



**THE KALOKO TRUST UK**

**TRUSTEES' ANNUAL REPORT & ACCOUNTS**  
**For the year ended 31 December 2010**

# The Kaloko Trust UK – Trustees’ Annual Report & Accounts 2010

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## Legal and Administrative Information

Registered Charity Name:	Kaloko Trust UK
Charity Registration Number:	1047622
Trustees:	Jim Smyllie (Chair) Jean Blackstock Domino Champe Rajesh Chaudhary Chris Clarkson (Treasurer) Amy Sheehan Dr Katy Steward Tom Ventham
Director:	Renato Gordon
Administrator:	Mark Whitaker
Principal Office:	39-41 Surrey Street Brighton East Sussex BN1 3PB 01273 766660 admin@kalokotrust.org www.kalokotrust.org
Bankers:	Lloyds Bank plc Covent Garden Branch 22-24 Southampton Street London WC2 7JB  CCLA Investment Management Ltd The CBF Church of England Funds 80 Cheapside London EC2V 6DZ  Scottish Widows Bank Plc 67 Morrison Street Edinburgh EH3 8YJ
Independent Examiner:	Amy Fox ACA CTA 67 Wedgwood House Lambeth Walk London SE11 6LN
Governing Document:	Trust Deed dated 26 June 1995

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## Structure, Governance and Management

### *Trustees and Organisational Structure*

The Kaloko Trust UK is governed by a Trust Deed, dated 26 June 1995.

Kaloko had eight Trustees at the end of 2010. It is current practice for Kaloko to recruit Trustees in the same manner it would employees. When a Trustee leaves or the existing Trustees identify a need for a further Board member, a person specification is drawn up and adverts inviting applications are placed on our website and in the local and national press. Suitable applicants are shortlisted and then interviewed, with the most appropriate applicant being asked to join the Trustees.

The Trustees serve indefinitely and from time to time visit Zambia on familiarisation and monitoring trips. New Trustees are provided with an induction both on the purpose and activities of the Kaloko Trust, and on the roles and responsibilities of a Trustee. New Trustees are also required to visit Zambia to familiarise themselves with our programme as soon as practically possible.

Kaloko’s day-to-day business is managed by the Director who reports directly to the Trustees. The Trustees meet at least quarterly with the UK Administrator and Director to make medium to long-term decisions.

### *Risk Management*

As with any organisation, Kaloko’s work involves some risks. It is one of the Trustees’ roles to ensure that these risks are managed, minimised and mitigated. To achieve this, the Trustees have worked to identify and review the major strategic, business and operational risks that the charity faces. These are assessed against their possible likelihood of occurring and their possible impact on the organisation.

The major risks have been identified as:

- Our finances: there is a continuing increase in competition for funds and supporters.
- Our partners: Kaloko works at a grassroots level with rural community organisations that often have a weak organisational capacity.
- HIV/AIDS: Zambia is deeply affected by the HIV/AIDS pandemic and it is negatively impacting on all aspects of rural livelihoods and Kaloko’s programmes.

Given the nature of Kaloko’s work the Trustees recognise that some areas of our work require the acceptance and management of risk if our key objectives are to be achieved. The Trustees have adopted, or are working to adopt, policies and frameworks to mitigate these risks. These include:

- Regular monitoring and assessment of the identified risks, through regular reports and personal visits from KTUK staff and Trustees;
- Developing a strong fundraising strategy and annual action plan;
- Working to improve our management of knowledge and information;
- Working to mainstream HIV/AIDS awareness across all areas of our work.

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## Objectives and Activities

The Kaloko Trust UK is a non-governmental, non-political, non-religious organisation established in 1995 and constituted under a Trust Deed dated 26 June 1995.

The Trust Deed defines the charity's objectives as being:

1. To relieve poverty in Zambia and other Third World countries, in particular by promoting sustainable self-help projects, advancing agriculture and other locally appropriate commerce and industry, and promoting the environmentally sustainable use of natural resources.
2. To advance the education of people living in Zambia and other Third World Countries by the provision of educational facilities.
3. To relieve sickness and protect and preserve the health of people living in Zambia and other Third World countries by the provision of health centres and medical support.

Kaloko believes that long-term sustainable development can only occur where the issues that cause poverty are addressed in an integrated approach, working in partnership with beneficiaries. Thus to date we have concentrated our resources in a single geographical area – Luansobe, Zambia - working with local communities to improve access to sufficient food, water, health, education and income.

Our current activities are categorised under the following headings:

- **Agricultural Support and Development**, which aims to raise household food security and agricultural production.
- **Natural Resource Management**, which aims to develop the sustainable use and management of local natural resources such as water and forests.
- **Community Social Development**, which aims to develop and improve access to education and health services.
- **Enterprise Development**, which aims to develop and improve appropriate local income generation opportunities, both for Kaloko and local communities.
- **Capacity Building**, which aims to help develop the capacity of our local partners in Zambia.

In order to achieve our aims during 2010 we have worked in two ways:

1. Through direct support given to programmes in Zambia, using our own staff and, where appropriate, volunteers; and
2. Through working in partnership with the Kaloko Trust Zambia (KTZ), which is an independent non-governmental organisation, established and registered in Zambia.

Our partner organisation in Zambia, KTZ, has considerable local and programme experience. They have been working since 1989 to support rural development in the Luansobe area, through a wide range of initiatives. We have worked in partnership with them since we started in 1995, and their experience and local knowledge is a vital contributor to programme success. As a separately registered and independent Zambian charity, with its own Executive Committee, the accounts of KTZ are not consolidated into Kaloko UK's accounts.

Programmes of work are decided in close consultation with both beneficiaries and KTZ staff in Zambia, and also in partnership with local communities.

Where KTZ implements programmes on our behalf, we provide them with direct support through our visiting staff and volunteers placed in Zambia. This takes the form of financial, management and administration support, programme advice and management, technical advice and the

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procurement of equipment. We also closely monitor the progress of programmes implemented on our behalf.

Kaloko continues to regularly consult with both partners and beneficiaries, and based on this, and the present poor state of the Zambian economy and local infrastructure, we believe that our support is still needed and no significant changes in our activities are currently envisaged.

## Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. We have, in the view of the Trustees, met the public benefit requirement by the provision of support to development projects in Africa, thus enabling Kaloko Trust to transform the lives of disadvantaged people. The achievements and performance of the charity are set out in this report.

## Activities, Achievements and Performance

### AGRICULTURAL SUPPORT & DEVELOPMENT

#### 1) Food Security

Small-scale farmers in the Luansobe area, Masaiti District, Copperbelt Province, Zambia face a constant struggle to grow enough maize to feed their families. With erratic rainfall, poor sandy soils and rapidly declining soil fertility, they have increasingly turned to using chemical fertilisers to maintain yields. However, with limited funds available and ever increasing fertiliser prices often the harvests do not justify the cost of the fertiliser. Many farmers are now giving up using fertiliser, and maize yields have plummeted, which has severely impacted household food supply. With few livestock there is little manure available to help maintain soil fertility; one consequence of which has been the increased rate of deforestation as farmers clear new fields. Farmers desperately need to find an alternative crop to maize that might both earn them a reasonable income, so they can buy in food, and also improve soil fertility, so that they can continue to grow other crops in a healthy rotation.

We have addressed this in several ways, most recently in a Soya Beans Cultivation Trial. Of the 14 farmers who completed the initial training in soya beans cultivation in 2009 one left the Luansobe area. The 13 remaining lead farmers were keen to conduct training under the second phase of the project and received their inputs, ie seeds and fertilisers, in early December 2009. Field visits were undertaken by the KTZ Director in February and March 2010 and his observations and those of the Government Agricultural Extension Assistant revealed the following:

- Germination rate averaged 96% in all the fields visited.
- Fertiliser was applied correctly and at the appropriate time.
- Weed control was carried out well leading to “clean fields.”

Generally the crop did well across most fields with the exception of one field that was water logged. The lead farmers in addition cultivated 0.25 ha of sugar beans. Weeding was carried out at the appropriate time by the group. Out of the planned 13 community demonstration plots only 10 were properly established. Trainees belonging to three lead farmers’ groups failed to turn up in early December. Two of the lead farmers then planted the training demonstration plots themselves. The inputs meant for training for the missing lead farmer was shared between two other lead farmers with the understanding that they would increase the number of their trainees from 10 to 15. A total of 137 new farmers participated in the on-farm training. The KTZ Director also attended the Soya Beans Group monthly meetings at which the participants planned and reviewed their

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activities. The debates were very lively with men and women contributing to the discussions. It was clearly evident that the participants were not only keen on the project but were determined that it would succeed.

In 2010 a total 1,400kg of soya was produced and it was collectively decided to use the entire harvest as seed for 100 participant farmers to plant soya-beans. The members of the group also planned to promote sugar beans as a second legume to help maintain soil fertility. Unfortunately due to problems at the local Co-op the group were not able to access the subsidised fertiliser available under a Government scheme and so it was decided that KTZ would carry over that component to the 2011/12 season. It is now planned that bean seed and fertiliser will be distributed to the members of the group in Oct/Nov 2011.

### **Future Plans**

In 2011 Kaloko Trust will:

- Recruit and send out a volunteer to research the lessons learnt from the previous Food Security project activities and continue efforts to establish a private input supply system appropriate for local farming families. KTZ have been talking to the US Peace Corps about the possibility of stationing a volunteer at Luansobe.
- Continue to research a programme to support the development of the Rainwater Catchment Tanks' irrigation potential for supporting agricultural production.
- Encourage the community, many of whom have been trained in Kaloko projects, to utilise the established infrastructure on the Kaloko campus for developing their own agri-businesses.
- Continue efforts to encourage the diversification of local agriculture away from the mono-cropping of maize towards a rotation system and including the use of small stock.

### **NATURAL RESOURCE MANAGEMENT**

Over the last 15 years there has been, and continues to be, a considerable increase in the local population at Luansobe. This has meant growing pressure on the fragile local eco-system. Water remains a major issue: rains are often erratic and unpredictable and, as the population increases, water-tables fall and wells dry up.

The forests around Luansobe play a vital role in people's lives: they provide fuel for cooking, construction materials, food (such as mushrooms and fruit), medicines, and a source of income through charcoal production. Population pressures and indiscriminate charcoal production have resulted in a significant loss of local forest.

Kaloko's work aims to address these challenges by demonstrating and promoting sustainable approaches to Natural Resource Management, which will improve livelihoods for both current and forthcoming generations.

#### **1) Water Resource Development**

In 2009/10 a hand-dug 25m deep well was started by local contractors at Upper Luesenga but was not completed. Work should continue in 2011 and the well will be lined with cement rings to stop collapse.

In late 2009 and through 2010, in a partnership between the Kaloko Trust and five communities in Luansobe, a new project drilled five boreholes and fitted them with hand-pumps. This provided 1,250 people with access to safe and adequate water. The target communities previously had to travel long distances to fetch safe water or use closer unclean sources. The project combined the benefits of boosting health status and reducing the time spent by women and girls in fetching water. Communities contributed resources such as labour and local materials and agreed the best locations. To ensure that water will be available into the future, community-elected women and

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men were trained and equipped to work together as a committee to maintain, repair and manage the water systems.

## 2) Beekeeping

Beekeeping is relatively simple to learn: there is good foraging for bees in the Luansobe area, and honey is a non-perishable product and is in high demand. In addition to this, beekeeping encourages the appreciation and conservation of natural woodland and discourages unnecessary deforestation. Consequently there is a high demand for training in beekeeping from the local community. Kaloko's philosophy is to demonstrate, train and then support. There is a demonstration apiary at KTZ's Training Centre, which is used to provide training on a 10-day residential course. On completion of the course, trainees are provided with equipment on loan and are supported through extension visits.

During 2010 training focused on extension visits and in-field practical advice given to newly established bee-farmers. Continued support was also given to the LBCS executive, especially in the areas of loan control, marketing and governance. A new membership passbook was developed and printed, which includes the individual member's record of their honey sales and loan repayments. The committee members were trained on the use and maintenance of the new honey press. In 2010 no further loans of beekeeping equipment were made to graduates of the previous trainings as all 150 trainees of the past three years have received their full sets of beekeeping equipment. A honey press was purchased and given to the LBCS executive for use in processing honey.

The LBCS contact farmers continued their field visits throughout the reporting period with 306 visits carried out. The formal monitoring and advice visits by the Kaloko Zambia Project Manager were done in May and June and were targeted at those bee-farmers trained between 2007 and 2009. The visits were both to measure the impact of the project and also to discuss and solve practical challenges which the new farmers were facing in their apiaries. In 2010 149 of the 150 farmers who had received training were visited to evaluate how they were progressing. Of these 103 had good apiaries with 323 hives and swarm boxes of which 57% were occupied by swarms, four apiaries were completely inactive and it was suggested to the LBCS that they should retrieve those hives and reallocate them. 42 farmers were classified as having poor or very poor apiaries and will receive further support and advice from the leader farmers. The most common problem was red ant attack and two new methods of control were advised and demonstrated to farmers. By the end of June 2010 the LBCS had purchased 1,600 kgs of honey and was expecting to purchase over 2,000 kgs for the winter season. Most farmers retain some honey for their own use and for local sale.

A motorcycle was bought by the project and the Project Manager will continue to assist the LBCS by visiting farmers, monitoring the continued impact of the project and providing practical advice to bee-farmers.

## Future Plans

In 2011 Kaloko Trust will:

- Complete the Upper Luesanaga well.
- Raise funds and continue with the drilling and equipping of a further six boreholes which will be fitted with hand-pumps, thus providing 1,500 people with access to safe and adequate water. Three more Water and Sanitation Committees will be trained in borehole maintenance and assisted to set up user-funds to pay for future repairs.

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- Raise funds and start a new programme of training for new beekeepers and support for the Beekeepers’ Co-operative to develop external markets for local honey. Continue to train and support the Co-op to provide extension services to beekeepers and to implement their business plan.

## ENTERPRISE DEVELOPMENT

In 2010 in partnership with the UK charity Re~Cycle and five UK Rotary clubs of District 1110, 349 second-hand bicycles were collected in the UK and loaded by members of the Romsey Test Rotary Club into a container which was then shipped to Zambia. In Luansobe these bicycles were checked, repaired and sold locally at an affordable price. This on-going project has to date enabled more than 700 rural families to carry their farm produce to market as well as more easily access important health, education and other community services. The receipts from the sale of the bicycles have been used to train six local bicycle mechanics, set up a workshop and fund the next container of bicycles.

### 1) Income Generation

The KTZ Farm Training Centre hosts a number of small-scale production units. These have demonstrated potential, provided employment and training, added value to local agricultural products and helped to diversify opportunities for local people and generate economic activity. This in turn underpins the development and support of basic social services for the wider community.

All the enterprises aim to be self-financing and so direct financial input from Kaloko was minimal in 2010. However, Kaloko has continued to provide technical, business and management support to all the enterprises and a number have played a significant role in programmes that we do directly support.

Examples of such enterprises include:

<i>Sawmill and carpentry workshop</i>	The Luansobe Carpenters’ Co-op make use of sustainable timber processing to make furniture for schools and other purposes and to generate income.
<i>Honey processing</i>	Both Kaloko staff and the Beekeepers’ Co-op utilise the equipment to process honey.
<i>Printer’s workshop</i>	A private individual now rents the equipment and has developed a private printing business.
<i>Chicken rearing house</i>	A group of HIV/AIDS affected adults is now running a commercial chicken rearing enterprise.
<i>Bicycle workshop</i>	A group of six young men were trained by a UK volunteer and have established a commercial workshop repairing bicycles.
<i>Hammer mill</i>	An individual has bought the mill and is now providing milling services to the local population.

### 2) Guest Accommodation and Volunteers

Near their offices at Luansobe Kaloko has built guest accommodation to better support the wide range of visitors to the projects. These include UK staff and Trustees, volunteers, consultants, donors and representatives of other NGOs. The accommodation was upgraded in 2008 so that Kaloko can offer good quality accommodation to up to 10 visitors at a time. This allows Kaloko to accept more volunteers and visitors in support of its projects; thus helping to increase awareness, improve outcomes and build local capacity.

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During 2010 a volunteer accountant from the UK organisation Accounting for International Development (AfID) spent two weeks working with Kaloko Zambia’s staff, training them on the better use of spreadsheets and improved accounting procedures. A student from East Anglia University studying International Development spent a month in the project area conducting a survey on the impact of past Kaloko projects and seeking views from the local community on appropriate future activities. A UK volunteer spent one term teaching English and Biology at the Luansobe Upper Basic School and a second group of students studying World Development A-level at Varndean College, Brighton, raised their own funds and travelled out to Zambia for three weeks to work on the construction of new school furniture and toilets at Kandulwe Community School. Dr Stephen Gillam from the Cambridge University Medical School visited Luansobe to look at the impact of the Kaloko health programme and to recommend future activities.

### **3) Restructuring**

In 2010 Kaloko Trust Zambia had a total of 12 full time staff of whom half were directly involved in managing projects and the other half were support staff. This core group have been effective in administering and managing the programme and have significantly reduced the administrative overheads to allow more funding to be directed towards project activities.

### **Future Plans**

In 2011 Kaloko Trust will:

- Organise another container with bicycles to be sent out to Zambia and sold at affordable prices to enable local transport and encourage the establishment of small enterprises.
- Start raising funds for the up-grade of two existing workshops to provide locations for the establishment of a carpentry and metalworking apprenticeship scheme.
- Recruit a suitably qualified and experienced volunteer who will go out to Zambia to train new entrepreneurs in simple business management practices such as keeping basic financial records, costing jobs and making quotations, stock control, health and safety, and quality control.
- Continue to support KTZ to further develop their new organisational structure and adapt it to meet present demands.
- Continue to train and support KTZ staff in the research and implementation of projects and in reporting to donors.
- Recruit and send out a volunteer accountant to assist KTZ staff on the review of their financial procedures.
- Recruit and send out two volunteer teachers to assist LUBS.
- Recruit and send out a Cambridge medical student to train RHC staff and Community Health Workers and to initiate a research project on the increasing incidence of “modern” diseases such as diabetes, hypertension and heart disease.

### **COMMUNITY SOCIAL DEVELOPMENT**

Fundamental to the long-term stability of a community is the provision of basic social services such as healthcare and education. However, Zambia is one of the poorest countries in the world, ranked 150 out of 169 countries in the 2010 Human Development Index; very little is spent on education and healthcare, and many people in rural areas have little access to medical facilities.

During 2010, the Kaloko Trust UK has continued to support a Community Social Development Programme, which aims to develop and support access to education and health services for the Luansobe community.

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## **1) Luansobe Upper Basic School (LUBS)**

Luansobe Upper Basic School, with nearly 1,000 pupils, received from Kaloko a cash grant each term. Government funding for building improvements is minimal and in 2010 Kaloko funds were used to bring mains electricity to classrooms, offices and staff houses. The school also built a bathroom block for the girls’ dormitory; painted the boys’ and girls’ dormitories; rehabilitated desks and other school furniture; put metal framed windows in classrooms and teachers’ houses; put new door frames and doors in the boys’ dormitory; provided 50% of school fees for 80 high performing children and paid the salaries of five hostel staff, as well as providing food, books and other materials to support the pupils.

## **2) Educational Scholarships**

In 2010 thirty-three previously sponsored students receive scholarships covering 50% of their school fees, enabling them to continue their education and attend local high schools.

## **3) Community School Development Programme**

Despite Kaloko’s support of the Luansobe Upper Basic School, which has increased its intake every year to date, many children are still unable to secure a place. To address this, some communities have developed their own Community Schools. These are built, run and financed by the community and operate outside the Government education system. Even with the best efforts of communities these are often in poor and temporary buildings, with unqualified and voluntary teachers and without basic teaching resources.

In 2006 Kaloko initiated a programme of support for the Community Schools within the Luansobe area. The programme works in partnership with the communities to develop suitable school infrastructure (i.e. two permanent classrooms, an office and two permanent houses for teachers at each location) and to help communities register their schools as Government schools and to secure Government support, for example Government teachers and grants for resources.

In 2010 we completed the work on our second school in Kwesha village. The purpose-built two-classroom block includes a staff office, book store and a walk-in safe for examination papers. In addition, the two new teachers’ houses have enabled the school to attract experienced Government teachers who used to be reluctant to move to Kwesha because of inadequate housing.

In 2010 Kandulwe Community School with more than 300 pupils was also given a grant each term which enabled them to buy school equipment, desks and chairs and supported other running costs.

## **4) Kaloko Crèche**

In 2010 Kaloko Crèche with 25 children used its grant to pay staff salaries, buy teaching materials and provide a daily meal for the children.

## **5) Kaloko Rural Health Centre (RHC)**

At present most of the health outreach clinics, aimed at women and children and held in the rural communities in the Luansobe area of northern Zambia, are being conducted in temporary shelters,

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derelict buildings or under trees. This creates a number of problems:

1. During the rainy season many people do not attend the clinics, which often have to be cancelled due to the lack of shelter.
2. The lack of suitable private facilities for pregnant women discourages them from attending.

The lack of suitable facilities is stopping the development of additional health services that the Rural Health Centre wishes to deliver, for example malaria testing, general consultation, health education work and HIV/AIDS counselling.

Since 2006 the Kaloko Trust has been seeking to improve the situation by implementing a programme of building six simple multi-purpose Health Outposts. The Outposts enable the staff from the local Rural Health Centre to run the routine clinics and provide more accessible and comprehensive healthcare facilities to the inhabitants of many remote villages. Each basic building has a waiting room, a consultation room and a storeroom. When not being used for health clinics the buildings are also used as classrooms for the nearby schools, adult training and general community meeting rooms.

During 2010 Kaloko has continued its support for the Kaloko RHC by building two more Health Outposts in Kwesha and Luampesa Villages.

Director of Public Health Training at the University of Cambridge, Dr Stephen Gillam, visited Luansobe in 2010 to make a thorough study of community health needs and the work of the Rural Health Centre (RHC). He reported his findings to the Kaloko Trust, making practical recommendations on how best to support future health provision in Luansobe. Examining the areas of highest need and the context in which the clinic operates, Dr Gillam focused on supporting “cost-effective priority health activities”. He stressed that the RHC is in urgent need of upgrading and is understaffed. Better facilities would attract staff and provide a stronger basis to extend the range of future services. Once repairs are complete, the report says, attention could revert to building more health outposts adapted for multiple use by the community.

### **6) Luansobe Community HIV and AIDS Programme (including Food Security)**

In 2010, building on the success of last year’s poultry-rearing training, a new project trained and equipped a further 25 HIV/AIDS infected people living out in surrounding villages who could not travel to work in the central chicken-rearing house. The project has enabled them to rear small batches of chickens at their own their homes which were then sold at local markets.

A total sum of £6,000 was raised from three Charitable Trusts towards the original £7,046 budget. Despite the shortfall it was decided to purchase the equipment for the full 50 targeted families and to start the training and equipping of the first 25 members of the HIV/AIDS Support Group. Each trainee received practical hands on training for a period of five weeks at the central chicken rearing house, which is being run by the original group established in 2009. The members of this group acted as the trainers of the new members. 500 day-old chicks were bought along with adequate food and veterinary medicines to rear them. The new trainees helped prepare and clean the area for the chicks, they were taught how to feed and treat the chickens with medicines, and the importance of keeping the feeders and drinkers clean. After a period of 27 days the trainees then took 19 chickens each back to their homes to complete the rearing process. Each trainee was also equipped with adequate equipment, feed and veterinary drugs for their first batch of chickens.

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All 25 trainees succeeded in completing the successful rearing of their chickens with no further losses and they were all sold locally for ZMK 25,000 each. Each trainee received a total of ZMK 475,000 (£66) and they have all bought 25 new day-old chicks each plus feed and medicines to rear a second batch. The initial group of trainees are now independent and will be continuing rearing subsequent batches of chickens every two or three months.

In early November 2010 the Kaloko Trust UK Director met with nine members of the first group of trainees to check on the progress of the project. The Director also visited one member to see how her family were rearing their birds.

### **7) Third Age Sponsorship**

In Sub-Saharan Africa, 40-60 percent of the estimated 13 million AIDS orphans live with their grandparents. Instead of enjoying a restful retirement, these elderly people are now struggling to care for AIDS-afflicted family members and their grandchildren on meagre incomes, often with little or no external support. At a time in life when perhaps they were expecting their own children to be taking care of them, sadly, many of those adult children have died leaving behind grandchildren too young to look after themselves. With limited means and little or no understanding of the disease, grandparents are now having to act as guardians, providing shelter and food as well as clothing the grandchildren and sending them to school. In so many cases life for both grandparent and grandchildren can be very, very difficult.

In 2009 Kaloko Trust initiated the new Grandparent Sponsorship Programme by carrying out a needs analysis amongst grandparents who were looking after orphaned grandchildren and living in the catchment area. The assessment looked at the economic status of the families and their priority needs. Findings showed that in an area which had been so affected by HIV/AIDS there were many grandparents struggling to support their orphaned grandchildren and that the economic status of these households was extremely precarious.

Following the survey a programme to support these grandparents was designed with the initial focus on supporting school-going orphans with education requisites such as books and uniforms and in 2009 four grandmothers with a total of 19 grandchildren were assisted.

As more funding became available it was decided to expand the programme in 2010 to help agricultural production and family nutrition by including support in the form of fertiliser and seed. This was given both to the initial four families and another four new households, bringing the total to seven grandmothers and one grandfather who between them are looking after 36 orphaned grandchildren.

It is hoped that as new donors join the scheme it will be possible to expand our support to the many other grandparents in the area who struggle to provide even the most basic support to their grandchildren who have already suffered the sad loss of their parents.

### **Future Plans**

In 2011 Kaloko will:

- Continue the programme of termly cash grants and material gifts from individual donors for LUBS.
- Support 80 middle-school pupils at LUBS and another 30 children who will receive High School scholarships.
- Complete the construction of a new two-classroom block at Kamabaya Community School.
- Continue the programme of termly cash grants and material gifts from individual donors for Kandulwe School.

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- Construct two more Health Outposts in Mwaitwa and Kantolo villages which will be utilised by staff from the Luansobe Rural Health Centre to hold regular outreach clinics.
- Start to raise funds to build a two-classroom block (including office, stationery store and strong-room) plus two teachers’ houses in Hillside village.
- Continue the programme of termly cash grants and material gifts from individual donors for the Crèche.
- Continue the programme to train and equip further HIV/AIDS infected people who live out in surrounding villages and cannot travel to work in the central chicken-rearing house. The programme will enable them to rear small batches of chickens at their own homes and thus take produce to their nearby markets, generate household income and develop self-reliance and a sense of self-worth.
- Continue to provide and expand support to the various projects within the Community Social Development Programme including the Third Age sponsorship programme, to assist grandparents who are looking after their grandchildren orphaned by HIV/AIDS.
- Start to raise funds for the rehabilitation of the Rural Health Centre.

### **CAPACITY BUILDING**

A major part of Kaloko Trust UK’s work continues to be building the capacity and capability of our local partner in Zambia, KTZ. This has included all areas of work and aims to help KTZ to develop as an organisation, and its staff to develop as employees. Specific ways in which we have supported capacity building in 2010 included:

- Two field visits to Zambia by the KTUK Director to support the development of KTZ’s capacity.
- Assistance given to KTZ in developing an HIV/AIDS policy.
- Regular training for KTZ staff on project design, implementation and reporting.
- Recruiting and supporting volunteers with technical skills in support of specific projects or capacity building needs.

### **Future Plans**

In 2011 KTUK will:

- Continue to support the development of KTZ’s overall management capacity, including specific support to help develop local governance, financial management and programme and project management.
- Support KTZ to implement its Strategic Plan.
- Provide a volunteer to help KTZ to update its financial procedures manual as suggested in its 2009 audit report.
- Look into other potential partners in Zambia with whom to work.

### **Financial Review**

For the third year running, and despite the difficult economic climate, overall income increased, though only by 3% on the previous year. Project implementation has also continued to expand with a rise in total charitable expenditure of 16% and it now stands at over 94% of total expenditure. Overall expenditure was also up by 14% with most of the funding going straight out to Zambia to support projects. By year end income and expenditure almost balanced with a small deficit of £554. Debtors and creditors were reduced as most of the accounts had been settled by year end. The Gift Aid claim for 2010 was the only significant creditor.

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2010

## 1) Reserves Policy

In November 2009 the Trustees reviewed the reserves policy and a target of £35K was agreed. At the end of 2010 general unrestricted funds stood at £43K (up £15K on 2009). Unrestricted income grew to over £47K (£42K in 2009). In 2010 a provision of £1,314 of unrestricted funds was made to cover the potential deficit in the Natural Resource Management funds which Kaloko Trust Zambia are due to refund to Kaloko Trust UK.

## 2) Grant Making Policy

The Trustees consider that grant making to local partners is an effective means of achieving Kaloko's objectives. Support for our partner in Zambia, KTZ, is made according to an annual plan and budget drawn up by the partner and agreed by Kaloko. The agreed budget forms the basis for the schedule of grants for the year. Progress against the plan and budget is reviewed during the course of the year and the grant schedule may be adjusted if the Trustees feel this is necessary, subject to the availability of funds.

## 3) Investment Policy

KTUK has minimal surplus funds, most of which are required in the short term for on-going operations. Trustees have agreed a policy of investing any surplus funds in a safe charities' deposit fund earning reasonable interest, which also allows rapid access.

## Funding

Without the help of our donors Kaloko's work would not be possible. We would like to thank everyone who has supported us with donations and assistance during 2010. Major donors and supporters include:

His Excellency the Zambian High Commissioner  
A & N Ferguson Trust  
CB & HH Taylor 1984 Trust  
Cumber Family Charitable Trust  
Evan Cornish Foundation  
Innocent Foundation  
Just Trust  
Mercury Phoenix Charitable Trust  
Morel Trust  
Paget Trust  
Re~Cycle  
Rhododendron Trust  
Rowan Charitable Trust  
Three Oaks Trust  
Trapnell Zambia Charities Support Fund  
Sydney E Franklin Trust  
UIA Charitable Foundation  
Acacia Accounting  
Accrington Inner Wheel Club  
Boscombe & Southbourne Rotary Club  
Farnborough Hill School  
Hendon Rotary Club

Humberside Rotary Club  
Priory Primary School  
St John the Baptist, Chipping Barnet  
Scalby School  
Scunthorpe Pentagon Rotary Club  
Sidcup Rotary Club  
Ulverston Rotary Club  
Varndean College, Brighton  
The staff at Concord Filing Products Ltd  
Mr R Barnes  
Ms A Bellamy  
Mrs J Bullock  
Dr S J Gillam  
Mrs V Glaysher  
Mr A and Mrs P Hopper  
Ms E Iavarone  
Mr and Mrs A and C Lockley  
Ms J H Maclean  
Ms S McDowall  
Mr D Plumb  
Mr and Mrs T and P Saunders  
Mr C Wedell

# The Kaloko Trust UK – Trustees’ Annual Report & Accounts 2010

## Statement of Trustees’ responsibilities for an unincorporated charity

The Trustees are responsible for preparing the Trustees’ Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. 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 judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We confirm the Annual Report and Accounts here produced comply with the requirements listed above, are approved by the Trustees, and are signed on behalf of the Trustees on:

9/8/11

(Date)



Jim Smyllie  
Chair and Trustee

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2010

## Independent Examiner's Report to the Trustees of the Kaloko Trust UK

I report on the accounts of the Trust for the year ended 31 December 2010, which are set out on pages 17-21.

### Respective Responsibilities of Trustees and Examiner

The charity's Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 43(3)(a) of the 1993 Act;
- Follow the procedures laid down in the general Directions given by the Charity Commissioners under section 43(7)(b) of the 1993 Act; and
- State whether particular matters have come to my attention.

### Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from you as Trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) Which gives me reasonable cause to believe that in any material respect the requirements to:
- Keep proper accounting records in accordance with section 41 of the 1993 Act; and
  - Prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act

have not been met; or

- (2) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed Amy Fox

Date 20/06/11

Details: Amy Fox ACA CTA  
67 Wedgwood House  
Lambeth Walk  
London SE11 6LN

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2010

KALOKO TRUST UK  
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

## 1) Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	2010 Total Funds £	2009 Total Funds £
<b>Incoming resources</b>					
Voluntary income	2	46,242	131,295	177,537	171,972
Investment income	3	1,064	-	1,064	743
<b>Total incoming resources</b>		<b>47,306</b>	<b>131,295</b>	<b>178,601</b>	<b>172,715</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Fundraising costs	4	8,007	-	8,007	9,020
<b>Charitable activities</b>					
Agricultural Support & Development	5	310	1,664	1,974	4,346
Natural Resource Management		661	3,871	4,532	20,517
Enterprise Development		8,646	64,114	72,760	44,316
Community Social Development		10,865	78,838	89,703	75,956
		20,482	148,487	168,969	145,135
<b>Governance costs</b>	6	2,179	-	2,179	2,355
<b>Total resources expended</b>		<b>30,668</b>	<b>148,487</b>	<b>179,155</b>	<b>156,510</b>
Net incoming / (outgoing) resources before transfers		16,638	(17,192)	(554)	16,206
Gross transfers between funds	12	-	-	-	-
Net incoming / (outgoing) resources	12	16,638	(17,192)	(554)	16,206
Total funds brought forward		27,259	58,136	85,395	69,189
<b>Total funds carried forward</b>		<b>43,897</b>	<b>40,944</b>	<b>84,841</b>	<b>85,395</b>

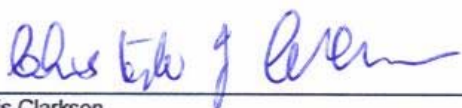
# The Kaloko Trust UK – Trustees’ Annual Report & Accounts 2010

## 2) Balance Sheet

	Notes	2010 £	2009 £
<b>Fixed assets</b>	9	-	-
<b>Current assets</b>			
Debtors	10	9,271	7,562
Cash at bank and in hand		75,781	80,703
		<u>85,052</u>	<u>88,265</u>
Creditors: amounts falling due within one year	11	211	2,870
<b>Net current assets</b>		<u>84,841</u>	<u>85,395</u>
<b>Total assets less current liabilities</b>		<u>84,841</u>	<u>85,395</u>
<b>Net assets</b>		<u>84,841</u>	<u>85,395</u>
<b>Funds</b>		2010 £	2009 £
Unrestricted income funds			
Designated		1,314	-
General	12	42,583	27,259
		<u>43,897</u>	<u>27,259</u>
Restricted income funds	12	40,944	58,136
<b>Total funds</b>	12	<u>84,841</u>	<u>85,395</u>

Approved by the Trustees on 9/8/11

Signed on behalf of the Trustees

  
 \_\_\_\_\_  
 Chris Clarkson  
 Treasurer and Trustee

# The Kaloko Trust UK – Trustees’ Annual Report & Accounts 2010

## 3) Notes to the accounts

### 1. Accounting policies

- a) The accounts of the charity are prepared in accordance with Trust Law and with the Statement of Recommended Practice “Accounting & Reporting by Charities” issued in March 2005 and with applicable accounting standards. The accounts are drawn up on the historical cost accounting basis.
- b) Income from trusts, charitable institutions and investment income (including bank interest) is accounted for on a receivable basis. Income from individuals is included when received. Gifts in kind, where donated for distribution, are included at the value to the charity and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold at the price at which they were sold. All income is shown gross of taxation recoverable.
- c) Unrestricted funds are general funds that are available for use at the Trustees’ discretion in furtherance of the objects of the charity. Unrestricted funds are further subdivided into designated and general. Designated funds are those which the Trustees have earmarked for a particular purpose. Restricted funds are those donated for a particular project or activity, the use of which is restricted to that project or activity. Income for projects includes a percentage for UK management and office costs, where permitted by the donor. This is shown as unrestricted income in the accounts.
- d) Expenditure is included when incurred. Grants to our partner organisation, Kaloko Trust Zambia, are also included when incurred. The majority of costs are attributable to specific activities. Costs of generating funds are those costs incurred in attracting voluntary income. Governance costs are those costs incurred in the governance of the charity’s assets and are primarily associated with constitutional and statutory requirements.
- e) Management and office costs are included in support costs. Support costs are apportioned to charitable activities, to costs of generating funds and to governance costs in the accounts on the basis of time spent on each activity as estimated by management.
- f) Transactions in foreign currency are translated at rates prevailing on the day of the transaction. There were no balances held in foreign currency at the year end.
- g) Fixed assets consist of office equipment which is depreciated on a straight line basis over three years. Only assets costing in excess of £100 per item are capitalised.

### 2. Voluntary income

Donation and grant income for the year is analysed by source and fund as follows, with charitable trusts grants in excess of £2,500 identified separately. Re-cycle donated 349 bicycles which were sent out to Zambia and booked at their sale value. Kaloko Trust UK received from Kaloko Trust Zambia funds raised from the bicycle sales which were then either retained to cover the costs of future bicycle shipments or allocated for use in projects for support costs.

	Unrestricted funds	Restricted funds	2010 Total	2009 Total
	£	£	£	£
Three Oaks Trust	10,000	-	10,000	17,498
A&N Ferguson Trust	-	20,000	20,000	-
Evan Cornish Foundation	-	6,610	6,610	-
innocent foundation	-	4,678	4,678	9,148
Kaloko Trust Zambia	2,972	15,154	18,126	-
Mercury Phoenix Trust	-	4,000	4,000	-
Jephcott Charitable Trust	-	-	-	7,000
Re~Cycle	-	12,310	12,310	12,429
Rowan Charitable Trust	-	4,000	4,000	4,000
Trusthouse Charitable Foundation	-	-	-	3,500
Anonymous	1,128	22,355	23,483	49,020
Other trusts	6,672	1,000	7,672	11,898
Clubs, societies and groups	2,220	7,016	9,236	17,950
Individuals	23,250	34,172	57,422	39,529
	<u>46,242</u>	<u>131,295</u>	<u>177,537</u>	<u>171,972</u>

### 3. Investment income

Investment income is wholly comprised of interest earned on deposit accounts.

### 4. Cost of generating funds

As a small charity the Kaloko Trust UK has no direct fundraising costs and the analysis below represents an allocation to fundraising of our overall support costs as set out in Note 7.

	Unrestricted funds	Restricted funds	2010 Total	2009 Total
	£	£	£	£
Support costs allocated	<u>8,007</u>	-	<u>8,007</u>	<u>9,020</u>

# The Kaloko Trust UK – Trustees’ Annual Report & Accounts 2010

## 5. Resources expended on charitable activities

The amount spent on charitable activities, including support costs, is analysed by programme activity in the table below. All grants are to our partner organisation, Kaloko Trust Zambia. Project costs are those costs incurred by Kaloko Trust UK that directly relate to programme activity.

	Grants £	Project costs £	Support costs £	2010 Total £	2009 Total £
Agricultural Support & Development	611	1,163	200	1,974	4,346
Natural Resource Management	3,386	746	400	4,532	20,517
Enterprise Development	41,062	27,594	4,104	72,760	44,316
Community Social Development	64,236	20,162	5,305	89,703	75,956
	<u>109,295</u>	<u>49,665</u>	<u>10,009</u>	<u>168,969</u>	<u>145,135</u>

## 6. Governance costs

Governance costs for the year relate to the direct costs of Trustees’ meetings and an allocation of overall support costs as set out in Note 7. No fees were paid to Trustees in 2010 (nil in 2009) nor for the examination of the 2009 Annual Report & Accounts which was done on a voluntary basis by the external examiner (£586.50 was paid in 2009 for 2008 Accounts).

	2010 £	2009 £
Trustees’ meetings expenses	177	100
Other direct costs	-	-
Support costs allocated	<u>2,002</u>	<u>2,255</u>
	<u>2,179</u>	<u>2,355</u>

## 7. Support costs

As a small charity our support costs consist of only two elements: management (principally salaries) and general office costs. These costs have been apportioned across the work of the charity on the basis disclosed in note 1(e) as set out in the table below.

	Management £ (Time)	Office costs £ (Time)	2010 Total £	2009 Total £
Income generation	5,120	2,887	8,007	9,020
<b>Charitable activities</b>				
Agricultural Support & Development	128	72	200	265
Natural Resource Management	256	144	400	1,888
Enterprise Development	2,624	1,480	4,104	2,035
Community Social Development	3,392	1,913	5,305	7,087
	<u>6,400</u>	<u>3,609</u>	<u>10,009</u>	<u>11,275</u>
<b>Governance</b>	1,280	722	2,002	2,255
<b>Total costs allocated</b>	<u>12,800</u>	<u>7,218</u>	<u>20,018</u>	<u>22,550</u>

## 8. Employees and staff costs

The charity had two part-time employees during the period. The Administrator was based in Brighton, UK and the Director’s time was divided between the UK and Zambia.

	2010 £	2009 £
Salary costs		
Gross salaries	37,200	36,300
Employer’s National Insurance	3,299	3,202
	<u>40,499</u>	<u>39,502</u>

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2010

9. Fixed assets - equipment	Cost £	Depreciation £	Net value £
As at 1st January 2010	1,962	(1,962)	-
Additions	-	-	-
Depreciation for the year	-	-	-
<b>As at 31st December 2010</b>	<b>1,962</b>	<b>(1,962)</b>	<b>-</b>

10. Debtors	2010 £	2009 £
Income tax recoverable	8,941	7,503
Accrued income	330	59
<b>Total</b>	<b>9,271</b>	<b>7,562</b>

11. Creditors falling due within one year	2010 £	2009 £
Other creditors - PAYE	-	2,647
Accrued expenditure	211	223
<b>Total</b>	<b>211</b>	<b>2,870</b>

## 12. Fund movements

Transfers of funds between projects and/or unrestricted funds has been made according to agreements with donors:

### Transfers:

	Opening balance £	Income £	Expenditure £	Transfers £	Closing balance £
Agricultural Support & Development	-	4,995	1,664	(103)	3,228
Natural Resource Management	-	4,085	3,871	(1,528)	(1,314)
Enterprise Development	22,637	61,624	64,114	44	20,191
Community Social Development	35,498	60,591	78,837	1,587	18,839
<b>Restricted funds</b>	<b>58,136</b>	<b>131,295</b>	<b>148,486</b>	<b>-</b>	<b>40,944</b>
<b>Designated funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,314</b>	<b>1,314</b>
<b>General unrestricted funds</b>	<b>27,259</b>	<b>47,307</b>	<b>30,669</b>	<b>(1,314)</b>	<b>42,583</b>
<b>Total funds</b>	<b>85,395</b>	<b>178,602</b>	<b>179,155</b>	<b>-</b>	<b>84,841</b>

## 13. Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	-	-	-	-
Cash at bank and in hand	33,522	1,314	40,944	75,780
Net current assets (excluding cash)	9,061	-	-	9,061
<b>Total</b>	<b>42,583</b>	<b>1,314</b>	<b>40,944</b>	<b>84,841</b>