

Charity number: 1068313

UNITED AID FOR AZERBAIJAN

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Amanda Hopper Rachel Harrison
Registered Charity Number	1068313
Principal Office	30 St Mary's Road Leatherhead Surrey KT22 8EY
Local Office	520 Huseyn Javid Prospect House 2 Baku Azerbaijan
Independent examiner	Jason Foxwell FCCA FCIE 39 Enfield Road Poole BH15 3LJ

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 December 2020.

The financial statements comply with the Charities Act 2011, 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).

Structure

The Trust was formed on 16 January 1998 by a declaration of trust.

The trustees who served during the year were:

- Amanda Hopper
- Rachel Harrison

There were no changes in the make-up of the Board this year. We recruit new Board members on the basis of the needs of the Board and in particular to ensure that the Board contains a good range of skills, experience, perspectives and expertise. Recruitment is by a mix of personal recommendation and advertising, specifying the particular skills required. Personal recommendation comes from other Board members, staff, advisors and users of United For Aid Azerbaijan services.

A candidate meets first with both the Chair and Executive Director before being invited to meet other Board members, which is followed by a formal interview by existing Board members.

Election to the Board is by a vote of existing Board members. The United Aid for Azerbaijan maintains a right to have two of its appointees on the Board at any one time and appointees need to be approved by a vote of the entire Board.

The Board is currently considering fixed terms for its members and roles.

Induction and Training of Board Members

New Board members are provided with background materials on the activities and history of the charity and spend time with members of staff learning about the various operations of the charity. Those trustees with particular interests in legal and financial matters (Treasurer, for example) are briefed in detail on processes, systems, and reporting procedures, and are given appropriate direct access to information systems. Trustees are also invited to meet users of United Aid For Azerbaijan services.

Running the Charity

The charity's governing body, its Board, meets 2-3 times a year, according to the Governing Document. With the use of modern communication methods which suit international organisations, the Board and Director are able to have regular online meetings. The Board sets strategic direction and oversees the proper operations of the charity but does not generally involve itself in detailed operational matters and decisions.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

Responsible to the Board is the Chief Executive Officer, Ms Gwendolyn Burchell MBE, who is invited to attend and report to Board meetings. Ms. Gwendolyn Burchell manages all operational matters, including management of other staff, and may also recommend policy to the Board for its discussion. The Chief Executive Officer is not authorised to commit the charity to any single new expenditure over £2,000 without prior Board approval. All expenditure requires at least two signatures, one of which must be from a Trustee.

Risk management

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. There is a register of risks and contingency plans for significant disasters.

UAFA consistently maintains its direction with regards to its mission and objectives in Azerbaijan, working towards a child welfare system that emphasises family care, inclusion and education for all.

Key Developments in 2020

The following three goals were developed at the beginning of the year, to guide our work.

1. Retain core values to keep children with families and work to improve level of care for those in institutions
2. Maintain a motivated skilled team
3. Become sustainable by the end of the year

However, in 2020, two unexpected events occurred – the COVID-19 pandemic and the resurgence of the war with Armenia. Thus, most activities were paused during 2020 which has enabled the organisation to review its capacity to reach the goals it has set. The Board of Trustees and the Country Director assessed the impact of these interruptions on UAFA's work and plans and are satisfied that the organisation has the funding and strategic plans to sustain its work during these challenging times.

Report on activities for 2020

All services were operational until March, after which the continuous process of lockdowns and COVID restrictions forced all work online.

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2020**

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

Service	# of services			Direct beneficiaries – children			Indirect beneficiaries – parents, siblings, communities		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Community Based Rehabilitation Services	5	7	4	617	791	621	571	2,021	-
# of children included to mainstream education				211	428	55			
Institutions – care & rehabilitation	2	2	2	322	150 (6 months)	-	-	-	-
Early Intervention services	10	10	-	924	364	-	457	-	-
Inclusive pre-schools	12	56	-	363	902	-	94	279	-
TOTAL	24	75		2,437	2,635	621	1,122	2,300	-

Within the four functioning CBR services, UAFA's Child Development specialists shifted to using online media to reach the children and families that they were working with in person. During quarantine, they would direct the families in their activities with the children, based on their developmental needs. This method of working led to the whole family participating in the child's development plan; it led to creativity on the part of parents in using household items as developmental props; and it led to the Specialist being the guide, not the main intervention. Quarantine does have an impact on the socialization of children but, for many of the children UAFA works with, it was a unique opportunity to bring the family around the child.

The children's institutions, Saray & Shagan, were closed to everyone except staff for most of the year, in order to protect the children from catching the virus.

The Early Intervention services are accommodated in medical institutions, mainly hospitals and polyclinics, so they could not function as normal due to COVID restrictions.

All the pre-school groups had to stop operating because of COVID restrictions and, once they started to ease, a few of the groups re-started.

The following sections provide an update on activities from the 2019 report, demonstrating how the UAFA team managed to function during the pandemic.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

- **Women's led Inclusive Pre-School Incubator program – 'Mektebim'**

By March 2020, the program team was scheduled to bring 80 inclusive pre-schools into operation. For the rest of the year, only 10 of the groups were able to keep functioning, sporadically.

As implementation plans were temporarily halted, UAFA used the time instead on building awareness of the program amongst potential stakeholders. By year end, UAFA had signed the following Memorandums of Understanding:

- ✓ State Agency for Small/Medium Enterprises – with the purpose of supporting business training and mentoring of the new women-entrepreneurs that establish a Mektebim group.
- ✓ Ministry of Labour & Social Protection, Unemployment Department – with the purpose of investing in 300 start-up packages for women registered as unemployed.

UAFA also reviewed the parent training from this program and re-launched it as an online training program titled 'Positive Parenting'. The course links with its own website – <https://pozitivailem.az/>

It is an 8-hour course divided into four 2-hour interactive modules, and approximately 30 parents participated in each course. By year end, nearly 1000 parents had participated in this course, which we used as a tool to keep promoting Mektebim and the benefits of early childhood education for all children. As Mektebim expands, this Positive Parenting course will be provided in each community for local parents.

- **ENJOY Chocolates LLC**

In the first quarter of 2020, the business was functioning effectively and made a donation of 6000AZN (approximately £3000) to UAFA. From March onwards, the business was inactive because of the impact of the pandemic on normal working practices. In December, as restrictions eased, the business started taking orders again for the New Year season. Enjoy Chocolates continues to function as a social enterprise and has no liabilities.

- **CHED – Foundation Course in Childhood Health, Education and Social Development**

First quarter 2020 – the theoretical part of the second CHED course was completed and the practical part started just as the pandemic was taking hold, leading to a delay in activities. However, as it was part of our plan to offer the course online as well as face-to-face, the pandemic helped to speed this process up.

The first CHED Course to be delivered online commenced 21 September 2020. The twenty participants who completed this course are employees of the National Mental Health Centre, based in various regions of Azerbaijan. The CHED Course content has been remodeled to be appropriate for online delivery and the course structure has been adapted in order to cater to the specific demands of online delivery and the current situation of the global pandemic which limits gatherings of people. Faculty have adapted their presenting style to delivering interactive sessions online.

Towards the end of 2020, a Memorandum of Understanding (MoU) was signed between UAFA and Baku State University to begin offering the course under the authority of the Sociology Faculty. This will bring greater awareness of the CHED Foundation Course and help to embed the teaching into a higher education institution.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

The concept of the CHED course has also gained attention internationally, and UAFA's Director has engaged in a series of discussions with other specialized NGOs to expand the concept to other countries. A proposal was submitted to a donor and won 18 month's funding to pilot the CHED course internationally, starting in early 2021.

Look Ahead

Despite the challenges of 2020, UAFA was able to make the transition to working online and maintaining some level of service provision, and this will continue to strengthen and develop going forwards. As of end of 2020, UAFA is in a good position to continue its program development and continue to pursue the goals that were set at the beginning of the year.

Financial Review

For the year ended 31 December 2020, the results show a surplus of £51,376 (2019 – £34,322) and total reserves of £91,151 (2019 – £39,775).

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to 6 months' committed expenditure. The trustees consider that working with reserves at this level would ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

However, it is also recognised that due to the fluctuating financial income of the charity, this level may not always be possible and costs would be lowered in cases of a prolonged drop in funding.

Trustees' Responsibility Statement

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and UK Accounting Standards.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 accounting 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (Continued)

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statement comply with the Charities Act 2011. 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.

This report was approved by the Trustees and signed on their behalf by:



Dr Amanda Hopper
Trustee and Chair

Date: 01/09/21

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF UNITED AID FOR AZERBAIJAN FOR THE YEAR ENDED 31 DECEMBER 2020

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of your Charity's accounts as carried out under section 145 of the Act. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered a part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jason Foxwell FCCA FCIE
independent-examiner.net
39 Enfield Road, Poole, BH15 3LJ

Date: 30 August 2021

UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2020

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Income from:					
Voluntary income		2,073	14,310	16,383	33,100
Charitable activities		62,362	70,391	132,753	345,451
Total income		64,435	84,701	149,136	378,551
Expenditure on:					
Charitable activities		49,038	48,722	97,760	344,229
Total expenditure		49,038	48,722	97,760	344,229
Transfers between funds		-	-	-	-
Net movement in funds		15,397	35,979	51,376	34,322
Reconciliation of funds:					
Total funds brought forward		5,906	33,869	39,775	5,453
Total funds carried forward	6	21,303	69,848	91,151	39,775

All of the charity's activities derive from continuing operations.

The notes on pages 11 to 13 form an integral part of these accounts.

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2020**

BALANCE SHEET AS AT 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Current Assets			
Stock		857	895
Debtors	3	35,133	1,112
Cash at bank		81,097	61,231
		<u>117,087</u>	<u>63,238</u>
Creditors: amounts falling due within one year	4	<u>(17,267)</u>	<u>(23,463)</u>
Net current assets		<u>99,820</u>	<u>39,775</u>
Total assets less current liabilities		99,820	39,775
Creditors: amounts falling due in more than one year	5	(8,669)	-
NET ASSETS		<u>91,151</u>	<u>39,775</u>
The funds of the charity:			
Restricted funds	6	69,848	33,869
Unrestricted income funds		21,303	5,906
		<u>91,151</u>	<u>39,775</u>

The accounts were approved by the trustees, authorised for issue and signed on their behalf by:



Dr Amanda Hopper

Trustee and Chair

Date: 01/09/21

The notes on pages 11 to 13 form an integral part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1. Basis of preparation of the accounts

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)), and the Companies Act 2006.

UAFA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2. Going Concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

1.3. Income

Income is included in the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

1.4. Expenditure

Expenditure is charged to the Statement of Financial Activities on an accruals basis as a liability is incurred.

1.5. Tangible fixed assets and depreciation

Individual tangible fixed assets costing £500 or more are stated at cost less depreciation. Depreciation on tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer and office equipment	-	33.33% straight line
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

1. ACCOUNTING POLICIES (continued)

1.6 Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

1.7 Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

2. STAFF COSTS

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	82,755	154,676
Social security costs	-	-
	<u>£82,755</u>	<u>£154,676</u>

None of the employees received remuneration in excess of £60,000 (2019 – nil).

3. DEBTORS

	2020	2019
	£	£
Trade debtors	5,289	1,112
Accrued income	29,844	-
	<u>£35,133</u>	<u>£1,112</u>

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	1,255	23,463
Income received in advance	16,012	-
	<u>£17,267</u>	<u>£23,463</u>

5. RESTRICTED FUNDS

	Balance at 1 Jan 2020	Restricted income	Restricted expenditure	Balance at 31 Dec 2020
	£	£	£	£
Azerbaijani fund	14,179	84,701	(48,722)	50,158
US fund	19,690	-	-	19,690
	<u>£33,869</u>	<u>£84,701</u>	<u>£(48,722)</u>	<u>£69,848</u>

6. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Total funds 2019
	£	£	£	£
Current assets	47,239	69,848	117,087	63,238
Creditors due within one year	(17,267)	-	(17,267)	(23,463)
Creditors due after one year	(8,669)	-	(8,669)	-
	<u>£21,303</u>	<u>£69,848</u>	<u>£91,151</u>	<u>£39,775</u>