THE KALOKO TRUST UK

TRUSTEES' ANNUAL REPORT & ACCOUNTS
For the year ended 31 December 2013

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2013

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The Kaloko Trust UK – Trustees' Annual Report & Accounts 2013

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
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 Villers House 48-49 Strand London WC2N 5LL
	CCLA Investment Management Ltd COIF Charity Funds Senator House 85 Queen Victoria Street London EC4V 4ET
	Scottish Widows Bank plc 67 Morrison Street Edinburgh EH3 8YJ
	United Trust Bank 80 Haymarket London SW1Y 4TE
Independent Examiner:	Amy Fox FCA CTA 253 Devonshire Road Forest Hill London SE23 3NS
Governing Document:	Trust Deed dated 26 June 1995

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2013

Structure, Governance and Management

Trustees and Organisational Structure

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. Kaloko had seven Trustees throughout 2013. 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, are expected to visit Kaloko to be inducted in our work there, and from time-to-time visit Zambia on further familiarisation and monitoring trips; two Trustees visited Zambia in 2013 and met with Kaloko Trust Zambia senior management. 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.

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 identified, 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 which often have a weak organisational capacity, and is very dependent on the quality of local leadership in Zambia.

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 to Zambia from KTUK staff and Trustees;
- Developing a strong fundraising strategy and annual action plan;
- Working to improve our management of knowledge and information.

Objectives and Activities

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 – the Luansobe/Luankili valley, and more recently also the neighbouring Kashitu, Zambia - working with local communities to improve access to sufficient food, water, health, education and income.

Our activities are categorised under the following headings:

- **Agricultural Support and Development**, which aims to improve 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 woodlands.
- **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 2013 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 KTZ 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 Board, 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 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. In recent years Kaloko Trust Zambia (KTZ) has steadily extended its area of operation to include Kashitu, a neighbouring district to the east of Luansobe. Here, rural communities confront many of the same difficulties and challenges as those identified in Luansobe over the past two decades. Kashitu, a large district with severe deforestation from years of charcoal production, has little in the way of social infrastructure, having only one school with permanent buildings and a single health centre serving the widely-spread population of 25,000. Safe drinking water is scarce, health is poor, school places fall far short of demand and economic opportunities are few. Over the past three years, KTZ has worked in partnership with a local Kashitu charity, the New Renato Community Organisation[1].

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.

[1] *Named after Father Renato Kizito Sesana, an Italian Catholic parish priest in Kashitu in the 1970s*

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Activities, Achievements and Performance

In 2011, following a survey to determine which past activities have had the most impact and what were the current community needs, Kaloko Trust reviewed its activities and decided to expand its area of operation to include the nearby area of Kashitu. So as to better communicate to donors and other interested parties Kaloko Trust UK has sought to bring focus to its operations by summarising its activities as follows;

Goals

1. Improved access to education
2. Improved access to health services
3. Improved access to clean water
4. Improved household food security

Key Indicators of Success – What Kaloko is Aiming to Achieve

1. 95% of eligible children attend basic (primary) school <30 minutes walk from home
2. 95% of families receive regular health consultations
3. 85% of families can access clean water <15 minutes from home
4. 85% of families access income > value of Basic Needs Basket[2]

Key Concerns

1. Quality of education
2. Quality and frequency of health service delivery
3. That water systems are community maintained
4. Agricultural production and income generation opportunities diversified

Cross-Cutting Issues

1. Community ownership/sustainability
2. Gender
3. Environment
4. Youth
5. HIV/Aids

AGRICULTURAL SUPPORT & DEVELOPMENT

1) Food Security Legume Extension Project

Small-scale farmers in the Luansobe area of 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 repay input costs. Farmers desperately need an alternative crop to maize that will earn them a reasonable income, so they can use the money generated by selling their surplus to buy food. It also needs to be a crop which will build up nitrogen and so improve soil fertility, so that they can continue to grow other crops in a healthy rotation. Dry bean cultivation offers such an opportunity. In 2013, 15 leader farmers were appointed to demonstrate how to produce dry beans, on their own farms, to friends and neighbours. Using their own seed and fertiliser provided by the project, they worked with 114 trainees. During the growing season extension support was offered. KTZ staff made a series of visits for the following purposes: to ensure that trainers had recruited trainees; to physically check the field before distribution of the inputs; to inspect sowing progress; to inspect if germination had started in some fields; to check the formation of bean pods due to the early end of the rainy season; to check if some farmers had started harvesting and finally to determine the final yield of beans from the 2012/2013 agricultural season. After harvest, a total of 1,075kg of dry

[2] *The Basic Needs Basket is a monthly survey, done in the nearby city of Ndola by the Jesuit Centre for Theological Reflection, of the cost of essential food and non-food items that comprise the bare-minimum basket of goods and services needed for a family of six to survive with a decent and healthy standard of living (Dec 2012 = £305/month).*

beans was delivered to the group coordinating committee who decided in 2013/14 season to plant 10 hectares and expand the programme to target 280 new trainees.

Future Plans

In 2014 Kaloko Trust will:

- Continue efforts to encourage the diversification of local agriculture away from the mono-cropping of maize towards a rotation system incorporating legumes and root crops and include the use of small stock though a new Goat Stocking Project.

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 recent years, and in 2013 Kaloko Trust drilled a further three boreholes and fitted them with hand-pumps, thus providing 600 people with access to safe and adequate water (in Luini, Sokoloko and Kasokela villages). 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: Beekeeper Training and Honey Marketing Project

Subsistence farmers in rural areas of Zambia, like Luansobe have very few opportunities to generate income for their families. The opportunities that do exist are primarily in rain-fed agriculture, which is precarious due to irregular rainfall; and charcoal production, which is 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 an earlier training programme, the Beekeeping Project trained 16 new beekeepers in the Kashitu area in 2013. 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 continued work to develop the marketing capacity of the Luansobe Beekeepers' Cooperative Society through improving processing and packaging, exchange visits to other beekeeping groups and developing contacts with potential markets.

Future Plans

In 2014 Kaloko Trust will:

- Raise funds and continue with the drilling and equipping of a further seven boreholes which will be fitted with hand-pumps, thus providing a further 1,400 people with access to safe and adequate water. At least four 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 continue the 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.
- Develop an agro-forestry project assisting local groups to grow and plant fruit trees.

ENTERPRISE DEVELOPMENT

1) INCOME GENERATION

Bicycle Programme

In partnership with the UK charity Re~Cycle, two more containers with 880 donated second-hand bicycles collected in the UK were shipped to Zambia. These were checked, repaired and sold locally at an affordable price; demand continues to be 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 and will fund the delivery costs of further containers.

Luansobe Carpentry and Metalworking Skills Training Project

In past years many of the young people have moved away from the farms in Luansobe to the main Copperbelt towns to receive skills training and apprenticeships, and have then remained there to look for work. In 2010 a mains electricity supply finally reached the community in Masaiti District, Copperbelt Province, Zambia, and the nearby main road has recently been tarred. These important infrastructural developments have opened up a range of new economic opportunities for the population of this primarily subsistence farming area. People are investing in building brick houses, opening shops, putting in doors and windows and other infrastructure improvements. There are more bicycles, water hand-pumps and furniture. There now exists a real demand in the area for young people to be trained in appropriate practical skills like building, carpentry and metalworking and to set up their own small local businesses to service the local community, but they need the opportunities and support to do so.

In 2013, using Kaloko Trust infrastructure projects such as the construction of schools and health outposts, Kaloko Trust arranged for local skilled artisans to take on short-term apprentices for a period of six months each, providing appropriate on-the-job training. Using tools donated by the UK charities Tools for Self Reliance, WORKAID and Tools with a Mission, a total of nine young trainees (six builders and three metal workers) worked on Kaloko building projects. At the end of the period of practical experience each received a starter kit to enable them to work and then set up their own business. The teacher/artisans were also paid with tool kits.

Production Units

The KTZ Farm Training Centre hosts a number of small-scale production units which are now being rented out to local entrepreneurs. All the enterprises aim to be self-financing. Kaloko has continued to provide technical, business and management support to the enterprises and a number have played a significant role in programmes that we do directly support.

Examples of such enterprises include:

Sawmill and carpentry workshop	The Luansobe Carpenters' Co-op makes use of sustainable timber processing to make furniture for schools and other purposes and to generate income.
Honey processing	Both Kaloko staff and the Beekeepers' Co-op utilise the equipment to process honey.
Printer's workshop	A private individual rents the equipment and has developed a private printing business.
Poultry rearing shed	A local farmer has been rearing chickens for meat.

Bicycle workshop	A group of young men were trained by a UK volunteer and have established a commercial workshop repairing bicycles.
Piggery	A local farmer is renting the building and rearing pigs.

Future Plans

In 2014 Kaloko Trust will:

- Organise three further containers 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 to support the building, carpentry and metalworking apprenticeship scheme.

2) GUEST ACCOMMODATION AND VOLUNTEERS

Near their offices at Luansobe, Kaloko has built guest accommodation to house the wide range of visitors that come to the projects, including UK staff and Trustees, volunteers, consultants, donors and representatives of other NGOs. In 2013 the accommodation was used by visiting KTUK donors and staff, two medical students from Cambridge University, a volunteer accountant from the UK and several Finnish volunteers working on a sanitation project. In 2014 KTUK plans to recruit and send out two more Cambridge medical students to work with the Health Centre staff and conduct their medical research projects.

3) STAFFING STRUCTURE AND CAPACITY BUILDING

In 2013 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 administrative or technical 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. A major part of Kaloko Trust UK's work continues to be building the capacity and capability of KTZ to help them to develop as an organisation, and the staff to develop as employees. A volunteer accountant from the UK charity Accounting for International Development spent a month out in Zambia working with KTZ staff and the KTZ Board on improving their annual accounts and how to better interpret and utilise the Annual Audit Report.

Future Plans

In 2014 KTUK will:

- Implement two field visits to Zambia by the KTUK Director to monitor the projects, meet the beneficiaries and support the development of KTZ's capacity to manage and report on activities.
- Continue to train and support KTZ staff in the research and implementation of projects and in reporting to donors.
- Recruit and support volunteers with technical skills in support of specific projects or capacity building needs.
- 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 the appropriate elements of its development strategy.
- Look into other potential partners in Zambia to deliver projects in which they have expertise and can complement KTZ's skills base.

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 163 out of 187 countries in the 2013 UN Human Development Index, very little is spent on education and healthcare, and many people in rural areas have little access to medical facilities. During 2013, 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 2013 the Sponsorship Scheme helped over 1,400 children, providing scholarships to 80 middle school students, contributing classroom equipment, teaching materials and improved school buildings at four local schools. Termly cash grants were provided to Luansobe Upper Basic School (LUBS), Kandulwe Community School and the Crèche. 35 children also received High School scholarships and the Rural Health Centre (RHC) was assisted with a termly maintenance grant. The RHC is located next door to LUBS and the nursing staff provide important health services to the over 1,000 pupils, the teaching staff and their families living at or near the school.

2) 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. The Kaloko Trust together with the local communities is working to improve the provision of community schools in the Luansobe area. In 2013 Kaloko Trust in partnership with the local communities built two new two-classroom blocks (including office, stationery store and strong-room) at Kandulwe and Makango Community Schools. Enrolment at Makango has expanded from 113 in 2013 to 132 in 2014 and Makango now also has its first qualified Government salaried teacher.

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 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 RHCs 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, for adult training and as general community meeting rooms. In 2013 Kaloko constructed a new Health Outpost in Kuboko village, allowing RHC staff to hold regular outreach clinics for 1,000 local people. In the past six years Kaloko Trust has constructed a total of nine new Health Outposts.

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 the threat of HIV/Aids, 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 at four schools in the Luansobe area. In 2013 five ex-students who were selected to work on the Peer Education Project. It was decided to appoint a teacher as a mentor in each of the four schools to be reached and that the mentor would ensure that schools were organised and ready for the training. More than 950 students attended the 40 training sessions delivered in 2013. The project outputs of the first two years were confirmed through a Knowledge, Attitudes and Practice Survey conducted after the completion of the project in late 2012. This identified the following impacts of the project:

- Young people who are not having sexual intercourse were provided with the skills to delay sexual intercourse and teenage pregnancy.
- Young people were prevented from becoming infected with HIV.
- Young people were provided with facts about sexual health, pregnancy, STDs, and HIV/Aids
- There was an improvement in the decision-making skills of young people.
- Communication improved between boys and girls, between friends, between young people and their parents and their community.
- Young people were provided with the information and skills required to face peer pressure around the use of non-prescription drugs and alcohol.
- Young people were provided with the skills they require to make well informed choices about their sexual behaviour.

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, on meagre incomes, to care for Aids-afflicted family members and their grandchildren, often with little or no external support. Sadly many of their 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 difficult indeed. The Granny Sponsorship scheme has been steadily growing and in 2013 assisted 11 grandparents and their 32 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.

Future Plans

In 2014 Kaloko will:

- Continue the programme of termly cash grants and material gifts from individual donors for LUBS, Kandulwe and the Crèche, whilst recruiting more sponsors to support the new community schools of Kwesha and Kamabaya.
- Support 80 middle-school pupils at LUBS and another 20 children who will receive High School scholarships.
- Construct three more Health Outposts in Kembamba, Luesanaga and Lwimba villages which will be used by staff from the Luansobe and Kashitu Rural Health Centres for regular outreach clinics.
- Raise funds to build two teachers' houses at Makango School.
- Continue the programme to train and equip further HIV/Aids infected people who live out in surrounding villages 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.

Financial Review

Despite the difficult economic climate, overall income increased this year by 12%. Overall expenditure was up by 14% with most of the funding going straight out to Zambia to support projects. Project implementation has continued to expand with a 14% rise in total charitable expenditure which continues to stand at 94% of total expenditure. By year end, income exceeded expenditure by £9,596. Debtors and creditors remain minimal with most of the accounts settled by year end. The Gift Aid claim for 2013 which will only be received in mid-2014 was the only significant debtor.

1) Reserves Policy

In November 2009 the Trustees reviewed the reserves policy and a minimum target of £35,000 was agreed. In 2013 unrestricted income dropped to £34,399 and by the end of the year general unrestricted funds had fallen by almost £5,000 to £62,856. Although this is still significantly above the minimum target level, the fundraising climate remains precarious and trustees feel that unrestricted reserves levels may be further challenged in 2014. In 2013 a provision of £259 of unrestricted funds was made to cover the potential deficit in the funds which Kaloko Trust Zambia, having overspent on earlier Natural Resources Management projects, 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 2013. Major donors and supporters include:

A&N Ferguson Trust
Ammco Trust
Bower Trust
Eleanor Rathbone Charitable Trust
Equitable Charitable Trust
Evan Cornish Foundation
Greendale Charitable Trust
Just a Drop
Mercury Phoenix Charitable Trust
Morel Trust
N Smith Charitable Trust
Oakdale Trust
Open Gate Trust
Paget Trust
Purley Overseas Trust
Re~Cycle
Scott Bader Commonwealth Limited
Souter Charitable Trust
UIA Charitable Foundation
Varndean College
Vitol Charitable Foundation
Woodward Trust
Mr Robert Barnes
Mr Mike Dobson
Dr Stephen Gillam
Mr Mike and Mrs Lisa Green
Mr Alan Hopper
Mr Tom Kelly
Ms Andrea Shawcross

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:

24/4/14 (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 2013, which are set out on pages 14-17.

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 19/03/14

Details: Amy Fox FCA CTA
253 Devonshire Road
Forest Hill
London SE23 3NS

KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1) Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	2013 Total Funds £	2012 Total Funds £
Incoming resources					
Voluntary income	2	33,485	208,489	241,974	214,887
Investment income	3	914	0	914	1,746
Total incoming resources		34,399	208,489	242,888	216,633
Resources expended					
Cost of generating funds					
Fundraising costs	4	11,014	0	11,014	10,149
Charitable activities	5				
Agricultural Support & Development		47	2,053	2,100	1,429
Natural Resource Management		347	4,138	4,485	2,439
Enterprise Development		18,436	90,832	109,268	113,839
Community Social Development		10,726	92,891	103,617	74,963
		29,556	189,914	219,470	192,670
Governance costs	6	2,808	0	2,808	2,573
Total resources expended		43,378	189,914	233,292	205,392
Net incoming / (outgoing) resources before transfers		-8,979	18,575	9,596	11,241
Gross transfers between funds	12	0	0	0	-
Net incoming / (outgoing) resources	12	-8,979	18,575	9,596	11,241
Total funds brought forward		72,094	40,010	112,104	100,863
Total funds carried forward		63,115	58,585	121,700	112,104

2) Balance Sheet

	Notes	2013 £	2012 £
Fixed assets	9	229	0
Current assets			
Debtors	10	7,016	8,825
Cash at bank and in hand		114,666	103,482
		121,682	112,307
Creditors: amounts falling due within one year	11	211	203
Net current assets		121,471	112,104
Total assets less current liabilities		121,700	112,104
Net assets		121,700	112,104

Funds		2013 £	2012 £
Unrestricted income funds			
Designated		259	4,331
General	12	62,856	67,763
		63,115	72,094
Restricted income funds	12	58,585	40,010
Total funds	12	121,700	112,104

Signed on behalf of the Trustees

Chris Clarkson
Treasurer and Trustee

Approved by the Trustees on

24/4/2014

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KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 (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 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 £5,000 identified separately. Re-cycle donated bicycles which were sent out to Zambia and booked at a fixed GIK value of £15,000. 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	2013 Total	2012 Total
	£	£	£	£
Three Oaks Trust	0	0	0	11,500
Trusthouse Charitable Foundation	0	0	0	7,364
Peruzzi, E.L.M.	0	0	0	12,826
Evan Cornish Foundation	0	7,500	7,500	0
Kaloko Trust Zambia	7,140	11,581	18,721	20,380
Greendale Trust	0	8,000	8,000	0
Vitol Charitable Foundation	1,203	15,910	17,113	0
Mercury Phoenix Trust	0	8,000	8,000	5,000
Re-Cycle	0	33,000	33,000	15,000
Rowan Charitable Trust	0	0	0	20,000
Wilmslow Wells for Africa	0	0	0	7,364
Marr-Munning Trust	0	0	0	5,204
A&N Ferguson Trust	0	30,000	30,000	0
Equitable Charitable Trust	0	19,964	19,964	0
Just a Drop	0	14,728	14,728	0
Varndean College	0	10,951	10,951	0
Souter Charitable Trust	0	7,000	7,000	0
Anonymous	0	0	0	29,157
Other trusts	4,100	10,200	14,300	11,950
Clubs, societies and groups	2,580	7,441	10,021	9,383
Individuals	18,462	24,214	42,676	59,759
	33,485	208,489	241,974	214,887

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	2013 Total	2012 Total
	£	£	£	£
Support costs allocated	11,014	0	11,014	10,149

KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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	2013 Total	2012 Total
	£	£	£	£	£
Agricultural Support & Development	1,692	270	138	2,100	1,429
Natural Resource Management	3,608	602	275	4,485	2,439
Enterprise Development	65,947	36,437	6,884	109,268	113,839
Community Social Development	82,373	14,773	6,471	103,617	74,963
	153,620	52,082	13,768	219,470	192,670

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 2013 or for the examination of the 2012 Annual Report & Accounts which was done on a voluntary basis by a qualified external examiner.

	2013	2012
	£	£
Trustees' meetings expenses	54	36
Support costs allocated	2,754	2,537
	2,808	2,573

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	2013 Total	2012 Total
	£	£	£	£
Basis of apportionment	**(Time)**	**(Time)**		
Income generation	7,719	3,295	11,014	10,149
Charitable activities				
Agricultural Support & Development	96	42	138	127
Natural Resource Management	193	82	275	127
Enterprise Development	4,825	2,059	6,884	4,694
Community Social Development	4,535	1,936	6,471	7,738
	9,649	4,119	13,768	12,686
Governance	1,930	824	2,754	2,537
Total costs allocated	19,298	8,238	27,536	25,372

8. Employees and staff costs

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

		2013	2012
		£	£
Salary costs	Gross salaries	43,947	41,100
	Employer's National Insurance	3,728	3,634
		47,675	44,734

KALOKO TRUST UK
ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

9. Fixed assets - equipment	Cost	Depreciation	Net value
	£	£	£
As at 1st January 2013	1,962	-1,962	0
Additions	343	0	343
Depreciation for the year	0	-114	-114
As at 31st December 2013	**2,305**	**-2,076**	**229**

10. Debtors	2013	2012
	£	£
Income tax recoverable	6,971	8,447
Accrued income	45	378
Total	**7,016**	**8,825**

11. Creditors falling due within one year	2013	2012
	£	£
Accrued expenditure	211	203
Total	**211**	**203**

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	0	2,600	2,053	0	547
Natural Resource Management	-1,331	5,210	4,138	0	-259
Enterprise Development	22,933	82,125	90,832	0	14,226
Community Social Development	18,408	118,554	92,891	0	44,071
Restricted funds	40,010	208,489	189,914	0	58,585
Designated funds	4,331	0	1,971	-2,101	259
General unrestricted funds	67,763	34,399	41,407	2,101	62,856
Total funds	**112,104**	**242,888**	**233,292**	**0**	**121,700**

13. Analysis of net assets between funds	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Tangible fixed assets	229	0	0	229
Cash at bank and in hand	55,822	259	58,585	114,666
Net current assets (excluding cash)	6,805	0	0	6,805
Total	**62,856**	**259**	**58,585**	**121,700**