



Camfed International
Annual Report and Financial Statements
for
The Year Ended 31st December 2012

Company number: 2874653
Charity number: 1029161

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Legal and Administrative Information

Trustees

Peter Sherratt (Chair)*

Joan Armatrading

Valerie Caton (from March 2013)

Miranda Curtis (Vice Chair)*

Elizabeth Garnsey

Fiona Gilmore

Robert Sansom (from March 2012)

Brian Scott*

** Indicates members of the Finance and Audit Committee (Brian Scott serves as Chair)*

Directors

Peter Sherratt (Chair)

Valerie Caton (from March 2013)

Miranda Curtis (Vice Chair)

Elizabeth Garnsey

Fiona Gilmore

Robert Sansom (from March 2012)

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Trustees' Report

Introduction

Since 1993, Camfed has been investing in girls and women in rural Africa as leaders of change. The results speak for themselves in the numbers of girls who have gained access to new levels of education; their retention rates and performance in school; lower adolescent pregnancy rates; and raised self-esteem and status. At the post-school phase, significant impact is evident in the new earning power of young women and their control over resources; their power to choose whom and when to marry, and the size of their families; their community activism and participation in local and national decision-making bodies; their use of technology; and their own philanthropy. This is the 'multiplier effect' of girls' education in action.

Camfed Model

Camfed breaks the mould in the field of girls' education by creating a new model of systemic change founded in power-sharing at the grassroots. Camfed's model mobilises an entire social infrastructure around girls to support their development. Camfed brings together, often for the first time, the many influential community actors in a girl's life – teachers, health workers, traditional and faith-based leaders, police, parents and female role models – all of whom are in a position to bring about improvements to girls' and young women's futures. By recognising and bolstering this network of support, Camfed is able to galvanise assistance for girls at the key transitional moments in their lives: from primary into secondary school, where many girls are lost from enrolment because of poverty; and upon graduation from secondary school, when girls need a secure bridge into further education or training with solid economic opportunity. By placing a high degree of responsibility over decisions, strategies and resources in the local community, Camfed ensures that community members own a system that is transparent, responsive and accountable. Only a model founded on demonstrable public trust and proven reliability will win the degree of confidence required for systemic change across local communities, including community capability to demand better and more accountable services from government and non-governmental organisations (NGOs).

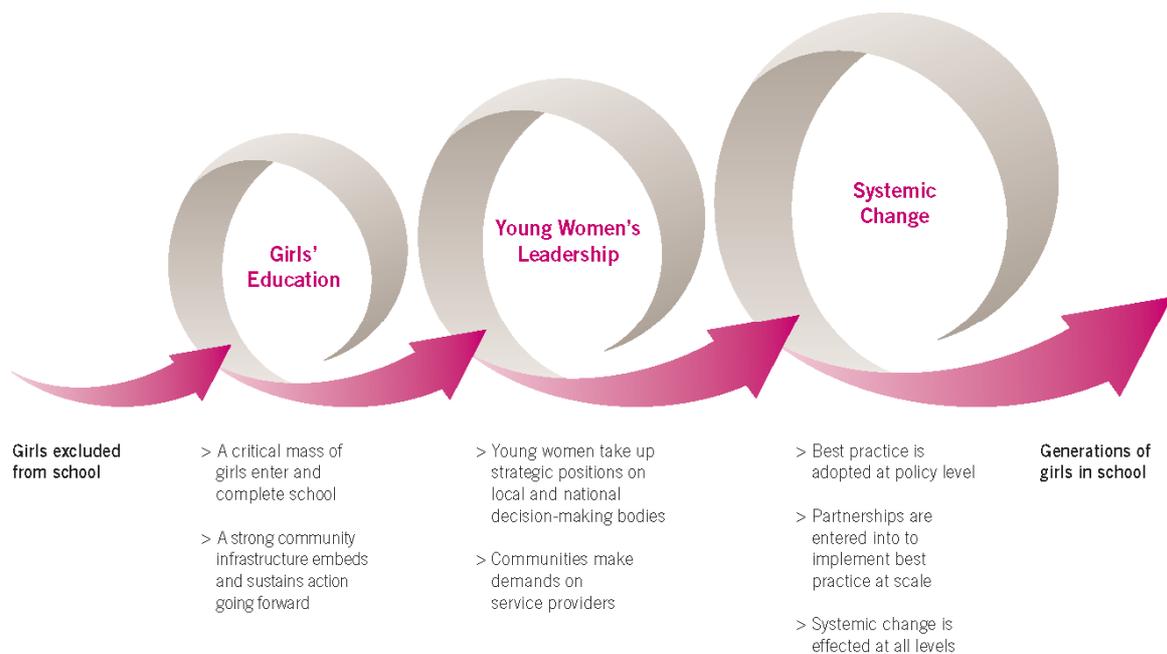


Figure 1: The Camfed Model: Effecting Systemic Change

2012 Achievements

This section of the report describes the progress made in 2012 around four strategic objectives.

Objective 1: Multiply educational opportunities for girls and vulnerable boys

- Support girls and vulnerable boys to go to school
- Improve the learning environment of rural schools
- Build the capacity of local groups for sustainability

Support girls and vulnerable boys to go to school

In 2012, 58,997 girls were supported at secondary level through our Bursary Programme – a significant increase since 2011, when we supported 25,376 girls through school. Bursary support includes school and examination fees, books and stationery, school clothing, as well as boarding school fees and transport costs for those girls who live too far away from school to walk daily. Additionally, the Safety Net Fund enabled the retention of 168,029 girls and boys at primary and secondary school. This Fund provided an emergency response to the needs of schoolchildren for items such as school clothing, shoes, books, or stationery, the absence of which compromises a child's ability to attend school, or to learn. This Fund pre-empted a situation in which a poor child sits in the classroom unable to record lessons because he or she has no exercise book or pen. It also frequently meets examination fees as these can exceed annual school fees and undermine the chance of a poor child to sit the exams for which he or she has been studying.

The exponential growth in the numbers of girls supported through bursaries is being achieved in substantial part through funding from the UK Department for International Development (DFID). Firstly, DFID awarded a grant of £12 million to support education bursaries for 24,000 girls in Zimbabwe in April. DFID's Business Case for Zimbabwe Education Sector Support, published in January 2012, stated; *"Camfed has developed a strong track-record in this field in Zimbabwe since 1993. It is the only organisation who can deliver on the scale and timeframes envisaged... given the nature of the support envisaged and the importance of having well-established working relationships at a national and community level, there is currently no viable alternative to Camfed."*

Secondly, DFID followed that award with a £9 million grant in October to deliver bursaries to 20,000 girls in Ghana, and thirdly, provided an £8 million grant in November to deliver 15,000 bursaries to girls in Malawi. All these initiatives will be delivered over the next four years.

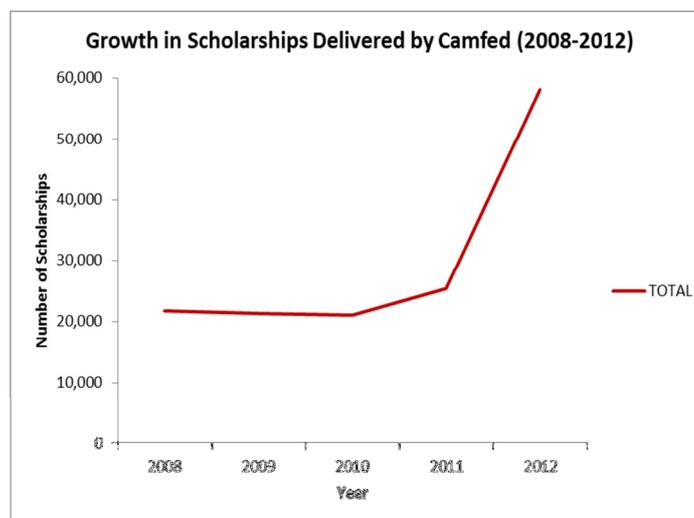


Figure 2: Growth in Camfed delivery of secondary school scholarships 2008-2012

2012 Achievements		Ghana	Malawi	Tanzania	Zambia	Zimbabwe	Total
Multiply educational opportunities for girls and vulnerable boys							
Support girls and vulnerable boys to go to school	Students receiving bursary support	16,210	11,030	3,491	10,556	17,710	58,997
	Children benefiting from the Safety Net Fund	57,323	39,739	11,427	34,700	24,840	168,029
	Students supported through local philanthropic initiatives	24,800	8,800	9,200	13,500	54,000	110,300
	Total number of children directly supported to go to school in 2012	98,333	59,569	24,118	58,756	96,550	337,326
Improve the learning environment of rural schools	Trained teacher and community mentors trained (cumulative)	937	314	1,037	1,979	2,481	6,748
	School population benefiting from an improved learning environment	246,300	263,900	249,500	454,800	853,100	2,067,600
Building the capacity of local groups for sustainability	Community Development Committees	25	17	10	26	26	104
	School Based Committees	721	314	363	794	2,060	4,252
	Parent Support Groups	223	323	155	127	2,172	3,000
	Resource Team members	119	83	162	303	432	1,099
	Number of community activists	15,983	8,323	8,550	14,905	57,218	104,979

Chifundo, 18, is one of the first girls to graduate from Camfed's newest programme in Malawi. She was chosen as one of Camfed's first beneficiaries in the Machinga District of Malawi in 2009 after her family could no longer afford to support her through school.

Chifundo has come far since 2009; she has now passed her high school graduation examinations and is awaiting acceptance at university. She is also acting as an advisor to Camfed Malawi as the Bursary Programme expands into new districts.

At an event to celebrate Camfed's partnership with The MasterCard Foundation in Malawi, which will support 1,275 girls through school over five years, Chifundo told an audience of 600 people, – including the Malawi Minister of Education, Science and Technology:

"I am excited today that we are launching a project to support thousands of girls like the Chifundo I was. I promise you that Malawi will never be the same again."

In **Zimbabwe**, the number of bursaries provided in 2012 increased by 183 per cent on 2011. By the end of the year, Camfed Zimbabwe had doubled the number of partner schools, reaching all of the 845

secondary schools educating girls within existing partner districts, and expanded into two further districts.

In **Ghana**, Camfed worked closely with the Ghana Education Service (the administration arm of the Ministry for Education) to identify 100 new partner schools for expansion within 26 districts across the Northern, Central, Upper East and Upper West Regions. In 2012, 16,210 girls in secondary school were supported by the Camfed Bursary Programme.

In **Malawi**, the foundations were laid to expand the number of bursaries, extending support from 2,101 in 2011 to over 15,000 girls by the end of 2016; the expansion of bursaries will be matched by the geographic expansion of operations from 6 to 17 districts.

In **Tanzania**, we are now working in partnership with 544 schools across 10 districts. A total of 3,491 girls were supported through Camfed's Bursary Programme in secondary school in 2012.

In **Zambia**, Camfed's programme continued to expand in 2012, supporting 10,556 secondary school students via the Bursary Programme. Partner schools have increased in number from 671 to 794.

The material support that Camfed provides to children is complemented by social support. Teacher Mentors are trained in every partner school; they are government-appointed and paid teachers who are then trained by Camfed in psycho-social support.

Hellen Mphande is a Camfed-trained Teacher Mentor at Chinsali Girls' High School in Zambia, where 179 girls out of 1,200 pupils were supported through school by Camfed in 2012.

Hellen provides emotional and social support to girls at the school. She counsels girls when they need help such as bereavement counselling and acts as a liaison point between Camfed staff in Zambia and the school. *"My own motivation as a teacher and a mentor is to create a better place for the girls I work with,"* she says. *"Putting a smile on one person's face is what motivates me to go to work each day."*

The network of Teacher Mentors, now numbering 6,748, makes a major contribution to the well-being of girls and contributes significantly to their retention and progress at school.

Improve the learning environment of rural schools

"We want quality education because we are children of quality."

Leticia, 12-year-old student in Wedza, Zimbabwe

Camfed adopts a holistic approach to improving the quality of the learning environment for all children. In partnership with our donors, we provide learning resources such as books, computers and science equipment; as described above, we train Teacher Mentors in each partner school to provide psycho-social support to vulnerable children; we work with schools and government education departments to develop and implement child protection policies and practice; and we train School Based Committees, most notably in financial management and child protection.

Highlights from 2012:

- Camfed improved the educational environment of 4,743 schools to benefit a school population of 2,067,660.
- Across five countries, Camfed trained a further 1,178 Teacher Mentors.
- Across five countries, 1,887 partner schools established child protection strategies.

- Data gathered on retention, attendance, exam pass rates and completion for Camfed-supported students indicated an improved learning environment, as well as the impact of strong community support:
 - 6,048 girls with Camfed bursaries graduated from secondary education;
 - The average retention rate between 2011 and 2012 for girls supported with Camfed bursaries at secondary school was 92 per cent;
 - The average school attendance rate of students supported with Camfed bursaries in secondary school was 90 per cent;
 - 3,792 girls progressed into the highest level of secondary education (equivalent to UK A-levels) in 2012, more than double the figure of 1,745 in 2011; this is set against extremely low national enrolment rates at this education level.

Build the capacity of local groups for sustainability

Partnership with communities is fundamental to Camfed's programme. Camfed delivers its programmes by drawing upon existing community structures to create a network of stakeholders within the community, including; parents, teachers, traditional leaders, social welfare, health professionals, police and district education officials.

Volunteer community activists were instrumental in delivering Camfed's programme in 3,209 rural communities across 108 districts this year. By the end of 2012, the number of community activists engaged with Camfed's activities reached 104,979.

Camfed measures community philanthropy to support the education of vulnerable children as an indicator of the multiplier effect and sustainability of its programmes. In 2012, the commitment, contributions and volunteerism of the extensive network of community partners enabled 110,300 additional children to go to school. In Zimbabwe, community activism enabled a higher number of children to be supported through community philanthropy than through direct support from Camfed. While the financial investment by Camfed remains substantially higher because of comprehensive nature of the Bursary Programme, this milestone demonstrates progress to sustainability, and the quality of partnerships that Camfed achieves.

In addition, over the past year in Zambia, Zimbabwe and Ghana, Camfed successfully piloted 'Planning for School Excellence'; which works in partnership with local school communities to set targets and priorities for collaborative action to improve education. As one strategy of this initiative, nearly 700 community volunteers have been trained to use mobile phone technology to collect data from partner schools, providing on-going data cost effectively.

As a result, data from local schools, collected by community activists, has been shared with teachers, parents and children, for the first time, to help them measure their school's progress using indicators such as enrolment, retention and examination results. Camfed presents this school data using oral methods and graphs, ensuring accessibility to all, including non-literate parents. The engagement of parents and students in developing school action plans is a breakthrough, making certain their concerns have been prioritised when previously they were either not represented or under-represented. In particular, students were not normally consulted for their opinions on school planning. The approach is now being rolled out widely across Camfed partner schools.

By design, Camfed's initiatives mobilise the diverse resources and creativity existing in local communities. In this way, they create systemic change along two timeframes – immediate change through direct community action, and long-term change by strengthening the confidence of communities to demand better services.

Mother Support Groups demonstrate the community activism that is catalysed through Camfed's training and financial investment. 3,000 parent support groups are now active across country programmes and undertake a wide variety of self-determined initiatives. For example, in rural Malawi,

where frequent droughts have led to high levels of food insecurity, a large-scale feeding programme is underway across partner schools, led by Mother Support Groups. Members of the groups were trained in effective agricultural techniques and provided with start-up grants to buy farming equipment, seeds and fertiliser to develop land apportioned by traditional leaders. In 2012, Malawi's Mother Support Groups established 14 school initiatives to supplement meals for poor children: 2,587 children benefitted from school meals in communities where up to 50 per cent of children come to school hungry.

Objective 2: Enable educated young women to lead change

- **Support young women's economic advancement and leadership**
- **Support young women into tertiary level education**
- **Developing the Cama network as a framework for young women's agency**

Support young women's economic advancement and leadership

Responding to the needs of our clients, Camfed is building a ladder of opportunities to provide Cama members with the knowledge, experience and financial capital they need to establish and grow their own businesses. The first rung is the teaching of financial literacy to girls who are still in school.

In Ghana, Camfed trained 548 young women in financial literacy, business and life skills to work in schools to support teachers in the areas of money management, children's rights and sexual and reproductive health. By the end of September 2012, these 'Peer Educators' had in turn taught 24,614 people.

As part of this project, a Financial Literacy Radio Programme in Dagbani '*Salo Yelsuma Saha*' (which means 'Talks to improve public well-being') was launched. The programme was first broadcast on 30 September on a popular local radio station; it includes a question and answer session for listeners on matters including savings and loans, with experts in the studio.

The second rung, for Cama members who have newly graduated from secondary school, is Camfed's Seed Money Programme. Established in 2000, it provides basic business start-up training, peer business support and the opportunity to apply for a small grant (typically £90-£225). More than 8,300 Cama members have set up businesses, 667 in 2012.

For the growing number of successful Cama business owners who require loans to expand their enterprises, Camfed has been working to extend the ladder. In Tanzania, Camfed is supporting a Revolving Loan Scheme, which enables young Cama members who are already in business to expand their enterprises, improve their income and increase their savings. In Zimbabwe, Camfed established a partnership with Kiva (a US based lending platform) to link a group of Cama business owners to loans from lenders around the world that launches in 2013.

In partnership with The MasterCard Foundation, Camfed extended an Innovation Bursary Programme for exceptional female entrepreneurs in Ghana in 2011. The programme encourages young women to see business as a viable and high status career path, and extends the leadership and business support already available through the Cama network to enable talented young women to translate their formal education into entrepreneurship opportunities.

30 young women are now taking part in national and international internships with companies and social enterprises, with the aim of introducing them to new knowledge, skills and markets. They return to their communities to launch their own innovative businesses. Businesses in sectors such as solar power, healthcare and agriculture are breaking new ground in rural districts, providing access to previously inaccessible goods and services, creating employment, and contributing to a more diversified and vibrant rural economy. Six young women took part in international internships in India in late 2012, providing them with vital knowledge and advice to help them build their own enterprises. The partner host organisations include - Gram Vikas and International Development Enterprise India – were chosen for their values, including high quality services to their poor, rural clients. In Ghana, partner organisations are chosen against the same criteria.

Support young women into tertiary level education

Camfed has been investing in a range of post-secondary opportunities for young women in order to respond to their demand for professional training and higher education, and to close the gap in enrolment between rural and urban young people.

- In 2012, 533 students were supported in post-secondary education programmes in Zambia, with 126 of these students graduating with degrees, diplomas and certificates in such programmes as nursing, teaching, pharmacy, biomedical sciences, agriculture, journalism, catering and information technology.
- In Zimbabwe, 40 Cama members were supported in tertiary education programmes including teaching, business management, economics, medicine and accounting.
- In Tanzania, Cama members are studying science, economics and teaching, with 45 Cama members supported in university and a further 38 in professional training colleges.
- In Ghana, 228 Cama members were supported through tertiary education, studying subjects including teaching, marketing, nursing and integrated development studies.

A breakthrough in post-secondary opportunities for Cama members took place in 2012 with new opportunities opening up among international educational institutions that issue scholarship funding. In 2012, four Cama members successfully applied for and received scholarships for admission into prestigious international schools, following stringent application processes. Two young women, one from Zambia and one from Ghana, were chosen from a pool of more than 2,500 applicants for two of only 100 places in the African Leadership Academy's two-year programme in South Africa. Two Cama members were accepted at Ghana's progressive Ashesi University to study computer science. Camfed provided the young women with application assistance that included coaching for interviews. Upon their acceptance, Camfed assisted them to obtain passports, visas, accommodation and local transportation.

Developing the Cama network as a framework for young women's agency

When girls complete their secondary school education, Camfed is unique in accompanying them on their journey by bridging the gap between school and adult life, into empowered self-reliance. By 2012, more than 19,550 young women had joined the Cama network of Camfed alumnae – which offers opportunities including tertiary education, financial literacy, business skills and IT training, Seed Money Programme grants to launch businesses, and health education.

With this continuum of support, girls' potential is transformed through experience, knowledge and confidence into action and leadership. Cama is a pan-African networked social movement with members across 66 districts in Zimbabwe, Zambia, Tanzania and Ghana. In Malawi, with the graduation of the first class of girls supported through secondary school scholarships, Cama will launch in 2013.

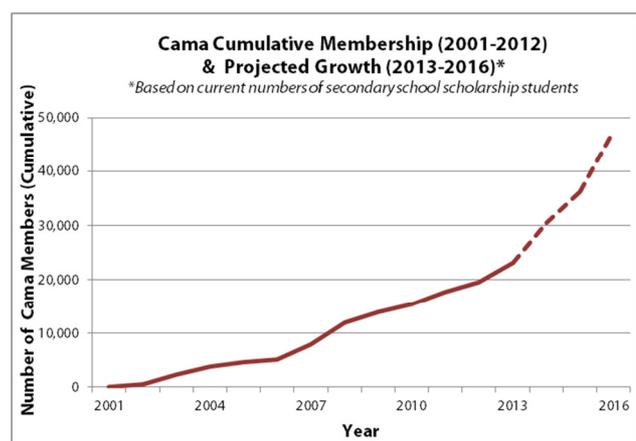


Figure 3: Cama Cumulative Membership and Growth Projection

As Figure 3 illustrates, the Cama network is at a point of rapid growth. The numbers displayed are derived from current membership numbers together with projections based upon the numbers of girls currently supported by Camfed scholarships in secondary school. Cama membership is projected to more than double by 2016, to an estimated 47,000 young women.

As the Cama network continues to expand, it becomes a vital force for change in rural communities by empowering a growing network of young women to become role models, entrepreneurs, advocates for child rights (including education), and philanthropists who support other children to complete school.

Highlights from Camfed's work with Cama in 2012 include:

- 35,237 young women and community members were trained in business skills and financial literacy.
- Through Camfed's Seed Money Programme, 667 young women started enterprises, providing them with practical learning in owning and managing money as the first step of their journey to economic independence.
- 476 young women were trained as Community Health Activists, reaching 311,637 children and young people in rural communities with important information on HIV & AIDS and other health priorities.

2012 Achievements		Ghana	Tanzania	Zambia	Zimbabwe	Total
Support young women's economic advancement and leadership	Business Trainers trained (cumulative)	444	202	117	426	1,189
	Young women trained in business skills and financial literacy	33,850	436	195	756	35,237
	Businesses set up by young women	529	108	30	-	667
	Number of loans extended to young women	30	172	-	-	202
	Young women trained in leadership	614	-	-	180	794
Train young women as health activists to improve community well-being	Community Health Activists trained (cumulative)	660	295	732	634	2,321
	Schools reached by Health Activists	257	78	25	384	744
	Students and community members reached with health information	28,490	3,476	1,550	278,121	311,637
Develop the Cama network as a framework for young women's agency	Cama members (cumulative)	3,050	2,758	4,420	9,322	19,550
	Cama District Committees	15	10	17	24	66
	Cama District Centres	14	1	35	20	70

NB – Cama has not yet launched in Malawi, Camfed's newest country programme

Objective 3: Research & Development

- **Build the evidence base for the Camfed model of advancing girls' education, young women's leadership and community empowerment**

The Camfed Model can be described as a research and development model. The 'child is the client' at Camfed and this principle is carried through to engagement with each child, including to the highest standards of monitoring of his or her status and progress, and in response to his or her needs. The depth of knowledge Camfed accrues across five countries in hard-to-reach rural schools and communities is of fundamental importance to the design of programmes that work for poor children and is shared with a wide range of stakeholders including government, bi-lateral and multi-lateral agencies, communities and schools as well as the many donors.

The gathering and analysing of monitoring data is complemented by discrete internal studies and external evaluations and 2012 saw a number of initiatives: an external evaluation commissioned for the European Commission on Camfed's education programme in Zambia; a study on the drop-out of girls from secondary school in Zimbabwe; and a study on the Revolving Loan Scheme for Cama members in Tanzania. Additionally, preparation was made for further external evaluations and baseline studies to be undertaken during 2013 prior to the introduction of new programmes.

European Commission External Evaluation, Zambia

The external evaluation was undertaken on a four year project conducted in Zambia between 2007 and 2011: 'Achieving Gender Equality in Education in Zambia'. The project itself was intended to: build the capabilities of communities to keep girls safe; integrate the lessons of the project into national level school systems; and ensure good governance over resources earmarked to achieve gender equality.

The evaluation included the following findings:

- The provision of education in remote rural schools had been improved and the training component achieved 'high levels of understanding and practice of good governance of resources within their reach', and a high level of collaboration among stakeholders at all levels.
- That the financial resources were well managed, 'it is a water tight system that does not leave loopholes for abuse of funds'.

Recommendations related mainly to ways to extend the confidence and capability of community-based structures towards taking an ever-increasing role in improving education. On the issue of child protection, Camfed was encouraged to continue working for the adoption of its Child Protection Guidelines and Child Protection Policy (the Guidelines were officially endorsed by the Ministry of Education in early 2013, and Camfed continues to work with the Ministry to ensure that the Policy is adopted

Female School Drop Out Survey, Zimbabwe

Camfed has built an extensive network of 4,743 partner schools (2,060 schools in Zimbabwe). The high quality of partnership achieves a close level of engagement between school principals and Camfed staff, enabling co-operation on studies that throw greater light on the problems faced by poor children. Secondary school drop-out remains a challenge across each of the programme countries, for families and schools, as well as for the girls themselves. Camfed Zimbabwe therefore embarked on a survey to better understand the circumstances that impact girls' completion of secondary school.

A total of 37 schools took part across six districts, and the circumstances of 177 girls were analysed (none had been supported by Camfed's Bursary Programme). The findings were shared with the Ministry of Education and included the following:

- Family poverty was the primary reason for drop out;
- Pregnancy was the second highest cause, with the death of a parent and other family problems also being significant;
- Of the poverty-related problem, the payment of school fees was the greatest, followed by the cost of stationery, uniform and text books;
- Of the respondents, the majority were from families where a brother or sister had also dropped out, confirming the deep poverty of the family.

The respondents were asked their opinion on what might have prevented drop out and placed financial support for school supplies and fees, and more encouragement from the family, as the highest priorities.

In the realm of culture, early marriage and pregnancy were considered the greatest impediments to school completion. In school, the lack of textbooks and poor classroom environment was considered to have the greatest negative impact by the respondents.

Revolving Loan Scheme Impact Assessment, Tanzania

Camfed revolving loans provide female school leavers with low risk, low interest finance for the establishment of small-scale rural businesses. The client group has no collateral and no experience of money-management; they are not viable clients in the eyes of the formal banking sector. The review was designed to understand better the factors contributing to the scheme's sustainability and success given its growth since 2009, as well as the viability of replication and expansion, given the management of the Scheme by the young women contributors and borrowers themselves. The findings included management recommendations, and highlighted factors predicting group and individual progress. Among the findings:

- The taking of a loan raises the social standing of a young woman;
- The attitude of a husband has a profound effect on business performance of the young women, whether negative or positive;
- Trust is a key factor in the scheme's success, both of the leaders and the safety of money;
- The Scheme is seen as a 'safe' option compared to other micro-finance initiatives, attractive in its low rates, but this safety may limit young women's ability to manage more demanding loans.

Given the massive unemployment and under-employment of school leavers in all the countries in which Camfed works, this scheme provides an important and cost effective model for this under-served constituency which Camfed will continue to extend.

In late 2012, the financial management systems of Camfed International, Camfed Zimbabwe and Camfed Tanzania were scrutinised in a rigorous due diligence process conducted by PricewaterhouseCoopers (PwC), acting in their capacity as Fund Manager for the DFID Girls' Education Challenge. The Fund Manager examined areas of governance, financial robustness of the organisations, absorptive capacity, reporting and accounting systems, financial staff capacity and capability, and procedures for monitoring. Their final report constitutes a strong endorsement of Camfed's accounting system, concluding that Camfed had good financial management systems in place and the capacity to absorb the significant additional work.

Objective 4: Advocacy on children's rights to education and protection

- **Raise awareness at international level**
- **Raise awareness at national level**
- **Raise awareness at community level**

Camfed's advocacy policy is to enable those constituencies who understand best the denial of rights, including the denial of the right to educate, to be at the policy-making table and at high level fora. After 20 years of investment, there is a network of advocates whose background of rural poverty, transformational experience of education through Camfed's programme, and ability to analyse and articulate experience, makes them uniquely powerful in contributing to policy and practice. Camfed believes that there is an imperative in including those who have experienced the problem of poverty in finding solutions.

During 2012, Camfed provided training and support to young African women to contribute to national and international dialogue.

The voices of young African women were heard at an increasing volume and at increasingly high profile venues over the course of 2012:

- In March, to coincide with International Women's Day, founding Cama member (and Camfed International staff member) Fiona Mavhinga was interviewed and profiled in *The New York Times* online by journalist David Bornstein.
- In June, Cama Ghana's National Chairperson Rafia Lawal participated in The MasterCard Foundation Youth Think Tank in Nairobi, Kenya. In October, she attended a second meeting of the Youth Think Tank at Tufts University to share her personal experiences with members of The MasterCard Foundation staff and Board of Directors in Boston.
- In September, former Camfed bursary student Abigail Kaindu was selected to be one of only 15 members of the UN's Youth Advocacy Group advising the Secretary General on Global Education Policy.

In partnership with Linklaters, the University of Oxford's Blavatnik School of Government, and the Skoll Centre for Social Entrepreneurship at the Saïd Business School, Camfed held the First Annual Seminar on Advancing Good Governance in International Development; Spotlight 2012: Accountability to the Client in June. The seminar was the first of an annual series exploring the role of good governance in effective and sustainable international development. The forum brought together thought leaders and practitioners in social entrepreneurship, international NGOs, government, academia and the private sector. The second seminar is being planned.

Camfed's Founder and President Ann Cotton was one of four experts who spoke at an event at the UK Houses of Parliament in August alongside the UK's Parliamentary Under-Secretary of State for Children & Families and the High Commissioner for Mauritius. The event marked the launch of the Commonwealth Advisory Bureau's Policy Briefing, presented at the 18th Commonwealth Conference of Education Ministers. The briefing paper – which focuses on improving access to quality education – includes a thought leadership piece by Ann highlighting Camfed's programme as a model for success in rural girls' education, which was shared with 54 Ministers of Education from the former Commonwealth countries.

Camfed's inclusion at major events with governments, bilateral and multilateral organisations reflects its growing influence in the education development sector and recognition of the exceptional scalability of its model.

- At the UNESCO Launch of the *Education for All Monitoring Report*, Camfed International Founder and President Ann Cotton spoke alongside UNESCO Director-General Irina Bokova and UN Special Envoy for Global Education, Gordon Brown.

- At the invitation of Hillary Clinton, Ann Cotton also participated in the November meeting of the United States Secretary of State's International Council on Women's Business Leadership, the only NGO leader invited.

Within the Global Partnership for Education (comprised of 46 countries, and over 30 bilateral, regional and international agencies, development banks, the private sector, teachers, and local and global civil society groups), Camfed Zambia Executive Director Barbara Chilangwa worked on the Learning Metrics Task Force launched by the Centre for Universal Education at Brookings and the UNESCO Institute for Statistics. As a member of the Learning Metrics Task Force, Camfed will have the opportunity to influence how the quality and relevance of education is defined by UN agencies, governments, donors and other civil society organisations through development of global learning competencies and measures at early childhood, primary, and post-primary levels. In the past year, the Task Force developed an indicator framework that Camfed is presenting to education practitioners and partners.

Additional to these high level international dialogues, there was an on-going diary of engagements that included:

January: Camfed Tanzania Co-Directors Msaada Balula and Lydia Wilbard attended and spoke about the importance of community partnerships and mobile phone data acquisition technologies at the USAID Partner Meeting in Kampala, Uganda.

April: Camfed International Chief Executive Officer Lucy Lake shared the findings of 'What Works in Girls' Education' report at the World Bank Gender and Education Research Colloquium held in Washington D.C.

June: Camfed Zimbabwe and Malawi Executive Director Angeline Murimirwa and Camfed Zambia Executive Director Barbara Chilangwa spoke at Camfed's inaugural Advancing Good Governance in International Development Seminar held at Oxford University

June/July: Camfed Zambia Deputy Executive Director Dorothy Kasanda and Camfed Zimbabwe Head of Operations Lovemore Nechibvute, saw first-hand how pupils in schools in Colombia are benefitting from the Escuela Nueva model, which encourages children to play a central role in their own education. Now the Camfed Executives are bringing those lessons back to Camfed's programmes in Africa.

August: Ann Cotton was one of four experts who spoke at an event at the UK Houses of Parliament alongside the UK's Parliamentary Under-Secretary of State for Children & Families and the High Commissioner for Mauritius.

October: Camfed Zimbabwe Deputy Executive Director/Head of Impact Faith Nkala attended the 10th European Evaluation Society (EES) Biennial Conference in Helsinki, Finland. The conference is a platform to interact, discuss and network amongst evaluation professionals, through means such as web-based tools/ forums and ad-hoc events.

October: Ann Cotton attended and was invited to speak regarding issues surrounding the importance of educating all children at the UNESCO Launch of Education For All (EFA) Monitoring Report. Launched in October 2012, this flagship UNESCO report examined how skills development programmes can be improved to boost young people's opportunities for decent jobs and better lives. The report featured examples of Camfed's work to help young women start and run new businesses. Ann Cotton spoke at the launch of the report in Paris, alongside UNESCO Director-General Irina Bokova and UN Special Envoy for Global Education, Gordon Brown.

November: Ann Cotton visited Washington D.C. at the invitation of Secretary of State Hillary Clinton. Ann was one of 40 women selected to attend the second annual meeting of The Secretary's International Council on Women's Business Leadership.

November: Angeline Murimirwa was invited to share Camfed's experience in advocacy about girls' education and ending child marriage at the Girls not Brides Africa regional conference in South Africa. Girls not Brides is a coalition of over 200 non-governmental organisations committed to ending child marriage and enabling girls to fulfil their potential.

December: Ann Cotton was a panellist on sessions about child marriage, and clashes between culture and law at the 2012 TrustLaw Conference in London, a gathering of women's rights activists from civil society organisations, the private sector, government and the media, organised by the Thomson Reuters Foundation and the International Herald Tribune.

Among advocacy initiatives in Africa, Camfed Malawi has been strongly engaged in diverse activities to decrease the prevalence of child marriage in that country. Camfed Malawi is working with the End Child Marriages Working Group, a coalition of NGOs, community-based organisations and faith-based organisations that are petitioning the government to change the minimum legal age of marriage to 18 years old. Beginning in April 2012, Camfed began using its film, *The Child Within*, to deliver a powerful message to government officials, Camfed community partners and other audiences with its intensely honest, first person portraits of child brides.

Fundraising

Camfed achieved an income of £16.8 million in 2012, an increase of 18 per cent on 2011. Despite the context of slow recovery from a global economic downturn, Camfed's partners and supporters have continued to support Camfed generously.

Last year, DFID's bilateral programme in three countries where Camfed operates – Zimbabwe, Ghana and Malawi – prioritised investment in girls' education, and specifically in secondary school bursaries. Camfed was identified as the lead partner in the delivery of these programmes, with the full endorsement of the respective Ministries of Education. Together, these three grants will ensure that 59,000 girls can complete a full cycle of secondary school education over the next four years.

Staff

The total staff count for Camfed internationally at the end of 2012 stood at 148. More than 70 per cent of staff are recruited from and are based in Camfed's African partner countries. This is in line with Camfed's policy of recruiting only nationals in Africa.

Challenges

We are in a period of unprecedented growth in Camfed's history. It is both an exciting time, as we celebrate new major investment with wide recognition of the excellence of our work, and a challenging one.

How is Camfed able to extend holistic scholarships to tens of thousands of new girls, and how will we continue to deliver education while maintaining exceptional quality and accountability to each and every girl? At the heart of this capacity is our culture of partnering. When we meet in partnership – at national, community, school and family levels – we build upon universal human aspirations to build a better future for our families, our communities and ourselves. Consequently, when Camfed is awarded an opportunity to respond to the need for education, we perceive our role not as a contractor utilising local subcontractors to implement *our* programme, but instead as catalysts and mediators. We work to release and channel the energy and creativity of parents, teachers, children and community members who all want a better life. As one observer of our programmes in Africa noted in 2012, *"...for Camfed, 'community empowerment' is not an afternoon workshop to check the box on 'stakeholder engagement'."*

The well-defined and tested structures and processes through which Camfed operationalises these values will be crucial to scaling our education outreach going forward, in partnership with the rural communities where we work – building on the robustness of our unique, mutually reinforcing systems to uphold accountability in financial and programme management.

2013: Plans and Targets

Camfed will expand its programmes across five countries in Africa. Key activities in 2013 will include:

Direct Programme Action

- Scale up investment in girls' education in the five programme countries of Ghana, Malawi, Tanzania, Zambia and Zimbabwe, to include support for a further 104,000 girls in secondary education.
- Continue to train Cama members as advocates at the community, national and international levels and expand opportunities for the 19,550 members across Ghana, Tanzania, Zambia and Zimbabwe in tertiary level education and with business grants, loans and mentoring. Cama will also be launched in Malawi as the first girls to receive support from Camfed complete their secondary education.
- Implement a major new initiative to enable young women school graduates to step up as volunteer para-educators at their local schools, in order to deliver an enhanced curriculum that is focused on promoting young people's wellbeing.
- Continue to expand direct action and national-level policy engagement on the issue of child protection as a fundamental tenet of Camfed's work, including through the network of 4,743 primary and secondary partner schools and further support of Ministries of Education to train teachers in child protection strategies.
- Launch a new educational networking platform providing high quality content to learners in Zimbabwe and Tanzania using mobile technology.

Research and Advocacy

Research

- Conduct a large-scale 'baseline' survey, which will afford the opportunity to examine the impact of the Camfed programme for partner schools and communities.
- Undertake research in Zimbabwe and Tanzania to understand the nature and value of in-kind and other contributions that are made by community members to extend support to marginalised children as a response to resources provided under Camfed's programme.
- Carry out an 'audit' of the processes used in Zimbabwe and Tanzania to select marginalised and vulnerable girls. It will provide a third-party account on the process and whether it ensures that educational resources are targeted to the neediest students.
- In Zambia, roll out a survey with 100 Cama members in receipt of a Seed Money Programme grant to explore outcomes achieved in terms of businesses launched or expanded, growth in revenue and jobs created, as well as challenges the young women face in running their businesses and the impact on their wellbeing, household incomes and community philanthropy.
- In Ghana, conduct an end-of-grant evaluation concerning the three ICT Centres that were opened in 2011 and 2012, run by Cama members. This will explore the benefits the centres have brought to students, Cama members and other community members and also whether these centres provide a replicable model.

Advocacy

- In partnership with Linklaters and departments at the University of Oxford, plan and deliver the Second International Seminar to Advance Good Governance in International Development.
- Continue the series of seminars in which visiting donors join stakeholders such as traditional leaders, Cama members, Community Development Committee members and Mother Support

Group members in country for several days. The seminars provide all participants with a holistic view of the programme whilst examining the technical and social systems that sustain Camfed's overarching principle of 'accountability to the girl'.

New Commitments

Camfed has been awarded new grants under DFID's Girls' Education Challenge (£23,428,488 over 2013-2016) and the MasterCard Foundation (\$41,719,429 over 2012-2023) to support significant scale up of programmes in Zimbabwe, Tanzania and Ghana.

Financial Performance and Policies

The financial results for the year are shown on pages 23 to 35 in the form of the Statement of Financial Activities (SOFA), Balance Sheet and the Cash flow statement.

Incoming Resources

Incoming resources for the year reached £16.8million, representing an 18% year on year growth. The distribution is as follows: £7.1million from statutory sources (43% of total), £4.1million from Trusts and Foundations (24% of total); £4million from corporates (24% of total), £1million from public donations (6% of total) and £0.6million from other sources (3% of total).

Resources Expended

Total expenditure rose 53% year on year to £17.5m, of which, direct charitable expenditure was £16.2 million, 92% of total expenditure for the year. Investment in support for girls and vulnerable boys to go to school increased 92% to £12.1million, 69% of total expenditure. The number of girls who received bursary support increased to 58,997, an increase of 132% (25,376 in 2011). Investment in young women's business and leadership skills to improve the welfare of their communities was £1.8million, a 10% increase year on year. Investment in Research and Development and Advocacy reached £1.3million and £1million respectively. Expenditure on fundraising and governance was £0.8 million and £0.5million respectively.

Financial Position at the End of the Year

Funds held at the end of 2012

At 31st December 2012 Camfed held £7.7million in fund balances split as follows:

- Restricted funds of £5.2million. Restricted funds are resources that are available for on-going operations, but that are restricted to specific purposes by donors, or by the granting or contracting agencies.
- Unrestricted funds of £2.5million. These are split as follows:
 - £0.5million representing designated funds set aside by the Board of Trustees for the following purposes;
 - School going costs – to meet school going costs for girls in the programme as at 1 January 2013 (see Note 19).
 - £2million representing general funds, i.e. available funds to be spent at the Trustees' discretion in furtherance of Camfed's charitable objectives.

Financial Policies

Reserves policy

Camfed International's Board of Trustees believe that keeping adequate liquid reserves enables the charity to make long-term commitments for girls' education and protects the charity against financial fluctuations and economic downturns. The reserves target is determined by the number of girls committed to receive school fees as at 31 December of the current financial year. The total number of girls on the project was 58,997 and the estimated total cost was £9.2million, of which £8.7million was available from restricted funds and the balance of £0.5million was designated in unrestricted funds as illustrated in Note 19.

In addition, the Trustees have a policy to hold a minimum of 3 months' and a maximum of 6 months' core expenditure as general funds. This is to minimise any disruption to beneficiaries should a source of income cease. At the end of 2012, Camfed held £2million in general funds. This is equivalent to less than 6 months core expenditure.

Investment policy

The Board, through the Finance and Audit Committee, decide on the investments of the charity. The policy to maximise returns on investments is balanced by the short and long term financial plans of the charity as well as an ethical investment policy.

Grant making policy

Camfed International works with partner organisations that contribute specific expertise to the execution of its programmes. Grants payable to partner organisations are made in line with Camfed's strategic objectives. The grants contribute directly towards the development of the charity's programmes by helping local organisations provide sustainable benefits for communities, and they are therefore considered part of furthering Camfed International's own objectives. Camfed International monitors all grants in accordance with the relevant partnership agreement.

Volunteering

Camfed International is grateful for the invaluable in-kind support received from corporate bodies and individuals during the year. The support provided a priceless contribution in realising Camfed International's ambition for girls' education in Africa.

Structure, Governance and Management

Board of Trustees

Camfed International is a company limited by guarantee and a company with charitable status. It is governed by its Memorandum & Articles of Association. The Board of Trustees comprises 8 people who together are responsible for the supervision of the management of all the affairs of Camfed International. Board meetings are held four times a year. Trustee recruitment and appointment is done based on specific skills required and on nomination of an existing Trustee and is voted upon. An induction for new Trustees covers all aspects of the role, the objectives of the charity and the responsibilities of Trustees. No other organisation or body has the right to appoint Trustees of the charity.

Directors' and Trustees' Responsibilities

The Board of Trustees is responsible for ensuring that all activities are within UK law and fall within agreed charitable objectives. Its work includes setting strategic direction and agreeing the financial plan. Company law requires that the Directors and Trustees prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity as at the end of the financial period and of the income and expenditure of the company for that period. In preparing those accounts, the Directors and Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether the Financial Reporting Standard for Smaller Entities has 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.

The Directors and Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors and Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Directors and Trustees have taken all the steps 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.

The Directors and Trustees are responsible for the maintenance and integrity of the corporate and financial information included on Camfed International's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board delegates day-to-day management of the charity to the Executive Officers and acts on advice and information from regular meetings with members of the Executive Team.

Finance and Audit Committee

The Finance and Audit Committee was appointed by the Board of Trustees and consists of three Board members. It meets four times a year to consider reports from both the external auditors and the Executive Officers and advises the Board on financial control, investments, organisational effectiveness and Directors' remuneration, benefits and terms of employment.

Risk Management

The Trustees actively review the major risks, which the charity faces on a regular basis, together with an annual review of the controls over key financial systems. The Trustees have taken steps to set aside funds as designated funds to meet school going costs for girls in the Camfed programme and for a period of office running costs in the event of adverse economic conditions. More detail is shown in Note 19 on page 34. The Trustees have also examined other operational and business risks through an organisational risk management process, have identified those risks, which the charity faces, and confirm that they have established systems to mitigate the significant risks.

Equal Opportunities

Camfed is a charitable organisation committed to the promotion of equal educational opportunity. It takes affirmative action to make educational opportunity a reality for girls in Africa, where this accords with national goals. In carrying out this objective it treats individuals with respect, within the field and the organisation, and creates a broad base for consultation and decision-making wherever possible and appropriate. To accomplish these overall objectives, as expressed in the Memorandum and Articles of Association, Camfed will:

- Comply with both the letter and spirit of all applicable laws and regulations governing employment in the UK and host country which include the Equal Pay Act 1970; Race Relations Act 1976; Sex Discrimination Acts 1975; Disability Discrimination Act 2005; Employment Equality (Religion or Belief) Regulations 2003, Employment Equality (Sexual Orientation) Regulations 2003 and the Employment Equality (Age) Regulations 2006 as amended from time to time;
- Provide equal opportunity to all employees and to all applicants for employment;
- In employment, prohibit unlawful discrimination or harassment because of race, colour, nationality, religion or religious beliefs, ethnic or national origin, age, gender, marital status, civil partnership or gender reassignment, sexual orientation or disability;
- Advise all employees or respective employees of Camfed's Equal Opportunities Policy;
- Pay particular attention to recruitment procedures, probationary periods, terms and conditions of employment, dismissal, leave, promotion and deployment patterns;
- Develop mechanisms for resolving grievances about unfair discrimination and harassment;
- Review both the letter and application of its Equal Opportunities Policy on a regular basis.

Liability of Members

Camfed International is a registered Company, limited by guarantee. Members of the Company have guaranteed the liabilities of the Company up to £1 each.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

Signed on behalf of the Directors and Trustees,



Peter Sherratt
Chair of Trustees

Date:

22nd May 2013

Independent Auditors' Report to the Members of Camfed International

For the year ended 31 December 2012

We have audited the financial statements of Camfed International for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 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.

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.

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 31 December 2012 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 Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Murtaza Jessa

(Senior Statutory Auditor)

for and on behalf of haysmacintyre

Chartered Accountants and Statutory Auditors

22 May 2013.

Fairfax House
15 Fulwood Place
London
WC1V 6AY, UK

Statement of Financial Activities

For year ended 31st December 2012

	Notes	Unrestricted Funds £	Restricted Funds £	<u>2012</u> Total Funds £	<u>2011</u> Total Funds £
Incoming resources from generated funds:					
Voluntary income					
Grants and donations	4	2,080,940	14,434,312	16,515,252	14,031,727
Activities for generating funds					
Fundraising events		13,903	89,706	103,609	111,332
Sale of goods		2,141	17,578	19,719	21,490
Investment income		106,336	-	106,336	65,957
Other income		11,767	-	11,767	1,600
Total incoming resources		<u>2,215,087</u>	<u>14,541,596</u>	<u>16,756,683</u>	<u>14,232,106</u>
Resources expended					
Costs of generating funds	5	739,524	51,110	790,634	669,631
Net incoming resources available for charitable activities					
		<u>1,475,563</u>	<u>14,490,486</u>	<u>15,966,049</u>	<u>13,562,475</u>
Charitable activities					
Multiplying girls' educational opportunities		21,844	12,074,836	12,096,680	6,314,839
Enabling educated women to lead change		272,300	1,526,420	1,798,720	1,722,264
Research and development		318,241	974,198	1,292,439	1,348,023
Advocacy		473,750	489,276	963,026	885,661
Total charitable activity costs	6	<u>1,086,135</u>	<u>15,064,730</u>	<u>16,150,865</u>	<u>10,270,787</u>
Governance costs	7	<u>463,058</u>	<u>64,305</u>	<u>527,363</u>	<u>467,707</u>
Total resources expended		<u>2,288,717</u>	<u>15,180,145</u>	<u>17,468,862</u>	<u>11,408,125</u>
Net incoming (outgoing) resources before transfers					
		(73,630)	(638,549)	(712,179)	2,823,981
Transfers between funds	18	<u>118,794</u>	<u>(118,794)</u>	<u>-</u>	<u>-</u>
Net incoming resources before other recognised gains/(losses)					
		45,164	(757,343)	(712,179)	2,823,981
Other recognised gains/(losses)					
Gains / (losses) on investments assets	13	<u>990</u>	<u>-</u>	<u>990</u>	<u>(35)</u>
Net movement of funds					
		46,154	(757,343)	(711,189)	2,823,946
Reconciliation of funds					
Funds brought forward at 01.01.2012		<u>2,513,415</u>	<u>5,928,497</u>	<u>8,441,912</u>	<u>5,617,966</u>
Funds carried forward at 31.12.2012		<u>2,559,569</u>	<u>5,171,154</u>	<u>7,730,723</u>	<u>8,441,912</u>

Income and Expenditure Account

For the year ended 31st December 2012

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>2012 Total Funds</u> £	<u>2011 Total Funds</u> £
Income					
Voluntary income					
Grants and donations	4	2,080,940	14,434,312	16,515,252	14,031,727
Activities for generating funds					
Fundraising events		13,903	89,706	103,609	111,332
Sale of goods		2,141	17,578	19,719	21,490
Investment income		106,336	-	106,336	65,957
Other income		12,757	-	12,757	1,600
Total income		<u>2,216,077</u>	<u>14,541,596</u>	<u>16,757,673</u>	<u>14,232,106</u>
Expenditure					
Costs of generating funds	5	739,524	51,110	790,634	669,631
Net incoming resources available for charitable activities		<u>1,475,563</u>	<u>14,490,486</u>	<u>15,966,049</u>	<u>13,562,475</u>
Charitable activities					
Multiplying girls' educational opportunities		21,844	12,074,836	12,096,680	6,314,839
Enabling educated women to lead change		272,300	1,526,420	1,798,720	1,722,264
Research and development		318,241	974,198	1,292,439	1,348,023
Advocacy		473,750	489,276	963,026	885,661
Total charitable activity costs	6	<u>1,086,135</u>	<u>15,064,730</u>	<u>16,150,865</u>	<u>10,270,787</u>
Governance costs	7	<u>463,058</u>	<u>64,305</u>	<u>527,363</u>	<u>467,707</u>
Total expenditure		<u>2,288,717</u>	<u>15,180,145</u>	<u>17,468,862</u>	<u>11,408,125</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Surplus / (Deficit) for the year		(712,179)	2,823,981
(Unrealised losses) on investments	13	-	(35)
Total gains and (losses) recognised as at 31st December 2012		<u>(712,179)</u>	<u>2,823,946</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Balance Sheet

As at 31st December 2012

		<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
		£	£	£	£
	<u>Notes</u>				
Fixed Assets					
Tangible Fixed Assets	12		511,327		355,849
Investments	13		<u>118</u>		<u>-</u>
			511,445		355,849
Current Assets					
Stock	14	2,912		3,457	
Debtors	15	1,292,373		1,580,722	
Cash and bank balances		4,791,497		3,228,182	
Short term deposits		<u>1,500,000</u>		<u>3,500,000</u>	
		7,586,782		8,312,361	
Creditors					
Amounts falling within one year	16	<u>(367,504)</u>		<u>(226,298)</u>	
		(367,504)		(226,298)	
Net Current Assets			7,219,278		8,086,063
NET ASSETS			<u>7,730,723</u>		<u>8,441,912</u>
Represented by:					
Restricted funds	18		5,171,154		5,928,497
Unrestricted funds					
General reserve			2,030,129		1,561,489
Designated reserve	19		529,440		951,926
TOTAL FUNDS			<u>7,730,723</u>		<u>8,441,912</u>

The accounts were approved and authorised for issue by the Board of Trustees on and signed on its behalf by:

Peter Sherratt
Chair of Trustees

Date: 22nd May 2013

Cash-flow Statement

For year ended 31st December 2012

		<u>2012</u>	<u>2011</u>
		£	£
Net cash (outflow)/inflow from operations	Notes 21	<u>(238,263)</u>	<u>2,579,686</u>
Returns on investments			
Bank interest received		106,336	65,957
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	12	(305,630)	(292,150)
Proceeds from disposal of tangible fixed assets		-	1,239
Payments to acquire investments	13	(30,690)	-
Proceeds from sale of investments		31,562	2,931
Cash (outflow)/inflow before movement in liquid resources		<u>(436,685)</u>	<u>2,357,663</u>
Management of liquid resources			
Decrease/(increase) in short-term deposits		2,000,000	(2,500,000)
Increase/(decrease) in cash in the period		<u><u>1,563,315</u></u>	<u><u>(142,337)</u></u>

Notes to the Accounts

For year ended 31st December 2012

1. Accounting Policies

a) *Accounting Convention*

The accounts are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice (revised 2005) for Accounting and Reporting by Charities, and the Companies Act 2006, and are prepared under the historical cost convention, as modified by the revaluation of investments.

b) *Fund Accounting*

The nature and purpose of restricted and unrestricted funds are explained in Notes 18 & 19.

c) *Income and Expenditure*

All income is accounted for on a receivable basis. Donations in kind are recognised at the value to the charity and are included in both income and expenditure. Expenditure is included on an accruals basis. Direct charitable expenditure comprises all expenditure relating to the objectives of the charity, including costs incurred in the UK supporting charitable activities. Other expenditure comprises fund raising costs and expenditure on the governance of the charity. Where expenditure cannot be directly attributed to a single activity, it is allocated between activities on a basis consistent with the use of resources. Methods used for allocating support costs are detailed in Note 8.

d) *Depreciation of Tangible Fixed Assets*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset systematically over its expected useful life:

Office equipment:	33% of original cost
Fixtures & fittings:	33% of original cost
Vehicles:	25% of original cost

e) *Investments*

Investments are stated at market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities (SOFA).

f) *Foreign Currency Translation*

Transactions in foreign currencies are translated into sterling at the rate prevailing at the date of the most recent transfer of funds.

g) *Pension Scheme Arrangements*

The company makes contributions to private pension plans of eligible staff. The pension charge included in the financial statements represents contributions paid to the scheme. The company's liability is limited to the amount of the contributions.

h) *Operating Leases*

Rentals applicable to operating leases, where substantially all the benefits of ownership remain with the lessor, are charged in the Income and Expenditure account, as incurred.

i) *Stock*

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

2. Overseas Organisations

a) Camfed has established separate legal entities in each of Ghana, Malawi, Tanzania, Zambia and Zimbabwe. The assets, liabilities, income and expenditure of these entities have been incorporated into the financial statements of Camfed International.

b) *Camfed USA Foundation*

Camfed USA Foundation was established as a not for profit organisation in 2000 and received its 501 [c] [3] status in April 2001. It shares Camfed International's principal charitable purpose to extend girls' access to education in less developed countries and raises funds which are allocated to particular Camfed International projects in Africa. The assets, liabilities, income and expenditure of Camfed USA Foundation have been incorporated into the financial statements of Camfed International.

3. Grants Payable to Partner Organisations

There were no grants to other organisations in 2012 (2011 - £15,796).

4. Incoming Resources

Incoming resources for the period fall into the following categories:

	Unrestricted Funds £	Restricted Funds £	<u>2012</u> Total Funds £	<u>2011</u> Total Funds £
Donations				
Public Donations	516,663	76,537	593,200	1,909,081
Standing orders	176,528	32,426	208,954	205,913
Payroll giving	21,887	111	21,998	18,815
Legacies	-	-	-	4,000
Gift Aid Claims	62,088	-	62,088	352,174
Schools	6,194	600	6,794	1,518
Colleges	3,454	11,623	15,077	3,880
	<u>786,814</u>	<u>121,297</u>	<u>908,111</u>	<u>2,495,381</u>
Grants Receivable				
Statutories above £100k				
DFID	-	6,335,508	6,335,508	1,001,285
Irish Aid	-	382,052	382,052	416,428
European Commission	-	17,276	17,276	303,320
Big Lottery Fund - ICB/1/010250050	-	-	-	137,077
Big Lottery Fund - ICB/1/010309862	-	-	-	163,942
Comic Relief	-	90,245	90,245	163,267
Other Statutories	-	307,932	307,932	148,408
Subtotal – Statutories and Others	-	7,133,013	7,133,013	2,333,727
Trusts & Foundations	1,249,251	2,836,502	4,085,753	4,921,444
Corporate donations	44,875	3,937,081	3,981,956	3,983,150
	<u>1,294,126</u>	<u>13,906,596</u>	<u>15,200,722</u>	<u>11,238,321</u>

Gifts in Kind*

UK sources	-	333,818	333,818	213,980
USA sources	-	26,237	26,237	39,907
Other sources	-	46,364	46,364	44,138
	-	<u>406,419</u>	<u>406,419</u>	<u>298,025</u>
Total Voluntary income		<u>2,080,940</u>	<u>14,434,312</u>	<u>16,515,252</u>
				<u>14,031,727</u>

*The gifts in kind summarised above relate to advertising, legal and other professional services.

5. Cost of Generating Funds

	<u>2012</u>	<u>2011</u>
	£	£
Fundraising costs	189,816	254,608
Allocation of support costs	<u>600,818</u>	<u>415,023</u>
	<u>790,634</u>	<u>669,631</u>

6. Charitable Activity Costs

	<u>Direct</u>	<u>Support</u>	<u>From</u>	<u>From</u>	<u>Total</u>	<u>Total</u>
	<u>Programme</u>	<u>Costs</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>2012</u>	<u>2011</u>
	£	£	£	£	£	£
Multiplying girls' educational opportunities	11,452,117	644,563	21,844	12,074,836	12,096,680	6,314,839
Enabling educated women to lead change	1,346,951	451,769	272,300	1,526,420	1,798,720	1,722,264
Research & development	791,432	501,007	318,241	974,198	1,292,439	1,348,023
Advocacy	374,209	588,817	473,750	489,276	963,026	885,661
	<u>13,964,709</u>	<u>2,186,156</u>	<u>1,086,135</u>	<u>15,064,730</u>	<u>16,150,865</u>	<u>10,270,787</u>

7. Governance

	<u>2012</u>	<u>2011</u>
	£	£
Strategy consultancy	119,539	121,830
USA legal fees (in-kind donations)	6,995	39,907
Governance related costs (travel and communications)	25,336	12,379
Audit fees	49,725	66,933
Internal audit	7,549	-
USA governance	16,557	22,751
Malawi registration cost	2,258	9,405
Allocation of support costs	294,456	183,170
Tanzania legal fees	-	8,836
Zambia legal fees	-	1,548
Other	4,948	948
	<u>527,363</u>	<u>467,707</u>

Salary support costs have been allocated to the relevant governance cost heading.

8. Support Costs

	<u>Staff</u>	<u>Overhead</u>	<u>Total</u>	<u>Total</u>
	<u>Costs</u>	<u>Costs</u>	<u>2012</u>	<u>2011</u>
	£	£	£	£
Multiplying girls' educational opportunities	443,044	201,519	644,563	470,452
Enabling educated women to lead change	313,533	138,236	451,769	183,934
Research & development	212,049	288,958	501,007	504,198
Advocacy	226,126	362,691	588,817	386,790
	<u>1,194,752</u>	<u>991,404</u>	<u>2,186,156</u>	<u>1,545,374</u>
Grants and donations	461,142	139,676	600,818	415,023
Governance	223,405	71,051	294,456	183,170
Total Costs Allocated	<u>1,879,299</u>	<u>1,202,131</u>	<u>3,081,430</u>	<u>2,143,567</u>

9. Trustees

The Trustees drew no fees. No Trustee had any personal interest in any contract or transaction entered into by the charity during the year (2011 – none). The Founder & President of Camfed declared the existence of indirect financial interest through contracts with family members, which were entered into by the charity during the year. Helen Cotton provided consultancy services on film development (2012 – £3,358; 2011 – £12,094) and James Cotton provided consultancy services on website development (2012 – £73,249; 2011 – £57,420). These transactions were approved by the Board of Trustees in line with Camfed's conflict of interest policy.

10. UK Staff Costs and Staff Numbers

	<u>2012</u>	<u>2011</u>
	£	£
Salaries	1,228,479	1,032,382
Social Security costs	137,041	112,481
Pensions	<u>92,866</u>	<u>106,309</u>
	<u>1,458,386</u>	<u>1,251,172</u>

The salaries and pension contribution of the directors who are not Trustees of the charity, totalled £328,600 (2011 – £217,280).

Four employees earned above £60,000 pa (2011 – four) as follows:

	<u>2012</u>	<u>2011</u>
	£	£
Salary range		
£90 000 – £100 000	1	-
£80 000 – £90 000	2	1
£70 000 – £80 000	1	2
£60 000 – £70 000	<u>-</u>	<u>1</u>
	<u>4</u>	<u>4</u>

The total pension contributions paid in the year in respect of these higher paid employees was £61,633 (2011 - £65,036).

The average number of employees in the UK was 32 (2011 – 26).

The total number of persons employed, including part-time staff, analysed by region was:

	<u>2012</u>	<u>2011</u>
	Total number	Total number
UK	33	32
Overseas	<u>115</u>	<u>85</u>
	<u>148</u>	<u>117</u>

11. Taxation

As a charity, Camfed International is exempt from tax on income and gains, falling within s505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objectives. No tax charges have arisen in the charity.

12. Tangible Fixed Assets

	<u>Office equipment</u> £	<u>Fixtures & Fittings</u> £	<u>Vehicles</u> £	<u>TOTAL</u> £
Cost				
Brought forward	476,969	84,204	484,229	1,045,402
Additions	72,860	69,861	162,909	305,630
At 31 st December 2012	<u>549,829</u>	<u>154,065</u>	<u>647,138</u>	<u>1,351,032</u>
Depreciation				
Brought forward	381,986	59,055	248,512	689,553
Charge for the year	51,622	13,547	84,983	150,152
At 31 st December 2012	<u>433,608</u>	<u>72,602</u>	<u>333,495</u>	<u>839,705</u>
Net Book Value at 31st December 2012	<u><u>116,221</u></u>	<u><u>81,463</u></u>	<u><u>313,643</u></u>	<u><u>511,327</u></u>
Net Book Value at 31st December 2011	<u><u>94,983</u></u>	<u><u>25,149</u></u>	<u><u>235,717</u></u>	<u><u>355,849</u></u>

Three vehicles were purchased for use in the Malawi programme.

13. Investments

	<u>2012</u> £	<u>2011</u> £
Brought forward	-	<u>2,931</u>
Additions	30,690	-
Disposals	(31,562)	(2,931)
Gain on disposals	990	-
At the Balance sheet date, Investments, at market value, comprised:		
U.S. Equities	<u>118</u>	<u>-</u>

14. Stocks

Stocks of Book – I Have a Story to Tell	<u>2,912</u>	<u>3,457</u>
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15. Debtors

	<u>2012</u> £	<u>2011</u> £
Grants receivable	1,040,735	1,449,551
Other debtors	31,039	11,085
Prepayments	220,599	120,086
	<u>1,292,373</u>	<u>1,580,722</u>

16. Creditors

Accruals	<u>367,504</u>	<u>226,298</u>
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17. Lease Commitments – Operating Leases

At 31 December 2012, Camfed had an annual commitment of £105,160 (2011 – £48,613) under a non-cancellable operating lease, for the rental of office premises in Cambridge, which expires within the next three years.

18. Restricted Funds

Restricted funds are those funds raised for a specific purpose within the charitable objectives of Camfed International.

	Movement in Resources					Balance 31.12.12
	Balance 01.11.12	Incoming	Outgoing	Purchase of Fixed Assets	Transfers Between Funds	
Ajahma Charitable Trust	50,000	50,000	(50,002)	-	-	49,998
Asif Aziz (Criterion Capital)	-	100,000	(100,027)	-	27	-
Big Lottery Fund - ICB/1/010309862	35,849	-	(35,886)	-	37	-
William Cadbury Charitable Trust	-	15,000	(4,840)	(763)	-	9,397
The Cotton Trust	-	15,000	(15,001)	-	1	-
Comic Relief	97,228	90,245	(135,475)	-	-	51,998
Credit Suisse Foundation	470,019	404,995	(469,309)	(4,201)	60	401,564
Department for International Development (CSCF 463)	-	50,618	(50,618)	-	-	-
Department for International Development (CSCF 551)	-	223,140	(221,759)	(1,381)	-	-
Department for International Development (GPAFIMPo29)	-	1,035,929	(1,033,342)	(2,587)	-	-
Department for International Development (203292-101)	-	2,627,696	(2,627,696)	-	-	-
Department for International Development (202493-101)	-	1,602,804	(1,462,810)	(9,802)	-	130,192
Department for International Development (202623-111)	-	795,321	(679,954)	(115,367)	-	-
European Commission – ONG-PVD/2007/135-456	17,544	(22,195)	(2,256)	-	6,907	-
European Commission – DCI-NSA PVD/2008/149-660	-	-	(7,166)	-	7,166	-
European Commission – DCI-NSAPVD/2009/227-851	189,371	39,471	(226,650)	-	-	2,192
Education Development Centre, Inc. - 11545	-	233,024	(233,099)	-	75	-
ELMA Foundation	-	1,326,707	(1,234,483)	(38,192)	-	54,032
Genesis Charitable Trust	-	120,952	(5,201)	-	-	115,751
Goldman Sachs International	14,604	-	(15,533)	511	418	-
Google	1,324,528	-	(1,120,213)	(11,538)	-	192,777
Human Dignity Foundation	56,901	-	(56,956)	-	55	-
Irish Aid – CSF056-1001	122,457	162,206	(133,172)	-	-	151,491
Irish Aid – IAZAM/EDPROC/CAMFED/10/02	1,711	-	(2,758)	-	1,047	-
Irish Aid – IAZAM/EDPROC/CAMFED/11/01	-	159,869	(157,466)	-	-	2,403
Irish Aid – IAZAM/EDPROC/CAMFED/11/03	-	59,977	(61,358)	-	1,381	-
International Youth Foundation	23,906	43,496	(68,719)	-	1,317	-
Linklaters LLP	106,833	-	(52,522)	-	-	54,311
Lori & Karl Lutz Foundation	11,496	-	(11,521)	-	25	-
MacFarlane Foundation	-	93,697	-	-	-	93,697
The Marple Charitable Trust	29,914	-	(29,918)	-	4	-
Murray B. Bornstein Family Trust	78,689	-	(4,962)	-	-	73,727
The MasterCard Foundation	810,600	1,467,314	(1,451,776)	(9,445)	-	816,693
The MasterCard Foundation – Scholars Programme	-	1,743,199	(3,104)	(10,680)	-	1,729,415
Pauline Avigès-Graham Foundation	-	50,000	(50,036)	-	36	-
The Roger Federer Foundation	48,412	205,928	(185,855)	(635)	-	67,850
Samworth Charitable Foundation	49,845	-	(49,846)	-	1	-
Skoll Foundation (Consortium)	96,135	-	(28,492)	-	-	67,643
Sofronie Foundation	112,669	437,600	(484,323)	(43,460)	-	22,486
UBS Optimus Foundation - Malawi	121,230	204,019	(324,389)	(940)	80	-
UBS Optimus Foundation - Zambia	5,365	-	(505)	-	(4,860)	-
UNICEF Zambia	-	72,819	(38,834)	-	-	33,985
Other Grants under £10,000 and in kind donations	11,205	699,796	(688,559)	(4,086)	2,787	21,143
Donors wishing to remain anonymous	1,738,468	432,969	(1,563,754)	(143)	14	607,554
Investments in Fixed Assets	303,518	-	-	252,709	(135,372)	420,855
	<u>5,928,497</u>	<u>14,541,596</u>	<u>(15,180,145)</u>	<u>-</u>	<u>(118,794)</u>	<u>5,171,154</u>

Transfers between funds relate to:

- Short-term financing of projects from unrestricted funds of £16,578 as at 31st December 2012.
- Allocation of depreciation in respect of fixed assets purchased with restricted funds £135,372.

19. Unrestricted Funds

General funds – this reserve represents any free funds of the charity which are not designated for particular purposes.

Designated funds – the designated funds represents funds earmarked by the Board of Trustees to be used for the following purposes:

- School-going costs – represent 12 months school going costs for girls in the programme as at 1 January 2013 (see below).

	<u>2012</u> £	<u>2011</u> £
Target designated funds		
School-going costs	9,191,660	3,408,781
Available from restricted funds	(8,662,219)	(2,456,855)
Designated Fund	529,440	951,926
General Fund	2,030,129	1,561,489
Unrestricted Funds	<u>2,559,569</u>	<u>2,513,415</u>

Analysis of Target designated funds

<u>Country</u>	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
	Number of girls	Amount £	Number of girls	Amount £
Zimbabwe	17,710	2,656,500	6,246	836,964
Zambia	10,556	1,355,390	7,301	1,080,548
Tanzania	3,491	473,380	4,032	576,576
Malawi	16,210	2,515,918	2,102	271,158
Ghana	11,030	2,190,472	5,695	643,535
12 months school-going costs target reserve	<u>58,997</u>	<u>9,191,660</u>	<u>25,376</u>	<u>3,408,781</u>

Movement in designated funds

	£
Balance brought forward as at 31/12/2011	951,926
School fees paid during the year from the designated funds	951,926

20. Analysis of Net Assets Between Funds

	<u>Tangible Fixed</u> <u>Assets</u> £	<u>Investments</u> £	<u>Net Current</u> <u>Assets</u> £	<u>Total 31</u> <u>Dec 2012</u> £	<u>Total 31</u> <u>Dec 2011</u> £
Restricted	420,855	-	4,750,298	5,171,154	5,928,497
Unrestricted	<u>90,472</u>	<u>118</u>	<u>2,468,980</u>	<u>2,559,569</u>	<u>2,513,415</u>
	<u><u>511,327</u></u>	<u><u>118</u></u>	<u><u>7,219,278</u></u>	<u><u>7,730,723</u></u>	<u><u>8,441,912</u></u>

21. Cash Flow Information for the Year Ended 31st December 2012

	<u>2012</u> £	<u>2011</u> £	
a) Reconciliation of net incoming resources (resources expended) to net inflow from operations			
Net incoming resources	(711,189)	2,823,946	
Investment income	(106,336)	(65,957)	
Depreciation charge	150,152	127,277	
Adjustment on disposals	(990)	(222)	
Decrease / (increase) in stocks	545	273	
(Increase) / Decrease in debtors	288,349	(300,911)	
(Decrease) / Increase in creditors	141,206	(4,720)	
Net cash inflow from operations	<u><u>(238,263)</u></u>	<u><u>2,579,686</u></u>	
b) Reconciliation of net cash flow to movements in net funds			
Increase in cash in the period	1,563,315	(142,337)	
Increase / (Decrease) in short-term deposits	(2,000,000)	2,500,000	
Movement in cash and deposits	(436,685)	2,357,663	
Net cash and deposits at 1 January 2012	<u>6,728,182</u>	<u>4,370,519</u>	
Net cash and deposits as at 31 December 2012	<u><u>6,291,497</u></u>	<u><u>6,728,182</u></u>	
c) Analysis of changes in net cash			
	<u>01/01/2012</u>	<u>Cash-flow</u>	<u>31/12/2012</u>
Cash at bank and in hand	3,228,182	1,563,315	4,791,497
Short-term Deposits	3,500,000	(2,000,000)	1,500,000
Total	<u><u>6,728,182</u></u>	<u><u>(436,685)</u></u>	<u><u>6,291,497</u></u>