



KALOKO TRUST UK

TRUSTEES' ANNUAL REPORT & ACCOUNTS
For the year ended 31 December 2018

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

CONTENTS	1
LEGAL AND ADMINISTRATIVE INFORMATION	2
STRUCTURE, GOVERNANCE AND MANAGEMENT	3
OBJECTIVES AND ACTIVITIES	3
PUBLIC BENEFIT	4
ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE	4
COMMUNITY SOCIAL DEVELOPMENT	4
1) Safe Water Boreholes	4
2) Community School Sanitation Project	5
3) Sponsorship Project	6
4) Third Age Agricultural Programme	6
5) HIV Aids Awareness Peer Education Project	7
6) Female-Headed Households Goat Rearing and Swapping Project	7
7) Beekeeping Training and Honey Marketing	8
8) Volunteer Support from Varndean College	9
ENTERPRISE DEVELOPMENT	9
1) Income Generation – Bicycle Programme	9
2) Production Units	10
CAPACITY BUILDING	10
FINANCIAL REVIEW	10
Risk Management	10
Investment Policy	11
Grant-Making Policy	11
Reserves Policy	11
FUNDING	11
STATEMENT OF TRUSTEES' RESPONSIBILITIES	13
INDEPENDENT EXAMINER'S REPORT	14
STATUTORY ACCOUNTS	15

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

Legal and Administrative Information

Registered Charity Name:	Kaloko Trust UK
Charity Registration Number:	1047622
Trustees:	Jim Smyllie (Chair) Keith Davies Jean Blackstock (Resigned 18 April 2018) Domino Champe Rajesh Chaudhary Natasha Holland (Resigned 29 September 2018) Emma Iavarone Peter Thompson (Resigned 16 November 2018)
Director:	Jane Cockerell (Resigned 12 December 2018)
Administrator:	Mark Whitaker
Principal Office:	39-41 Surrey Street Brighton, East Sussex BN1 3PB 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
	United Trust Bank One Ropemaker Street London EC2Y 9AW
	Barclays Bank PLC Leicester LE87 2BB
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 2018

Structure, Governance and Management

Trustees, Officers 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's Trustees meet quarterly with the UK Administrator and Director to ensure good governance and sound strategic direction for the organisation. The work in Zambia is interrogated and impact assessed, the finances reviewed and performance of the staff appraised. Salaries are set annually by the Board of Trustees taking into account inflation, individual performance, funding availability and industry comparisons.

The Trustees serve indefinitely and new Trustees are provided with an induction both on the purpose and activities of the Kaloko Trust UK, and on the roles and responsibilities of a Trustee. There were no new Trustees appointed in 2018 and there were three resignations for personal reasons (moving out of the country, family responsibilities). More Trustees will be recruited in 2019.

Through 2018 Kaloko UK's day-to-day business was managed by the Director, Jane Cockerell, reporting directly to the Trustees, with particular support and supervision being given by the Chair of Trustees. Due to other commitments and three years in the role, Jane formally resigned at the Board meeting on 12 December 2018 and the Director position was advertised from 19 December 2018.

Objectives and Activities

Our Mission

Kaloko Trust works to relieve poverty and improve lives in rural communities of Zambia. We work with local partners and communities to improve access to food, water, health, education and income through effective, appropriate and sustainable development projects that harness the power of partnership to empower and change lives.

Kaloko UK believes that long-term sustainable development can only occur where the issues that cause poverty are addressed in an integrated approach, and when working in partnership with beneficiaries. To date we have concentrated our resources in a single geographical area in the Copperbelt – the Luansobe/Luankili valley, and more recently also the neighbouring Kashitu area in the Central Province - working with local communities to improve access to sufficient food, water, health, education and income.

Our activities are categorised under the following headings:

Sustainable Community Social Development, including projects of work relating to

- household food security and agricultural production
- sustainable use and management of local natural resources
- access to education and health services, including water

Enterprise Development, which aims to develop and improve local income generation opportunities, both for Kaloko and local communities.

Capacity Development, non-financial support and guidance for partners, currently the Kaloko Trust Zambia (KTZ) team, through UK staff and volunteers.

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

Our main partner organisation in Zambia, Kaloko Trust Zambia (KTZ), has considerable local community development and programme delivery 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. 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 funding and capacity building support through our visiting staff and volunteers placed in Zambia.

As well as providing financial, management and administration support, plus programme and technical advice, we also visit regularly to closely monitor the progress of programmes implemented on our behalf. Kaloko UK 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 KTZ has steadily extended its area of operation to include Kashitu, a neighbouring district to the east of Luansobe; and over the past four years has worked in partnership with a local Kashitu charity, the New Renato Community Society (NRCS).

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, transforming the lives of disadvantaged people. The achievements and performance of the charity are set out in this report.

Activities, Achievements and Performance

2018 was another year of solid delivery for our work in Zambia. The year's projects and their results are set out below:

SUSTAINABLE COMMUNITY SOCIAL DEVELOPMENT

1) Safe Water Boreholes

New Sites

Since 2013, Kaloko Trust has assisted many rural communities by providing clean water in centralised locations through drilling boreholes. This project has brought clean and safe drinking water to over one thousand families, reducing water-borne diseases such as common diarrhoea, typhoid, dysentery, cholera and bilharzia. Furthermore, the time spent by women and girls in fetching water from remote and often unsafe water sources has been minimized, allowing for more time to be dedicated to farm activities or studying. Communities contribute resources such as labour and local materials, while Kaloko supports them to establish, train and equip local Water Management Committees to oversee the operation and maintenance. Water Management Committee functions include the collection of user fees, monitoring the condition of the pump and organising for any pump maintenance and repair.

Kaloko has grown its water and sanitation programme year by year, and in 2018 we provided seven new boreholes in the villages of Chibukisho, Hosanna, Kawama, Kutemwa, Malembeleka, Minkwempe and Sibanda,

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

within the Luansobe and Kashitu area. The local communities contributed to choosing the sites for the new boreholes, ensuring the site was as appropriate as possible for those who would directly benefit. Travelling times to obtain water have reduced from 60-120 minutes to a maximum of 20-30 minutes for those furthest afield, and old facilities and water sources no longer need to be used.

A WASHE (water and sanitation health education) training programme was delivered to the water committees, teaching the importance of hand washing, latrine cleanliness, clean drinking water and safe practice regarding food and garbage.

Each hand-pump serves up to 250 people, so the 41 provided in the past seven years means that up to 10,250 rural inhabitants have access to clean, safe water. In 2018 alone, beneficiaries totalled approximately 1,284 people.

Future plans: In 2019 Kaloko Trust plans to drill and equip five more boreholes for communities in the Luansobe, Kashitu and Mpongwe areas.

Borehole Refurbishment

In a new project for 2018 Kaloko UK and Just A Drop supported NRCS (New Renato Community Society) to refurbish five government boreholes at Mamfunda, Renato School, Kapu, Mpumpule and Nkobama in Kashitu District.

Although the Government has over the years drilled and equipped many boreholes in the rural areas, they have failed to train the local inhabitants on how to manage and repair the boreholes and hand pumps. Consequently, many hand pumps are now standing broken and families have resorted again to using unsafe water, with a consequent jump in the prevalence of water-borne diseases.

In this project, the hand-pumps and aprons were assessed in detail and then appropriately repaired. The water and sanitation committee was re-established for each site and underwent comprehensive training in repair and maintenance of the hand pump and also in water, sanitation and hygiene. The Committee were trained to collect user fees on an ongoing basis and keep accounts of income and expenditure to carry out future repairs. The borehole was then handed back to the community with a clear understanding of their responsibilities.

Future plans: In 2019 Kaloko Trust will assess the effectiveness of this project and potentially scope out future sites that need support in 2020.

2) Community School Sanitation Project

Poor sanitation in school impairs children's growth and development and has a negative impact on a student's ability to concentrate and learn. A lack of sanitary facilities and consumables reduces school attendance and retention, with children absent because of diarrhoea and girls embarrassed to attend school during their menstruation period.

Kaloko's school sanitation project aims to eliminate open defecation and problems associated with managing menstruation. Kwesha Community and Luansobe Upper Basic schools were in urgent need of latrine and handwashing facilities as existing facilities were both full and very unhygienic. Four high-quality gender-segregated latrines and sanitation blocks were installed at both locations with large 3m-deep pits, spacious interiors with small changing areas for the girls, and additional hand washing facilities. A total of 708 students benefit from these new facilities – 394 from Kwesha and 312 from Luansobe.

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

Kaloko also distributed disposable sanitary pads for 377 girls over 12 years old, which were gratefully received by the school and students and immediately had a significant impact on girls' attendance in class through the month.

Kaloko also initiated a partnership with the organisation 'Days for Girls'. Varndean College (from Brighton UK) volunteers carried 100 reusable pad kits from the UK in July and helped give training to teachers and senior students on the use and care of the reusable towels. Distribution was piloted for the rest of the term and feedback was very positive, with requests for more kits to be provided to the girls.

Future plans: In 2019 Kaloko Trust plans to expand the school sanitation project to Fibawe Primary School. A local sewing cooperative will increase the production of washable sanitary pads to improve availability for female students and minimise the environmental impact of the project.

3) Sponsorship Programme

In 2018 the class sponsorship programme, which assists over 2,270 pupils at Luansobe Upper Basic School (LUBS), Kandulwe and Kwesha Primary Schools and the Kaloko Crèche, funded text books and teaching materials, school food and sporting activities, plus scholarships for middle school students. The sponsorship programme focused on the more remote and poorly-resourced primary schools in Kandulwe and Kwesha. Kaloko has an average of six sponsors per class, which we try to ensure are spread evenly across the 29 classes at the four schools.

Following a generous donation by the Friends of Alfie Harbord, the crèche benefitted from a new children's play area, new murals and decoration, as well as the renovation of one of its classrooms, creating a safe and conducive learning and playing environment for its sixty pupils.

Future plans: In 2019 Kaloko hopes to increase the number of sponsors for two rural primary schools at Kandulwe and Kwesha villages, whilst continuing support for LUBS.

4) Third Age Agricultural Programme

Zambia has one of the world's most devastating HIV and Aids epidemics. Thirteen per cent of adults in Zambia, many in the productive age group of 18 to 45, are living with HIV. Children have been much affected by the Aids epidemic and in 2016 there were over 380,000 Aids orphans in the country. In sub-Saharan Africa, it's estimated that 40-60 percent of Aids orphans will live with their grandparents, and many in Zambia are left with only their grandmothers as female heads of household. With limited means and little or no understanding of the disease, grandmothers act as guardians, providing shelter, food and clothing for their grandchildren and sending them to school.

Most rural inhabitants are subsistence farmers and although often old and infirm, the elderly still need to work in the fields. With no other source of income, the crops and animals produced on their land are often the family's only means of sustenance.

In 2018, the Kaloko Trust grew our ongoing agricultural project, assisting another 12 grandmothers and their 60 dependents in Fifungo community by providing a year's supply of maize seed, tools and fertilizer per family – with the beneficiaries providing input as to which seeds would be most appropriate. These women were

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

given agricultural skills training with the aim of improving their productivity, and were able to overcome challenges throughout the season including dealing with inconsistent rainfall and pests destroying the crops.

Following extensive research into the approach, Kaloko Trust also piloted a ‘conditional cash handouts’ aspect of the project. Each female head of household received cash totaling £45 over the course of 9 months, upon passing checks for accountability for previous funds. They were able to spend this money on their grandchildren’s school fees, purchases towards their farming activities, household items such as cooking necessities, and health purposes. The project was carefully monitored and analysis at the end indicated that nearly half of the money was spent towards the children’s education.

Future plans: In 2019 Kaloko Trust will further expand both the food security and cash handout aspects of this project for 20 more grandmothers looking after Aids orphans in the Luansobe area.

5) HIV AIDS Awareness Peer Education Project

Although many adults die of HIV/AIDS in the Copperbelt region, often young people have a very limited understanding of the disease and the ways in which it is spread. Traditional beliefs prevent families from talking about sex education in the home, and what little information there is available is not designed for youngsters. This results in young people engaging in unprotected sex from an early age – a significant problem since the region’s schools have nearly 3,000 students. Kaloko Trust’s project provides highly interactive peer education on this sensitive topic, on the basis that the opinions and actions of trusted peers are more likely to genuinely influence lifestyle choices.

Throughout 2018, almost 1,400 10-16-year-old pupils at Kandulwe, Luansobe and Kwesha schools received peer-to-peer education about HIV/AIDS from six youth facilitators, discussing HIV contraction, prevention, drug use and peer pressure, adolescence and relationships, stigmatisation and dealing positively with HIV-positive status. Knowledge ratings increased from 66.5% of students initially having no or limited knowledge of all training domains, to 75.7% of students possessing sufficient HIV knowledge to stay safe. Furthermore, 3,000 condoms were distributed amongst local schools, clinics and other public places such as bars and markets.

Future plans: It is hoped that two more schools will benefit from this project in 2019 and we will enhance the approach to incorporate drama, comedy and other elements that the students will find engaging.

6) Female-Headed Households Goat Rearing and Swapping Project

Many of the poorest families in the Luansobe area are female-headed households, often Aids widows looking after their children or grandchildren orphaned by the disease. Living in remote rural communities, these elderly women have limited economic opportunities. Kaloko Trust started a small goat stocking project in 2014, targeting 20 elderly women looking after their orphaned grandchildren. This project has gone from strength to strength; in 2016, we supported 40 widows and in 2017 another 32.

In 2018 Kaloko Trust delivered a five-day course in goat rearing to 26 female heads of household from Kakamonde in the Luansobe Area. Women were taught to look after, feed and medicate goats, and to build elevated pens to keep the animals safe overnight. The training saw knowledge on goat rearing, practice, risk prevention and financial management increase significantly, with 100% of participants demonstrating a significant level of competency in record keeping and financial management.

To support the training, Kaloko purchased and distributed 52 goats to half of the 26 participants. Each selected family received one male and three female goats. The women were then grouped into pairs, with those in the

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

first group being expected to hand over the first male and three female kids (after they were weaned) to their paired participant by the end of December. The women start to sell the goats once they have over 10 in total, increasing general household stability.

Additionally, follow-up advice was given to those women who had started this goat rearing programme in previous years, with encouragement being given to repair shelters, continue the pass-on agreement with their paired family, and share data on goat sales to monitor the success of this project. A Chair was elected for each group to ensure adherence to the terms of the project – particularly the ‘pass on’ rule – and meet regularly with Kaloko Project Officers to report on progress and any challenges.

One of the additional benefits noted has been the level of peer support and social cohesion that the project has facilitated. The population density is low in this area of Zambia, and as such, people can become isolated. These groups provided opportunities to connect and communicate with others in similar situations.

Future plans: In 2019 Kaloko Trust will assist more families should funding become available.

7) Beekeeping Training and Honey Marketing

Beekeeping

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 ecosystem. The forests 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. However, population pressures and indiscriminate charcoal production have resulted in a significant loss of local forest.

Subsistence farmers in rural areas of Zambia like Kashitu have very few opportunities to generate income for their families. Beekeeping offers a sustainable alternative that is relatively easy to undertake, is low in risk and supports the preservation of forests.

Kaloko Trust has been running Beekeeping projects since 2014, and in 2018 20 female farmers were selected to receive 10 days of beekeeping training in April, in time to catch wild bees and establish apiaries. Apart from the technical aspects of beekeeping, the course also included training in mud hive manufacture, training in loans and financial management, education on HIV/AIDS and a field trip to visit a successful local beekeeper. Each trainee was provided with a beekeeping starter kit of the following; 2 wooden hives with waterproof membrane to protect from rain, a mould for making mud hives, swarm box, smoker, bucket, veil and a pair of gloves – enough to establish their own apiary.

After the training, one volunteer ‘contact farmer’ was identified from each area to carry out extension support for the trainees at regular intervals throughout the two-year post-training period. Extension work will support both technical and non-technical aspects of beekeeping - for example in making mud hives, advice on loan repayments and on sales of honey.

Access to markets

In order to support previously trained beekeepers, raw honey is currently being bought back by Kaloko, in order to sell on to larger scale buyers. With the trained beekeepers totalling around 1400 across local communities, annual production of honey is reaching up to 10,000kg. With this growth of supply exceeding demand, further markets were surveyed, including supermarkets and exporters with stricter processing and packaging standards.

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

As a result, in 2018, Kaloko Trust Zambia constructed a simple honey processing and packaging workshop to support the trained beekeepers with a route to market for their honey. The equipment installed was four honey presses to squeeze out the honey, a refractometer to check moisture content, a honey storage tank, honey buckets, packaging materials, a label printer, and dust coats.

Towards the end of 2018 the pace of sales of the packaged honey was increasing steadily, particularly via the new small office in Kapiri Mposhi.

Future plans: In 2019 Kaloko Trust will continue to investigate all options to access further markets for sale of the local beekeepers' honey.

8) Volunteer Support from Varndean College

In 2018 the students and teachers from Varndean College expanded their support for Kaloko Projects. They visited for two weeks in July and were involved in latrine and school furniture construction at Kwesha Community School, and assisted with lessons in Luansobe Upper Basic School.

In addition, a number of the female teachers and students trained in the Days For Girls sanitation project methodology. They, alongside Kaloko's Project Officer, trained 50 girls and teachers in sustainable menstrual care and health education and distributed reusable sanitary pad kits for a pilot project.

Following the early and tragic loss of Alfie Harbord, son of Jill, one of the teachers who often visited Zambia, friends and family decided to donate funds to the refurbishment of the crèche, where 62 small children between the ages of two and eight now have access to redecorated and more spacious classrooms, and an expanded play area with additional equipment. In addition, staff and supporters at the college raised funds to purchase 40 bicycles for children travelling long distances to three of the local primary schools.

ENTERPRISE DEVELOPMENT

1) Income Generation - Bicycle Programme

In partnership with the UK charity Re~Cycle, three containers with 1500 donated second-hand bicycles collected in the UK were shipped to Zambia in 2018. The bikes are checked, repaired and sold locally at affordable prices. This ongoing programme enables rural families to carry their farm produce to market as well as enabling easier access to important health, education and other community services. Proceeds from the sale of bicycles are used to support Kaloko in Zambia and fund the delivery costs of further containers.

In 2018 we started an exciting new initiative to open a small office and another distribution point outlet for the bicycles in the nearby market town of Kapiri Mposhi. It's a small room based in a local house in the centre of town which means that it's easy to access for people coming from remote rural areas when they are attending the weekly markets.

Case studies carried out in 2018 indicated that the access to bicycles has improved children's school attendance and enabled them to travel further to school, get there on time, and arrive home early enough after school to study or help their parents with household chores.

Future plans: In 2019, assuming continued supply, Kaloko plans to build up volume of bicycles distributed from Kapiri Mposhi, as well as the Kaloko office in Luansobe.

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

2) Production Units

The long established KTZ Farm Training Centre hosts a number of small-scale production units, and some of these were rented out to local entrepreneurs. All the enterprises aim to be self-financing. Kaloko UK has continued to provide technical, business and management support to the enterprises and a number have played a role in contributing to programmes that we support directly. These enterprises include the sewing workshop, a piggery, a dairy and a timber mill.

Future plans: This will continue in 2019.

CAPACITY BUILDING

A major part of Kaloko Trust UK's work continues to be building the capacity and capability of KTZ as an organisation, to help them to develop appropriate strategies, systems and policies, and support staff development. In 2018, KTZ made progress in their approach to monitoring and evaluating as well as adopting a more coordinated approach to project management.

Future plans: In 2019 Kaloko Trust UK will continue to assist Kaloko Trust Zambia to research, design, fund and monitor further projects to support the development of rural communities in Zambia.

Financial Review

In 2018, Kaloko UK's overall income was £234,959 (2017 £225,623) and overall expenditure £227,195 (2017 £243,767) so net income of £7764.

Unrestricted income £48,751 slightly exceeded expenditure £46,245, however there was a large loan repayment due (£17,500) from our partner in Zambia all of which was from unrestricted income. This should be taken into account when reviewing the balance position showing £52,045 unrestricted funding at year end.

The loan was required due to a change in methodology for bicycle distribution in Zambia which resulted in logistical and sales difficulties in the second half of 2018, this in turn threatened to impact on the delivery of other projects. As this was essentially a cash flow issue the loan was agreed on the understanding that it would be reclaimed in the first quarter of 2019.

It is clear that the unrestricted and UK restricted funding continue to be challenging to obtain and Trustees reviewed this at each Board meeting in 2018. Fundraising efforts were expanded with additional volunteer support over the summer months. Efforts to expand the size of our network through additional communications and marketing activities were offset against the impact of implementing GDPR.

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 identify and review the major strategic, business and operational risks that the charity faces. These are then assessed against their possible likelihood of occurring and their impact on the organisation if they do. The major risks have been identified as:

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

- 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 we are therefore 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, and keep under review, policies and frameworks to mitigate these risks.

Investment Policy

Kaloko UK has limited surplus funds, most of which are required in the short term for ongoing operations. Trustees have agreed a policy of investing any surplus funds in charities' deposit accounts earning interest and also allowing rapid access.

Grant Making Policy

The Trustees consider that grant making to local partners in Zambia is an effective means of achieving Kaloko UK's objectives. Support for our partners in Zambia, KTZ and on a smaller scale NRCS, is provided following consultation on the community needs and therefore projects that we should aim to fund. Once the funding starts to become available, usually from January to March, an annual plan and budget is developed and forms the basis for the schedule of grants for the year. Progress against the plan and budget is reviewed during the year and the grant schedule may be adjusted if the Trustees feel this is necessary, subject to the availability of funds.

Reserves Policy

The Trustees review the risks to which the Trust is exposed in relation to income and expenditure forecasts and carry out an analysis of those future needs, opportunities or risks, in areas where the costs are not likely to be able to be met out of income. Trustees review minimum and maximum target reserves levels annually. Currently, the Trustees have a target minimum free reserve level of £42,000 and a maximum free reserve level of £69,000. If free reserves exceed the target maximum, then Trustees may consider that unrestricted reserves be used to fund projects or activity for which funding had not yet been secured.

Funding

All of Kaloko Trust's fundraising activities comply with the 2017 updated Code of Fundraising Practice.

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 2018. Major donors and supporters include:

Alan Hopper	Judith Darmady	Painswick Quaker Meeting
Amy Fox	Julian Wild	Pignatelli Foundation
Andrew & Caryl Lockley	Just a Drop	Purley Overseas Trust
Beatrice Laing Trust	Kendal United Reformed Church	Re~Cycle
Boscombe & Southbourne RC	Levellers Guest List	Robert Barnes
Bournemouth North Rotary Club	Lytham St Annes Lions Club	Saffron Walden Rotary Club

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

Brenda Dacombe	Market Bosworth Rotary Club	Scalby School
Brookwood Accountancy	Melanie Martin	Scarborough IWC
Catherine Cairns	Mercury Phoenix Trust	Sharon McDowell
Chalk Cliff Trust	Mike and Lisa Green	Sidcup Rotary Club
Christopher Temple	Molitor Charitable Trust	Souter Charitable Trust
Coles-Medlock Foundation	Morel Trust	St Mark's Overseas Aid
Dorfred Charitable Trust	Mount St Bernard Abbey	Trust
Greendale CT	Ndola Link	Tom Kelly
Grosset Trust	Oakdale Trust	Varndean College
Harrogate Lions Club	Open Gate Trust	William Grant & Sons Ltd
HDH Wills 1965 Charitable Trust	Paget Trust	Wilmslow Wells for Africa
		Woodward Trust

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

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 applicable 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 2016, 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 & Accounts here produced comply with the requirements listed above, are approved by the Trustees, and are signed on behalf of the Trustees on:

17 July 2019



Jim Smyllie
Chair of Trustees

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

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 2018, which are set out on pages 15-17.

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 144(2) of the Charities Act 2016 (the 2011 Act), and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales

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 Commission (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 Commission. 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 seeking explanations from you as Trustees concerning any 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 statements 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 comply with the accounting requirements of the 2011 Act
- (2) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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

Signed

Date 24/02/19

Details:

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

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

1) Statement of Financial Activities

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	2018 Total Funds	2017 Total Funds
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	47,999	186,208	0	234,207	224,565
Charitable activities		0	0	0	0	0
Trading activities		0	0	0	0	0
Investment income	3	752	0	0	752	1,058
Other		0	0	0	0	0
Total		48,751	186,208	0	234,959	225,623
Expenditure on:						
Raising funds	4	11,508	0	0	11,508	10,894
Charitable activities	5&6	34,737	180,950	0	215,687	232,872
Other		0	0	0	0	0
Total		46,245	180,950	0	227,195	243,767
Net income/(expenditure)		2,505	5,258	0	7,764	-18,144
Transfers between funds	12	0	0	0	0	0
Other recognised gains/(losses)		0	0	0	0	0
Gains/(losses) on revaluation of fixed assets		0	0	0	0	0
Gains/(losses) on investment assets		0	0	0	0	0
Actuarial gains/(losses) on defined benefit pension schemes		0	0	0	0	0
Net movement in funds	12	2,505	5,258	0	7,764	-18,144
Total funds brought forward		49,540	26,302	0	75,841	93,985
Reconciliation of funds		0	0	0	0	0
Total funds carried forward	13	52,045	31,560	0	83,605	75,841

2) Balance Sheet

	Notes	2018	2017
		£	£
Fixed assets			
Intangible assets		0	0
Tangible assets	9	0	0
Heritage assets		0	0
Investments		0	0
Total fixed assets		0	0
Current assets:			
Stocks		0	0
Debtors	10	83,983	8,015
Investments		0	0
Cash at bank and in hand		0	75,921
Total current assets		83,983	83,936
Liabilities:			
Creditors: Amounts falling due within one year	11	0	8,095
Net current assets or liabilities		83,983	75,841
Total assets less current liabilities		83,983	75,841
Creditors: Amounts falling due after more than one year		0	0
Provisions for liabilities		0	0
Net assets or liabilities excluding pension asset or liability		83,983	75,841
Defined benefit pension scheme asset or liability	8	0	0
Total net assets or liabilities		83,983	93,985
The funds of the charity:			
Endowment funds	12	0	0
Restricted Income funds	12	31,563	31,279
Unrestricted funds	12	52,045	62,706
Revaluation reserve		0	0
Pension reserve		0	0
Total unrestricted funds	12	52,045	62,706
Total charity funds	12	83,608	93,985

Signed on behalf of the Trustees

Keith Davies
Treasurer and Trustee

Approved by the Trustees on

17 July 2019

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

3) Notes to the accounts

1. Accounting policies

- a) The accounts of the charity are prepared in accordance with Trust Law and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (update bulletin 1). 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.
- e) Management and office costs are included in support costs. Support costs are apportioned to charitable activities, generating funds and governance costs and are divided in proportion to time spent 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 £200 per item are capitalised.

2. Donations and legacies

Donation and grant income for the year is analysed by source and fund as follows, with charitable trusts grants in excess of £1,000 identified separately. Re~Cycle donated bicycles which were sent out to Zambia and were booked at the time and price of sales in Zambia. A proportion of value of these bicycle sales was then retained in the UK to cover the costs of shipments and as an allocation to project support costs.

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Anonymous	1,000	0	1,000	0
Beatrice Laing Trust	0	2,500	2,500	4,200
Chalk Cliff Trust	0	5,000	5,000	4,200
Coles-Medlock Foundation	0	6,815	6,815	0
Dorfred Charitable Trust	0	865	865	0
Grendale CT	0	0	0	10,000
Just a Drop	0	58,338	58,338	36,820
Kelly, T	0	0	0	3,000
Levellers Guest List	500	2,803	3,303	3,021
Mercury Phoenix	0	0	0	4,650
Molitor Charitable Trust	3,000	0	3,000	3,000
The Morel Trust	2,000	0	2,000	0
Opengate	0	1,000	1,000	2,000
Pignatelli Foundation	0	0	0	2,500
Re~Cycle	17,500	62,389	79,889	84,000
Souter Charitable Trust	0	2,000	2,000	2,000
St Mark's Overseas Aid Trust	0	2,840	2,840	0
Wilmslow Wells for Africa	0	7,716	7,716	0
Other Trusts	1,272	2,400	3,672	5,401
Clubs, Societies and Groups	2,780	7,164	9,944	20,355
Individuals	19,947	24,380	44,327	39,417
	47,999	186,208	234,207	224,565

3. Investment income

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

4. Raising funds

The analysis below represents direct publicity costs and an allocation to fundraising of our overall support costs as set out in Note 7.

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Publicity	1,181	0	1,181	0
Support costs allocated	10,327	0	10,327	10,894
	11,508	0	11,508	10,894

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 organisations, Kaloko Trust Zambia or New Renato Community Society. Project costs are those costs incurred by Kaloko Trust UK that directly relate to programme activity.

	Grants £	Project costs £	Support costs allocated £	2018 Total £	2017 Total £
Charitable activities, UK & Zambia	167,612	0	29,926	197,538	
	167,612	0	29,926	197,538	229,701

The Kaloko Trust UK – Trustees' Annual Report & Accounts 2018

6. Governance costs

Governance costs for the year relate to Trustee meetings, including travel. No fees were paid to Trustees, or for the examination of the Annual Report.

	2018 £	2017 £
Trustees' meetings expenses	679	447
Other direct costs	1,550	0
Support costs allocated	2,582	2,724
	<u><u>4,811</u></u>	<u><u>3,171</u></u>

7. Support costs

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

Basis of apportionment	Management £ (Time)	Office costs £ (Time)	2018 Total £	2017 Total £
Income generation	8,319	2,008	10,327	10,894
Charitable activities	10,399	2,510	12,909	13,618
Governance	2,080	502	2,582	2,724
Total costs allocated	<u>20,799</u>	<u>5,020</u>	<u>25,818</u>	<u>27,236</u>

8. Employees and staff costs

The charity had two part-time positions during the period. The Administrator is based in Brighton, UK and the Director's time is divided between the UK and Zambia. No employee received emoluments of more than £60,000. The charity contributed 5% of salary towards each employee's chosen Defined Contribution Pension Scheme.

	2018 £	2017 £
Salary costs		
Gross salaries	46,219	45,000
Employer's contribution to staff pensions	2,307	2,250
Employer's National Insurance	70	1,965
	<u><u>48,595</u></u>	<u><u>49,215</u></u>

9. Fixed assets - equipment

	Cost £	Depreciation £	Net value £
As at 1st January 2018	0	0	0
Additions	0	0	0
Depreciation for the year	0	0	0
As at 31st December 2018	0	0	0

10. Debtors

	2018 £	2017 £
Income tax recoverable	83,983	8,015
Accrued income	0	0
Total	<u>83,983</u>	<u>8,015</u>

11. Creditors falling due within one year

	2018 £	2017 £
Other creditors - PAYE	-	-
Accrued expenditure	0	8,095
Total	<u>0</u>	<u>8,095</u>

12. Fund movements

There were no endowment funds and no transfers between funds were made in 2018

Transfers:

	Opening balance £	Income £	Expenditure £	Transfers £	Gains/losses £	Closing balance £
Restricted funds	26,302	186,211	180,950	0	5,261	31,563
Endowment funds	0	0	0	0	0	0
Designated funds	0	0	0	0	0	0
General unrestricted funds	49,540	48,751	46,245	0	2,505	52,045
Total funds	<u>75,841</u>	<u>234,962</u>	<u>227,195</u>	<u>0</u>	<u>7,767</u>	<u>83,608</u>

13. Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	0	0	0	0
Cash at bank and in hand	0	0	0	0
Net current assets (excluding cash)	-53,177	0	-30,431	-83,608
Total	<u>-53,177</u>	<u>0</u>	<u>-30,431</u>	<u>-83,608</u>