

Zimbabwe AIDS Orphans Society

Annual Report 2007

1. Objectives of Society

The Zimbabwe AIDS Orphans Society (henceforth the Society) is an independent organisation engaged in grassroots development. The philosophy of the Society stresses the right of needy orphans in developing countries to basic education and to a safe pathway to adulthood. The underlying aim is to empower African orphans and give them the means for a fulfilling life. Activities take the form of long-term help for the children in their own community in order to secure their basic education and general well being. Special emphasis is placed on the education of girls. The support given by the Society focuses on Dzivarasekwa, a densely populated township outside Harare, capital of Zimbabwe. Year 2007 was the Society's fifth year of operations. The education support programme, which got under way with only one boy in 1992, now covers 373 children. The Society's cooperative partner in Zimbabwe is the Dzikwa Trust Fund (henceforth Dzikwa Trust, or simply Dzikwa), established in 2002.

According to the written Memorandum of Understanding between the Society and the Dzikwa Trust, the division of responsibilities is as follows: The Society collects sponsor fees from its members and supporters, and also raises funds and other resources from the public. In 2006-2008, the Society has been granted project support by the Finnish Ministry for Foreign Affairs under its NGO Development Cooperation programme. The Society places the funds and other resources in their entirety at the disposal of the Dzikwa Trust for purposes set out in the Memorandum of Understanding. Dzikwa, for its part, plans, directs, monitors and implements all activities on the spot. Support given through the Dzikwa Trust covers school fees, school uniforms, footwear and sports gear, books and other school equipment plus one daily hot meal, essential health care and participation in at least one sporting and one cultural event a year. The Dzikwa Trust pays all expenses arising from the children's education, meals, health care and other activities direct; no money is given to the children or their guardians.

The Dzikwa children qualifying for full support must satisfy five basic criteria: 1. they are orphans or half-orphans; 2. they have started, or are about to start, school in Dzivarasekwa; 3. their guardian is unable to pay the compulsory school fees and other expenses; 4. they are doing reasonably well at school; and 5. they are well behaved and keen to learn.

These full-support children are on what is known as the First List. In 2007, there were 190 of them, and each one had a personal sponsor. In addition to them, there are 180 Dzikwa children receiving limited support. They are on what we call the Second List. They do not satisfy all five above criteria but their need is so great that without support from the Dzikwa Trust they would drop out of school. They do not have a personal sponsor. Also with support from the Society, the Dzikwa Trust runs a shelter home for 30 homeless orphans.

The Finnish founders, Seppo Ainamo and Oili Wuolle, spent roughly half of 2007 in Zimbabwe overseeing the running of activities.

2. Number of children and other statistics

At year end 2007, 373 orphans were receiving support from the Society. At the beginning of the year, 180 of them were receiving full support. In the course of the year, the number of these full-support, or First List, children rose to 190, as the programme adapts to the needs of Dzivarasekwa orphans. The total number is kept so low that staff members can become familiar with the home conditions, school performance and personality of each child individually. A record with photographs is kept for each child. The number of children fluctuates in the course of the year, because a child receiving support may move elsewhere or because others urgently in need of help may come to Dzikwa's notice. In the year under review, Dzikwa was able to accept all applicants who met the programme criteria.

Distribution of children receiving full support, 2007

Class	Girls	Boys	Total
Primary 1-2	25	17	47
Primary 3-4	17	11	28
Primary 5-7	39	20	59
Secondary 1-2	21	10	31
Secondary 3-4, A-Levels	14	11	25
Further studies	3	2	5
Total	119	71	190

The break-down by school and school level is given on our web site: www.zimaidSORPHANS.org. The number of limited-support (Second List) children rose to 183. Their distribution by level and gender is roughly the same as that of the First List children.

3. School achievement

Key factors in choosing children for the programme and in keeping them on it are their talent, application to school work, good behaviour and commitment to Dzikwa. The financial support they receive is a reward for working hard. In 2007, the average grade required of new Dzikwa children at day school was raised from 50% to 60%, as calculated from the maximum number of points. Children at boarding school are expected to achieve an average grade of 66%. The performance of every pupil is closely monitored during each of the three terms making up the school year. If there is a drop in grades, discussions are first held with the pupil and his or her teachers to find out the underlying reason for the poor performance. Dzikwa staff also talk to the pupil's guardian and friends. In 2007, 43 children were given admonitions to either improve their performance or lose their place on the First List. Extra lessons were arranged for underachievers and many of them did in fact raise their grades by the end of the year. If the drop in performance was due to a very difficult life situation, the child was shown understanding and given a second chance. In the course of the year, four children were transferred to the Second List.

Four retired teachers give **regular extra lessons** to groups of primary school children three days a week throughout the year. The groups meet in the yard of the Dzikwa Board vice-chairlady's home. Extra lessons for groups of secondary school and A-level pupils are given during the school holidays by teachers from a local school. In 2007, around 20% of the full-support children at primary school and practically all the children at secondary school or doing A-levels received extra lessons.

The children were given a taste of **Finnish comprehensive school education** from 19 to 22 February during the visit of six teachers from Nurmijärvi, Klaukkala, who gave lessons in English, Mathematics and Art at Gombo Primary School in the afternoons. Permission was received from

the Harare Provincial Education Office for the teaching. The lessons were followed with enthusiasm by almost 120 Dzikwa children and Dzikwa extra lesson teachers. As a memento of their visit, the teachers left behind an invaluable collection of teaching materials for Dzikwa’s use.

During her autumn visit, Board member and sponsor Louise held English conversation classes with the children. In addition, starting in autumn 2007 **pupils from Harare International School** spent three hours in the shelter home on Saturdays giving Dzikwa children lessons in Mathematics and English, helping them with their homework and doing handicrafts with them. Also in the autumn, sponsor Markku, a computer and IT applications expert, taught basic computer skills to small groups of children.

The Dzikwa Trust library collection was enlarged notably during the year. To help the children with their school work, several copies of all set text books, some 1000 volumes in all, were bought. Half of them were given to the children themselves and half were put on the shelves of the Dzikwa Trust library being set up in the shelter home.

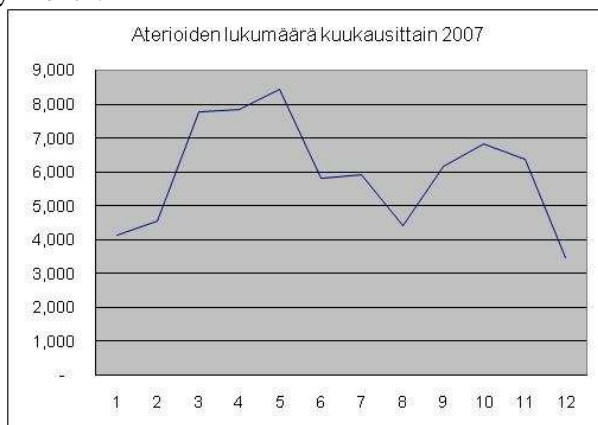
4. Schools

In 2007, Dzikwa children were attending all five of the Dzivarasekwa area state primary schools and three municipal primary schools. In addition, there were children at three Dzivarasekwa secondary schools, some of whom were doing A-levels, and at one special school for the handicapped. The majority of the children were at day schools. Twenty-six of the secondary and A-level pupils were at the De Wure High School, a boarding school 250 km south of Harare and one A-level pupil was at the Kwenda Mission High School, a boarding school 150 km southeast of Harare. Twenty of the boarding school pupils were girls and seven were boys.

For more information about schools, please visit our website www.zimaidorphans.org

4. Daily meals

Zimbabwean day schools do not provide meals for pupils. Year 2007 marked the fifth year running that the Dzikwa Trust served children one hot meal every day of the year. In 2007 the grand total was 72,000 meals, or double the number provided one year earlier. On the busiest days, meals were served to as many as 242 children. The following diagram depicts the number of meals offered (in thousands) by month:



The meals consist of a maize-based dish (“sadza” in Shona), vegetables, and small portions of either meat, fish or beans. The meals are prepared over an open fire in a lean-to in the grounds of one of the schools. Meals are prepared by two groups of mothers of Dzikwa children. The groups, each one consisting of three mothers, alternate monthly. The cooks keep a meticulous daily record of the children who come to eat. Both First and Second List Children are entitled to a daily meal.

In the course of 2007, the Dzikwa Trust bought 12 cows or bullocks, which, when butchered, yielded about 200 kg of ready-cut meat per carcass. In addition, Dzikwa bought 12,000 kg of maize meal, 300 litres of cooking oil, 300 kg of dried kapenta (*Limnothrissa miodon*) fish and large quantities of basic vegetables. Some of the vegetables were received as a weekly donation. As well as the lunch served in the common kitchen, Dzikwa provided daily breakfast and dinner for the 31 children in the shelter home.

On the initiative of the Finnish actor Matti Ranin, the Society's supporters donated €1,856 to a fund for the purchase of 240 food parcels. The contents of each parcel met the monthly nutrition requirements of one person. As expressly wished by Matti, the food parcels were distributed to Dzivarasekwa families and old people in the most dire need.

6. Health care and welfare

With the aid of support raised by the Society, it has been possible to take children with acute sicknesses to a doctor's surgery or hospital and to purchase medication. Typical mild disorders are colds, gastric upsets, parasites, various skin diseases, minor bruises and, occasionally, malaria or tuberculosis. Acute dental care, eye tests and purchases of glasses were also financed. In the course of the year, Dzikwa children paid 200 visits to a doctor, the majority to a private clinic in Dzivarasekwa that gives Dzikwa a 50% reduction. The clinic was presented with a box of medical supplies collected by one of the Society's supporters in Siuntio.

During 2007, the Society paid for four operations at a private hospital. Two of these involved removing keloid scars, one from a girl and one from a boy. In addition, the knee injury of one girl was successfully operated on, and the burns of one family member were treated. Medical costs are partially covered by a German organisation, Harare e.V., that operates out of Bonn and Munich and includes sponsors among its members. Harare's private hospital, St Anne's, supported our activities by providing beds and the services of an operating theatre free of charge; the only expenses incurred by Dzikwa were for doctors' fees and medicines.

In 2007, a psychology student, Tsidzo, from the Chinhoyi University of Technology, who is herself from Dzivarasekwa, spent the year with Dzikwa gaining practical work experience. Her jobs included drawing up profiles of the more closed-up children, particularly those with communication problems and learning difficulties, helping and counselling them, and seeking to promote their communication skills.

7. The Dzikwa Shelter

Most of the orphans live with relatives, the tradition of the extended family being strong in Zimbabwe. Even so, there are some without a decent place to live, and for them Dzikwa has maintained a shelter home since June 2005. In June last year, the shelter home moved from its original location, which was at some distance from the children's schools, to a new site in the centre of Dzivarasekwa. Dzikwa concluded a long-term rental agreement for a seven-room house on Rujeko Street, only 100 metres from the site of the future Dzikwa Activity Centre. At the end of 2007, there were 31 children living in the shelter home. They are in the care of a matron employed by Dzikwa, who lives in the shelter home, sees to their daily needs and keeps an eye on them generally.

Around €12,000 was spent on repairs to the new Dzikwa Shelter. Among other things, the ceilings were repaired and doors replaced, two new toilets were installed, the house was painted inside and out, electrical fittings were installed, the yard was paved, and furniture was bought. Maintenance of

the shelter home costs Dzikwa a good €300 a month, which includes rent, electricity, the children's food and other running costs.

Life in the shelter home was enlivened at the end of August by the arrival of Eveliina, “**mainini-Eve**” (**mother's little sister**), a Finnish voluntary worker. Eveliina, a student nurse from Pori, lived for two months in the shelter home and shared the daily lives of all the Dzikwa children, irrespective of where they lived, giving them care and protection, teaching and counselling them, playing with them and running art clubs. As part of her duties, Eveliina helped the field officer in a variety of ways. She also assisted Tsidzo with the children's psychological profiling.

8. Children's recreational activities

As in the previous year, the main recreational event of 2007 was the Dzikwa Trust Sports Day, held on Friday 31 August. Zimbabwe's 80,000-seat National Stadium being closed for renovations, the games were held at the University sports ground. An enthusiastic crowd of 187 children, brightly decked out in t-shirts donated by Sari from Siuntio, took part in the Sports Day. The children were divided into four teams, Cheetah, Impala, Kudu and Sable, who competed in track and field events both as teams and as individuals. A written record was kept of all results. The children were also weighed and measured. Harare's leading newspaper, The Herald, sent the head of its sports section with a reporter to the event and published a short write-up on the games.

In February, the German sponsors, Harare e.V., organised a soccer tournament, Dzikwa-Mabvuku Street Soccer, in which the Dzikwa children won the under-12s and under-15s series.

The outstanding annual Harare International Festival of Arts/HIFA was held at the beginning of May. Oili and Seppo took 60 Dzikwa children along to enjoy the fun and games. Dzikwa's own 34-voice choir and choir director participated in the joint concert for schools, and several of the children went to art exhibitions at the Delta Gallery in the course of the year. Two artistically gifted Dzikwa boys started at the art club run by the National Gallery. In October, 40 children went to a production by the REPS theatre and on 21 December, 105 of them had a great time at the REPS Christmas pantomime, Little Red Riding Hood. Dzikwa held its own Christmas party on 30 December. 172 children were there to greet Father Christmas, who came all the way from Hannover, Germany.

In the autumn, two cultural evenings were held in the shelter home. The children put on outstanding programmes under the direction of Eveliina. There were marimba and mbira performances, singing and dancing, poetry recitals, and plays. The walls of the shelter home were covered from top to bottom with the children's paintings and drawings.

In the course of the year, 25 children who did particularly well at school, or whose sponsors were visiting, went on outings to the Chipangali Wildlife Orphanage, the Great Zimbabwe Ruins, the Bulawayo Natural History Museum, the Imire Game Farm or the Antelope Park.

The instruction in music, dance and drama started by the local music and dance group Pamuzinda in 2006 and financed by the German sponsors, Harare e.V., continued on a weekly basis in Gombo School yard. During the year, regular marimba, dance and drama groups were set up at Dzikwa, with some 40 children taking part every week. Pamuzinda brought incisiveness to the group teaching and individual assessment of the children. The Dzikwa Choir continued under the direction of a local retired teacher.

9. Sponsors and other supporters

At year end 2007, there were 163 sponsors. Of these, 132 were from Finland, 16 from England, 5 from Scotland and 10 from Germany. The Finnish sponsors include two schools, a trust fund, a branch of the Finnish women's organisation "The Martha Organisation", one trade union and one business company. By the end of the year, ten children lacked a personal sponsor, mainly because they did not enter the programme until the very end of the year.

The Society had 24 other supporters, from Finland, Germany, England, Scotland and Norway. Thanks to their important contributions, it was possible to meet unexpected expenses arising during their year.

Visits to Harare were paid by 18 sponsors and supporters in 2007. Nine were from Finland (Helena, Ulla, Minna, Tuulikki, Tuija, Liisamaija, Louise, Markku and Maisa), four from Germany (Kristian, Wiebke, Henning and Riitta) and five from Scotland (Charles, Ian, Joan, Grahame and Tom). Among the Finns were six teachers from Nurmijärvi - the principal and three teachers from Klaukkala School, and two teachers from Syrjälä School. During their visit, which took place like their previous one, in February-March, they gave Dzikwa primary school children Finnish-style lessons in basic subjects through games, songs, handicrafts and even sudoku.

10. Donations in kind and other special donations

Dzikwa children's sponsors remembered their children increasingly with small parcels or extra money to buy things locally. Everything was gratefully received and brought the children a lot of joy. The children send a special thanks for the huge number of Christmas presents, including the sports shirts received through an employee of Kela, Finland's Social Insurance Institution, and the full-to-bursting pencil cases from Rastaala School in Espoo, Finland.

In November 2007, a school in Hertfordshire, England, which was closed down, donated 500 tracksuit jackets and 500 t-shirts to Dzikwa children. The air freight costs were paid by The Crown Agents Charitable Fund in England. However, the Zimbabwe customs claimed over €2,000 in charges on the consignment, which was finally cleared through customs in 2008. An employee of The Crown Agents was instrumental in obtaining an extra donation from the UK-based charity Worldaware.

In October 2007, sponsor Airi, the owner of Allun Grilli, a famous small restaurant in Vantaa, Finland, donated the proceeds from her birthday celebration to the Dzikwa Activity Centre building project. In addition, €5,600 was received from international bankers, who donated their lecture fees to the Society. On their retirement, Monica, a supporter with Finland's Financial Supervision, and Henning, a German sponsor, gave donations to the Dzikwa Centre building fund. Once again, a donation for the Dzikwa Centre was received from Norway. The Society also received Christmas donations from Finland's Anglican Church, Handelsbanken's fund management unit and Nordea Bank's Senate Square branch. A major donation worth €3000 was received from Microsoft in the form of free licences (24) for Vista and Office 2007. Accounting software compatible with the requirements of the accounting regulations was received free of charge from the company Arts & Minds in Finland.

11. The Dzikwa Activity Centre

In 2007, major steps forward were taken in the Dzikwa Activity Centre building project. At the beginning of the year, a soil survey was carried out, the final touches were put to the planning and the construction drawings, and building permit applications were filed. These were accepted by Harare City in June 2007. On 15 May 2007, the State Provincial Office of Southern Finland granted

the Society a fundraising permit (OKU 1196 A) that covers all Finland except the province of Åland. The permit is valid until 31 December 2008.

The building project was launched by clearing the land, not, however, until the end of the harvest season in May, as maize and vegetables were being grown on the empty site. The actual building work on the Dzikwa Centre got off to a slower start than anticipated for three main reasons: 1) Zimbabwe's hyper-inflation and economic depression caused bottlenecks in the supply of many building materials; 2) fundraising in Finland did not make as much progress as expected in 2007; and 3) the exceptionally heavy rains at the end of the year held up building for over a month.

The "palisade" boundary wall with its guard box on Rujeko Street was almost finished in 2007. In addition, the foundations of the caretaker's cottage were partly laid and the northeast corner of the main building was finished.

On 12 November, the cornerstone was formally laid at the northeast corner of the 560 square metre main building. The ceremony was attended by the Zimbabwean Minister for Health and Children's Social Affairs, Dr David Parirenyatwa; office bearers from the Supreme Grand Lodge Royal Arch Chapter of Scotland; and a number of distinguished invited guests. The Swedish Ambassador, Sten Rylander, was present as Finland has no official representation in Harare. Wearing the colourful new costumes paid for by the Anglican Church choir in Finland, the Dzikwa choir and the marimba, dance and drama groups put on a memorable show for the guests.

There will be no accommodation in the main building of the Dzikwa Centre. It will house the kitchen, a dining/lounge area for 120 children at a time, conference and study rooms, an 18-seat computer room, two extra lesson classrooms, and office, storage and washing and laundry facilities. The lounge will be equipped with TV, DVD and video equipment and will have a stage at one end. Also on the site there will be a basketball court, a caretaker's cottage and a vegetable garden plus a bored well with water tanks and a diesel generator.

At year end, the revised estimate of the total cost of the Activity Centre was €700,000.

12. Information and special events in Finland

In 2007, the Dzikwa Trust produced two new 15-18-minute DVDs. One of them is about the visit of the Nurmijärvi teachers and the other the Dzikwa Centre foundation-laying ceremony. In addition, the Society published a brochure about the Dzikwa Centre building project in Finnish, English, Swedish and German. Help with the translations was given by sponsors, and the cost of designing was offset by Painovoima Oy, an Espoo printer.

At the end of the year, the Board decided to transfer upkeep of the www.zimaidorphans.org website to a system able to handle updates more easily. The appearance of the web pages will also be revamped. The new site will be under: www.zim-orkvot.org.

In the course of the year, sponsors and other supporters were sent 11 Newsletters reporting on daily life in Dzivaresekwa during the periods that Oili and Seppo spent in Harare and other information by e-mail. All sponsors received updates on their own children.

The Society's support activities were given prominence during international awareness week at schools in Nurmijärvi (Klaukkala and Syrjälä Schools, and Arkadia High School). Oili and Seppo spoke at meetings of the International Rotary Club and one Odd Fellows lodge in Helsinki, and to a Rotary Club in Harare.

At the beginning of December, the Society threw a Christmas party in Helsinki. This gave sponsors and other interested people an opportunity to hear about the orphans and their lives, and find out more about the support programme. There were 98 adults and 16 children at the party.

In 2007 the Society received important recognition for its reporting. The Society won the series for small societies and foundations in the annual competition “Open Report 2007” run by PricewaterhouseCoopers in which recognition is given to the best annual report. The series had 130 entrants. The main grounds for the award were as follows: “In the opinion of the jury, the annual report of the Zimbabwe AIDS

Orphans Society was a sympathetic report demonstrating strong commitment to the cause. The financial details were presented openly and clearly, and in the jury’s opinion there were no vital shortcomings in the report. It focused on the essentials, that is, issues important to interest groups. This example, in the opinion of the jury, showed that a comprehensive and informative annual report does not need to be an eye-catching publication printed at great expense.”

The award and prize money, €7,500, were formally presented at a ceremony in Helsinki on 6 November 2007. The money will go towards covering the building costs of the Activity Centre caretaker’s cottage. The award brought the Society and its activities very welcome publicity. In December, the Helsingin Sanomat newspaper interviewed Oili and Seppo about the Society and on 14 January 2008 carried an almost full-page story.

For more on the Society’s information material, please visit our website at www.zimaidorphans.org

13. Staff in Finland and Zimbabwe

The Society does not pay salaries or allowances in Finland; all work is done on a voluntary basis. Volunteers who come to work in Zimbabwe receive upkeep with the support of the Society. Interest in voluntary work with the Society grew in 2007. At the end of the year, agreement was reached with Laurea Polytechnic in Finland that Hanna, a student of risk management, would spend February-May 2008 in Harare. In the summer, two students from Umeå University in Sweden will join the programme as field workers.

In 2007, Dzikwa had three permanent salaried staff in Zimbabwe: Assan Mpondo, accountant, Petronella Moyo, field officer, and Priscilla Takawira, the senior official responsible for the boarding school children and also for major acquisitions. In addition, there were a number of fixed-term workers: the matron of the Dzikwa Shelter, six part-time cooks and five remedial teachers. Another five extra lesson teachers are hired for the school holidays.

The rise in the number of children, the expansion of activities and the major building project made for a big increase in the work load, and in the advisory and monitoring activities required. In Harare, weekly operational meetings were launched. During the periods that Oili and Seppo were in Finland, the operational team was joined on a voluntary basis by a local businessman representing Finnish companies in Zimbabwe, whose job it was to see that the meetings ran smoothly and efficiently. Staff members were under a great deal of pressure in 2007. As a result Dzikwa commissioned an independent assessment of the organisation, staff numbers and their effectiveness, and the need for development from an international consultancy (Ernst & Young) operating in Harare. Their “Organisation & Operations Audit”, which was finalised in February 2008, recommended that three new permanent staff be hired.

14. The Society's financial status

The children's personal sponsors again paid annual support of €120 for a primary school child, €140 for a secondary school child, and €160 for ondoing A-levels. Support for a child in a private secondary school or at A-level amounted to €300. The cost of supporting a child in secondary education in a boarding school was €600 – 620 a year, which includes full board. On top of the payments, many sponsors gave small personal donations to their own children. The average support per child in euros far exceeds Zimbabwe's per capita gross national income.

The income of the Society from regular operations consisted of payments by individual sponsors, donations and contributions, income from the sale of handicrafts and other products, and the grant from the Ministry for Foreign Affairs. Regular payments by individual sponsors amounted to over €37,800 in 2007. In addition, the Society received €5,200 in dedicated donations and contributions for upkeep of the shelter home, health care or meals, and in general donations. The total for health care fell just short of €3,000. Altogether, about €2,500 was raised in operational funds. The budgeted figure was €40,000.

The annual grant received as project support from the Ministry for Foreign Affairs development funds amounted to €60,000. The grant can be used to cover the costs of regular operations, not for investments.

The Society sold DVDs telling about its activities, and also textiles, crafts, small artworks, tea and coffee from Zimbabwe at Siuntio flea market, Siuntio Beekeepers' Association events, the "Siuntio Day" market, the Skencafé at Siuntio station, the "Colourful Vuosaari" happening, Klaukkala Schools' International Week, the Bank of Finland's Christmas Bazaar and its own Christmas party.

Income from regular operations totalled just over €106,000.

Most of the Society's expenses arose from direct donations to the Dzikwa Trust Fund's regular support activities, amounting in 2007 to over €85,000. The Activity Centre project is monitored separately in the accounts. Dedicated donations for the building of the Dzikwa Centre totalled about €28,000, which was financed from other contributions, net income from sales, and income from special fundraising. Travel expenses to/from Zimbabwe were around €6,800 and the Society's administrative costs just under €3,000, which is well below 3% of income.

Fundraising is separated from regular operations. Acquisition of funds through membership subscription fees was recorded at €820. The bulk of the fundraising in 2007 was linked to the Dzikwa Centre building project, for which a separate bank account was opened. Contributions intended for the building project, the proceeds of collecting boxes and the PwC prize money, totalling €22,000, were entered under fundraising. The third item in fundraising income was the €1,856 received by the Matti Ranin Food Fund.

Total revenues in the year under review amounted to over €131,000.

Fundraising expenses were in excess of €4,000, the bulk of which arose from the printing of the Dzikwa Activity Centre brochures. All in all, due to a lack of resources, fundraising for the Dzikwa Centre did not proceed as foreseen in the fundraising and utilisation plan dated 18 April 2007. The Society did not have the resources to conduct the various types of collections. Moreover, it turned out to be more difficult to attract contributions for investments than for the children's direct support.

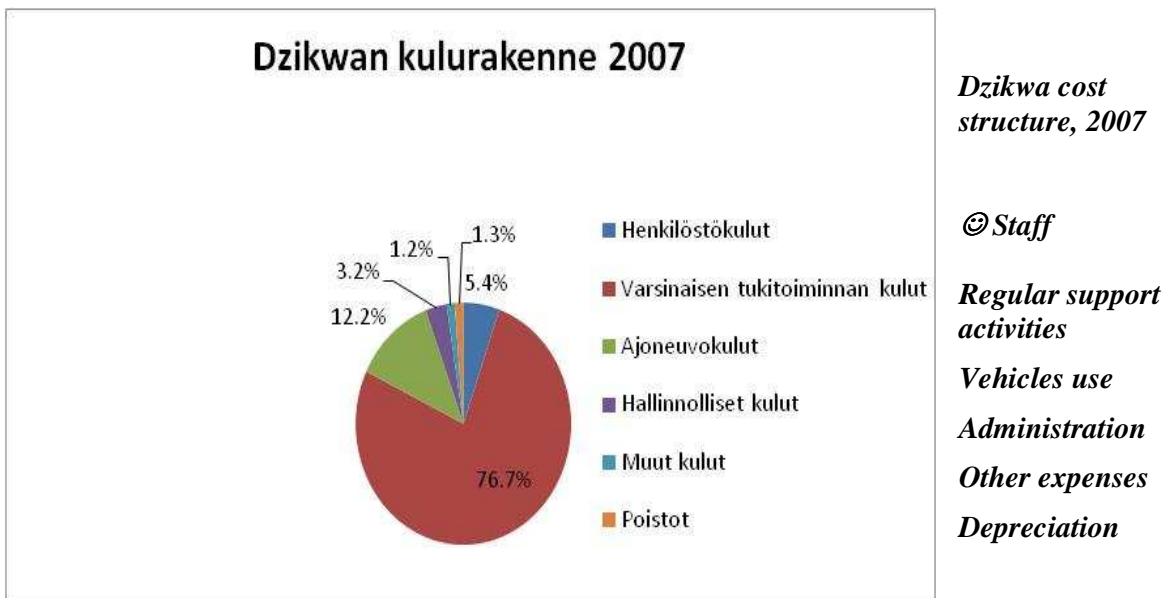
In 2007, the Society's accounts recorded a surplus of €4,400 at the end of the financial year.

15. Dzikwa financial status and the operating environment in Zimbabwe

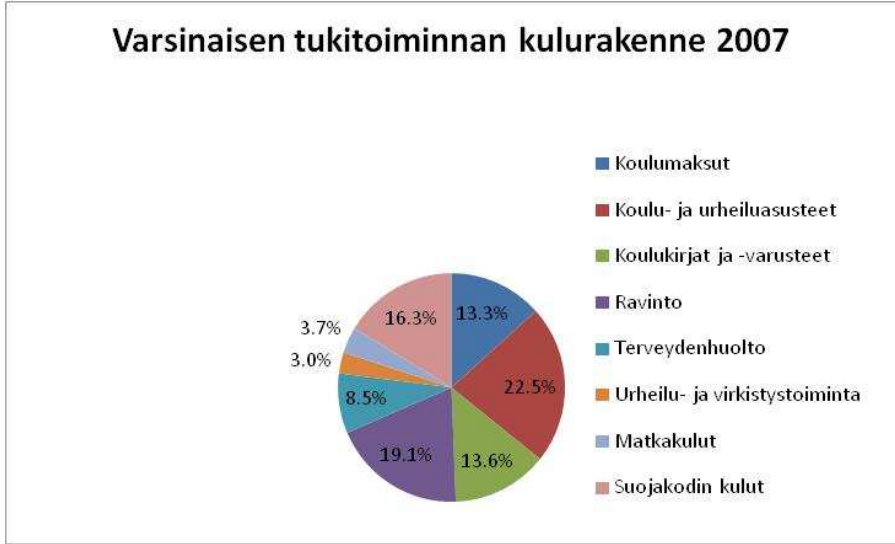
The operating environment continued difficult in the year under review, with the country's economy still in deep depression, and inflation soaring to hyperinflation. The annual inflation rate rose from 1000% at the beginning of the year to nearly 100,000% towards the end. At times it was quite problematic getting school accessories and outfits and also essential building materials within the planned schedule. Obtaining reliable tenders for the Dzikwa Centre sub-projects was a laborious process, the tenders often being valid for only one day. The spiralling rise in prices posed a major challenge to financial planning and activities. Throughout, Dzivarasekwa residents and schools have retained their favourable attitude to our orphans' education support programme and to the Dzikwa Centre building project. The attitude of the key authorities has also been positive.

Dzikwa's total expenses in 2007 amounted to €107,000. The following pie chart shows the breakdown of expenses by main category:

For charts, please refer to translation key ⇔⇔



The total expenses for D regular education support activities totalled about € 82,000 in 2007 and their distribution is highlighted in the following pie chart:



Cost structure of regular support activities, 2007

- School fees*
- Uniforms & sportswear*
- Books & accessories*
- Meals*
- Health care*
- Sports & recreation*
- Travel expenses*
- Dzikwa Shelter*

In addition, €26,200 was capitalised as Dzikwa Activity Centre building costs in Dzikwa’s financial statement in 2007.

As previously, Dzikwa’s accounts were audited in Harare by Camelsa Chartered Accountants for a nominal fee.

In Zimbabwe, Dzikwa succeeded in raising some €2,000 for the Activity Centre building project. Appeal letters were sent to 17 legations in Harare. The Australian Embassy made a favourable decision-in-principle to finance the construction of a bore-hole. The local Old Mutual Life Assurance Company agreed to support the building programme.

The two major challenges facing the operating environment in 2008 are prudent housekeeping under conditions of high inflation, and securing the continuous availability of supplies.

16. Finnish State aid

In 2007, the Society once again received €60,000 in financial aid from the €180,000 project support grant awarded from Finland’s development cooperation funds for 2006-2008. The decision by the Ministry for Foreign Affairs restricts use of the grant to operational expenses. Thus the money cannot be used for investment, e.g. in the Dzikwa Centre building project.

Thanks to the grant from the Finnish Government, the Society was able to continue its support for 183 needy orphans (Second List) in addition to that given to the full-support (First List) Dzikwa children. Further, the grant has enabled us to do up the Dzikwa Shelter, and broaden the range of health care, sports and cultural activities we can provide. Tailored training in financial and project administration for local Dzikwa staff was postponed until 2008.

A representative from the Finnish Embassy in Maputo, Mozambique, spent one day, 5 March 2007, in Dzivarasekwa gaining *in situ* experience of Dzikwa’s field operations. By the end of April, the Society had sent a separate report to the Finnish Ministry for Foreign Affairs on use made of the grant in 2006. The Society’s authorised public accountant deposited her own statement with the Ministry for Foreign Affairs.

17. Society Members and Board

By the end of 2007, the Zimbabwe Aids-Orphans Society had 41 members. The annual membership fee remained at €20 and is used to cover some of the expenses arising in Finland.

The Society's Annual General Meeting was held at Skencafé in Siuntio on 22 April 2007 and was attended by 22 persons.

The Society's Board comprised Ulla Haukka-aho chairman, Esa Ojanen vice chairman, Merja Grandell treasurer and Oili Wuolle secretary, with Petri Mero and Terhi Tiikkainen as other members of the Board. Substitute members were Louise Park-Ahonen and Helena Pelkonen. Seppo Ainamo also attended Board meetings. The Board convened nine times in 2007 and had one e-mail meeting. Leila Kanninen, Authorised Public Accountant, with Virpi Virkkunen as her Deputy audited the accounts of the Society.