



**Report of the Trustees  
and Financial Statements  
For the period ended 31<sup>st</sup> December 2018**

# CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS.....	3
TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2018.....	5
WHO WE ARE .....	5
Amref Health Africa UK .....	5
OUR STRATEGIC OBJECTIVES .....	6
OUR ACHIEVEMENTS: PROGRAMME DEVELOPMENT .....	8
Reducing morbidity and mortality caused by vaccine-preventable diseases in children in Tanzania .....	9
Prevention, Management and Control of Non-Communicable Diseases (asthma and diabetes) in Kenya .....	9
Improving Water, Sanitation and Hygiene (WASH) in the slums of Addis Ababa, Ethiopia.....	10
OUR ACHIEVEMENTS: FUNDRAISING .....	11
Individual Giving, including Major Giving.....	12
Trust and Foundations.....	13
Corporate Partnerships .....	13
The GSK Partnership .....	14
Community and Events .....	14
OUR ACHIEVEMENTS: COMMUNICATIONS.....	15
Digital Communications.....	15
Press, PR, and Public Speaking .....	15
Global Participation and Collaboration.....	15
FINANCIAL REVIEW.....	16
Reserves Policy .....	17
Investments.....	17
Related Party Transactions.....	17
STRUCTURE, GOVERNANCE AND MANAGEMENT .....	18
Constitution and Governing Documents.....	18
Governance .....	18
Pay Policy for Senior Staff .....	18
RISK MANAGEMENT STATEMENT.....	19
Principal Risks and Uncertainties .....	19
TRUSTEES' RESPONSIBILITY STATEMENT .....	20
AUDIT REPORT .....	21
STATEMENT OF FINANCIAL ACTIVITIES.....	24

<b>BALANCE SHEET .....</b>	<b>25</b>
<b>STATEMENT OF CASH FLOWS.....</b>	<b>26</b>
<b>NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>27</b>

## **REFERENCE AND ADMINISTRATIVE DETAILS**

**Patron:** HRH The Prince of Wales

**Board of Directors (and Trustees):**

Mr Mark Chambers (Chair to 12<sup>th</sup> November 2018)

Ms Amanda Caine (Treasurer)

Ms Sue Hunt

Dr Nigel Lightfoot, CBE (Appointed on 13<sup>th</sup> March 2018; Chair from 12<sup>th</sup> November 2018)

Ms Jennifer Mbaluto (Appointed on 5<sup>th</sup> October 2018)

Mr Craig Pollard (Resigned on 24<sup>th</sup> January 2018)

Mr Alistair Smith

**Internal Key Management Personnel:**

Chief Executive: Ms Frances Longley

Head of Finance: Mrs Stella Helps

Head of Operations and Company Secretary as of 27<sup>th</sup> November 2017: Mr Stephen Hindle

Head of Fundraising: Mrs Katie Greywood

**Charity Number:** 261488

**Company Number:** 00982544

**Registered Office:**

Lower Ground Floor

15 - 18 White Lion Street

London N1 9PD

**Bankers:**

**C Hoare & Co**

37 Fleet Street

London EC4P 4DQ

**Barclays Bank**

7<sup>th</sup> Floor, United Kingdom House  
180 Oxford Street  
London W1D 1EA

**CCLA**

Senator House  
85 Queen Victoria Street  
London EC4V 4ET

**Auditors:****MHA MacIntyre Hudson, Chartered Accountants & Statutory Auditor**

New Bridge Street House  
30-34 New Bridge Street  
London EC4V 6BJ

**This Trustees' Annual Report has been prepared in accordance with the Companies Act 2006, the Charities Act 2011, and the Statement of Recommended Practice, Accounting and Reporting by Charities, 2015. The period covered by this report saw Amref Health Africa UK change its financial year end date, moving away from the previous financial year, which ran from 1<sup>st</sup> October to 30<sup>th</sup> September. As of 2019, our financial year will align with the calendar year, running from 1<sup>st</sup> January to 31<sup>st</sup> December. The main reason for the change is to better align with our activities and business cycle. To accommodate this shift, the present report covers 15 months, from 1<sup>st</sup> October 2017 to 31<sup>st</sup> December 2018.**

# TRUSTEES' ANNUAL REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2018

## WHO WE ARE

**Amref Health Africa is Africa's leading health charity. We partner with women and girls in more than 30 countries to secure the right to health and break the cycle of poverty.**

We believe that access to adequate and affordable healthcare is a human right. Moreover, we believe that healthcare is key to a brighter future: economic empowerment, freedom from poverty and the fulfilment of the full spectrum of human rights. From our headquarters in Nairobi, we work with some of the most remote and marginalised communities on the African continent, empowering them to transform their health - and their lives.

We believe that meaningful change must be community-led. To this end, we work primarily with women and girls, unlocking their potential to effect lasting change for themselves, their families, and their communities.

As the world strives to meet the Sustainable Development Goal of Universal Health Coverage (UHC) by 2030, Amref is committed to removing the barriers that impede access to healthcare - ensuring that no-one is left behind. The work of our UK office contributes to this ambitious objective.

### **Amref Health Africa UK**

Amref Health Africa UK (Amref UK) is one of eleven offices in Europe and North America. Our primary role is fundraising, advocacy, and building partnerships to support the programmes delivered by our colleagues in sub-Saharan Africa. The UK team includes fundraising, communications, grant management, donor stewardship, and finance and administration. With an annual income of around £4 million, we support a portfolio of innovative health programmes funded by a range of donors including institutions, corporate partners, trusts and foundations, and individuals.

UK-funded projects in Africa focus on four thematic areas, all of them vital to achieving lasting health change: Maternal, New-born and Child Health (MNCH); Water, Sanitation and Hygiene (WASH); Sexual and Reproductive Health and Rights (SRHR); and Human Resources for Health (HRH), primarily through health worker training. Our geographical focus is on Ethiopia, Kenya, Tanzania and Uganda; however, through our long-running partnership with GlaxoSmithKline (GSK), we reach a further 13 countries.

**In 2017/18, Amref Health Africa UK funded 14 projects in 17 countries. We are extremely proud of the support we provide to Amref Health Africa at an international level, and of the progress we have made towards expanding access to healthcare for some of sub-Saharan Africa's most remote and marginalised communities. Thank you to everyone who has been, and continues to be, a part of this important work.**

## OUR STRATEGIC OBJECTIVES

In October 2016, we entered the first year of an ambitious three-year strategy, which will take us through to the end of September 2019. Guided by the principles of quality, focus, and confidence, it sets out to equip Amref UK for further growth. Our strategic objectives to September 2019, all of which seek to expand the reach and impact of our work in Africa, are as follows:

- 1) Complete the 'Getting our house in order' programme of systems and process improvement;
- 2) Make the organisation financially sustainable;
- 3) Establish a new culture and new ways of working;
- 4) Establish ourselves as the UK's authoritative voice and charity of choice on women's and girls' health and motherhood in Africa;
- 5) Strengthen Amref UK's voice within Amref globally.

As we reported last year, in 2016/17 we concentrated on achieving a major programme of review and strengthening of systems, processes and tools and on building a staff team with the experience and capacity to deliver our strategy. With this strong foundation in place, in 2017/18 we put particular focus on our third priority: Establish a new culture and new ways of working. The three most important elements of this work were the articulation of a renewed purpose and values, a comprehensive review of our staff policies, and the involvement of the whole team in reorganising and renovating our office.

From February to June we worked to develop a new articulation of Amref UK's purpose and values. This was an engaging and collaborative process which included our full staff team, our Board, colleagues from our headquarters in Kenya and some of our closest external partners. The aim was to develop values which would guide our planning and behaviour over the next five years. Through this process the purpose for the Amref UK office was defined as,

**'To inspire our UK community to support health programmes delivered by and for African people, creating lasting change.'**

In order to achieve this, we identified four new values together:

- Be Audacious
- Reflect and Learn
- Stay One Step Ahead
- Enjoy Building It Together

Each value is supported by a summary of the kind of behaviour we should be exhibiting as we work together to achieve the purpose. In the second half of 2018 we started to embed the values across the organisation. They are now woven into our Annual Plan, and into our annual objective-setting for each staff member. From 2019, individual and organisational performance will be assessed not only on achievement of goals but also on how consistently staff have adhered to our values in delivering those goals. Recognising that healthy cultures thrive best in healthy environments, in 2018 we

invested staff time and a modest financial budget in an overhaul of our Islington office, keeping our Environmental Policy in mind throughout.

Building on the values work, in 2018 we worked to completely revise the Staff Handbook and all our staff policies. This was a substantial piece of work. The new suite of documents and associated training ensures that we have policies and standards of behaviour which are in line with best practice in our sector and which represent our values.

As part of this review, the Chief Executive and Head of Operations have worked closely with senior colleagues across the organisation as members of the Task Force and the Steering Group for Safeguarding. This has led to a complete review of all policies and procedures relating to keeping people safe across Amref, its work and its partnerships.

Together we have set high standards for ourselves in relation to everyone who comes into contact with Amref, whether as staff, partners in projects, communities where we deliver projects or people who benefit from our work. Our approach recognises the vital importance of having a culture of respect and accountability and therefore includes protection from all forms of abuse, for everyone. As part of the focus on developing Safeguarding standards across the Amref family, Amref UK staff have signed a new Code of Conduct that sets clear expectations of behaviour and conduct. Based on this Code of Conduct a similar code will be developed for all associated personnel, including Trustees and other volunteers.

Objectives four and five of the current strategy (establish Amref as the UK's authoritative voice and charity of choice on women's and girls' health and motherhood in Africa; strengthen Amref UK's voice within Amref globally) have significant implications for the Communications function. Since joining Amref UK in September 2017, the Communications Manager has therefore focused on the following:

- Strengthening the UK-specific iteration of the Amref brand by refining our messaging.
- Growing our online presence, developing a stronger voice, and diversifying the kind of content we produce and share.
- Taking a more proactive approach to media relations and seeking out opportunities for the Chief Executive to speak in public on Amref's behalf.
- Participating in (and leading on) shared communications initiatives within the Amref family, establishing ourselves as a proactive and trusted partner.
- Collecting high-quality content to illustrate the impact of UK-funded work in Africa (and sharing it with other Amref offices).

More detail on key Communications achievements can be found on page 15.

In 2019 we will develop a new strategy to take us to 2023.

**In performing the above activities, the Trustees of Amref Health Africa UK are satisfied that the Charity has met the Charity Commission's requirements on public benefit.**

## OUR ACHIEVEMENTS: PROGRAMME DEVELOPMENT

In line with our strategic objectives, Amref UK has pursued a tightly-focused programmatic agenda, concentrating our efforts on four thematic areas and four countries (with the exception of the GSK partnership, which has a 17-country remit and is detailed separately in this report). Our aim is to implement a small, strategic portfolio of projects, to an extremely high standard.

The table below details the projects supported by Amref Health Africa UK between October 2017 and December 2018:

Country	Projects	Areas of activity	Donor income FY 2017/18
Ethiopia	2	<ul style="list-style-type: none"> <li>Water, Sanitation and Hygiene</li> </ul>	Comic Relief Euromoney
Kenya	3	<ul style="list-style-type: none"> <li>Non-Communicable Diseases</li> <li>Infectious Diseases</li> <li>Maternal, New-born &amp; Child Health</li> </ul>	Comic Relief Good Gifts GSK
Namibia and Botswana	1	<ul style="list-style-type: none"> <li>Human Resources for Health</li> <li>Non-Communicable Diseases</li> </ul>	GSK
South Africa	1	<ul style="list-style-type: none"> <li>Non-Communicable Diseases</li> </ul>	GSK
Tanzania	5	<ul style="list-style-type: none"> <li>Health System</li> <li>Strengthening</li> <li>Fistula</li> <li>Sexual Reproductive Health &amp; Rights</li> </ul>	Allen & Overy Big Lottery Fund GSK James Percy Foundation Wolfson College
Uganda	1	<ul style="list-style-type: none"> <li>Maternal, New-born &amp; Child Health</li> </ul>	Comic Relief
Regional	1	<ul style="list-style-type: none"> <li>Human Resources for Health</li> <li>Maternal, New-born &amp; Child Health</li> </ul>	The GSK Reinvestment Initiative funds 13 projects in Angola, Burundi, Djibouti, Ethiopia, Lesotho, Madagascar, Malawi, Mozambique, Rwanda, South Sudan, Tanzania, Uganda, Zambia
<b>Total</b>	<b>14</b>		



Highlighted below are three examples of the work Amref Health Africa UK has supported during the reporting period. All three projects are typical of our African-led, community-driven approach to securing lasting health change. As stated in the introduction to this report, everything Amref UK does contributes to the goal of making Universal Health Coverage (UHC) a reality by 2030. For us, this translates to strengthening health systems, training health workers, creating the conditions in which good health can thrive, and improving access to vital services for some of the continent's most remote and marginalised communities.

### **Reducing morbidity and mortality caused by vaccine-preventable diseases in children in Tanzania**

mVacciNation is a handy smartphone app that allows healthcare workers to not only capture individual records for each child they vaccinate, but also to record vaccine temperatures and stock levels. The data is synchronised in real-time to the cloud, which can then send alerts to parents or caregivers to remind them of their next vaccination visit, and to district immunisation officers to indicate that vaccine stock-levels are running low or a technician is required for cold chain maintenance. The aim is to make it as easy as possible to overcome barriers to immunisation in parts of Tanzania that might otherwise be out-of-reach or that have a weak health system, thereby increasing vaccination levels and reducing the number of child deaths caused by vaccine-preventable diseases.

Since deploying mVacciNation in 2016 in partnership with the Human Development Innovation Fund (HDIF) and GSK, Amref has used the mobile platform to train 100 healthcare workers from 50 facilities across Tanzania. This has resulted in the registration of 121,224 children and caregivers, 402,922 immunisations per antigen, 23,857 stock updates captured, 30,297 temperature updates submitted, and SMS reminders sent to 60,612 registered caregivers.

In close partnership with GSK, Vodafone, Mezzanine, and the Tanzanian Ministry of Health, Amref expects to continue to roll out mVacciNation in health facilities across Tanzania. Further plans include exploring integration with the Vaccine Information Management System (VIMS), a national-level online system that captures stock and coverage data from district to national level; and other technology platforms to create a single, multi-sided, multi-purpose platform in Tanzania.

Now in its third year of implementation, the success of the mVacciNation initiative has led to a further funding commitment by GSK for an extension of an extra eight months to finish in June 2019. This will allow us to pilot an exciting new method of using community health workers (CHWs) to increase immunisation coverage in Tanzania.

### **Prevention, Management and Control of Non-Communicable Diseases (asthma and diabetes) in Kenya**

In May 2018, Amref completed Phase I of its Non-Communicable Diseases (NCDs) project in Kenya with phase II of the initiative beginning in June 2018. Phase I (2015-2018) focussed on building the skills of mid-level health workers and community health volunteers (CHVs) through e-learning and face-to-face training in four counties to manage and control NCDs. As a result, Amref trained 2,613

frontline health workers, which exceeded the target of 2,500. These health workers comprised of 87 health managers, 233 community health extension workers (CHEWs), 1,170 community health volunteers (CHVs), 448 nurses, 135 laboratory technicians, 144 nutritionists, 302 clinical officers, and 94 pharmaceutical technologists.

The training took place in Kilifi, Nairobi, Nyeri and Kakamega Counties, selected for their high prevalence of diabetes and childhood asthma. Working in both rural and urban settings within these Counties, Amref supported the integration of childhood asthma and diabetes into community health service provision, at both health facilities and households. Health care workers received orientation on how to access asthma and diabetes content through the Amref eLearning platform and were then given six to eight weeks to complete the online learning.

As a result of the training, frontline health workers reached over 3.7 million people with information and services through community outreaches, household visits, community screening and health facility service delivery. The percentage of healthcare workers with improved skills to manage NCDs increased from 39.9% at the start to 95.6% by the end of the project in the four Counties. Health facilities with appropriate equipment and commodities for managing diabetes increased from 48% to 74%, exceeding a target of 60%. The percentage of community members seeking screening for diabetes was 72.3% for men and 66.3% for women, and those seeking screening for asthma was 58.8% for men and 66.4% for women compared to an average of 41.6% (diabetes) and 13.5% (asthma) at the start of the project

Phase II of the initiative is currently underway and is building on the success of Phase I to reduce morbidity and mortality related to NCDs (diabetes and asthma), whilst also expanding its coverage with the inclusion of infectious diseases (pneumonia and diarrhoea).

### **Improving Water, Sanitation and Hygiene (WASH) in the slums of Addis Ababa, Ethiopia**

Now in its third year of implementation, our water, sanitation and hygiene (WASH) project in Addis Ababa continued to improve the lives of Ethiopia's urban slum dwellers. In partnership with Comic Relief, the initiative has so far directly benefitted 9,593 community members (7,686 female and 1,907 male) whilst 2,091 frontline workers (1,257 female and 834 male) have received training and support.

Building the capacity of frontline workers has included training 345 waste collectors (146 male and 199 female) in operational, hygiene, safety, and proper solid waste management. After the training, participants were equipped with safety clothing and protective equipment, which pleased the waste collectors as they now have improved personal safety at work.

This project aimed to improve access to WASH facilities by designing and constructing gender-sensitive, well-made and sustainable facilities for sanitation in schools and communities. This year, the initiative achieved its targets of constructing four school sanitation facilities and seven communal sanitation facilities. Since its inception, the project has constructed 24 sanitation facilities (8 schools and 16 communal) reaching 3,077 (1,391 male and 1,686 female) community members and 5,064 school girls with access to a sanitation facility. Together with the respective local government stakeholders the project also constructed a 250-meter closed ditch/drainage in Yeka Sub-City before handing it over to the community in July 2018.

In October 2017, Amref organised four handwashing demonstration events and 13 education campaigns to celebrate Global Hand Washing Day. The campaigns reached a total of 36,093 (17,601 male and 18,492 female) community members.

Our midterm evaluation showed that 70.5% of households now have access to an improved latrine facility, increasing from 17.1% at baseline. A total of 95.8% households now have access to a safe water source within a 15-minute walk. Findings from our household survey also showed a 12.1% reduction in the prevalence of diarrheal disease among children under five years of age.

The final evaluation will take place in August 2019, which we expect will further evidence the success and sustainability of our WASH approach to improving the lives of slum dwellers.

## **OUR ACHIEVEMENTS: FUNDRAISING**

Following a period of change and restructuring in 2016/17, 2017/18 saw a more stable period of growth for the fundraising team. The team included a Head of Fundraising, Individual Giving Officer, Trusts and Foundations Officer, Corporate Partnerships Officer, Philanthropy Executive and a Fundraising Assistant.

The team raised a total of £596,347 unrestricted and £429,276 restricted funds. The most significant growth came from Trusts & Foundations, with £1.48 million pledged in 2017/18 (some of this for the years ahead), compared to £60,000 in the previous year. Other major achievements include the highest ever total for the City of London School Charity Partnership, and securing UK Aid Match (an initiative of the UK government's Department for International Development) for 2019, which should help generate significant restricted and unrestricted funds. All donations made by the public before 7<sup>th</sup> June will be matched by the UK government, up to a possible total of £2 million. Public donations to the 'Health in Her Hands' campaign will support work across Amref UK's portfolio, while match funding from the UK government will support the training of nurses and midwives in Uganda.

Throughout the reporting period, Amref Health Africa UK's Fundraising team worked to ensure compliance with new guidelines from the Fundraising Regulator. Fundraising activities at Amref UK are managed by the Head of Fundraising, in consultation with the CEO and Senior Management Team, and are overseen by the Board of Trustees. Amref Health Africa UK has a number of tools and processes to monitor fundraising activity delivered by the professional fundraising team as well as external agencies, suppliers and supporters. These include a Code of Conduct and Staff Handbook for staff and volunteers, who are managed through regular supervision. The Head of Fundraising is a member of the Institute of Fundraising and the organisation is registered with the Fundraising Regulator, and we monitor both organisations for updates, particularly to regulations. Fundraising activities are monitored through KPIs, the risk register, and where appropriate, against Amref UK's Ethical Policy.

The Fundraising team also reviews and plans all activities in line with the organisation's suite of policies, including those related to privacy and data protection. In the 2017/18 year, Amref UK did not work with a commercial participator on fundraising activities. In the 2017/18 year, there are no

reported instances of any failures to comply with any schemes or standards including those of the Fundraising Regulator, and the charity received no complaints about fundraising during the period. Amref UK aims to treat all supporters with respect and ensure transparency in all communications.

We provide details of our Privacy Policy and options to opt-in or opt-out in all our communications, and comply immediately with any opt-out requests from supporters, updating our database to ensure long-term compliance. With regards to vulnerable people, all fundraising activities abide by our Safeguarding Policies for both adults and children, and if we are made aware that any supporter or other stakeholder is in a vulnerable position, we adjust our communications as requested or as appropriate. The most communication that any supporter will receive from Amref is up to five postal mailings in a year and up to six emails in a year, and our communications are designed to share the impact supporters have on our work, and inspire and engage through stories and photos. If a supporter does not respond to our communications, they are removed from our mailing list in line with our legitimate interest policy as related to the GDPR.

The team has also continued to invest in new and improved systems and processes, and to refine our messaging, ensuring we continue to provide an enjoyable and engaging experience for supporters.

### **Individual Giving, including Major Giving**

In light of the current context in UK fundraising, we felt it was unrealistic for Amref UK to grow income from individual giving through the recruitment of new donors. Instead, we set ourselves the objective of improving the level of supporter care and stewardship we provide to existing donors, and of encouraging existing supporters to increase their gifts. This approach paid off, and individual giving generated the most income during the reporting period, totalling £429,605. This was primarily achieved through the generous supporters who donate on a regular basis and in response to the seasonal appeals, which this year also included an extra update 10 years on from the Katine appeal. Both the Spring and the Christmas appeals exceeded their respective targets.

Gifts through Legacies and in memory gifts totalled £28,073, and we are grateful to all those people who choose to remember Amref in their will.

The Individual Giving Officer and Fundraising Assistant continued to improve donation processes, bespoke communication and materials. They oversaw an upgrade to the Raiser's Edge database, improvements to the online donation process, and the implementation of an online regular giving system. The team were also successful in halving the attrition rates of regular donors. Two major Gift Aid claims were processed on schedule.

During the reporting period, our objective was to lay the foundations for a more comprehensive and formal major giving programme. This required us to strengthen our offering, to reconnect with existing major donors with whom we had fallen out of touch, and to identify new prospects and pathways.

Indeed, 2017/18 was the first year for some time that Amref UK made a conscious investment in major giving, and the Head of Fundraising and Philanthropy Executive worked together to create a detailed case for support, other supporting documents and a well-researched pipeline. Current and potential donors were invited to a race day at Goodwood supported by the Duchess of Richmond. A

Philanthropy Council was also formed in September 2018, meeting on a bi-monthly basis to focus on recruiting more major donors to Amref UK.

While no major donor income was secured in this financial year, the team saw a significant uplift in mid-level giving (£200 - £5,000) due to improved stewardship of donors, and laid strong foundations for major giving in 2019. Towards the end of the year, the Philanthropy Executive was appointed to the role of Fundraising Projects Officer on a permanent basis, with major giving remaining as part of her portfolio.

## **Trust and Foundations**

In 2017/18, our focus was firmly on larger trusts - a strategy which has proved successful, with several significant grants secured, supporting the full breadth of Amref UK's portfolio.

Indeed, 2017/18 saw a major period of growth for Trusts and Foundations, with £458,079 secured (£28,803 unrestricted and £429,276 restricted), as well as £695,000 pledged for future years.

In particular, three major six-figure grants were secured from new partners, James Percy Foundation, the Postcode African Trust, and Waterloo Foundation, and two from former partners, Medicor Foundation and Allen & Nesta Ferguson Charitable Trusts. These grants will support a range of projects, including SRHR work in Tanzania, SRHR work in Ethiopia, FGM/C work in Kenya, SRHR work in Malawi, and MNCH and WASH work in Uganda.

The high amounts secured in restricted funds demonstrates Amref's high potential and ability in creating bespoke proposals and partnerships. Several of the major grants were secured for projects funded by other Amref offices within Europe and North America, primarily Canada and the Netherlands, and this cross-country working provides increased opportunities for fundraising in the future. It also aligns with Amref Health Africa's global aim of working more closely as 'One Amref'.

The team retained nearly 100% of unrestricted donors from the previous year, and Christmas 2018 saw the highest amount of unrestricted applications sent out to Trusts and Foundations for some years.

Improved relationships are continuously being developed with funders, alongside a detailed pipeline that will help in planning for the future and identifying opportunities early. The end of 2018 also saw a new Trusts and Foundations Officer appointed.

## **Corporate Partnerships**

The 2017/18 financial year was a period of testing and experimenting in corporate partnerships, with a view to growing this as a source of income. We spent time researching two key areas of potential: Firstly, strategic partnerships with organisations directly related to Amref's programmatic work. Secondly, partnerships with businesses connected to the African diaspora in the UK. While we gained a large amount of knowledge and made several new connections, ultimately neither of these areas proved financially fruitful for Amref UK.

## **The GSK Partnership**

Following 30 years of successful partnership, our unique relationship with GSK continues to endure. GSK makes up approximately £2.2 million of Amref Health Africa UK's income in the period, as per the prior period

Last year saw a considerable shift in GSK's strategy which led to a change in the way GSK operates in emerging markets, including most African countries. As a result, GSK will have less physical presence in these markets and a much more impact-oriented global health programming strategy.

In 2017/18, we continued to partner with GSK to train health workers across the continent. Through the health worker training programme, previously known as the 20% Reinvestment Initiative, we have continued to work in 13 low-income countries in Eastern and Southern Africa. We have also continued to implement health worker programmes in a further four middle-income countries.

Currently, the health worker training programme attracts funding of £1,248,000. This represents an additional £326,000 above what was contractually agreed on in 2015. This increased funding allows us to continue investing in our programme in South Sudan and, more notably, allows us to un-restrict up to £98,000. This flexible funding allows us to be more agile in responding to opportunities.

At the end of 2018, Amref and GSK partnered to develop an advocacy-based programme to scale up the use of chlorhexidine in Kenya and advocate for its inclusion as a key MNCH intervention in the Ministry of Health's Universal Health Coverage (UHC) Health Benefit Package. Chlorhexidine is an antiseptic gel to stop umbilical cord infections in new-born babies. GSK developed the new product by reformulating the chlorhexidine solution found in mouthwash into a gel that can be applied to newly-cut umbilical cords. The initial programme, focussed solely on advocacy, will attract funding of £150,000. It is important to note that the programme will only focus on Chlorhexidine as a generic product, currently on Kenya's essential medicine list, and not the GSK product brand.

Amref UK also continues to benefit from the PULSE programme. On an annual basis, GSK staff have been seconded to non-profit organisations to share their skills for a period of up to six months. This year, Amref hosted two PULSE volunteers: one in Tanzania and another at our headquarters in Nairobi.

## **Community and Events**

The community and events function delivered a total of £99,229 in 2017/18. This was primarily achieved through the partnership with the City of London School which brought in just over £70,000. Amref was selected by staff and pupils to be the School's Charity of the Year for the 2017/18 academic year. The Charity Appeal is led by Sixth Form students through the Charity Committee, who organise fundraising events throughout the year. Fundraising events included a sponsored walk along the Thames, a 48-hour sponsored row outside the school, and an opera performance of The Magic Flute.

The remainder of the funds reflects the fundraising of the five London Marathon runners, who all exceeded their target, the annual Hungerford Fair and finally, various individuals who chose to fundraise for Amref throughout the year.

The team also held other non-income generating events including Amref's 60th anniversary celebration in October 2017.

## **OUR ACHIEVEMENTS: COMMUNICATIONS**

A broad overview of Communications objectives and areas of focus during the reporting period can be found under 'Our Strategic Objectives'. In 2018, the Communications Manager worked closely with the Programmes and Fundraising functions to put together a (successful) proposal to the Department for International Development's UK Aid Match initiative. Amref Health Africa's 'Health in Her Hands' campaign launched on 8<sup>th</sup> March 2019, International Women's Day, and will run for three months.

### **Digital Communications**

With a view to better understanding our existing audience, we started 2018 by commissioning a YouGov brand awareness study and conducted a survey of existing audiences (website visitors, e-newsletter subscribers, and social media followers). This enabled us to establish a baseline against which to measure progress.

The reporting period saw following and engagement grow across all social media channels. On 1<sup>st</sup> October 2017 Amref UK had a combined following of 11,049. By 31<sup>st</sup> December 2018 this had grown to 13,698: an increase of 24%.

The Amref UK website also performed better in 2018 than in 2017, with an increase in the number of page views (+11.7%), unique users (+2.5%) and new users (+1.6%), session duration (+13.4%), and the number of pages visited per session (+12%).

### **Press, PR, and Public Speaking**

In spring 2018, our work to improve maternal and child health in Kenya was showcased on prime-time television when Alex Jones, presenter of the BBC's The One Show, visited our clinic in Kibera as part of her involvement with the Sports Relief telethon. As a direct result, Amref UK also featured in a two-page spread in HELLO! magazine. In the summer, Positive News magazine published an eight-page feature on our work with women in rural Kenya, along with a series of four collectible covers.

In her capacity as Co-Chair of the sector-wide working group on Leadership and Culture in Safeguarding, the Chief Executive spoke on behalf of UK NGOs at the DFID-convened Safeguarding Summit in October 2018 and sat on a panel discussing the implications of the #MeToo movement for global development, convened by the University of London's London International Development Centre (LIDC). Throughout 2018, Amref UK provided written and oral evidence to an enquiry led by the All-Party Parliamentary Group (APPG) on Vaccinations For All. This led to the Chief Executive speaking in the Houses of Parliament at the launch of the report. She also chaired a session with senior DFID staff at the Bond conference and represented Amref at the International Broadcasting Trust's Annual CEOs Dinner.

### **Global Participation and Collaboration**

Amref UK's Communications Manager is Co-Chair of the Global Website and Social Media Working Group, which 'meets' every other month. She also leads the Global Task Force on Consent and Permissions, which is spearheading the review of global policy and practice as regards obtaining informed consent from the subjects of photos and films. This work has been undertaken in parallel

with the review of safeguarding policies across the Amref family and is part of ongoing efforts to ensure Amref portrays the people we work with in a nuanced manner, putting their agency and dignity front and centre.

As the reporting period came to an end, Amref UK was preparing to welcome two new members of the Communications team: a Communications Assistant (part-time, nine-month contract) and a Senior Designer (part-time, four-month contract) have taken up their roles in mid-January 2019. Their arrival was timed to coincide with preparations for Amref Health Africa's UK Aid Match campaign which launched in March.

## FINANCIAL REVIEW

Amref UK has been implementing the latter part of its three-year strategy over this period, focusing on moving Amref Health Africa UK to a position of confident, sustainable strength, financially, systemically and culturally, creating a sound foundation for future growth.

We have developed a robust financial model to solidify and grow our various income streams in a prudent way. This will ensure we have the means to achieve our ambitions beyond 2019.

During the reporting period, we changed our financial year-end to 31<sup>st</sup> December, and as such results cover a 15-month period rather than 12 months. We have therefore compared to the prior year on a pro-rated basis for clarity.

**Unrestricted income** was 9% lower than the previous period (£556k pro-rated vs £614k) which mainly relates to the receipt of a large legacy in the prior period. As planned, we invested unrestricted funding in-year as part of our three-year strategy, to strengthen the capacity of the organisation. As a result, the unrestricted deficit of £56k is below the previous period's results (£33k surplus). **Unrestricted spend** was 4% higher than the previous period (£601k pro-rated vs £581k). Looking at the expenditure profile as a whole, which excludes the impact of improvements in cost recovery, spend excluding transfers to Africa increased by 27% (pro-rated) from the prior year. This reflects the investment in line with our strategy. In particular the organisation benefitted from the management team being in place for the full period and also other key posts coming on board. With our headquarters located in Kenya, Amref Health Africa UK exists to raise awareness and funds to further our work in Africa. Here in the UK we use unrestricted funds to cover the costs of UK fundraising, to ensure restricted funds are fully used for programme implementation.

We also continue to develop our cost recovery framework to ensure that we operate effectively and utilise our resources to best effect.

Our **restricted income** reduced by 34% compared to the prior period (£2.5 million pro-rated vs £3.8 million). Some large grants reached the end of their lives, and we continued to experience the effects of the prior period's funding hiatus. However, we have also successfully applied for various funding in the period, some of which will be reflected in the 2019 figures. **Restricted expenditure** in the period



was £3.5 million pro-rated, compared to £3.1 million last year, a 14% increase. This is predominantly made up of transfers to Africa for programme implementation, and relates to programme requirements reflecting progress in implementation. This period's restricted deficit of £1.3m (rather than a surplus of £741k in the prior year) reflects the timing of receipt of grants compared to their disbursement to Amref HQ in Nairobi.

### **Reserves Policy**

We end the period with funds of £2.6 million. 72% of this however is restricted and therefore not available for the general purposes of the Charity. As set out above, this is a result of timing differences and represents funds pending disbursement to Amref HQ in line with project implementation and progress.

In terms of the unrestricted reserves, the reserves calculations which underpin our policy were revised during the year in line with the latest guidance from the Charity Commission to ensure that not only do we retain sufficient working capital, but that we are also well-equipped to address risks and opportunities faced, whilst also bearing in mind that we should only keep the reserves that are required, in order to use our funds most effectively. We aim to hold enough working capital for 4-6 months, which is based upon the current volatility and youth of some of our income streams; at a time of strengthening our staff team for the future we need to ensure we can weather uncertainties. Given our plans to explore new institutional funding opportunities and mechanisms we also have an element of our free reserves available to enable us to harness these effectively.

The calculations showed that as at the end of 2017/18 we should aim to hold £524k - £748k in unrestricted free reserves.

The unrestricted free reserves held as at the end of 2017/18 were £694k, made up of unrestricted reserves less net Tangible Fixed Assets. This is within the aimed-for range.

We will continue to review our reserves policy to ensure it meets the needs of the Charity.

### **Investments**

All funds held in the UK for future use are held in deposit accounts available on demand with United Kingdom-based banks.

### **Related Party Transactions**

As set out in note 16 of the Financial Statements, during the year transactions were undertaken with Amref HQ in Kenya, one company owned by the parents of one of the Key Management Personnel (KMP), and donations were received from nine Trustees and KMP.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution and Governing Documents**

Amref Health Africa is registered as a company in England, Company Number 00982544, whose members' liability is limited by guarantee. The objects of the company and the powers of the Board of Directors are set out in the Memorandum and Articles of Association, last amended 22 April 2015, as are the regulations concerning the appointment of new Directors.

Amref Health Africa is also registered as a charity with the Charity Commission in England and Wales, Charity Number 261488. The organisation's Charitable Objects are, 'to support and foster the investigation and advancement in Africa of medical, scientific, educational and cultural knowledge and to apply the knowledge derived therefrom to the causes, prevention, relief and therapy of human diseases and misery for the relief of mankind in general.'

### **Governance**

The 2017 Charity Governance Code for Larger Charities was used as a reference source for an update to the Trustee letter of commitment within this period, which details the responsibilities and duties of the Trustees. Trustees provide support in key areas as well as providing scrutiny and strategic direction. A steady renewal of Directors is provided by maximum terms of office (nine years). Succession planning arrangements ensure timely replacement of Directors resigning or reaching the end of their terms of office.

During the reporting period, we operated one sub-committee of the Board: Finance, which met quarterly in advance of the full Board meeting.

This financial year saw the recruitment of two new Trustees: Dr Nigel Lightfoot, CBE; and Jennifer Mbaluto. Their experience and passion will be a significant asset as we work to pursue our ambitious agenda over the next few years.

New Trustees are recruited through a formal process which includes external advertising of the vacancy, written applications, and formal interviews with current Trustees and the Chief Executive. Following appointment, new Trustees undertake an induction process which covers their formal and informal roles and responsibilities as Trustees and gives a detailed introduction to the aims and work of the organisation.

### **Pay Policy for Senior Staff**

The Board of Directors are the Charity's Trustees. Together with the senior management team, these make up the key management personnel of the Charity. Trustees give their time freely and details of any expenses and related party transactions are disclosed in the Notes to the Accounts.

Remuneration of all staff including the senior management team follows a clear policy: each position level is banded, and salary levels are reviewed annually against market data to ensure that the bands reflect the charity's desire to pay competitively compared to similar organisations in the sector, and that inflation levels are reflected where possible.

## **RISK MANAGEMENT STATEMENT**

A robust risk management process is underpinned by a quarterly review using a Risk register approach, involving staff and directors, which ensures the monitoring of all risks and identifies those material risks worthy of closer scrutiny. The Board delegates specific responsibility for risk management and mitigation to executive staff.

### **Principal Risks and Uncertainties**

A principal risk is the challenge of institutional donor funding being reduced, with fierce competition for available funds, and some donors increasingly choosing to fund local or national organisations within the countries where the work is being undertaken. In common with other organisations in the sector we also face a highly competitive environment in raising unrestricted funds, largely from the general public. Our strategic plan seeks to address this through diversifying our fundraising portfolio and growing the income we generate, and seeking alternative sources of funding such as the Programmes team actively pursuing commercial contracts as well as grants and our Fundraising team developing a new Major Gifts programme.

Retention of staff in the face of a fast-moving employment context in our sector in London is a key risk in an organisation of our size. We seek to mitigate this through competitive benefits and a culture of staff development and engagement.

Safeguarding has been a source of major concern across the charitable sector over this period, and we have undertaken extensive efforts to ensure that Amref UK has a culture that promotes safeguarding, and that appropriate policies and processes are in place.

Another issue during this period has been the need to comply with the enhanced requirements of the General Data Protection Regulations (GDPR) which came into force during the reporting period, in May 2018. A robust review of all data processes and policies, attention to outstanding issues, backed up by a regular review mitigates the risk of any data protection risks occurring.

As the UK office of an NGO headquartered in East Africa, we are responsible for ensuring that grant funds sent to our African offices are spent and reported on appropriately. We mitigate the risks associated with this through formal agreements with our sister offices, robust internal processes, and regular contact with colleagues across the Amref family, including support and monitoring visits by UK staff to project teams.

## TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also Directors of Amref Health Africa UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise.

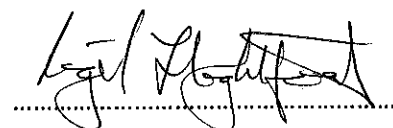
The Trustees are also responsible for keeping adequate accounting records that disclose with reasonable accuracy and are sufficient to show and explain the Charity's transactions and the financial position of the Charity at any time to enable the Board members to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report of the Board has been prepared taking advantage of the Small Companies exemption to prepare a Strategic Report afforded by Section 415A of the Companies Act 2006.

THIS REPORT WAS APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF TRUSTEES ON AND SIGNED ON ITS BEHALF BY:



Dr Nigel Lightfoot, CBE, Chair

16/4/19.

# AUDIT REPORT

**Independent Auditor's Report to the Members of AMREF Health Africa (Registered company number: 00982544)**

## **Opinion**

We have audited the financial statements of AMREF Health Africa (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the

going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
  
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

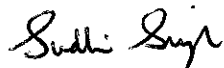
As explained more fully in the trustees' responsibilities statement set out on pages 18 & 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Sudhir Singh FCA** (Senior Statutory Auditor)

*For and behalf of MHA MacIntyre Hudson*

*Chartered Accountants and Statutory Auditors*

*New Bridge Street House*

*30-34 New Bridge Street*

*ECAV 6BJ*

*Date 15 May 2019*

# STATEMENT OF FINANCIAL ACTIVITIES

	Note	2017/18 (15m)			2016/17 (12m)		
		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		£	£	£	£	£	£
<b>Income from:</b>							
Donations and legacies	2	588,964	30,000	618,964	576,914	1,240	578,154
Charitable activities	3	98,000	3,090,811	3,188,811	-	3,809,273	3,809,273
Other trading activities	3	7,384	-	7,384	2,251	-	2,251
Investments		941	-	941	473	-	473
Other		94	-	94	34,089	-	34,089
<b>Total income</b>		<b>695,383</b>	<b>3,120,811</b>	<b>3,816,194</b>	<b>613,727</b>	<b>3,810,513</b>	<b>4,424,240</b>
<b>Expenditure on:</b>							
Raising funds	5	531,176	-	531,176	373,341	-	373,341
Charitable activities	5	220,629	4,371,552	4,592,181	207,310	3,069,546	3,276,856
<b>Total expenditure</b>		<b>751,805</b>	<b>4,371,552</b>	<b>5,123,357</b>	<b>580,651</b>	<b>3,069,546</b>	<b>3,650,197</b>
<b>Net income / (expenditure)</b>		<b>(56,422)</b>	<b>(1,250,741)</b>	<b>(1,307,163)</b>	<b>33,076</b>	<b>740,967</b>	<b>774,043</b>
<b>Transfers between funds</b>		-	-	-	-	-	-
<b>Net movement in funds before other gains / (losses)</b>		<b>(56,422)</b>	<b>(1,250,741)</b>	<b>(1,307,163)</b>	<b>33,076</b>	<b>740,967</b>	<b>774,043</b>
Other gains / (losses)		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(56,422)</b>	<b>(1,250,741)</b>	<b>(1,307,163)</b>	<b>33,076</b>	<b>740,967</b>	<b>774,043</b>
Total funds brought forward		767,507	3,113,594	3,881,101	734,431	2,372,627	3,107,058
Total funds carried forward	13	711,085	1,862,853	2,573,938	767,507	3,113,594	3,881,101

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

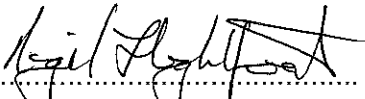
The notes on pages 27 to 37 form part of these financial statements.



## BALANCE SHEET

	Note	31/12/2018 £	30/09/2017 £
<b>FIXED ASSETS</b>			
Tangible Assets	10	<u>17,585</u>	<u>14,027</u>
<b>CURRENT ASSETS</b>			
Debtors	11	399,792	1,608,375
Cash at bank and in hand		<u>2,902,310</u>	<u>2,577,213</u>
		3,302,102	4,185,588
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(726,549)</u>	<u>(293,314)</u>
<b>NET CURRENT ASSETS</b>		<u>2,575,553</u>	<u>3,892,274</u>
<b>Total assets less current liabilities</b>		<u>2,593,138</u>	<u>3,906,301</u>
<b>Creditors:</b> amounts falling due after more than one year	12b	(19,200)	(25,200)
<b>Net assets</b>		<u>2,573,938</u>	<u>3,881,101</u>
<b>FUNDS</b>			
Unrestricted Fund - General	13	711,085	767,507
- Designated	18	-	-
Restricted Funds	17	<u>1,862,853</u>	<u>3,113,594</u>
<b>Total funds</b>		<u>2,573,938</u>	<u>3,881,101</u>

The financial statements were approved by the Trustees and authorised for issue on 16th April 2019 and signed on their behalf by:

  
 Dr Nigel Lightfoot, CBE, Chair

Company number: 00982544

The notes on pages 27 to 37 form part of these financial statements.

## STATEMENT OF CASH FLOWS

	Note	2018 £	2017 £
Cashflow from operating activities	18	<u>339,140</u>	<u>(1,045,011)</u>
Cashflow from investing activities			
Interest income		941	473
Proceeds from reclassification of tangible fixed assets			2,351
Purchase of tangible fixed assets		<u>(14,984)</u>	<u>(9,322)</u>
Net cashflow from investing activities		(14,043)	(6,498)
Cash flows from financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents in year		325,097	(1,051,509)
Cash and cash equivalents at beginning of year		<u>2,577,213</u>	<u>3,628,722</u>
Total cash and cash equivalents at end of year		<u><u>2,902,310</u></u>	<u><u>2,577,213</u></u>

The notes on pages 27 to 37 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 Summary of significant accounting policies

### (a) General information and basis of preparation

AMREF Health Africa is a company limited by guarantee registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to engage, inspire, and influence people to invest in lasting health change across Africa.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

### (b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Transfers between restricted funds take place in accordance with funding agreements or with the express permission of the funder.

### (c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services (Gifts in Kind) which the Charity would otherwise have purchased are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity; that is the amount the charity would be willing to pay in the open market for the equivalent benefit of such facilities and services. A corresponding amount is recognised in expenditure. A threshold of £500 is applied for each facility or service.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102) 2015.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of its charitable work. Income from government and other grants are recognised at fair value when the charity has entitlement, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Other unrestricted income includes gains arising from foreign exchange transactions which do not relate to restricted funds. Any material unrealised foreign exchange gains are included below net income and realised gains are included within other income.

#### **(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes those costs incurred in seeking potential funders and applying for funding.
- Expenditure on charitable activities includes granting funds to Amref HQ in respect of our Charitable Work, and our own associated costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

#### **(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to Costs of Raising Funds and Expenditure on Charitable Activities on a basis consistent with use of the resources. Overheads have been allocated on the basis of staff time.

The analysis of these costs is included in note 6.

#### **(f) Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life which for equipment and computers is three years.

#### **(g) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **(h) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### **(i) Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

#### **(j) Foreign currency**

Foreign currency transactions are initially recognised using the monthly exchange rate.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate. Gains and losses on exchange are allocated to the appropriate resource.

#### **(k) Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

#### **(l) Tax**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

#### **(m) Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **(n) Financial Instruments**

The charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

**Financial assets** – trade and other debtors (including accrued legacy and gift aid income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to Amref HQ are held at face value less any impairment.

**Cash at bank** – is classified as a basic financial instrument and is measured at face value.

**Financial liabilities** – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver charitable services rather than cash or another financial instrument. Amounts due to Amref HQ are held at face value less any impairment.

**2 Incoming resources from donations and legacies**

	<b>2018</b>	<b>2017</b>
	£	£
Individual sponsorship / event donations	102,483	13,436
Individual donors	429,605	331,393
Legacies	28,073	136,629
Corporate Donors	-	58,696
Trusts and Foundations	58,803	38,000
	<u>618,964</u>	<u>578,154</u>

### 3a Income from charitable activities

	2018	2017
	£	£
<b>Corporates</b>		
Accenture	-	106,287
Allen & Overy	-	8,492
Euromoney	-	72,407
GlaxoSmithKline	2,199,034	2,176,189
<b>Total Corporates</b>	<b>2,199,034</b>	<b>2,363,375</b>
<b>Governments</b>		
European Commission	-	30,877
Jersey Overseas Aid Commission	-	41,343
<b>Total Governments</b>	<b>-</b>	<b>72,220</b>
<b>Other Institutional donors</b>		
Big Lottery Fund	49,691	119,306
Comic Relief	540,810	1,228,372
<b>Total Other Institutional donors</b>	<b>590,501</b>	<b>1,347,678</b>
<b>Trusts and Foundations</b>		
Allan and Nesta Ferguson Trust	200,000	-
James Percy Foundation	89,803	-
Medicor	50,000	-
Charities Advisory Trust - Good Gifts	24,973	-
Other Trusts < £15k	34,500	26,000
<b>Total Trusts &amp; Foundations</b>	<b>399,276</b>	<b>26,000</b>
	<b>3,188,811</b>	<b>3,809,273</b>

Of the above, £98,000 was unrestricted and the remainder restricted.

### 3b Incoming resources from other trading activities

	2018	2017
	£	£
Christmas cards	7,384	2,251

### 4 Gifts In Kind

During the period AMREF UK did not receive any Gifts In Kind or donated services or facilities (2017: 0)

## 5 Resources Expended

	Expenditure on		
	Raising funds	Charitable activities	2018 total (15m)
	£		£
Staff Costs	422,371	515,472	937,843
Direct costs	77,419	3,885,956	3,963,375
Support costs	31,386	190,753	222,139
	<u>531,176</u>	<u>4,592,181</u>	<u>5,123,357</u>

	Expenditure on		
	Raising funds	Charitable activities	2017 total (12m)
	£		£
Staff Costs	260,805	325,002	585,807
Direct costs	52,686	2,868,018	2,920,704
Support costs	59,850	83,836	143,686
	<u>373,341</u>	<u>3,276,856</u>	<u>3,650,197</u>

Direct costs of charitable activities are predominantly (£3,824,195, £2,789,917 (2016/17)) made up of grants remitted to Amref HQ for objectives.

## 6 Support costs allocation

	Raising funds	Charitable activities	2018 total (15m)
	£	£	£
Premises costs	68,999	83,122	152,121
Governance costs	12,298	14,814	27,112
Other office and operational costs	19,461	23,445	42,906
Total	<u>100,758</u>	<u>121,381</u>	<u>222,139</u>

	Raising funds	Charitable activities	2017 total (12m)
	£	£	£
Premises costs	28,788	40,625	69,413
Governance costs	5,499	8,604	14,103
Other office and operational costs	25,563	34,907	60,470
Total	<u>59,850</u>	<u>84,136</u>	<u>143,986</u>

## 7 Governance costs

	2018 (15m)	2017 (12m)
	£	£
Auditors remuneration - Current period audit fee	15,480	13,500
Auditors remuneration - Audit fee in respect of prior years	1,260	524
Other costs	10,372	79
	<u>27,112</u>	<u>14,103</u>

Governance costs in the period included work to develop a new set of values which will set a basis for organisational culture and will inform the development of our new strategy in 2019.

£2,906.89 was reimbursed or paid by the charity during the year to / for two trustees for travel and other expenses incurred on the charity's business (2017 - £961.74 to two trustees).



## 8 Staff costs and numbers

	2018 (15m)	2017 (12m)
	£	£
The aggregate payroll costs comprised:		
Wages and Salaries	770,530	489,281
Social Security Costs	78,282	47,094
Employer's Pension costs	54,168	30,509
Other staff costs	34,863	18,923
	<u>937,843</u>	<u>585,807</u>

In line with our three year strategy, we have continued to invest in our staff complement across levels and teams and are now fully staffed.

Average number of staff during the year by function:

	2018	2017
Fundraising	5	4
Communications	1	1
Programme Development	6	5
Governance and Administrative Support	5	4
	<u>17</u>	<u>14</u>

The employee benefits for key management personnel (including employer's National Insurance costs) were £308,384 (2017: £202,088) On a 12 month basis the pro-rated equivalent is £246,707.

In the 15 month period, there were three employees with remuneration in excess of £60,000 (2017: one in the range £70,000-£79,999); one in the range £90,000-£99,999, and two in the range £60,000 - £69,999. On a 12 month basis the pro-rated equivalent is one in the range £70,000-£79,999.

During the year, no Trustee received any remuneration (2017: none).

## 9 Net incoming resources

	2018 (15m)	2017 (12m)
	£	£
Is stated after charging:		
Auditors remuneration:		
Current year audit fee	15,480	13,500
Audit fee in respect of prior years	1,260	524
Depreciation of Fixed Assets	11,426	3,212
Lease rentals	<u>72,007</u>	<u>50,620</u>

**10 Fixed assets – equipment and computers**

	31/12/2018
	£
Cost brought forward	60,810
Disposal	-
Purchases during the year	14,984
<b>Cost carried forward</b>	<u>75,794</u>
Depreciation brought forward	46,783
Depreciation on Disposal	-
Charge during the year	11,426
<b>Depreciation carried forward</b>	<u>58,209</u>
<b>Net book value brought forward</b>	<u>14,027</u>
<b>Net book value carried forward</b>	<u>17,585</u>

**11 Debtors**

	31/12/2018	30/09/2017
	£	£
Debtors	1,979	2,000
Accrued income	329,425	1,540,965
Prepayments and other debtors	67,730	64,283
Amounts due from AMREF HQ	658	1,127
	<u>399,792</u>	<u>1,608,375</u>

Accrued income in the prior year included the annual tranche of income from GSK relating to the 20% Reinvestment Programme, which in this period was received prior to year end.

**12a Creditors: amounts falling due within one year**

	31/12/2018	30/09/2017
	£	£
Trade Creditors	20,157	19,453
Pension Contributions	-	4,014
Amounts due to AMREF HQ	269,197	61,834
Accruals and other creditors	72,229	203,213
Deferred income	360,166	-
Leasing liability	4,800	4,800
	<u>726,549</u>	<u>293,314</u>

Deferred income of £360k was recognised in the year and carried forward, which relates to two awards that were received in year but which relate to 2019. There was no deferred income brought forwards.

**12b Creditors: amounts falling due after more than one year**

Leasing liability	<u>19,200</u>	<u>25,200</u>
-------------------	---------------	---------------

### 13 Reconciliation of funds

	Unrestricted: General Funds £	Restricted Funds £	2018 £
Funds as at 1st October 2017	767,507	3,113,594	3,881,101
Surplus (deficit) for the year	(56,422)	(1,250,741)	(1,307,163)
Transfers between funds	-	-	-
<b>Funds before other gains / (losses)</b>	<b>711,085</b>	<b>1,862,853</b>	<b>2,573,938</b>
Other gains / (losses)			
Funds as at 31st December	711,085	1,862,853	2,573,938
<u>Analysis of Reserves</u>			
Tangible Fixed Assets	17,585	-	17,585
Net Current Assets	712,700	1,862,853	2,575,553
Creditors of more than one year	(19,200)	-	(19,200)
	711,085	1,862,853	2,573,938
<u>Analysis of Reserves (Prior Year)</u>			
			2017
Tangible Fixed Assets	14,027		14,027
Net Current Assets	778,680	3,113,594	3,892,274
Creditors of more than one year	(25,200)		(25,200)
	767,507	3,113,594	3,881,101

During the course of the period our reserves calculations were updated in line with our policy as detailed in the Trustee's Report. The closing level of unrestricted reserves remains within the aimed-for range.

### 14 Capital and Financial commitments

The charity committed to subscribe to a London Marathon Golden Bond during the next year at £1,800 per annum including VAT (2017: £1,800).

At 31 December 2018 the Charity had future minimum lease payments under non-cancellable operating leases due in the periods below as follows:

	Leasehold Property £	Equipment £
Within one year	47,875	10,659
Between two to five years	155,594	9,235

A ten year agreement for the leasehold property started in March 2013 and was renegotiated in April 2018.

There are no contingent liabilities at the end of December 2018.

### 15 Liability of Members

At 31st December 2018 the charity had 6 members (2017: 5 members). The liability of each member to contribute to the assets of the charity in the event of winding up is limited to £10.

## 16 Related party transactions

- a) Amref Health Africa ("Amref UK") is a national office of the Amref global network, coordinated through a company of the same name based in Nairobi, Kenya ("Amref HQ"). The arrangement between the two organisations, and the responsibilities of both organisations, is summarised in a written Memorandum of Cooperation signed by both parties. This does not supersede the respective autonomy of each organisation.

The transactions with Amref HQ were as follows:

	2018	2017
	£	£
Balances due to/(from) Amref UK at the start of the year	(60,707)	(59,471)
Grants and other payments payable to/(from) Amref UK to Amref HQ in the year	(3,824,195)	(2,789,917)
Net payments made (to)/ from Amref UK to Amref HQ	3,616,363	2,788,681
Balance due (from)/to Amref UK at end of the year	<u>(268,539)</u>	<u>(60,707)</u>

- b) During the year, £522 was spent on coffee beans with Capital Coffee Roasters Ltd., a company owned by the parents of one of the Key Management Personnel. There was no balance due at the period end. Amref UK has also entered into a loan agreement without charge with this company for the provision of a coffee machine.
- c) Donations from Related Parties  
Unrestricted donations of £5,048 were received from 9 Trustees and KMP in the year 2017/18 (£3,005 from 3 Trustees in 2016/17).

## 17 Restricted Funds

The income of the charity includes both restricted and unrestricted funds. The table below summarises the balances on restricted donations and grants held at 31st December 2018.

Country	Brought Forward			Carried Forward
	01/10/2017	Income	Expense	31/12/2018
	£	£	£	
Ethiopia	45,944	359,913	(390,007)	15,850
Kenya	560,582	499,069	(726,637)	333,014
Tanzania	148,913	273,535	(405,512)	16,936
Uganda	110,131	254,795	(282,125)	82,801
AMREF HQ & Regional Work	1,894,291	1,183,499	(2,060,254)	1,017,536
UK office	3,733	-	-	3,733
Malawi	-	200,000	-	200,000
Namibia and Botswana	350,000	350,000	(507,017)	192,983
<b>Total</b>	<b>3,113,594</b>	<b>3,120,811</b>	<b>(4,371,552)</b>	<b>1,862,853</b>

Details of the projects conducted in the year under our four thematic areas can be found in the table on page 8 of the Trustees Annual Report. Our work in South Africa is included in our Regional category.

Country	Brought Forward			Carried Forward
	01/10/2016	Income	Expense	30/09/2017
	£	£	£	
Ethiopia	67,783	403,109	(424,948)	45,944
Kenya	179,403	1,297,843	(916,664)	560,582
Sudan	-	1,000	(1,000)	-
Tanzania	388,118	177,835	(417,040)	148,913
Uganda	104,657	205,366	(199,892)	110,131
AMREF HQ & Regional Work	1,632,650	1,716,868	(1,105,227)	2,244,291
UK office	16	8,492	(4,775)	3,733
<b>Total</b>	<b>2,372,627</b>	<b>3,810,513</b>	<b>(3,069,546)</b>	<b>3,113,594</b>

AMREF HQ & Regional Work in the prior period included our work in Namibia and Botswana which has been analysed separately this period.

## 18 Reconciliation of net movement in funds to net cash flow from operating activities

	2018	2017
	£	£
Net movement in funds	(1,307,163)	774,043
Add back depreciation charge	11,426	3,212
Deduct interest income	(941)	(473)
Decrease (increase) in debtors	1,208,583	(1,475,813)
Increase (decrease) in creditors	427,235	(345,980)
<b>Net cash used in operating activities</b>	<b>339,140</b>	<b>(1,045,011)</b>

