

Charity number: 1068313

UNITED AID FOR AZERBAIJAN

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Amanda Hopper
	Rachel Harrison
	Arthur John Loftus Patterson
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 2023

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 December 2023.

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.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (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 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.

2023 Summary

2023 was a year of growth, seeing a major investment into our organisational development with the support of EBRD – both in terms of staff capacity and the digitalization infrastructure needed to expand our training programs to a wider audience. Running alongside this capacity building, UAFA facilitated the development of approximately 25 inclusive pre-schools as part of its Mektebim network. This represents a continuing, positive shift to social enterprise development as the organisation's sustainability strategy.

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
These values are based on the principle that all children have the right to develop to their potential, within a family setting that nurtures the child's development
2. Maintain a motivated skilled team
Training and capacity development are an integral part of UAFA's methodology, to ensure that the team are continually developing the experience and skills they need through practice and participatory planning
3. Become sustainable by the end of the year
This continues to be a key objective, as UAFA develops social enterprise models based on our unique skills, experience and community-based relationships.

Detailed Report on Activities – 2023

This report will focus on the activities funded by EBRD (European Bank of Reconstruction & Development), which has been the main funder of CHED operations during 2023, plus a short report on activities funded by Azersun Holding (Turkish Holding Company, based in Azerbaijan), which is our main partner in the Mektebim program.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

The overall aim of UAFA's funding from EBRD was to contribute towards a set of long-term outcomes that will strengthen socio-economic development in Azerbaijan, which are an extension of UAFA's 25 years' experience of working at community level. The long-term outcomes we work towards are:

1. Employment, entrepreneurship and training opportunities of excluded youth and women are increased
2. The public is more accepting of equal opportunity and the role of women as agents of socio-economic development
3. Source of non-grant revenue is designed to create long-term sustainability of UAFA's programs

The following report will focus on the key deliverables in relation to each of the above outcomes, which continue to remain viable outcomes for Phase 2 (2024-2026). This report will explain how the progress during Phase 1 is laying the foundation for Phase 2 actions.

In the short-term, during a timeframe of one year, the following short-term objectives were the main focus of activities:

1. Build an online training platform that provides opportunities for mentoring, continuous learning and networking
2. Develop and deliver an awareness campaign on equal opportunities and women as agents of social economic development
3. Source of Non-grant revenue is designed to create long-term sustainability of UAFA's programs
4. Online training platform that provides opportunities for mentoring, continuous learning and networking

The Learning Management System (LMS) is constructed in alignment with the purposes for providing online training, mentoring, networking and data management.

By end of 2023, we had a fully-designed database to manage information related to Mektebim owners and CHED training participants. In 2024, this will be incorporated into an online training platform, utilizing the UAFA website as the front-face of our programs

During 2023, we achieved the following results:

- Series of 22 training videos to accompany the CHED Foundation Course
During July and August 2023, the videos were professionally filmed and edited with additional funds received from the Chinese Embassy in Azerbaijan (5000EUR for filming, 2300EUR trainer costs; 4500EUR translation costs).

This training course is designed so that the training participants can take the classes in their own time, with the exception of Live classes, which are held each week with input from the CHED trainers in order to review learning objectives and answer questions; it takes approximately 48 hours to complete, and typically runs across 3 months.

- Pedagogical Program
All Mektebim teachers receive an initial training (12.5 hours) in Step-by-Step pedagogical methodology and then receive the written weekly program and weekly mentoring (online), to help them implement and develop their expertise through professional guidance from UAFA's team of experts.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

This program has been developed with one UAFA staff member and two experts in the Step-by-Step methodology. During Phase 1, UAFA developed strong working partnerships with the following entities:

State Employment Agency (SEA)

Already outlined above, UAFA works with the Unemployment Program within this State Agency to provide start-up assets for new Mektebim owners. This is an on-going partnership.

State Agency for Small & Medium Enterprises (KOBIA)

During Phase 1, KOBIA has allocated their trainers to provide Business trainings to help Cohort 1 to develop basic business plans and objectives and guidance on how to register their business for tax purposes. These trainings take approximately 10 hours to complete. As we move into Phase 2, we plan to amend this training so it can be provided through the LMS and tailored specifically for educational businesses. Note: the KOBIA Chairman regularly mentions Mektebim as a good example of women-led business development in his keynote speeches at conference.

Azersun Holding Company/Shokki Mokki brand partnership

Azersun is a truly committed partner and have allocated huge marketing budgets towards this aim, through partnering with their top-selling chocolate spread product for young children. Azersun also provides operational budget support of approximately 5500EUR per month, which is allocated to program staff salaries and administrative costs. This partnership is already in its second year and will continue in 2024.

These partnerships have been instrumental in helping UAFA to build the program, alongside EBRD input. We also benefit from many unofficial partnerships, donations, in-kind support and expertise as awareness of the importance of this program for Azerbaijan's future grows.

Outcome: The public is more accepting of equal opportunity and the role of women as agents of socio-economic development

Due to the limited funds available in the EBRD grant, these funds were allocated for social media planning expense. One Social Media expert provided support in building written communication plans and supported the development of the Brand Strategy and Communications Strategy.

In order to reach a wide audience with professionally designed and developed campaign material, UAFA built partnerships with USAID/CIPE and Azersun/Shokki Mokki, as mentioned above. These partnerships and the deliverables have been guided by the two Strategies, developed by the Consultant, Gafar Mejidov and the Social Media expert.

- i. Campaign material – written, visual and audio
1 set of video clips portraying women entrepreneurs as role models

Ulviya Mikailova, ECD expert and Dean of Education at ADA University

<https://www.youtube.com/watch?v=qf-WSRO1AkQ>

Nigar Alibeyli, ECD expert and director of the "Istedat" Public Union

<https://www.youtube.com/watch?v=620JyOAptns>

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

Dr. Angela Romney, Director of the International School of Azerbaijan (TISA)

<https://www.youtube.com/watch?v=LRAUVoeEv2w>

To highlight the role of the women who are opening their Mektebim businesses, Sabina AllahGuliyeva (Mektebim Kurdakhani) has appeared two times on Khazar TV show that has been broadcast weekly since September 2022:

<https://www.facebook.com/mektebimaz/videos/250390110687123>

The following media clips have been professionally filmed by Azersun and widely shared on social media platforms of Shokki Mokki, UAFA and Mektebim:

Brand building - About education at Mektebim:

<https://www.facebook.com/mektebimaz/videos/2613189878856724>

<https://www.facebook.com/mektebimaz/videos/846496910203533>

<https://www.facebook.com/mektebimaz/videos/292426729825298>

- ii. One TV series produced for mainstream channel
Six local and foreign specialists and three Mektebim entrepreneurs participated in the Happy Mornings program on Khazar TV, which were broadcast every Sunday morning from September till June. They discussed 33 different topics in the field of child development. The speeches of our entrepreneurs on the Happy Mornings program played a big role in their empowerment and greater recognition.
- iii. At least 10 workshops with general public
To deliver on this activity, it was decided between Azersun and UAFA to hold a series of roadshows in the vicinity of the Mektebim groups, in order to attract local community attention. The roadshows include speeches about Mektebim, given by each owner and one of the UAFA program team.

8 roadshows were held in June, before the summer heat began. 2 more roadshow events are planned, starting from 02 September 2023, and each one will be featured one of the most prominent social bloggers in Azerbaijan who has more than 500,000 followers across Instagram, facebook, tiktok and telegram, and a total audience reach of over 2 million people. The purpose of this collaboration is to strengthen brand awareness amongst parents of pre-school aged children.

Additionally, in-person Positive Parenting workshops (which last 3 hours) have been designed and tested with employees from Azersun and BP Azerbaijan in May/June this year. Approximately 40 parents from these companies participated and all evaluated these workshops as highly useful in their own parenting journeys. These workshops will continue as another social enterprise initiative, with the clients being corporate entities which invest in their employees. The aim is to generate income to support UAFA's long-term sustainability, as well as to raise awareness of positive parenting styles.

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

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

i. Consultancy package of materials

Time allocated:

- Twice per week, 8 times/ month, 3-hour face-to face consulting, training and mentorship sessions for 11 months
- Individual 1 hour meetings with each team member every month
- Work on the organizational structure, policy and procedures, contracts, knowledge management, reports, assessments, and data collection for an average of 4 hours per week.
- Regional visits for monitoring and assessment purposes

In October 2023, the consultant and program team prepared the following schedule of activities for growth:

1. Development of policy and procedures, code of conduct and guidelines (complete)
2. Development of products
 - a. Pedagogical Program for owners to guide them in daily activities covering every step of learning that is adjusted to the national curricula (complete)
 - b. Methodological Guide based on the Step-by-Step methodology tailored to Azerbaijani owners (2024)
 - c. Business Guide for new owners (2024)
3. Development of Services
 - a. Trainings in entrepreneurship set up and development (complete)
 - b. Trainings in pedagogical approach to child development (complete)
 - c. Early childhood development and developmental delay and Inclusivity (complete)
 - d. Mentorship in business development and pedagogical approach (partially complete)
 - e. Support with the obtainment of assets, including fundraising and partnerships (partially complete)
 - f. Marketing and community liaison (partially complete)
4. Development of Policy and Procedures, esp. Financial policy, internal and external communications policy, and chapters for the policy and procedures and the code of conduct (partially complete)
5. Organizational Management/Implementation Structure, including development of roles and responsibilities, subordination, scope of work, key performance indicators, etc. (partially complete)
6. Development of monitoring mechanism of the owner's performances (2024)

During 2023, UAFA was selected by the UNDP social enterprise development project as a key actor in this domain and, as well as inviting the program team to join workshops and make presentations, they invited UAFA to apply for a Social Enterprise Incubator project that will culminate in 2024. The teams basic business plan passed the selection process and the team is now engaged in the accelerator activities with a view to getting a small grant from UNDP to invest in our products for income generation.

FINAL OUTCOME for EBRD PHASE 1 ACTIVITIES:

By September 2023, we had 24 active members who have been running their Mektebim businesses for 1 year, and 20 new recruits, about to begin the onboarding process.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

Conclusion:

As we look ahead to 2024, our objectives remain consistent and will build on the successful outputs of 2023. We give huge thanks for all the support that keeps UAFA active and aligned with our cause:

- European Bank of Reconstruction & Development
- Azersun Holdings
- UNICEF
- Chinese Embassy
- Government of Azerbaijan

And the many individuals who continue to provide financial, in-kind and moral support that sustains the team to keep their focus on the real needs: those of underprivileged children in Azerbaijan.

Financial Review

For the year ended 31 December 2023, the results show a deficit of £9,883 (2022 – £15,813) and total reserves of £15,691 (2022 – £25,574).

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).

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (Continued)

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.

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: 22nd Oct 2024

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2023**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF UNITED AID FOR
AZERBAIJAN FOR THE YEAR ENDED 31 DECEMBER 2023**

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2023.

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: 23 October 2024

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2023**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£
Income from:					
Voluntary income		-	-	-	17,131
Charitable activities		133,607	-	133,607	114,810
Total income		133,607	-	133,607	131,941
Expenditure on:					
Charitable activities		143,490	-	143,490	147,754
Total expenditure		143,490		143,490	147,754
Transfers between funds		-	-	-	-
Net movement in funds		(9,883)	-	(9,883)	(15,813)
Reconciliation of funds:					
Total funds brought forward		25,574	-	25,574	41,387
Total funds carried forward	6	15,691	-	15,691	25,574

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

The notes on pages 13 to 15 form an integral part of these accounts.

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2023**

BALANCE SHEET AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Current Assets					
Cash at bank		<u>15,691</u>		<u>42,874</u>	
		15,691		42,874	
Creditors: amounts falling due within one year	3	<u>-</u>		<u>(17,300)</u>	
Net current assets			<u>15,691</u>		<u>25,574</u>
Total assets less current liabilities			<u>15,691</u>		<u>25,574</u>
NET ASSETS			<u>15,691</u>		<u>25,574</u>
The funds of the charity:					
Restricted funds	4		<u>-</u>		<u>-</u>
Unrestricted income funds			<u>15,691</u>		<u>25,574</u>
			<u>15,691</u>		<u>25,574</u>

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



Dr Amanda Hopper
Trustee and Chair

Date: 22nd October 2024.

The notes on pages 13 to 15 form an integral part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 (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:

	2023	2022
	£	£
Wages and salaries	63,952	69,759
Social security costs	11,189	9,225
	<u>£75,141</u>	<u>£78,984</u>

None of the employees received remuneration in excess of £60,000 (2022 – nil).

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other creditors	-	-
Income received in advance	-	17,300
	<u>£nil</u>	<u>£17,300</u>

**UNITED AID FOR AZERBAIJAN
YEAR ENDED 31 DECEMBER 2023**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

4. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Current assets	15,691	-	15,691	42,874
Creditors due within one year	-	-	-	(17,300)
	<u>£15,691</u>	<u>£-</u>	<u>£15,691</u>	<u>£25,574</u>

