

REGISTERED COMPANY NUMBER: 5314471 (England and Wales)
REGISTERED CHARITY NUMBER: 1109311

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
FOR
CONTESA

Averillo & Associates
Chartered Accountants
and Registered Auditors
16 South End
Croydon
Surrey
CR0 1DN

CONTESA

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FOR THE YEAR ENDED 30 JUNE 2013

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CONTESA

CHAIR'S REPORT FOR THE YEAR ENDED 30 JUNE 2013

The main focus for this eighth CONTESA annual report is on the Vocational and Skills Training programme at Kabwe, which will be called Family Pillar VSTC. Early on in CONTESA's relationship with the Church Family Mission a request was made to consider developing a skills training centre to enable vulnerable young people, particularly those who had come through Family Futures School but were not academically suited to higher academic studies, to learn a trade to support themselves and their families, so breaking the cycle of poverty and potentially undesirable life styles.

Exploratory research and planning was started in 2011 and a generous donation from our patron John Crowle, in memory of his parents, enabled the building of 2 large workshops, tools store and manager's office in 2012. The remainder of the facilities, comprising 2 classrooms, tailoring room, computer studies room, staffroom and toilet facilities, with booster water tanks and 3-phase electrical supply and much of the furnishing and equipping were funded from the proceeds of CONTESA Hong Kong's very successful Gala dinners.



Tools for Self Reliance in the UK (www.tfsr.org) generously provided many strong and beautifully-refurbished tools for the training workshops, Wimborne Methodist Church (UK) funded industrial sewing machines and other facilities for the tailoring course and Mr Masoud Alikhani, Chairman of Berkley Mineral Resources Ltd, a mining company re-starting operations in Kabwe, has most generously provided not only computers and equipment for that aspect of training but also a secure perimeter wall around the whole campus (school, church, skills and feeding) which has greatly increased security and safety for the site.

Between the development of Phase 1 and Phase 2 of the VSTC new regulations requiring all skills training courses and facilities to be registered, inspected, approved and regulated by TEVETA (Technical Education, Vocational and Entrepreneurship Training Authority) came into force. This new regulation framework greatly increased the complexity and costs from those originally envisaged, but does have the benefit that graduating students will have a nationally recognised trade qualification on successful completion of their course, making it easier to find employment or set up in their own business. Accreditation from TEVETA was received at the end of May and it is planned that the first intake of students will start in July.

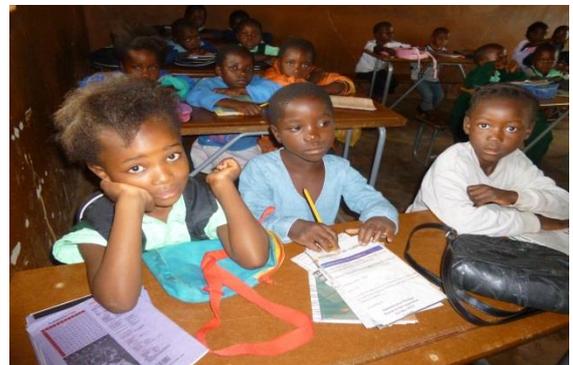
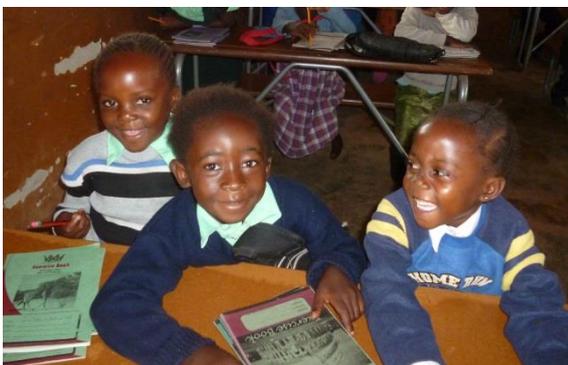
Courses being offered are bricklaying, carpentry, plumbing, electrical installation, metal fabrication, tailoring and IT with Office Skills. All students will have training in entrepreneurial skills and basic computer literacy. Each course will take 10 students for a training period of 6 months, so that each year 140 young people can be trained. Following their initial course students will be encouraged to form small cooperative groups under the guidance of a mentor for a further 6 months to increase practical and business skills before setting out into the competitive business market.

Unlike other training institutions, which charge considerable fees, these courses will be free of charge to students and available only to those who are orphaned, vulnerable and otherwise completely unable to access any other education or training facilities.

This is going to be a very valuable resource for students and also for the community and nation, but will be expensive to run, at an estimated annual cost of about £30,000. Although it is hoped that practical work will provide useful items that can be sold and that possibly tailoring and IT facilities could be used at weekends for fee-paying students, these are unlikely to recover more than a small proportion of costs, and at least initially all support costs will have to be raised by CONTESA or other donor sources. Student sponsorship (£130 for 12 months) or direct support will be very welcomed and necessary.



The skills programme together with CONTESA's other programmes, namely feeding, education, sponsorships and home-based care are a great challenge. The numbers of children and budgets are continually rising and the programmes which can only be sustained by increased funding from donors. We are very fortunate to have a wonderful team of Trustees all of whom devote considerable time to CONTESA and contribute a wide range of abilities, skills and experience. More children are accessing our programmes and numbers are growing rapidly. We do not want to turn children away and hence great effort is being made to see that we get as much funding as possible so that we can support as many children as we can. Despite these challenges the programmes and projects continue to produce great results with children doing well and looking healthy and enthusiastic. Our sponsorship continues to grow and is also giving struggling children extra tuition to cope with the demands of higher education.



An increase in budget is only feasible if supported by an increase in number of donors and donations. Many of the achievements have only been possible because of our supporters and donors who have been there for the children since we began eight years ago and have donated funds to sustain the ever growing programmes.



**CHAIR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

Finally I would like to touch on our finances. Our main operations continue to be our feeding (15.70%) and education/sponsorship (27.40%) programmes. With the construction of the VSTC, 2012/13 saw capital expenditure of £71,808 (36.82%). We also spent a further £6,864 on a septic and water tanks, photocopier and electrical cabling.

The key figures for 2012/13 are:

Projects and Programme	£	%
Recurrent Expenditure		
Feeding	30,641	15.70
Education/sponsorships	53,440	27.40
Home based care	4,981	2.55
Project management	6,260	3.20
One off donations to Zambian charities	4,919	2.50
Children clinic /orphans with HIV+	10,000	5.10

Capital Expenditure

Capital projects and management	8,398	4.40
Skills	71,808	36.82
Governance	4,558	2.33
Total	195,105	100.00

On behalf of the children and CONTESA Trustees thanks to all the generous and warm-hearted donors who have answered appeals to all our programmes and projects. You are making a huge difference and CONTESA mission and vision is being realised. We hope you will continue to support us and we can assure you that we will always deliver assistance where it is needed most.

This year's annual report has been jointly prepared with Margaret McDermott, the Vice- Chair.

Esnat Avon
Chair of Trustees.

CONTESA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
5314471 (England and Wales)

Registered Charity number
1109311

Registered office
16 South End
Croydon
Surrey
CR0 1DN

Trustees

Mrs Esnat Avon
Mrs Rosalind Kaye
Dr Margaret McDermott
Mr Roger Avon
Mrs Rosemary Stanbury
Mr Dominic Wareham
Ms Kathryn Barron
Ms Lisa McDermott
Mr Jack Avon
Rev. Gwyneth Owen - appointed 1.1.2013

Senior Statutory Auditor
Mr Peter Nellemose

Auditors
Averillo & Associates
Chartered Accountants
and Registered Auditors
16 South End
Croydon
Surrey
CR0 1DN

Operational and correspondence address
Odini House
17 Boundary Lane
St Leonards
Ringwood
Hants
BH24 2SE

Telephone: 01202 870474

Website: www.contesacharity.co.uk

E-mail: trustees@contesacharity.co.uk

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Bank plc
Ferndown Branch
84 Victoria Road
Ferndown
Dorset
BH22 9JB

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

CONTESA was registered as a non-profit making company on 16th December 2004 (reg no. 5314471) and was registered as a UK charity (reg. no. 1109311) by the Charity Commissioners with effect from 4th May 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its' Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association the members of the Council of Management, other than Esnat Avon and Roger Avon, are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

Induction and training of new trustees

All Trustees upon appointment are briefed by the Council of Management and are provided with copies of the Charity Commission guidance "Trustee Responsibilities" and subsequently with relevant Charity Commission publications and newsletters. Trustee responsibilities, risk management and related matters are regularly discussed at the quarterly Trustee meetings.

Organisational structure

CONTESA does not have any paid employees or any unpaid voluntary workers; all activities and management are currently carried out by the Trustees.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees actively review the major risks which the company faces on a regular basis and believe that maintaining the reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

OBJECTIVES AND ACTIVITIES

Objectives and aims for the public benefit

Mission

To alleviate the suffering of (AIDS) orphans and disadvantaged children in Zambia through the provision of basic shelter, food and primary education and training, regardless of their religion, background or race.

Vision

To build basic shelters to accommodate AIDS orphans and other orphans, providing at least one basic meal a day and working with institutions and volunteers to provide support and education.

Values

To protect children's rights, alleviate social injustice and achieve sustainable results.

CONTESA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2013

OBJECTIVES AND ACTIVITIES

Significant activities

There are currently five centres where CONTESA is carrying out programmes and projects, some of the projects have now been completed and facilities are already being utilised for the orphans benefit.

The centres where CONTESA has completed and has ongoing projects are as follows:

Church Family Mission, Kabwe
Chainda Centre, Chainda Shanty Compound, Lusaka
Messiah Ministries, Chilanga, near Lusaka
Chawama Clinic, Chawama Shanty Compound, Lusaka
Our Ladys' Hospice, Kalingalinga Shanty Compound, Kalingalinga, Luska

ACHIEVEMENT AND PERFORMANCE

Charitable activities - how the activities have delivered public benefit

The CONTESA Trustees have set strict guidelines for the projects and local organisations (in Zambia) that it will support, these are:

Support will be given to projects in Zambia as follows:

- To charities, groups and organisations which are self help and committed to improving and alleviating suffering of AIDS orphans and disadvantaged children
- CONTESA requires that 100% of its support goes directly to projects and therefore does not support administration expenses.
- The projects to be supported must be in the form of provision of basic shelter, food programmes, or primary education or related projects, e.g provision of water and sanitation.
- Any request for support must be accompanied by full details of the organisation and project, latest accounts and detailed budget for the proposed project.

CONTESA Trustees have also determined that no support, except where unanimously approved at a Trustee meeting, will be supported unless it has been visited by at least one CONTESA trustee and has been deemed to meet the above criteria.

FINANCIAL REVIEW

Principal funding sources

The major sources of funding for CONTESA come from monies received from personal donations and net proceeds generated from fund raising activities.

CONTESA is committed to maintaining its promise that 100% of all donations received are utilised directly on projects. This is achieved through the maintenance of separate operating and administrative bank accounts. All administrative expenses are specifically funded by administrative donations from Avonova Limited (a private company owned by CONTESA founders Esnat and Roger Avon) or personally by the Trustees.

Planned spending on charitable activities exceeded the income for the year, and reserves reduced to £92,299 which is considered satisfactory. In view of the low level of reserves the Trustees consider it most appropriate to invest them in an interest bearing account.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Contesa for the purposes of company law) are responsible for preparing 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them 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 auditors are unaware; and
- 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 auditors are aware of that information.

AUDITORS

The auditors, Averillo & Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Mrs Esnat Avon - Trustee

Date:September 2013

We have audited the financial statements of Contesa for the year ended 30 June 2013 on pages ten to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chair's report and the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CONTESA**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 trustees' 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Mr Peter Nellemose (Senior Statutory Auditor)
for and on behalf of Averillo & Associates
Chartered Accountants
and Registered Auditors
16 South End
Croydon
Surrey
CR0 1DN

Date:September 2013

CONTESA

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 Unrestricted funds £	2012 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	175,461	176,562
Investment income	3	27	-
Total incoming resources		175,488	176,562
RESOURCES EXPENDED			
Charitable activities			
Messiah Ministries	4	16,825	10,678
Chainda Centre for underprivileged children and women in Zambia		4,357	1,830
Chawana Health Clinic		3,000	4,170
KCFM home based care		4,981	4,377
KCFM feeding programme		22,952	14,585
KCFM Education		38,491	26,525
Other Zambian charities		4,919	700
Project Management		6,260	8,734
Our Lady Hospice Kalingali		10,000	5,000
Jito Project		-	775
KCFM capital projects		-	5,944
Contesa Peter McDermott Vocational Training Centre		-	15,003
KCFM Capital Projects		6,864	6,373
KCFM Skills programme		71,808	-
Governance costs	6	4,558	5,035
Total resources expended		195,015	109,729
NET INCOMING/(OUTGOING) RESOURCES		(19,527)	66,833
RECONCILIATION OF FUNDS			
Total funds brought forward		111,826	44,993
TOTAL FUNDS CARRIED FORWARD		92,299	111,826

The notes form part of these financial statements

CONTESA

BALANCE SHEET
AT 30 JUNE 2013

	Notes	2013 Unrestricted funds £	2012 Total funds £
CURRENT ASSETS			
Cash at bank		92,749	112,276
CREDITORS			
Amounts falling due within one year	9	(450)	(450)
NET CURRENT ASSETS		<u>92,299</u>	<u>111,826</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>92,299</u>	<u>111,826</u>
NET ASSETS		<u>92,299</u>	<u>111,826</u>
FUNDS			
Unrestricted funds	10	<u>92,299</u>	<u>111,826</u>
TOTAL FUNDS		<u>92,299</u>	<u>111,826</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees onSeptember 2013 and were signed on its behalf by:

.....

Mrs Esnat Avon -Trustee

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. VOLUNTARY INCOME

	2013	2012
	£	£
Donations Contesa UK	77,595	93,380
Donations Contesa Hong Kong	96,815	79,955
Contribution to office costs - UK	1,051	2,777
Contribution to audit and accountancy	<u>-</u>	<u>450</u>
	<u>175,461</u>	<u>176,562</u>

3. INVESTMENT INCOME

	2013	2012
	£	£
Deposit account interest	<u>27</u>	<u>-</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Messiah Ministries	16,825	16,825
Chainda Centre for underprivileged children and women in Zambia	4,357	4,357
Chawana Health Clinic	3,000	3,000
KCFM home based care	4,981	4,981
KCFM feeding programme	22,952	22,952
KCFM Education	38,491	38,491
Other Zambian charities	4,919	4,919
Project Management	6,260	6,260
Our Lady Hospice Kalingali	10,000	10,000
KCFM Capital Projects	6,864	6,864
KCFM Skills programme	<u>71,808</u>	<u>71,808</u>
	<u>190,457</u>	<u>190,457</u>

5. SUPPORT COSTS

	Finance	Other	Totals
	£	£	£
Governance costs	<u>2,116</u>	<u>1,992</u>	<u>4,108</u>

6. GOVERNANCE COSTS

	2013	2012
	£	£
Auditors' remuneration	450	450
Support costs	<u>4,108</u>	<u>4,585</u>
	<u>4,558</u>	<u>5,035</u>

7. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Auditors' remuneration	<u>450</u>	<u>450</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2013 nor for the year ended 30 June 2012.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2013 nor for the year ended 30 June 2012.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Accrued expenses	<u>450</u>	<u>450</u>

10. MOVEMENT IN FUNDS

	At 1.7.12	Net movement	At 30.6.13
	£	in funds	£
		£	
Unrestricted funds			
General fund	111,826	(19,527)	92,299
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>111,826</u>	<u>(19,527)</u>	<u>92,299</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Movement in
	resources	expended	funds
	£	£	£
Unrestricted funds			
General fund	175,488	(195,015)	(19,527)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>175,488</u>	<u>(195,015)</u>	<u>(19,527)</u>

CONTESA

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2013

	2013 £	2012 £
INCOMING RESOURCES		
Voluntary income		
Donations Contesa UK	77,595	93,380
Donations Contesa Hong Kong	96,815	79,955
Contribution to office costs - UK	1,051	2,777
Contribution to audit and accountancy	-	450
	<u>175,461</u>	<u>176,562</u>
Investment income		
Deposit account interest	<u>27</u>	<u>-</u>
Total incoming resources	175,488	176,562
RESOURCES EXPENDED		
Charitable activities		
KCFM home care	4,981	4,377
Messiah Ministries	16,825	10,678
Chainda Centre for underprivileged children and woman in Zambia	4,357	1,830
Chawana Health Clinic	3,000	4,170
KCFM feeding programme	22,952	14,585
KCFM education	38,491	26,525
Our Lady's Hospice Kalingaling	10,000	5,000
Project management	6,260	8,734
Family Mission capital projects	-	5,944
Jito Project	-	775
Contesa Peter McDermott Vocational Training Centre	-	15,003
KCFM capital projects	6,864	6,373
Other Zambian charities	4,919	700
KCFM skills programme	<u>71,808</u>	<u>-</u>
	190,457	104,694
Governance costs		
Auditors' remuneration	450	450
Support costs		
Finance		
Bank charges	2,116	1,808
Other		
Office costs UK	<u>1,992</u>	<u>2,777</u>
Total resources expended	195,015	109,729
Net (expenditure)/income	<u><u>(19,527)</u></u>	<u><u>66,833</u></u>