies build up their strength and are then resettled in their family's home after 3-6 months. Many of the resources the project needs are generated by its small holding and/or sales of produce.

Sustainability Projects

These projects are run and managed directly by AfriKids Ghana and overseen by AfriKids:

AfriKids Medical Centre

The AfriKids Medical Centre has had another year of solid performance. Treating just under 53,000 patients, it is now established as a substantial service provider for Bolgatanga District and with patient satisfaction levels of 97%, is a valued and popular institution. While providing excellent clinical services and employing 3 doctors in a region where doctors are scarce, AfMC has continued to expand and improve its services, with its new wards being close to fully utilised, a theatre refurbishment, a new X-Ray department and a number of other minor investments funded by AfriKids (UK). Managerially and financially, it has been a more challenging year for AfMC. The higher costs of providing the services expected of a hospital, a saturation of the National Health Insurance scheme, as well as some I.T. and HR issues have posed challenges for the centre, and meant that considerable effort has been put into improving these areas for 2012. The outlook is now bright for 2012, when AfriKids hopes to make a number of further profit-generating and life-saving investments, and to drive profitability forward in line with our goal of making AfriKids Ghana sustainable by 2018, under a new administrator and the excellent leadership of our Medical Director.

AfriKids Ethical Trade

AfriKids' various ethical trade initiatives are still at the feasibility and pilot phase. Demand for shea butter has continued to increase in the UK and this 'slow burn' business is growing. Extensive work has also gone into looking at the feasibility of various national trade and distribution businesses and at the end of the year AfriKids completed a business case for fuel efficient stove distribution for a corporate partner.

AfriKids Blue Sky Lodge

2011 saw the final phases of planning for the lodge with extensive input from GABCON in Ghana and volunteer teams in the UK. The name for the lodge was officially decided as the 'AfriKids Blue Sky Lodge' in September and the year closed with the final architectural drawings being put together.

Partnerships for Development

These are partnerships that sit alongside our projects and aim to expand their reach and improve their impact:

G.A.S. Partnership

This partnership between Ghana Health Service Upper East Region, AfriKids and Southampton University Hospitals NHS Foundation Trust has facilitated 21 training visits by medical professionals from the UK to Ghana and five healthcare professional visits from Ghana to the UK. The Partnership's focus is to strengthen the health workforce of the Upper East Region (UER) by providing training and equipment support in maternal and paediatric health, imaging and diagnostics, safe surgery and estates planning. They work with all seven district hospitals and the regional hospital in the UER and provide continuous professional development training to all professionals in the region in each clinical area. The Partnership won the Third Sector Excellence Award for Public Sector Partnership 2011.

AfriKids Squared

In 2011 we were able to support over 49 organisations thanks to AfriKids' consultancy arm, AfriKids Squared. Operating under six key delivery areas, AfriKids Squared enables us to draw upon our experiences and lessons learned, passing these on to other charities, NGOs and companies in a way that is most relevant to both the organisation and discussion topic. AfriKids Squared services range from face-to-face meetings lasting one hour through to full day bespoke workshops which concentrate on a particular organisational challenge or area of growth.

Of the 49 organisations that have benefited from AfriKids Squared this year, four work or support charities that work globally, whilst the remainder operate in 27 countries around the world. 26 work in the UK. 2011 has illustrated the vast scope for replicating and raising awareness of AfriKids' work both nationally and internationally.

With the official launch of AfriKids Squared only last year, 2011 has been a year of trialling and developing its services within the third sector and business world. Georgie's six month's maternity leave from March to September meant that we weren't able to actively drive sales however; we still saw a steady flow of small and medium scale assignments. Toward the latter part of the year the demand for unpaid key note speaking and panel discussions was incredibly high and despite being largely unpaid, we took the decision to go ahead with the majority given the potential to raise AfriKids' credibility and profile, and therefore more long-term, indirect fundraising and learning opportunities, all of which are being monitored. Looking back at the year, key note speaking and medium size consultancy activities will have the best long-term impact on AfriKids, both in terms of boosting credibility, profile and securing funding.

Now that AfriKids Squared has developed into a tangible product supported by a range of sales and marketing literature, a resources library and a detailed tracking system, we will be looking to distribute more assignments around the team and further increase direct funding opportunities in 2012.

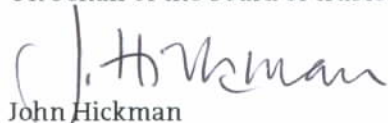
The total income raised through AfriKids Squared in 2011 is £3,350, enough to cover AfriKids (UK)'s telephone, Internet, email, IT support, postage, stationary and general staff costs for the entire year!

More information on all our work is available at www.afrikids.org.

Future plans

AfriKids (UK) aims to work with AfriKids Ghana through to the time when AfriKids Ghana achieves total financial and managerial independence. The aim is to achieve financial independence through the development of income generating businesses in northern Ghana and we aim to have reached this point 2018. This is a prediction rather than a firm target and AfriKids (UK) is committed to supporting AfriKids Ghana for as long as needed. AfriKids Ghana has been raising an increasing proportion of its own funding through business since 2007 and is currently on track to achieve the 2018 goal. To continue this progress in 2011 AfriKids (UK) aims to maintain the increased level of income achieved in 2010-11 in order to be able to invest in the sustainability businesses as well as maintaining commitments to current projects. As with previous years, we are working towards a set of income scenarios in an approach that balances ambition with feasibility.

On behalf of the board of trustees



John Hickman
Chairman

Dated: 14 March 2011

STATEMENT OF TRUSTEES RESPONSIBILITIES

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).

The 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 state of affairs of the charity and of the incoming resources and application of resources of the charity for the period.

In preparing accounts giving a true and fair view, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the 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 at any time the financial position of the charity and enable them to ensure the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and 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.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF AFRIKIDS

We have audited the accounts of AfriKids for the year ended 31 December 2011 set out on pages 18 to 26. 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees responsibilities, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2011 and of its incoming resources and application of resources, 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 Charities Act 2011.

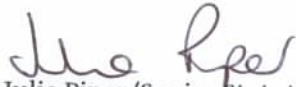
Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or

INDEPENDENT AUDITORS' REPORT (CONTINUED)

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit



Julie Piper (Senior Statutory Auditor)
for and on behalf of Arram Berlyn Gardner

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

Dated: 15 March 2012

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

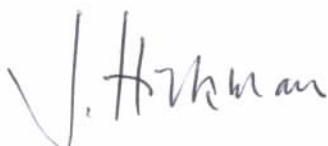
	Note	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	387,012	813,716	1,200,728	1,013,314
Activities for generating funds					
- Events		81,650	36,353	118,003	100,910
- Sponsored external fundraising		31,332	5,927	37,259	56,696
- Donations from corporate partners	3	155,350	3,060	158,410	905,268
- Other		8,051	-	8,051	7,865
Investment income					
- Bank interest		1,480	-	1,480	-
<i>Other incoming resources:</i>		1,163	-	1,163	297
Total incoming resources		666,038	859,056	1,525,094	2,084,349
Resources expended	4				
<i>Costs of generating funds:</i>					
- Costs of generating voluntary income		186,179	-	186,179	171,051
- Events		64,112	-	64,112	29,254
- Sponsored external fundraising		13,379	-	13,379	8,335
- Corporate sponsorships		13,948	-	13,948	43,816
- Other		17,325	-	17,325	14,761
Total costs of generating funds		294,943	-	294,943	267,217
Governance costs	4	755	-	755	1,108
Net incoming resources available		370,340	859,056	1,229,396	1,816,024
<i>Charitable activities:</i>	5, 6				
- Education		277,241	322,599	599,840	425,381
- Healthcare		52,223	57,332	109,555	45,022
- Childcare		154,555	33,829	188,384	172,597
- Family incomes		25,393	25,467	50,860	77,021
- Child Rights education		48,493	68,746	117,239	52,377
- Sustainability		226,507	178,722	405,229	414,401
Total resources expended		784,412	686,695	1,471,107	1,186,799
Net movement in funds		(414,072)	172,361	(241,711)	629,225
Fund balances as at 1 January 2011		560,171	308,952	869,123	239,898
Fund balances as at 31 December 2011		146,099	481,313	627,412	869,123

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7		8,806		11,093
Current assets					
Stock		-		130	
Debtors	8	104,159		405,545	
Cash at bank and at hand	9	546,621		522,007	
			650,780		927,682
Creditors: amounts falling due within one year	10	(32,174)		(69,652)	
Net current assets			618,606		858,030
Total assets less current liabilities			627,412		869,123
Income funds					
Restricted funds	11		481,313		308,952
Unrestricted funds			146,099		560,171
			627,412		869,123

The accounts were approved by the Trustees on 14 March 2012

John Hickman (Chairman)
Trustee



David Atugiya (Treasurer)
Trustee



NOTES TO THE ACCOUNTS

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

These accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practices, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 2011.

1.2 Going Concern

The Trustees have agreed that in 2012, the activities and trade will be transferred to a new incorporated charity, AfriKids Limited (charity no. 1141028) and AfriKids will cease to trade. The assets and trade will be transferred at carrying value to AfriKids Limited. The trustees consider it appropriate to prepare the accounts on a going concern basis.

1.3 Incoming resources

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

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

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

1.4 Resources expended

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

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

Support costs include those relating to business support (including human resource and general administration expenses), executive management, finance, and information systems. The details of support costs are shown under note 5.

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.

NOTES TO THE ACCOUNTS (CONTINUED)

1 Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment 20% reducing balance

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 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.

2 Voluntary Income

Voluntary income for the year falls into the following categories:

	Unrestricted Funds £	Restricted Funds £	2011 Total £	2010 Total £
Donations and legacies:				
- Regular giving	86,161	-	86,161	85,554
- General donations – individuals	50,617	22,418	73,035	277,536
- General donations – organisations	17,202	4,283	21,485	37,673
- Non-sponsored external fundraising	10,408	850	11,258	6,656
Grants:				
- Institutions	3,756	448,840	452,596	134,100
- Trusts and Foundations	104,403	337,325	441,728	319,716
Gifts in Kind	114,465	-	114,465	152,079
Total voluntary income	387,012	813,716	1,200,728	1,013,314

During the year AfriKids received a total of £813,716 restricted funds. Within these were the following funds from the following organisations:

The Baring Foundation – £32,305
Big Lottery Fund* – £19,832
Comic Relief – £300,565
DFID-CSCF – £125,782
John Ellerman Foundation – £16,151
THET-IHLFS – £17,393

NOTES TO THE ACCOUNTS (CONTINUED)

2 Voluntary Income (continued)

*Big Lottery Fund donations of £19,832 were erroneously recognised as accrued income in 2010 however they were received and relate to 2011. These have not been recognised in the 2011 income figure.

Gifts in Kind

AfriKids aims to secure direct sponsorship or gifts in kind for the majority of our administrative and fundraising costs. Gifts in kind are particularly valuable to the organisation because they enable us to operate in ways we would be unlikely to if it meant spending charitable funds. For example, thanks to gift in kind this year we have benefitted from professional branding support and advertising, worked in large comfortable offices able to accommodate our volunteers and we have been able to send all our staff to Ghana to visit the projects.

This not only means we add value to our operations as a charity but that we can ensure an extremely high percentage of every general £1 given goes to the projects. Our overall expenditure breakdown implies £0.79p in every pound goes to the project but thanks to gifts in kind and direct sponsorship the actual amount in each general pound given is even higher, at £0.80, and wherever a donor requests that all of their funds go to the projects we are able to accommodate this.

We would particularly like to recognise the following gift in kind donors in 2011:

Allen & Overy
Andrea Etherington
Ape Inc
Apple
Arram Berlyn Gardner
Auberge
Chalfont St Peter Montessori
Connected Worlds
Cow PR
Dave Brown
Fairtrade Magazine
James Yeats Brown
Light Brigade
Nick Lawson
Paul Ruddock
Payne & Gunter
Pears Foundation
Pol Roger
Reed Smith
Shaka Zulu
Sportsvision
Sullivan Thomas
Will Brix

NOTES TO THE ACCOUNTS (CONTINUED)

3 Donations from Corporate Partners

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

4 Governance costs

Governance costs includes £755 of direct governance costs, and £Nil indirect governance costs. Audit services were provided pro bono therefore there were no audit fees payable during 2011.

5 Allocation of support costs and overheads

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

Cost type	Direct Costs	Gifts in Kind	Total Allocated Costs	Fundraising	Governance	Charitable Activities	Basis of costs apportionment
	£	£	£	£	£	£	£
Staff costs	363,470	-	363,470	187,847	-	175,623	Staff time
Office rental and costs	23,557	86,249	109,806	14,579	755	94,472	Nature of expenditure and overall cost apportionment
Computer costs	1,980	1,435	3,415	570	-	2,845	Overall cost apportionment
Depreciation	2,317	169	2,486	415	-	2,071	Overall cost apportionment
Other	1,011	664	1,675	159	-	1,516	Overall cost apportionment
Total	392,335	88,517	480,852	203,570	755	276,527	

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

Total costs	£
Education	113,858
Healthcare	18,186
Childcare	33,589
Family incomes	10,348
Child Rights education	22,777
Sustainability	77,769
Total	276,527

6 Costs of charitable activities

Service areas	Activities undertaken directly	Support costs	Total
	£	£	£
Education	485,982	113,858	599,840
Healthcare	91,369	18,186	109,555
Childcare	154,795	33,589	188,384
Family incomes	40,512	10,348	50,860
Child Rights education	94,462	22,777	117,239
Sustainability	327,460	77,769	405,229
Total	1,194,580	276,527	1,471,107

NOTES TO THE ACCOUNTS (CONTINUED)

7 Tangible Fixed Assets

Fixtures,
Fittings &
Equipment
£

Cost

At 1 January 2011

18,288

Additions

1,674

Disposals

(4,766)

At 31 December 2011

15,196

Depreciation

At 1 January 2011

7,195

Charge for the year

2,486

On disposals

(3,291)

At 31 December 2011

6,390

Net book value

At 31 December 2011

8,806

At 31 December 2010

11,093

8 Debtors

2011

2010

£

£

Trade debtors

20,679

356,808

Prepayments and accrued income

82,344

46,738

Other debtors

1,136

1,999

104,159

405,545

9 Cash at bank and at hand

2011

2010

£

£

Bank

545,842

521,460

Petty cash

779

547

546,621

522,007

NOTES TO THE ACCOUNTS (CONTINUED)

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	3,278	3,092
Taxes and social security costs	17,220	14,890
Accruals and deferred income	1,604	47,633
Other creditors	10,072	4,037
	<u>32,174</u>	<u>69,652</u>

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 January 2011	Incoming resources	Resources expended	Balance at 31 December 2011
	£	£	£	£
Baring New Beginnings*	33,162	48,456	56,815	24,803
Comic Relief New Beginnings	-	300,565	206,299	94,266
DFID Education Bridge	-	125,782	125,782	-
Kassena Nankana Area Programme-	-	650	650	-
Livelihoods Programme	-	2,510	2,510	-
Operation Fresh Start	-	375	375	-
Operation Sunlight	-	4,700	4,700	-
NECPAD Operation Sunlight	-	43,700	11,139	32,561
School of Night Rabbits	-	725	725	-
AfriKids Academy	-	1,000	1,000	-
Young Entrepreneurs	-	3,534	3,534	-
Operation Mango Tree	-	9,648	9,648	-
Operation Bolgatanga	8,663	24,525	33,188	-
Operation Zuarungu	-	18,322	18,242	80
Operation Smiles	-	9,250	9,250	-
Street Mothers Association	-	1,000	1,000	-
AfriKids Medical Centre	13,000	143,520	142,770	13,750
The AfriKids Blue Sky Lodge**	249,823	100	100	249,823
The G.A.S. Partnership	4,304	111,194	49,468	66,030
Education (girls)	-	4,500	4,500	-
AfriKids Ghana Head Office	-	2,000	2,000	-
AfriKids (UK) Head Office	-	3,000	3,000	-
Total	<u>308,952</u>	<u>859,056</u>	<u>686,695</u>	<u>481,313</u>

*In the 2010 accounts the funds restricted to this project were shown as split between the Bolga Bongo District Programme and the Talensi Nabdam District Programme. These are regional programmes where the New Beginnings 1 project is delivered.

**In the 2010 accounts this was referred to as the AfriKids Eco Lodge

NOTES TO THE ACCOUNTS (CONTINUED)

12 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2011 are represented by:			
Tangible fixed assets	8,806	-	8,806
Current assets	169,467	481,313	650,780
Creditors: amounts falling due within one year	(32,174)	-	(32,174)
	<u>146,099</u>	<u>481,313</u>	<u>627,412</u>

13 Staff costs

Number of employees

The average monthly number of employees during the year was:

	2011	2010
Fundraising and administration	7	6
Programmes	3.5	4
	<u>10.5</u>	<u>10</u>
	2011	2010
	£	£
Gross wages and salaries	325,325	291,632
Employers' National Insurance costs	35,298	29,848
	<u>360,623</u>	<u>321,480</u>

14 Related parties

There were no related party transactions in the year.

15 Trustees

The Trustees have not received any remuneration or reimbursement of their expenses during 2011.