



**THE KALOKO TRUST UK**

**TRUSTEES' ANNUAL REPORT & ACCOUNTS**  
**For the year ended 31 December 2011**

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## CONTENTS

|                                                        |           |
|--------------------------------------------------------|-----------|
| <b>CONTENTS .....</b>                                  | <b>1</b>  |
| <b>LEGAL AND ADMINISTRATIVE INFORMATION .....</b>      | <b>2</b>  |
| <b>STRUCTURE, GOVERNANCE AND MANAGEMENT .....</b>      | <b>3</b>  |
| <b>OBJECTIVES AND ACTIVITIES.....</b>                  | <b>4</b>  |
| <b>PUBLIC BENEFIT .....</b>                            | <b>5</b>  |
| <b>ACTIVITIES, ACHIEVEMENT AND PERFORMANCE .....</b>   | <b>5</b>  |
| <b>AGRICULTURAL SUPPORT &amp; DEVELOPMENT .....</b>    | <b>5</b>  |
| 1) Food Security .....                                 | 5         |
| <b>NATURAL RESOURCE MANAGEMENT .....</b>               | <b>6</b>  |
| 1) Water Resource Development .....                    | 6         |
| 2) Beekeeping .....                                    | 6         |
| <b>ENTERPRISE DEVELOPMENT .....</b>                    | <b>7</b>  |
| 1) Income Generation.....                              | 7         |
| 2) Guest Accommodation and Volunteers.....             | 8         |
| 3) Restructuring.....                                  | 8         |
| <b>COMMUNITY SOCIAL DEVELOPMENT .....</b>              | <b>9</b>  |
| 1) Sponsorship Programme.....                          | 9         |
| 2) Kamabaya Community School Construction Project..... | 9         |
| 3) Health Outpost Construction Project .....           | 9         |
| 4) Peer Education Project .....                        | 10        |
| 5) Third Age Programme .....                           | 10        |
| <b>CAPACITY BUILDING .....</b>                         | <b>11</b> |
| <b>FINANCIAL REVIEW .....</b>                          | <b>12</b> |
| 1) Reserves Policy .....                               | 12        |
| 2) Grant-Making Policy .....                           | 12        |
| 3) Investment Policy .....                             | 12        |
| <b>FUNDING.....</b>                                    | <b>12</b> |
| <b>STATEMENT OF TRUSTEES' RESPONSIBILITIES.....</b>    | <b>14</b> |
| <b>INDEPENDENT EXAMINER'S REPORT .....</b>             | <b>15</b> |
| <b>STATUTORY ACCOUNTS.....</b>                         | <b>16</b> |

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

## **Legal and Administrative Information**

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

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

## **Structure, Governance and Management**

### ***Trustees and Organisational Structure***

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

Kaloko had seven Trustees at the end of 2011, Mr Tom Ventham having resigned during the year. It is current practice for Kaloko to recruit Trustees in the same manner it would employees. When a Trustee leaves and/or the existing Trustees identify a need for a further member of the Trustee Board, 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 and is very dependent on the leadership of the Kaloko Trust Zambia Director.
- 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 ensure succession planning is in place and being led by the Kaloko Trust Zambia Executive Committee (KTZ EC);
- Working to mainstream HIV/Aids awareness across all areas of our work.

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 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 2011 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, and also with other Zambia-based community organisations.

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

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

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**

##### **Food Security Soya Extension Project**

Small-scale farmers in the Luansobe area, Copperbelt Province constantly 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 the harvests often do not justify the costs. Farmers desperately need an alternative crop to maize that will earn them a reasonable income, so they can buy food, and also improve soil fertility, so that they can continue to grow other crops in a healthy rotation. Dry bean cultivation offers such an opportunity.

In 2011 farmers who had participated in the on-farm training project in 2010 were assisted to plant legumes on their own farms. Dry bean seed and fertiliser was bought to enable 94 farming families to each plant a block of 0.5ha. The steering committee of the group met fortnightly and was active in drawing up the final lists of participants, negotiating with the Luansobe Beekeeper's Cooperative Society (LBSCS) and finally organising the purchase of the seed and fertiliser in Ndola. The committee also decided to include soya-bean seed grown under the previous year's project into the distribution. Shortly after the onset of rains in November 2011 the farmers reported that most had already cleared and prepared their land and were ready to plant. The distribution of the seeds and fertiliser took place in December and Kaloko Trust's project supervisor will make use of a motorcycle to visit the participating farmers to monitor progress and to provide advice where needed.

#### **Future Plans**

In 2012 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.

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

- 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 20 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: Safe Water Borehole Project**

This project was a continuation of that implemented in 2010, and in 2011 Kaloko Trust drilled a further six boreholes and fitted them with hand-pumps, thus providing 1,200 people with access to safe and adequate water. The target communities previously had to travel long distances to fetch safe water or used closer unclean sources. The project has the combined 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 sited the boreholes in locations that are most appropriate. To ensure that water will be available into the future, community-elected women and men were trained and equipped to work together as a committee to maintain, repair and manage the water systems.

### **2) Beekeeping: Beekeepers Training and Honey Marketing Project**

Subsistence farmers in rural areas of Zambia, like Luansobe have very few opportunities to generate income for their families. Those opportunities that do exist are primarily in rain-fed agriculture and charcoal production, which are respectively precarious due to irregular rainfall and environmentally damaging. Beekeeping offers a sustainable alternative that is relatively easy to undertake, is low in risk and supports the preservation of forests.

Building on the success of a training programme completed in 2010, this project trained 25 new beekeepers in 2011. Each of the new beekeepers trained by the project was provided with a starter kit of equipment to help them establish their own apiaries. The kit provided also included moulds to allow the beekeepers to manufacture mud hives, allowing them to expand their apiaries as quickly as they want. The project also worked to develop the marketing capacity of the LBCS through improving processing and packaging, exchange visits to other beekeeping groups and developing contacts with potential markets.

## **Future Plans**

In 2012 Kaloko Trust will:

- Raise funds and continue with the drilling and equipping of a further six boreholes which will be fitted with hand-pumps, thus providing 1,200 people with access to safe and adequate water.

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

At least three more Water and Sanitation Committees will be trained in borehole maintenance and assisted to set up user-funds to pay for future repairs.

- 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**

### **1) INCOME GENERATION**

#### **Bicycle Programme**

In partnership with the UK charity Re~Cycle, a third container with 416 donated second-hand bicycles collected in the UK was shipped to Zambia. These were checked, repaired and sold locally at an affordable price; demand continues very strong. This ongoing programme enables rural families to carry their farm produce to market as well as more easily access important health, education and other community services. Proceeds from the sale of bicycles were used to support the projects in Zambia and to fund the next container planned for 2012.

#### **Luansobe Carpentry and Metalworking Skills Training Project**

Kaloko Trust proposed to use an existing workshop to provide a location for the practical training of ten students each year from the nearby Luansobe Upper Basic School (LUBS).

In March 2011 it was decided to start the project by procuring the tools needed and shipping them to Zambia. Contact was made with three UK charities, and Tools for Self Reliance (TFSR) kindly donated 17 start-up kits to Kaloko Trust which were dispatched in a container to Zambia in late November 2011. On arrival in Zambia, which is expected in early 2012, Kaloko Trust Zambia will organise for the collection and transport of the tools and also pay towards the clearing costs for the container. One large carpentry/building tool-kit and one large metalwork training tool-kit were supplied to be given to the trainers as an encouragement for them to take on the student apprentices. Ten small carpentry/building tool-kits and five metalworking tool-kits were provided for the apprentices. A total of 33 boxes with 912 different tools were sent.

#### **Small Business Training Project**

A UK accountant was recruited via UK charity Accountants for International Development (AfID) and spent a month with Kaloko Zambia reviewing financial procedures and costing enterprise activities. She also ran a workshop for 19 local 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.

#### **Production Units**

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 2011. However, Kaloko has continued to provide technical, business and management support to

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

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 makes 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 rents the equipment and has developed a private printing business.                                                            |
| <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.

In 2011, medical student Alice Eldred spent a month in Zambia working at the Rural Health Clinic. She assisted in the training of volunteer health workers and researched the increasing incidence of modern diseases such as hypertension and diabetes. It is hoped that Alice will be the first of a series of Cambridge medical students who will continue the research project over the next few years. Two PE teachers from Varndean College, Brighton also spent three weeks at Luansobe Upper Basic School and three local Community schools working with staff and pupils on improving sports teaching.

## 3) RESTRUCTURING

In 2011 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 2012 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.
- Continue raising funds for the up-grade of two existing workshops to provide locations for the establishment of a carpentry and metalworking apprenticeship scheme.
- 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.

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

- Recruit and send out two Cambridge medical students to train RHC staff and Community Health Workers, and to continue with the research project on the increasing incidence of “modern” diseases such as diabetes, hypertension and heart disease.
- Recruit and send out a volunteer to review the performance of small local businesses to identify those which are successful, and assess the potential for replication and where the business owners might mentor new young aspiring entrepreneurs. Kaloko Trust UK would also like the volunteer to implement a Knowledge, Attitudes and Practices (KAP) survey as an evaluation of a recent Peer Education Project which was tailored to inform and influence young people’s attitudes to the real and present risk of HIV/Aids.
- Assist a group of students studying the World Development A-Level from Varndean College in Brighton to spend three weeks out in Zambia working on development projects in support of Mwaitwa Community School.

## **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 2011, 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.

### **1) Sponsorship Programme**

In 2011 the Sponsorship Scheme helped 1,400 children, providing scholarships to 80 middle school students, contributing classroom equipment, teaching materials and improved school buildings at three local schools. Termly cash grants were provided to Luansobe Upper Basic School, Kandulwe Community School and the Crèche. 30 children also received High School scholarships and the Rural Health Centre was assisted with a termly maintenance grant.

### **2) Kamabaya Community School Construction Project**

Too many primary school children in rural Zambia have no local school to attend or have to take their classes in temporary buildings or outside, taught by willing but unqualified volunteer teachers. Kaloko Trust together with the local communities is working to improve the provision of schools in the Luansobe area.

In 2011 Kaloko Trust built a new two-classroom block (including office, stationery store and strong-room) at Kamabaya Community School. Community mobilisation started in April 2011 and in meetings with the school staff and Parent Teacher's Association (PTA) the Kaloko Zambia Director carefully explained the plans, and the obligations of each party were agreed upon. The school chose the site for the building, located next to the existing classroom and near to a borehole and well. The PTA cleared the area and supplied bricks and sand for the construction. The two-classroom block was completed at the end of October 2011. In addition a teacher's house was roofed with tin. The new two-classroom block came into operation in the new academic year (January 2012) when it will be utilised by four classes (approx 200 children) each day in two teaching shifts.

### **3) Health Outpost Construction Project**

Most health outreach clinics held in the rural communities in the Luansobe area of northern Zambia are being conducted in temporary shelters, derelict buildings or under trees. Since 2006

## **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

Kaloko Trust has been improving the situation by implementing a programme of building simple multi-purpose Health Outposts. The Outposts enable the staff from the local Rural Health Centre to run 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 used as classrooms for the nearby schools, adult training and general community meeting rooms.

In 2011 two more Health Outposts were constructed, in Mwaitwa and Kantolo villages, allowing Rural Health Centre staff to hold regular outreach clinics for 2,000 inhabitants.

### **4) Peer Education Project**

A significant proportion of young people in the Copperbelt Province do not have a comprehensive knowledge of HIV/Aids transmission, have sexual intercourse before they attain 18 years and engage in high-risk sex. Luansobe Upper Basic School (LUBS) and the three Community Schools in the area supported by Kaloko Trust have nearly 2,000 students. Many young people do not recognise the potential consequences of ignoring this threat, nor how they might adapt their behaviour to improve their life chances. Kaloko Trust sought to reach out to the emerging generation by implementing a tailored Peer Education Project to inform and influence their attitudes to this risk. Peer education is based on the reality that many people make changes not only based on what they know, but on the opinions and actions of their close, trusted peers. Using a highly interactive approach, the project focused on life skills training specifically for teen pregnancy reduction, HIV/Aids prevention, substance abuse, and rape. This programme is being delivered to children over 14 years of age for two years at the four schools in the Luansobe area.

In 2011, 12 LUBS school leavers attended a five-day training on HIV/Aids and how to deliver the appropriate messages. Five of the best students were selected to work on the peer education programme which commenced in May 2011. 259 students then attended 16 training sessions delivered May to July 2011. The Kaloko UK Director and two Three Oaks Trustees (the donors) attended one session held at LUBS in late June and were impressed by the delivery of the messages and the interactive nature of the session.

### **5) Third Age Programme**

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.

Launched in 2009 the Granny Sponsorship scheme has been steadily growing and in 2011 assisted eight grandparents looking after 29 orphaned school-going grandchildren who received uniforms and educational materials. To help the grandparents provide food for the family each also received maize seed and fertiliser with which they cultivated 0.25ha. The local Agriculture Extension Assistant based at KTZ visited each farm twice to offer extension services and in July 2011 the eight families harvested a total of 8.55 tonnes of maize, which was sufficient to feed each family for a year and for some to have a surplus to sell.

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

## **Future Plans**

In 2012 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 two teachers' houses at Kamabaya Community School.
- Continue the programme of termly cash grants and material gifts from individual donors for Kandulwe School.
- Construct two more Health Outposts in Lumombwe and Kasamwa villages which will be used by staff from the Luansobe Rural Health Centre for regular outreach clinics.
- Raise funds to build a two-classroom block (including office, stationery store and strong-room) plus two teachers' houses in Mwaitwa 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.
- Complete the rehabilitation of the Rural Health Centre.
- Assist the Kandulwe PTA to complete the construction of a second two-classroom block.

## **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 2011 included:

- One field visit to Zambia by the KTUK Director to support the development of KTZ's capacity.
- 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 2012 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.
- Look into other potential partners in Zambia with whom to work.

# **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

## **Financial Review**

For the fourth year running, and despite the difficult economic climate, overall income increased, this time by 14% on the previous year. Overall expenditure was up by 5% with most of the funding going straight out to Zambia to support projects. Project implementation has continued to expand with a rise in total charitable expenditure of 4% and it now stands at 94% of total expenditure. By year end, income exceeded expenditure by £16,021. Debtors and creditors were once again further reduced with most of the accounts settled by year end. The Gift Aid claim for 2011 which will only be received in mid-2012 was the only significant debtor.

### **1) Reserves Policy**

In November 2009 the Trustees reviewed the reserves policy and a target of £35K was agreed. At the end of 2011 general unrestricted funds stood at £58K (up £16K on 2010). Unrestricted income grew to £55K (£47K in 2010). In 2011 a provision of £1,362 of unrestricted funds was made to cover the potential deficit in the Natural Resource Management funds which Kaloko Trust Zambia, having overspent on an earlier project, 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 UK. 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 2011. Major donors and supporters include:

Acacia Accounting  
Ammco Trust  
Barfield School  
Boscombe & Southbourne Rotary Club

CB & HH Taylor 1984 Trust  
Charles Hayward Foundation  
Dr J Amery  
Dr S J Gillam

## **The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011**

Eleanor Rathbone Charitable Trust  
Evan Cornish Foundation  
Farquhar-Oliver Trust  
Greendale Charitable Trust  
His Excellency the Zambian High Commissioner  
Holmfirth Methodist Church  
Humberside Rotary Club  
Just Trust  
Knightswood Trust  
Morel Trust  
Mr A and Mrs P Hopper  
Mr R Barnes  
Mr T Kelly  
N Smith Charitable Trust  
Oakdale Trust

Paget Trust  
Re~Cycle  
Rhododendron Trust  
Rowan Charitable Trust  
St John the Baptist, Chipping Barnet  
Stamford Burghley Inner Wheel Club  
Sydney E Franklin Trust  
The staff at Concord Filing Products Ltd  
Three Oaks Trust  
UIA Charitable Foundation  
Varndean College, Brighton  
WF Southall Trust  
Whitchurch Rotary Club

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 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:

29/5/12 (Date)

  
Jim Smyllie  
Chair and Trustee

## 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 2011, which are set out on pages 16-20.

### 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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- Follow the procedures laid down in the general Directions given by the Charity Commissioners under section 145(5)(b) of the 2011 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 130 of the 2011 Act; and
- Prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 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 15/05/12

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

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 1) Statement of Financial Activities

|                                                      | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2011<br>Total<br>Funds<br>£ | 2010<br>Total<br>Funds<br>£ |
|------------------------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>Incoming resources</b>                            |       |                            |                          |                             |                             |
| Voluntary income                                     | 2     | 53,768                     | 148,443                  | 202,211                     | 177,537                     |
| Investment income                                    | 3     | 1,288                      | -                        | 1,288                       | 1,064                       |
| <b>Total incoming resources</b>                      |       | <b>55,056</b>              | <b>148,443</b>           | <b>203,499</b>              | <b>178,601</b>              |
| <b>Resources expended</b>                            |       |                            |                          |                             |                             |
| <b>Cost of generating funds</b>                      |       |                            |                          |                             |                             |
| Fundraising costs                                    | 4     | 9,668                      | -                        | 9,668                       | 8,007                       |
| <b>Charitable activities</b>                         |       |                            |                          |                             |                             |
| Agricultural Support & Development                   | 5     | 857                        | 4,878                    | 5,735                       | 1,974                       |
| Natural Resource Management                          |       | 905                        | 5,622                    | 6,527                       | 4,532                       |
| Enterprise Development                               |       | 13,285                     | 70,384                   | 83,669                      | 72,760                      |
| Community Social Development                         |       | 12,200                     | 67,246                   | 79,446                      | 89,703                      |
|                                                      |       | 27,247                     | 148,130                  | 175,377                     | 168,969                     |
| <b>Governance costs</b>                              | 6     | 2,432                      | -                        | 2,432                       | 2,179                       |
| <b>Total resources expended</b>                      |       | <b>39,347</b>              | <b>148,130</b>           | <b>187,477</b>              | <b>179,155</b>              |
| Net incoming / (outgoing) resources before transfers |       | 15,709                     | 313                      | 16,022                      | (554)                       |
| Gross transfers between funds                        | 12    | -                          | -                        | -                           | -                           |
| Net incoming / (outgoing) resources                  | 12    | 15,709                     | 313                      | 16,022                      | (554)                       |
| Total funds brought forward                          |       | 43,897                     | 40,944                   | 84,841                      | 85,395                      |
| <b>Total funds carried forward</b>                   |       | <b>59,606</b>              | <b>41,257</b>            | <b>100,863</b>              | <b>84,841</b>               |

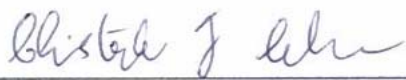
# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 2) Balance Sheet

|                                                | Notes | 2011<br>£         | 2010<br>£         |
|------------------------------------------------|-------|-------------------|-------------------|
| <b>Fixed assets</b>                            | 9     | <u>-</u>          | <u>-</u>          |
| <b>Current assets</b>                          |       |                   |                   |
| Debtors                                        | 10    | 8,345             | 9,271             |
| Cash at bank and in hand                       |       | <u>92,720</u>     | <u>75,781</u>     |
|                                                |       | 101,065           | 85,052            |
| Creditors: amounts falling due within one year | 11    | 202               | 211               |
| <b>Net current assets</b>                      |       | <u>100,863</u>    | <u>84,841</u>     |
| <b>Total assets less current liabilities</b>   |       | <u>100,863</u>    | <u>84,841</u>     |
| <b>Net assets</b>                              |       | <u>100,863</u>    | <u>84,841</u>     |
| <b>Funds</b>                                   |       | <b>2011<br/>£</b> | <b>2010<br/>£</b> |
| Unrestricted income funds                      |       |                   |                   |
| Designated                                     |       | 1,362             | 1,314             |
| General                                        | 12    | <u>58,244</u>     | <u>42,583</u>     |
|                                                |       | 59,606            | 43,897            |
| Restricted income funds                        | 12    | 41,257            | 40,944            |
| <b>Total funds</b>                             | 12    | <u>100,863</u>    | <u>84,841</u>     |

Approved by the Trustees on 29/5/12

Signed on behalf of the Trustees

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

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 3) Notes to the accounts

### 1. Accounting policies

- 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.
- 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 (GIK), 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.
- 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.
- 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.
- 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
- 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.
- 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 418 bicycles which were sent out to Zambia and booked at a fixed GIK value of £13,000. 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 | 2011 Total     | 2010 Total     |
|-----------------------------|--------------------|------------------|----------------|----------------|
|                             | £                  | £                | £              | £              |
| Three Oaks Trust            | 10,000             | 5,300            | 15,300         | 10,000         |
| Charles Hayward Foundation  | -                  | 15,000           | 15,000         | -              |
| A&N Ferguson Trust          | -                  | -                | -              | 20,000         |
| Evan Cornish Foundation     | -                  | 7,505            | 7,505          | 6,610          |
| innocent foundation         | -                  | -                | -              | 4,678          |
| Kaloko Trust Zambia         | 7,772              | 7,028            | 14,800         | 18,126         |
| Greendale Trust             | -                  | 7,500            | 7,500          | -              |
| Farquhar-Oliver Trust       | 6,000              | -                | 6,000          | -              |
| Mercury Phoenix Trust       | -                  | -                | -              | 4,000          |
| Re~Cycle                    | -                  | 13,000           | 13,000         | 12,310         |
| Rowan Charitable Trust      | -                  | 5,000            | 5,000          | 4,000          |
| Anonymous                   | 1,421              | 48,224           | 49,645         | 23,483         |
| Other trusts                | 5,800              | 4,575            | 10,375         | 7,672          |
| Clubs, societies and groups | 4,074              | 6,947            | 11,021         | 9,236          |
| Individuals                 | 18,701             | 28,364           | 47,065         | 57,422         |
|                             | <b>53,768</b>      | <b>148,443</b>   | <b>202,211</b> | <b>177,537</b> |

### 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 | 2011 Total   | 2010 Total   |
|-------------------------|--------------------|------------------|--------------|--------------|
|                         | £                  | £                | £            | £            |
| Support costs allocated | <b>9,668</b>       | <b>-</b>         | <b>9,668</b> | <b>8,007</b> |

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 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 | 2011 Total     | 2010 Total     |
|------------------------------------|----------------|---------------|---------------|----------------|----------------|
|                                    | £              | £             | £             | £              | £              |
| Agricultural Support & Development | 4,502          | 839           | 395           | 5,736          | 1,974          |
| Natural Resource Management        | 5,538          | 540           | 450           | 6,528          | 4,532          |
| Enterprise Development             | 53,849         | 24,053        | 5,788         | 83,688         | 72,780         |
| Community Social Development       | 62,349         | 11,622        | 5,475         | 79,446         | 89,703         |
|                                    | <b>126,238</b> | <b>37,054</b> | <b>12,086</b> | <b>175,378</b> | <b>168,969</b> |

## 6. Governance costs

Governance costs for the year relate to the direct costs of Trustees' meetings (refreshments) and an allocation of overall support costs as set out in Note 7. No fees were paid to Trustees in 2011 (nil in 2010) for the examination of the 2011 Annual Report & Accounts which was done on a voluntary basis by the external examiner.

|                             | 2011         | 2010         |
|-----------------------------|--------------|--------------|
|                             | £            | £            |
| Trustees' meetings expenses | 15           | 177          |
| Other direct costs          | -            | -            |
| Support costs allocated     | <u>2,417</u> | <u>2,002</u> |
|                             | <b>2,432</b> | <b>2,179</b> |

## 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    | Office costs | 2011 Total    | 2010 Total    |
|------------------------------------|---------------|--------------|---------------|---------------|
|                                    | £             | £            | £             | £             |
| Basis of apportionment             | (Time)        | (Time)       |               |               |
| <b>Income generation</b>           | 7,412         | 2,258        | 9,668         | 8,007         |
| <b>Charitable activities</b>       |               |              |               |               |
| Agricultural Support & Development | 303           | 92           | 395           | 200           |
| Natural Resource Management        | 345           | 105          | 450           | 400           |
| Enterprise Development             | 4,420         | 1,348        | 5,768         | 4,104         |
| Community Social Development       | 4,197         | 1,278        | 5,475         | 5,305         |
|                                    | <u>9,265</u>  | <u>2,821</u> | <u>12,086</u> | <u>10,009</u> |
| <b>Governance</b>                  | 1,853         | 564          | 2,417         | 2,002         |
| <b>Total costs allocated</b>       | <b>18,530</b> | <b>5,641</b> | <b>24,171</b> | <b>20,018</b> |

## 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.

|                               | 2011          | 2010          |
|-------------------------------|---------------|---------------|
|                               | £             | £             |
| Salary costs                  |               |               |
| Gross salaries                | 39,150        | 37,200        |
| Employer's National Insurance | <u>3,476</u>  | <u>3,299</u>  |
|                               | <b>42,626</b> | <b>40,499</b> |

# The Kaloko Trust UK – Trustees' Annual Report & Accounts 2011

## 9. Fixed assets - equipment

|                                 | Cost<br>£    | Depreciation<br>£ | Net value<br>£ |
|---------------------------------|--------------|-------------------|----------------|
| As at 1st January 2011          | 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

|                        | 2011<br>£    | 2010<br>£    |
|------------------------|--------------|--------------|
| Income tax recoverable | 8,030        | 8,941        |
| Accrued income         | 315          | 330          |
| <b>Total</b>           | <b>8,345</b> | <b>9,271</b> |

## 11. Creditors falling due within one year

|                        | 2011<br>£  | 2010<br>£  |
|------------------------|------------|------------|
| Other creditors - PAYE | -          | -          |
| Accrued expenditure    | 202        | 211        |
| <b>Total</b>           | <b>202</b> | <b>211</b> |

## 12. Fund movements

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

### Transfers:

|                                    | Opening<br>balance<br>£ | Income<br>£    | Expenditure<br>£ | Transfers<br>£ | Closing<br>balance<br>£ |
|------------------------------------|-------------------------|----------------|------------------|----------------|-------------------------|
| Agricultural Support & Development | 3,228                   | 2,500          | 4,878            | 0              | 850                     |
| Natural Resource Management        | (1,314)                 | 5,574          | 5,622            | 0              | (1,362)                 |
| Enterprise Development             | 20,191                  | 64,564         | 70,384           | 0              | 14,371                  |
| Community Social Development       | 18,839                  | 75,805         | 67,246           | 0              | 27,398                  |
| <b>Restricted funds</b>            | <b>40,944</b>           | <b>148,443</b> | <b>148,130</b>   | <b>0</b>       | <b>41,257</b>           |
| <b>Designated funds</b>            | <b>1,314</b>            | <b>0</b>       | <b>0</b>         | <b>47</b>      | <b>1,362</b>            |
| <b>General unrestricted funds</b>  | <b>42,583</b>           | <b>55,056</b>  | <b>39,348</b>    | <b>(47)</b>    | <b>58,244</b>           |
| <b>Total funds</b>                 | <b>84,841</b>           | <b>203,499</b> | <b>187,478</b>   | <b>0</b>       | <b>100,863</b>          |

## 13. Analysis of net assets between funds

|                                     | Unrestricted<br>£ | Designated<br>£ | Restricted<br>£ | Total<br>£     |
|-------------------------------------|-------------------|-----------------|-----------------|----------------|
| Tangible fixed assets               | -                 | -               | -               | -              |
| Cash at bank and in hand            | 50,101            | 1,362           | 41,257          | 92,720         |
| Net current assets (excluding cash) | 8,143             | -               | -               | 8,143          |
| <b>Total</b>                        | <b>58,244</b>     | <b>1,362</b>    | <b>41,257</b>   | <b>100,863</b> |