

Charity number: 1068313

# **UNITED AID FOR AZERBAIJAN**

## **TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

UNITED AID FOR AZERBAIJAN

CONTENTS

	<b>Pages</b>
<b>Reference and administrative details</b>	<b>1</b>
<b>Trustees’ annual report</b>	<b>2-8</b>
<b>Independent examiner’s report</b>	<b>9</b>
<b>Statement of financial activities</b>	<b>10</b>
<b>Balance sheet</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12-14</b>

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

**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

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 December 2022.

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

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.

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (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 2022**

UAFA continues to maintain direction with regards to its mission and objectives in Azerbaijan, namely building the ecosystem around children who are excluded from society due to poverty, location and disability.

Director's quote: *'If we want to change society, we must change the way we raise our children'* – meaning that long-term societal change is only possible when an inclusive approach to Early Childhood Development and Education (ECDE) is adopted. All stakeholders play their role and UAFA's role is to inform, influence and innovate *a paradigm shift in cultural attitudes towards how **all children** are raised, educated and prepared to become active and responsible citizens*. UAFA's team and programs achieve this vision by helping Azerbaijani women to raise a new generation of empowered, active and productive members of society that can meet the new socio-economic demands in Azerbaijan

The following three objectives continue 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

UAFA's sustainability is being modelled on the Social Enterprise approach that has been practiced with great success in countries around the world. This shift from being fully grant-funded to generating an income from social enterprise has also given the team a new perspective on planning and external communication. It has required the team to develop a new set of skills and practice in order to manage this shift in organisational development.

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

### **Report on activities for 2022**

#### **1. Digitalization of Child Development Training Programs:**

The COVID-19 pandemic changed the way organisations work and UAFA has been no exception. Prior to the pandemic, UAFA engaged in all training activities face-to-face, which was limiting both for the organisation and for participants. During the pandemic, UAFA shifted to using zoom and other online channels to start training and providing regular consultations with stakeholders. This shift meant the more people from around the country could engage with us without necessitating expensive travel and accommodation costs. However, online trainings still created limitations around timing, meaning that all training participants should be online at the same time, rather than be flexible to individual circumstances. Therefore, during 2022, UAFA has invested in the development of a Learning Management System (LMS), a platform which will give training participants the opportunity to follow the training program in their own timeframe, within the parameters of an organized course schedule.

UAFA was granted funds from EBRD to start this process, which began in September 2022, and our experienced trainers have partnered with experienced LMS developers to create the framework for an exclusive platform that will allow trainings to run concurrently; create a forum for discussions and access to a library of information. We expect this to be operational in 2023.

#### **2. Registration of Universal Access for All (UAA)**

In 2022, UAFA was awarded a grant from the GHR Foundation to invest in BrailleTeach – a device for people with visual impairments to learn the Braille 6-dot code interactively through a series of games.

This is an independent product which will be sold internationally, with a percentage of the profits being donated to support UAFA's work with children with disabilities in Azerbaijan. As UAFA is a registered charity and not permitted to trade under the Charity Commission rules, a new Charity Company has been established at Companies House in 2022, and has been submitted to the Charity Commission for registration. This Charity Company is called Universal Access for All, with the wider purposes of supporting the inclusion of people with disabilities in the UK, as well as continuing to accommodate UAFA's on-going work in Azerbaijan.

In 2023, we expect UAA to be registered with the Charity Commission in 2023, and BrailleTeach to begin production and sales in the UK and US markets initially.

#### **3. Transitioning to Social Enterprise development through existing UAFA programs, Mektebim and CHED**

With a small pilot grant from EBRD, UAFA has been building its capacity to make this transition to social enterprise development and reduce its reliance on grants and donations. This grant started in September 2022 and focuses on two UAFA long-running programs, Mektebim and CHED.

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

Mektebim: [www.mektebim.az](http://www.mektebim.az)

Mektebim is the Azerbaijani word for 'My School'. This is an inclusive pre-school incubator program in which UAFA recruits women to establish a pre-school in their community as a small business under the Mektebim brand name. Parents pay a small monthly fee for their child to attend daily play groups for 2-3 hours a day, meaning that the business can be sustainable, and the Mektebim owner pays a membership to UAFA in return for recruitment, training and on-going professional development as a pre-school leader, meaning that UAFA can sustain its incubator role, with additional grants for program development. By the end of 2022, 24 pre-schools have opened under the Mektebim brand. Assets (toys and equipment) have been provided through a partnership with the State Employment Agency.

CHED Foundation Course: [www.ched.az](http://www.ched.az)

UAFA established this Azerbaijani-language Foundation Course in Childhood Health, Education and Social Development in 2018, for any professional working with children aged 0-7 years, in any field. Our partner is the Centre for Child and Human Development at Georgetown University, who provide oversight to ensure that the course curriculum meets international standards. The course comprises 48 hours of lectures provided by national and international specialists, plus 15+ hours of practicum. This is a paid course at affordable price for people working in this field, and has attracted many clients from the State, private and non-profit sectors.

In order to maximize the social impact of these two programs, the objectives of this EBRD-funded pilot phase are:

1. Build an online training platform that provides opportunities for mentoring, continuous learning and networking

Please see above – this objective refers to the construction of the LMS for CHED and other training programs.

2. Develop and deliver an awareness campaign on equal opportunities and women as agents of social economic development

In order for Mektebim to grow across the country and be successful, it is essential to 'build the market', as many parents do not appreciate the value of pre-school for their children. UAFA has partnered with Azersun, which is the largest holding company in Azerbaijan, supplying food products through all the supermarket chains, including their own. Shokki Mokki is one of their products, a chocolate spread, whose customers are the Mektebim target audience. Together, we have built a large marketing campaign tied in with this product that promotes Mektebim at community level, and supports the empowerment of women as small business owners.

A 360-degree marketing campaign has been designed and started implementation during 2022, using all forms of social media, to introduce the partnership. This partnership will extend and expand in 2023.

3. Source of Non-grant revenue is designed to create long-term sustainability of UAFA's programs

In order to achieve the transition from dependency on grant funding to social enterprise development, one of the major activities during 2022 has been to work on organisational development, through capacity building of the UAFA team to be able to manage this transition. EBRD funding has been used to employ two consultants with experience in organisational and business development, to work alongside the team and build their management skills through weekly mentoring. The consultants have taken the team through a process of organisational analysis, task development and individual mentoring, in order to build the necessary policies and procedures for the programs to grow from.

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

In 2023, by the end of the grant period, we expect the team to have a set of products, policies and procedures that are comprehensive and professional and will form the foundation for program development going forwards, all designed and developed by the UAFA team thanks to their increased capacity.

### **4. Other notable activities during 2022**

#### **Impact Investment:**

In 2022, Gwendolyn Burchell MBE (UAFA Director) was invited to join a group of Azerbaijani representatives drawn from the private, public and non-profit sectors to promote the concept of Impact Investment in Azerbaijan.

*Impact investing refers to [investments](#) made into companies, organizations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. At its core, impact investing is about an alignment of an investor's beliefs and values with the allocation of capital to address social and/or environmental issues*

This group is engaging in various international events to learn more about the field with a view to establishing an Impact Fund in Azerbaijan. During 2022, we attended an Impact Hub conference in Vienna (June), presented at Impact Breakfasts (September) and participated in ecosystem research for the development of social enterprises (led by Impact Hub). As we move into 2023, we expect the plan for further development to be clarified, with the clear aim to develop and promote this approach to social and environmental causes in Azerbaijan.

#### **Research:**

In 2021, UAFA and the Dean of Education at ADA University in Baku developed a research project to investigate the leadership experiences in Early Childhood Education. In-depth interviews were held among nine community ECE leaders in remote rural areas of Azerbaijan. These interviews explored their perceptions of pedagogical leadership and quality early learning for young children. This research was then published in July 2022 as a chapter of a book that was published by Bloomsbury Academic in the UK. The book is entitled: Pedagogical Leadership in Early Childhood Education: Thinking From Across the World: Conversations From Across the World by June O'Sullivan (Author, Editor) and Mona Sakr (Author, Editor) and is available on [Amazon](#).

#### **ENJOY Chocolates – Exit Strategy**

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 was reviewed in 2022. An exit strategy presented itself – to transfer the business under the umbrella of a chain of small restaurants in Baku which have a strong social commitment. This was achieved and production has resumed, with the products being marketed through 4 popular restaurants that promote artisanal food and drink products of Azerbaijan. 50% of the profits are being directed to UAFA.



**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

### **5. Look Ahead – 2023**

In the next year, we will consolidate on the foundational activities that were conducted in 2022. The outcomes we are seeking:

- Increase in the numbers of Mektebim groups established country-wide
- Full online training capacity designed and developed to accommodate increasing numbers of participants
- Full registration of UAA and initial production and sales of 1000 BrailleTeach devices
- Strengthened capacity to manage growing social enterprise approach

### **Financial Review**

For the year ended 31 December 2022, the results show a deficit of £15,813 (2021 – £49,764) and total reserves of £25,574 (2021 – £41,387).

### **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:

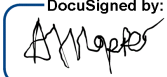
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material 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.

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

**TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (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:

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**Dr Amanda Hopper**

Trustee and Chair

9/7/2023

Date:

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF UNITED AID FOR  
AZERBAIJAN FOR THE YEAR ENDED 31 DECEMBER 2022**

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2022.

**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.

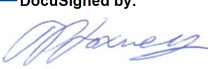
**Independent examiner's statement**

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

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Date: 9/7/2023

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£
<b>Income from:</b>					
Voluntary income		17,131	-	17,131	10,335
Charitable activities		114,810	-	114,810	90,122
<b>Total income</b>		<b>131,941</b>	<b>-</b>	<b>131,941</b>	<b>100,457</b>
<b>Expenditure on:</b>					
Charitable activities		147,754	-	147,754	150,221
<b>Total expenditure</b>		<b>147,754</b>		<b>147,754</b>	<b>150,221</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(15,813)</b>	<b>-</b>	<b>(15,813)</b>	<b>(49,764)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		41,387	-	41,387	91,151
<b>Total funds carried forward</b>	6	<b>25,574</b>	<b>-</b>	<b>25,574</b>	<b>41,387</b>

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

**UNITED AID FOR AZERBAIJAN**  
**YEAR ENDED 31 DECEMBER 2022**

**BALANCE SHEET AS AT 31 DECEMBER 2022**

		2022	2021
	Notes	£	£
<b>Current Assets</b>			
Stock		-	869
Debtors	3	-	31,995
Cash at bank		42,874	36,188
		<u>42,874</u>	<u>69,052</u>
<b>Creditors:</b> amounts falling due within one year	4	<u>(17,300)</u>	<u>(18,873)</u>
<b>Net current assets</b>		<u>25,574</u>	<u>50,179</u>
<b>Total assets less current liabilities</b>		25,574	50,179
<b>Creditors:</b> amounts falling due in more than one year	5	-	(8,792)
<b>NET ASSETS</b>		<u>25,574</u>	<u>41,387</u>
<b>The funds of the charity:</b>			
Restricted funds	6	-	-
Unrestricted income funds		25,574	41,387
		<u>25,574</u>	<u>41,387</u>

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

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**Dr Amanda Hopper**

Trustee and Chair

Date: 9/7/2023

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

**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **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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**UNITED AID FOR AZERBAIJAN  
YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	69,759	117,830
Social security costs	9,225	1,172
	<u>£78,984</u>	<u>£119,002</u>

None of the employees received remuneration in excess of £60,000 (2021 – nil).

**3. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	9,243
Accrued income	-	22,752
	<u>£nil</u>	<u>£31,995</u>

**UNITED AID FOR AZERBAIJAN**  
**YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other creditors	-	1,590
Income received in advance	17,300	17,283
	<u>£17,300</u>	<u>£18,873</u>
	<u><u>£17,300</u></u>	<u><u>£18,873</u></u>

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

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Current assets	42,874	-	42,874	69,052
Creditors due within one year	(17,300)	-	(17,300)	(18,873)
Creditors due after one year	-	-	-	(8,792)
	<u>£25,574</u>	<u>£-</u>	<u>£25,574</u>	<u>£41,387</u>
	<u><u>£25,574</u></u>	<u><u>£-</u></u>	<u><u>£25,574</u></u>	<u><u>£41,387</u></u>