

Charity number: 1068313

## **UNITED AID FOR AZERBAIJAN**

### **TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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## REFERENCE AND ADMINISTRATIVE DETAILS

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

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 December 2021.

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
- Arthur John Loftus Patterson (appointed 1 February 2021)

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 2021 (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 2021**

UAFA continues to maintain direction with regards to its mission and objectives in Azerbaijan, namely working towards a child welfare system that emphasizes family care, inclusion and education for all.

The following three objectives continue to guide our work:

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

As the COVID pandemic delayed all actions during 2020, 2021 was a year for consolidation and review of our activities. Our goal before and during the pandemic has been to shift from grant funding to sustainable social enterprise, and the hiatus in project activities caused by the pandemic gave the UAFA team the time needed to review and build the strategies needed to emerge from this period intact and able to continue working towards our overall objectives.

### **Report on activities for 2021**

UAFA's core work continues to influence the building of the ecosystem needed to support children with disabilities in their families. For 20 years, this has entailed the provision of free services and trainings through the CBR program operating in various regions, and direct intervention in 2 children's institutions for children with complex disabilities.

*Direct services* to children & families: continued to operate in 2 regions of Azerbaijan. UAFA CBR services have been funded as part of a UNICEF program to pilot Integrated Social Services, demonstrating the positive impact of integrating UAFA child development specialists and a team of social workers operating from another NGO.

In total, across one year, the Ganja combined team worked 141 documented cases where welfare support was needed. UAFA staff worked with more than 130 children directly on rehabilitation needs.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

In total, across one year, the Shirvan combined team worked 216 documented cases where welfare support was needed. UAFA staff work with more than approximately 50 children directly on rehabilitation needs per week.

These are the only free, community-based services available to these families. There is a proliferation of private, unlicensed services that can be financially out of the reach of families though, as they are unlicensed, the quality is dubious with most being built on the medical approach to disability. However, the sustainability of the services that UAFA established is still under question as the end of 2021 approaches. The annual tendering process for State contracting of NGOs, which has been part-funding many of UAFA's CBR services, has not functioned in 2020 and 2021, leading to a massive shortfall in operational funds. There is no clarity on whether tendering will restart in 2022.

As the only current donor, UNICEF has been lobbying the Ministry of Labour & Social Protection to continue funding this pilot of integrated services and then expand it nationally, though there is no clear outcome at the time of this report. In 2022, UAFA will be working with the CBR centres to review their role and consider alternatives to direct rehabilitation support.

*Positive Parenting* is a complimentary program developed to support parents of all children to strengthen their parental approach in order to raise more emotionally robust and independent children. As Azerbaijan develops and moves away from the Soviet model that has had such a legacy on individual's sense of agency, positive parenting programs can help to raise awareness and address issues at the root.

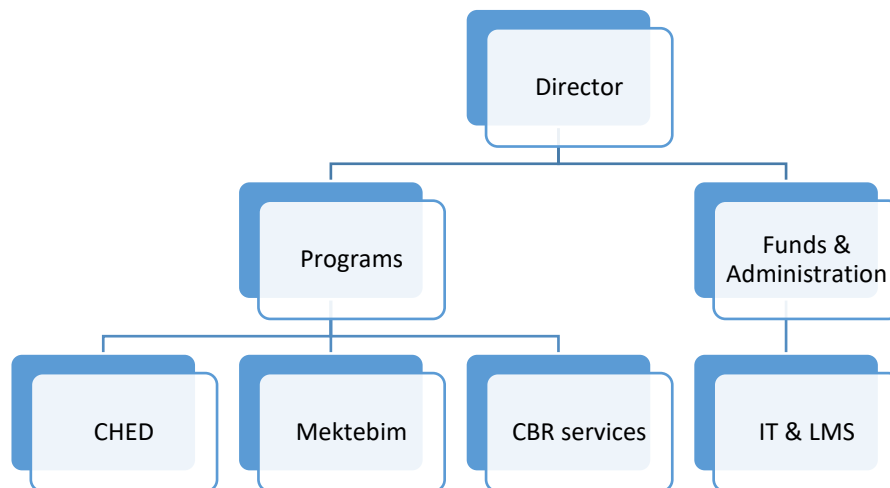
During 2020-2021, more than 1200 parents participated in online trainings with UAFA staff. These were comprehensive 8-hour workshops, split into 4 parts. This experience will flow into our further work with communities, and be re-designed into a format that can generate income under the CHED program.

Bakcell (telecoms company) has been supporting *community-based activities* with children with disabilities through UAFA for more than 10 years. Each year, this funding enables children to participate in sports, arts, dance and theatre activities that contribute towards their free expression and communication. In 2021, 110 children participated in these activities in Ganja, Khachmaz and Yasamal regions. It must also be noted that Ganja team has had significant success with their sports activities. One young man with cerebral palsy, who has been visiting the CBR centre since childhood, participated in the Tokyo ParaOlympics 2020 (held in 2021) as a result of this program.

UAFA's input to the two *children's institutions*, Saray & Shagan, shifted from management to training. When we started in 2001, UAFA staff literally performed all functions of care and rehabilitation with more than 300 children. Over the years, the institutions reformed and increased their staffing numbers, and UAFA's role shifted to *advisory and training*. In 2021, the State Rehabilitation Agency contracted to send a group of more than 20 care staff to the CHED Foundation Program. We expect the relationship to continue in this manner in 2022 and onwards.

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

### Staffing Update



Within this structure, all program staff participate in the CHED Foundation course and then perform training and management functions in relation to their particular program. By end of 2021, UAFA had 8 full-time staff, plus various consultants and volunteers in support.

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

During 2021, UAFA began to implement a new phase of the Mektebim program in partnership with the State Employment Agency and the State Agency for SMEs. With their support, 50 women received assets to the value of 5000AZN per person (approx. £2500) in the form of toys and equipment needed to start their pre-school. UAFA and partners provided all necessary training.

The year was spent working with these women to build up their small business, and provide pre-school care. This initial phase with 50 women will be evaluated in 2022 and then we will proceed to the next phase and recruit 250 more women during the course of a year.

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

The CHED Course was provided to two cohorts in 2021:

- Polyclinic staff under the regional medical system, funded by UNICEF
- Social Rehabilitation Agency, funded by State

In addition to provision of the course (average length of time 6 months per course), the CHED Faculty also completed the following activities:

- Review of course provision, to enable a shift to an online platform that will take place in 2022 – shifting to a Learning Management System will reduce the time needed to manage course administration and student management
- Review visit by Toby Long, during which collaboration meetings were held with the Pedagogical University, Medical University, State Rehabilitation Agency, State Committee for Family, Women and Children, and the State Social Services Agency

## TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)

The current Faculty includes:

Foreign-qualified: Professor Toby Long, Georgetown University US  
Tammie Lenert, Occupational Therapist, US  
Sarah Mackay, Physiotherapist, Australia  
Mirjana Madigan, Educational Psychologist, Croatia  
Selen Gunduz, Speech & Communications, Turkey  
Almaz Ismayilova, Inclusive Education, UK

Local-qualified: Ulviyya Mirzoyeva, Paediatrician/Child Development  
Zuleykha Najafova, Child Development  
Nigar Alibeyli, Child Development  
Fidan Talishli, Autism/ABA

Additionally, the UAFA Director (Gwen Burchell) has contributed to the development of an international CHED-type course for frontline workers, utilizing the experience in Azerbaijan to build relevant curriculum, course content and delivery processes. This input is contributing to training programs in Cambodia, Kenya, South Africa and India.

- **BrailleTeach**

In 2021, the GHR Foundation agreed to provide an investment grant to the value of \$215,000 to start mass manufacture in 2022. This funding will enable the social business to start sales & marketing in its first market, the US. It is agreed that profits for the first 2-3 years will flow into UAFA to support our work with children with disabilities.

- **ENJOY Chocolates LLC**

In 2021, ENJOY shifted to new premises in the Old City in Baku – this was funded through private resources and incurred no cost to UAFA or donors.

This venue housed the production and sales of the chocolates. As pandemic conditions still prevailed, our main goal with this move was to showcase the business and establish a new sales & marketing strategy. This social business has created many learning opportunities in terms of enterprise development and, whilst the business continued to be productive in terms of generating sales, it has not generated the income needed to cover the costs of a production/retail outlet.

At the end of 2021, it is clear that the traditional artisan approach will not work for Enjoy Chocolates as a social enterprise and the business model will be reviewed in 2022.



## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (Continued)**

### **Look Ahead**

2021 was a quiet year in terms of direct activities with children, as the country emerged from the pandemic and activities began to slowly return back to normal. As UAFA moves into 2022, all efforts are being given to prepare the UAFA team to shift to a social enterprise mindset, and build income generating activities into our work. This shift means a streamlining of the team away from direct practice to one of consultancy, training and empowerment of women as social entrepreneurs. The experience of 2021 has created many learning opportunities to manage this shift of mindset. During 2022, the focus will be on raising funds to invest in social enterprise development and upskilling the team so that it can manage the entrepreneurial activities, whilst still being focused on the original cause of strengthening the ecosystem around family care of children with disabilities.

### **Financial Review**

For the year ended 31 December 2021, the results show a deficit of £49,764 (2020 – surplus of £51,376) and total reserves of £41,387 (2020 – £91,151).

### **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 2021 (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:

A handwritten signature in black ink, appearing to read 'A Hopper', written over the printed name.

**Dr Amanda Hopper**  
Trustee and Chair

Date: 29 October 2022

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF UNITED AID FOR AZERBAIJAN FOR THE YEAR ENDED 31 DECEMBER 2021

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2021.

### 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: 29 October 2022

UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2021

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
<b>Income from:</b>					
Voluntary income		10,335	-	10,335	16,383
Charitable activities		90,122	-	90,122	132,753
<b>Total income</b>		<b>100,457</b>	<b>-</b>	<b>100,457</b>	<b>149,136</b>
<b>Expenditure on:</b>					
Charitable activities		80,373	69,848	150,221	97,760
<b>Total expenditure</b>		<b>80,373</b>	<b>69,848</b>	<b>150,221</b>	<b>97,760</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>20,084</b>	<b>(69,848)</b>	<b>(49,764)</b>	<b>51,376</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		21,303	69,848	91,151	39,775
<b>Total funds carried forward</b>	6	<b>41,387</b>	<b>-</b>	<b>41,387</b>	<b>91,151</b>

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

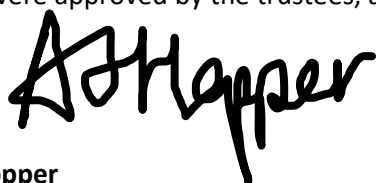
The notes on pages 12 to 14 form an integral part of these accounts.

UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2021

**BALANCE SHEET AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Current Assets</b>			
Stock		869	857
Debtors	3	31,995	35,133
Cash at bank		36,188	81,097
		<u>69,052</u>	<u>117,087</u>
<b>Creditors:</b> amounts falling due within one year	4	<u>(18,873)</u>	<u>(17,267)</u>
<b>Net current assets</b>		<u>50,179</u>	<u>99,820</u>
<b>Total assets less current liabilities</b>		50,179	99,820
<b>Creditors:</b> amounts falling due in more than one year	5	(8,792)	(8,669)
<b>NET ASSETS</b>		<u>41,387</u>	<u>91,151</u>
<b>The funds of the charity:</b>			
Restricted funds	6	-	69,848
Unrestricted income funds		<u>41,387</u>	<u>21,303</u>
		<u>41,387</u>	<u>91,151</u>

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



**Dr Amanda Hopper**  
Trustee and Chair

Date: 29 October 2022

The notes on pages 12 to 14 form an integral part of these accounts.

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **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 2021 (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:

	2021	2020
	£	£
Wages and salaries	117,830	82,755
Social security costs	1,172	-
	<u>£119,002</u>	<u>£82,755</u>

None of the employees received remuneration in excess of £60,000 (2020 – nil).

### 3. DEBTORS

	2021	2020
	£	£
Trade debtors	9,243	5,289
Accrued income	22,752	29,844
	<u>£31,995</u>	<u>£35,133</u>

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2021**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

**4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	1,590	1,255
Income received in advance	17,283	16,012
	<u>£18,873</u>	<u>£17,267</u>

**5. RESTRICTED FUNDS**

	<b>Balance at 1 Jan 2021</b>	<b>Restricted income</b>	<b>Restricted expenditure</b>	<b>Balance at 31 Dec 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Azerbaijani fund	50,158	-	(50,158)	-
US fund	19,690	-	(19,690)	-
	<u>£69,848</u>	<u>£-</u>	<u>£(69,848)</u>	<u>£nil</u>

**6. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds 2021</b>	<b>Restricted funds 2021</b>	<b>Total funds 2021</b>	<b>Total funds 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Current assets	69,052	-	69,052	117,087
Creditors due within one year	(18,873)	-	(18,873)	(17,267)
Creditors due after one year	(8,792)	-	(8,792)	(8,669)
	<u>£41,387</u>	<u>£-</u>	<u>£41,387</u>	<u>£91,151</u>