

ACE AFRICA (UK)

(a company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Registered charity number 1111283

Company number 4726183

ACE AFRICA (UK)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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ACE AFRICA (UK)
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

Administrative Information

Charity Name: ACE Africa (UK) (formerly: Action in the Community Environment)

Charity No: 1111283

Company No: 4726183

The charitable company is governed by its Memorandum and articles of Association.

Registered Office c/o Lockton Companies LLP
The St Botolph Building
138 Houndsditch
London EC3A 7AG

Operational Address c/o Lockton Companies LLP
The St Botolph Building
138 Houndsditch
London EC3A 7AG

Board of Directors/Trustees	Mike Hammond	Chairman	(Appointed 7 March, 2011)
	John Collenette	Treasurer	(Appointed 5th September 2011)
	Mark Chamberlen		
	Pratik Chandaria		
	Francis Howard		
	Andrew Jinman		
	Chad Lion Cachet		(Appointed 9th May, 2011)
	Peter Lever		(Resigned 19th February, 2012)
	Melanie Miller Thomas		(Resigned 12th December, 2011)
	Ben Morton		(Resigned 12th December 2011)
Derek Walmsley		(Appointed 9th May, 2011; Resigned 13th January, 2012)	

Advisory Committee Sarah Byatt
Patrick Drummond
Ian Falconer
David Waddington
Robert Waddington

Secretary John Collenette

Director of Operations Samantha Kite

Administration Adenrele A Ajibade, Finance and Administration
Elizabeth Epsley, Fundraising Officer

Auditor Critchley's LLP, Greyfriars Court, Paradise Square, Oxford OX1 1BE

Bankers Barclays Bank plc, Knightsbridge International Branch, PO Box 391, 38 Hans Crescent,
London SW1X 0LZ

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

ACE AFRICA (UK) TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Trustees of ACE Africa (UK) present their report on activities for the year ended 31st December, 2011.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2005 in preparing the annual report and financial statements of the Charity which also comply with the requirements of the Charity's constitution and applicable law. The Trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission.

Constitution

ACE Africa (UK) was originally constituted under a Memorandum of Association signed on 10th March 2003 and altered by resolutions dated 13 June 2005, 31 August 2005 and 26 January 2009 and was incorporated on 8th April, 2003 as ACE UK. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Trustees

Trustees are appointed by members in an Annual General Meeting. The trustees may appoint new trustees to serve until the next Annual General Meeting. All trustees retire at the conclusion of each Annual General Meeting unless re-appointed or deemed to have been re-appointed. There may be no less than three Trustees. There are seven trustees at present.

Ben Morton, who was chairman from June 2007 to May 2011 retired from the board on 12th December, 2011. Mike Hammond, who was appointed a trustee on 7th March, 2011, became Chairman on 9th May, 2011. The Board appointed Chad Lion-Cachet a trustee from 9th May, 2011 and John Collenette from 5th September, 2011. Derek Walmsley was appointed a trustee on 9th May, 2011 when he took over as treasurer from Francis Howard. Mr Walmsley resigned from the Board for personal reasons on 13th January, 2012. Mr Collenette took over as treasurer on the same date. Melanie Miller-Thomas retired from the board on 12th December, 2011 and Peter Lever on 19th, February, 2012.

The trustees are most appreciative of Ben Morton's leadership of ACE Africa (UK) during a period of rapid growth in the programmes in Africa and in activity in the UK to support them and of Melanie Miller Thomas' work in support of ACE Africa in the UK over a similar period. Our thanks are also due to Peter Lever and to Derek Walmsley who served as treasurer during his short tenure as trustee.

In selecting trustees consideration is given to the overall breadth of knowledge required of the board of Trustees. Trustees who are appointed already have knowledge of their profession or their industries so do not require any technical training. However new Trustees receive the appropriate training documentation about becoming a Trustee and are given an induction by an existing Trustee.

Organisational Structure

The trustees oversee the affairs of the Charity on a voluntary basis, meeting as necessary for this purpose and have appointed from among their number a chairman, a treasurer and a secretary. Decisions are made by majority vote at meetings of trustees. We employ a part-time Director, Samantha Kite, to manage ACE Africa (UK)'s fundraising, communications and administrative activities. The Director is supported by a fundraising officer and a finance and administration assistant as well as temporary administrative volunteers.

For three years to March 2011 ACE Africa (UK) occupied office space made available free by Value Partners Group. From March 2011 ACE Africa (UK) moved its operations to space provided free by the Lockton Companies LLP and we thank both organisations most sincerely for their valuable support of our work in this way.

Principal Activities

To promote the efficiency and effectiveness of charities and non-government organisations (NGOs), community based organisations, voluntary bodies, other associations, institutions and statutory authorities undertaking charitable activities in Africa in particular that would be recognised as such under English law (including the provision of financial and other support as the trustees see fit). ACE Africa's aim is to reduce the impact of HIV/AIDS on rural communities so that such communities, parents, guardians and other carers have the knowledge, skills and resources to protect and care for orphans and vulnerable children, and to provide them with the opportunity to develop to their full potential.

ACE Africa recognises that effective community capacity building to achieve these goals is a long-term undertaking in each area of operation, and one which aims to reduce reliance of the host community on the NGO. ACE Africa will therefore provide support appropriate to the degree of self reliance achieved by each community with which it works. ACE Africa (UK) provides technical support and funds to implement these activities.

ACE AFRICA (UK) TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

Connected Organisations

ACE Africa (UK) is an independent charity.

Operations Supported by ACE Africa (UK)

ACE Africa (UK) has been active since late 2005 through the work of its trustees and supporters. The Charity supports the work of registered NGOs, ACE Africa (Kenya) and ACE Africa (Tanzania).

ACE Africa (Kenya) has operated in several districts around Bungoma, Western Kenya for over eight years, where activities are now in the last three-year phase of our ten-year community based orphan-care programme. In the nearby Siaya District of Nyanza, Western Kenya operations are in the second, four-year phase. ACE Africa (Tanzania) operates a programme similar to the Siaya operations, in the Arusha region, Arumeru District of Tanzania, launched in 2008 and entering its second stage of development.

ACE Africa's programme addresses everything from immediate needs within vulnerable households, such as nutritional supplements, bedding, shelter and school fees; to family and individual counselling, promotion of child rights and child health, community food security, nutrition and training in income-generating activities for households and community support groups. We empower community members to be the agents of change; we help them to help each other.

ACE Africa (UK) raises funds in order to make grants to ACE Africa (Kenya) and ACE Africa (Tanzania). The Charity also provides technical and managerial support, and promotes and communicates on their behalf in the UK. ACE Africa (UK) will support other NGOs working in the same field alongside ACE Africa in Kenya and Tanzania.

ACE Africa (UK) appeals for grants from trusts, foundations, companies and similar institutions. Some of the successful applications result in grants to ACE Africa (UK) and others in grants directly to ACE Africa (Kenya) and ACE Africa (Tanzania). ACE Africa (UK) raises funds from individuals by direct approaches and by holding fundraising events. Included among funds raised are grants from individuals, trusts and schools to sponsor individual orphans through their secondary education. This is a discrete programme funded separately from the community support programmes.

Future plans of the charity

The charity intends to continue its support of ACE Africa (Kenya) and ACE Africa (Tanzania). These two organisations intend to continue their respective community programmes to mitigate the effects of HIV/AIDS on communities in the areas where they operate with an emphasis on orphans and vulnerable children and people living with HIV/AIDS. The programme in several districts around Bungoma is at an advanced stage and has under three years to run as we gradually pass responsibilities to community organisations. Consideration is being given to starting work in new districts adjacent to those in which we have been working taking advantage of the existence of neighbouring communities which have been trained. In Siaya and Tanzania we will continue working with communities to strengthen their capacity to care for the orphans and vulnerable children in their midst. We are developing our capacity to transfer knowhow in the fields in which we work to other organisations working in different geographic areas, such as international and local NGOs and local community organisations.

Activities in the UK

Grant income in the UK fell from £320,000 in 2010 to £174,000 in 2011, largely due to our major three-year grant from Comic Relief coming to an end in June 2011. However, a number of grants secured in 2011 were made direct to ACE Africa (Kenya) and ACE Africa (Tanzania). Taking these into account overall grants to the programmes we support in Kenya and Tanzania amounted to £294,000 compared with £414,000 in 2010. On the unrestricted front donations increased by 21% from £112,000 in 2010 to £136,000 in 2011 despite a difficult environment for raising such funds. Net income after costs from events and challenges organised by ACE Africa (UK) was 14% lower in 2011 at £79,000 compared to £92,000 in 2010. An innovative quiz and dinner, 'Going for Gold', was held in November and succeeded in raising £53,000 net of expenses. In April 2011 the ACE Africa (UK) annual quiz night was held at a larger venue and succeeded in raising a greater amount than before and a number of other smaller initiatives were organised by the director and trustees. Overall our unrestricted income in the UK increased by 5% from £243,000 to £256,000 which was a commendable achievement by all concerned.

The ACE Secondary School Bursary Scheme benefitted 119 new children in school in 2011. These children are supported by our staff in Bungoma and Siaya to ensure they get to school with what they need and to counsel them and their households as the children move from their poor rural backgrounds to the relative security and wellbeing of a boarding school. A further 85 bursary holding children had left school up to 2010. Of these about half have secured places in universities or colleges in Kenya, many of them with support from those who sponsored their schooling. ACE works with these young students when they leave school, our alumni, to provide community work and teaching experience as well as computer training in the gap year before any further education can commence and to plan the next steps in their education and careers. An Alumni Fund funded by sponsors of bursaries meets the costs of education and career counselling and the support given to alumni. A further 32 bursary holders left school at the end of 2011 and we have secured 35 new bursaries for orphans and vulnerable children to start secondary schooling in 2012. The 2011 income of the bursary scheme and its supporting alumni fund was £56,000.

ACE AFRICA (UK) TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The trustees have initiated a review of overall operations of ACE Africa in the UK and in Africa with a view to adapting our funding strategy and in turn our organisation to changing circumstances. Apart from the economic downturn now affecting the UK among most western economies, attitudes among grant making institutions towards development issues and different un-developed and developing countries change over time due to such factors as advances in medicine, changes in each country's circumstances and governance and perceived priorities for support. While the trustees are of the view that the ACE Africa programmes are as valid today as ever, and indeed are in some respects unusual or even unique, and are recognised as such, there is a need to re-examine how we are seen and to adapt our fund raising focus to maximise the support we can achieve for our work. This review and operational adjustments to cut costs, are aimed at achieving renewed growth in overall income at as low a cost as practicable.

Grant making policy

ACE Africa (UK) makes grants to ACE Africa in Kenya and Tanzania for specific components of their activities and in support of the implementation of their total strategy. In the first case reports are received on the relevant component of activities. In the second, reports will be received of overall progress towards each year's budget and plan.

Financial Performance

Income during 2011 amounted to £429,348 (2010: £563,453) and expenditure amounted to £494,560 (2010: £588,335) of which £335,116 (2010: £459,302) was grant making, leaving a net expenditure of £65,212 (2010: net expenditure £24,882). Donated income was £309,857 (2010: £432,624). Of this £173,767 (2010: £320,259) was restricted and £136,090 (2010: £112,365) unrestricted. Event income was £119,282 (2010: £130,549). Event expenses were £40,709 (2010: £38,426) leaving a surplus on events of £78,573 (2010: £92,123).

The expenses of ACE Africa (UK) relate to the charitable activity of 'Grant making in support of ACE Africa programmes'. They comprise costs relating to Fundraising and Grant Applications £115,218 (2010: £86,396) including grant administration costs of £33,898 (2010: £21,442); Event Costs £40,709 (2010: £38,246); and Governance Costs £3,517 (2010: £4,211). Excluding grant administration costs, Fundraising and Governance costs amounted to 20% of total income of ACE Africa (UK) compared to 12% in 2010. As noted, some grants are now being made direct to ACE Africa in Africa and taking the ACE Africa organisations as a whole, in the UK, Kenya and Tanzania, Fundraising and Governance costs of all three amounted to 17% of their combined income in 2011. Given the continuing difficult economic climate the trustees have taken steps to reduce costs in the UK wherever possible.

ACE Africa (UK) has made grants to ACE Africa in Kenya and Tanzania during the year totalling £335,116 (2010: £459,302), of which £216,497 (2010: £378,906) was for restricted purposes and £118,619 (2010: £80,396) comprised unrestricted grants.

After making grants there was a deficit for the year in unrestricted funds of £22,482 (2010: surplus £33,765) and a deficit of £42,730 in restricted funds (2010: deficit £58,647). Including balances brought forward from 2010, retained income at 31st December 2011 consisted of £43,750 (2010: £66,232) of unrestricted and £90,513 (2010: £133,243) of restricted funds. In the ACE Secondary Schooling Bursary Scheme monies were received in 2011 or previously in respect of sponsorships in 2012 and subsequently. These receipts, amounting to £56,637 (2010: £43,100) have been carried forward as deferred income.

Overall, the trustees expect the income of ACE Africa (UK) in 2012 to be broadly similar to the level reached in 2011. The programme of fund raising activities planned for 2012 together with established streams of unrestricted income will fund the costs of operating ACE Africa (UK) at a reduced level compared to 2011 and of supporting ACE Africa in Kenya and Tanzania.

The trustees consider the balance of unrestricted funds carried forward, of £43,750 to be sufficient to ensure continuity of activities, amounting to nearly 5 months of expenditure of resources in the UK or about three months of total expenditure of unrestricted funds in the UK and Africa combined. It is expected that in 2012 ACE Africa in Kenya and Tanzania will again receive higher grant income direct from institutional donors as compared to the past and that as a result the call on ACE Africa UK to provide unrestricted grants to them will be significantly lower than in 2011. The movement in restricted funds on hand from year to year reflects only timing differences in the receipt by the charity of grant income from donors and the making of grants to ACE Africa (Kenya) and ACE Africa (Tanzania) as required by progress of work in the field.

Accounting Policies

A summary of the principal accounting policies is set out in Note 1 to the accounts on page 10.

Risk

At present there are no risks connected with the internal management and administration of the charity beyond those of staff infidelity which are managed by supervision of income and accounting functions and are insured. ACE Africa (UK) makes grants to ACE Africa which gives rise to risks of misappropriation or maladministration of such grants. These risks are managed by regular monitoring of ACE Africa financial reports and activity reports, including the receipt of six-monthly audited financial reports, and by visits to ACE Africa and its project areas by ACE Africa (UK) trustees and management.

ACE AFRICA (UK)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

Responsibilities of the Board of Trustees

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

Company law requires that the board of trustees prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Observe the methods and principles in the Charities SORP;
- (iii) Make judgements and estimates that are reasonable and prudent;
- (iv) State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (v) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The board of trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The board of management is 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.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the Charity's future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

Trustees' declaration

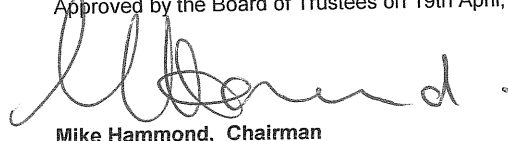
So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Following the resignation of Baker Tilly UK Audit LLP, which occurred on 5 November, 2011, Critchleys LLP became the company's auditor. Critchleys have indicated their willingness to continue in office, and a resolution for their reappointment will be submitted to the annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Board of Trustees on 19th April, 2012 and signed on its behalf by:



Mike Hammond, Chairman

ACE AFRICA (UK)
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of ACE Africa (UK) for the year ended 31 December 2011 on pages 7 to 13. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees (who are also the directors of the 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 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 Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' 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:

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



Robert Kirtland
For and on behalf of CRITCHLEYS LLP, Statutory Auditor

Greyfriars Court
Paradise Square
Oxford
OX1 1BE

1 May 2012

ACE AFRICA (UK)
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2011

		Unrestricted Funds 2011 £	Restricted Funds 2011 £	Total Funds 2011 £	Total Funds 2010 £
Incoming Resources	Notes				
Incoming resources from operating activities					
Donations and grants	2	136,090	173,767	309,857	432,624
Event Income		119,282	-	119,282	130,549
Investment Income		209	-	209	280
Total Incoming Resources		<u>255,581</u>	<u>173,767</u>	<u>429,348</u>	<u>563,453</u>
Resources expended					
Costs of charitable activity					
Support of ACE Africa programmes	3	118,619	216,497	335,116	459,302
Costs of generating funds				-	
Fundraising and Grant Application Costs	3	115,218		115,218	86,396
Event Costs	3	40,709	-	40,709	38,426
				-	
Governance Costs	3	3,517	-	3,517	4,211
Total resources expended		<u>278,063</u>	<u>216,497</u>	<u>494,560</u>	<u>588,335</u>
Net income/(expenditure)		<u>(22,482)</u>	<u>(42,730)</u>	<u>(65,212)</u>	<u>(24,882)</u>
Reconciliation of funds					
Total funds brought forward		66,232	133,243	199,475	224,357
Total funds carried forward		<u>43,750</u>	<u>90,513</u>	<u>134,263</u>	<u>199,475</u>

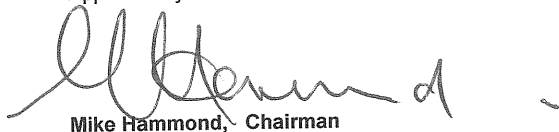
The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

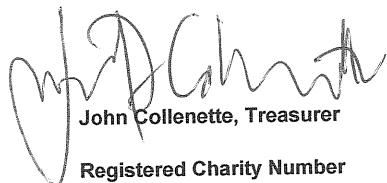
ACE AFRICA (UK)
BALANCE SHEET
As at 31 DECEMBER 2011

	Notes	2011 £	2010 £
Current Assets			
Debtors	6	25,601	5,400
Cash at Bank and in Hand		<u>176,036</u>	<u>243,194</u>
		201,637	248,594
Creditors: Amounts falling due within one year	5	<u>(67,374)</u>	<u>(49,119)</u>
Net Current Assets		134,263	199,475
Net Assets		<u><u>134,263</u></u>	<u><u>199,475</u></u>
Unrestricted Funds			
General Funds		43,750	66,232
Restricted Funds	7	<u>90,513</u>	<u>133,243</u>
Total Funds		<u><u>134,263</u></u>	<u><u>199,475</u></u>

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the board of trustees and authorised for issue on 19th April, 2012 and signed on its behalf by:


Mike Hammond, Chairman


John Collenette, Treasurer

Registered Charity Number 1111283
Company Number 4726183

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and the FRSSE (effective April 2008).

b) Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.
- Restricted funds are subject to restrictions on their expenditure imposed by the fund provider.

c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations, sponsorships and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognized when the charity becomes entitled to the grant. Sponsorship income is deferred over the period to which the sponsorship relates (4 years).
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.

d) Resources expended

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Grants payable comprises of amounts paid to the institutions within Africa that deliver the services for the beneficiaries. These costs are recognised when paid or if earlier, when a constructive obligation to make the grant arises. These are indicated on the SOFA.
- Costs of generating funds include those costs incurred which relate to fundraising or organisation of events.
- Governance costs include those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked with the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned as set out in note 3.

e) Grant making policy

The charity's grant making policy is outlined in the Trustees' Report.

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

			2011	2010
	Unrestricted	Restricted	Total	Total
2	£	£	£	£
Donations received				
Sponsor Donations	-	49,090	49,090	51,839
Restricted Donations	-	124,677	124,677	268,420
General Donations	136,090	-	136,090	112,365
	<u>136,090</u>	<u>173,767</u>	<u>309,857</u>	<u>432,624</u>

3 Total Resources Expended

	Costs of charitable activity	Fundraising and Grant Applications	Events Costs	Governance costs	Total 2011	Total 2010
	£	£	£	£	£	£
Support of ACE Africa Programmes						
ACE Africa (Kenya) - Unrestricted Grants	99,332				99,332	47,681
ACE Africa (Tanzania) - Unrestricted Grants	19,287				19,287	32,715
	<u>118,619</u>				<u>118,619</u>	<u>80,396</u>
ACE Africa (Kenya) - Restricted Grants	183,476				183,476	323,168
ACE Africa (Tanzania) - Restricted Grants	33,021				33,021	55,738
	<u>216,497</u>				<u>216,497</u>	<u>378,906</u>
Cost of generating funds						
Staff costs - general fundraising		60,137			60,137	45,505
Staff Costs - restricted grants		33,898			33,898	21,442
Bank Charges		2,549		-	2,549	2,571
Postage		686		-	686	947
Telephone		405		-	405	52
Stationery		1,868		-	1,868	1,738
Travel		4,487		-	4,487	1,504
Media Costs		6,398		-	6,398	6,926
Miscellaneous Costs		4,790		-	4,790	5,711
Event Costs		-	40,709	-	40,709	38,426
Governance Costs						
Insurance Costs				1,137	1,137	1,100
Audit Fee		-		2,200	2,200	3,111
Professional Services		-		180	180	-
TOTAL	<u>335,116</u>	<u>115,218</u>	<u>40,709</u>	<u>3,517</u>	<u>494,560</u>	<u>588,335</u>

Staff Costs are allocated between costs of general fundraising and of administering restricted grants by reference to time spent.

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

4 Trustees' Remuneration and Expenses

Neither the Trustees nor any persons connected with them have received any remuneration, reimbursed expenditure or other benefits.

	2011	2010
	£	£
5 Creditors		
Accruals	10,737	4,878
Other creditors	-	1,141
Deferred Income	56,637	43,100
	<u>67,374</u>	<u>49,119</u>

Included within funds raised are grants to sponsor individuals through their secondary education. This income is deferred over the period that the individual is in secondary education.

Of the incoming resources received in the year, £41,415 has been deferred and of the deferred income balance brought forward £27,878 has been released.

	2011	2010
	£	£
6 Debtors		
Other debtors	-	348
Prepayments	14,318	-
Gift Aid	11,283	5,052
	<u>25,601</u>	<u>5,400</u>

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

7	Movements in Restricted Funds	B/Fwd £	Incoming £	Outgoing £	C/Fwd £
	Agriculture & Nutrition, Bungoma	268	5,000	268	5,000
	Mitigating impact of HIV/AIDS in rural Kenya	2,557	-	2,557	-
	Alumni Fund for School Leavers	8,079	7,133	4,752	10,460
	Capital Expenditure	1,492	-	1,492	-
	Child Rights, Child to Child Education and Welfare Programme	-	8,500	-	8,500
	Direct Aid Nutrition	-	1,026	-	1,026
	Emergency Fund for Households	1,173	2,692	1,500	2,365
	1.1 Educational resources and staff skills development	-	8,000	8,000	-
	Fundraising and advocacy in UK schools	-	3,500	-	3,500
	General Disaster Fund	2,217	-	-	2,217
	Income Generation by Soya Production, Bungoma	720	-	720	-
	Income Generation by Soya Production, Siaya	849	-	849	-
	Community health, food and economic security, Arusha	0	25,377	25,377	-
	Jiggers parasitic infection	2,549	-	2,549	-
	Primary School Craft Teacher - Rosie Dwyer Memorial	30,495	4,304	8,035	26,764
	Primary School Support, general	776	-	-	776
	Primary School Support, South End Academy	7,636	-	7,636	-
	Rural Community Support Systems, Bungoma	49,919	29,277	78,249	947
	Secondary School Bursary Scheme	5,715	49,090	47,507	7,298
	Secondary School Bursary Scheme staffing support	5,881	11,183	15,002	2,062
	Sponsor Direct Support	-	9,775	4,360	5,415
	Tanzania Community Programme	1,530	-	-	1,530
	Tanzania Community Programme	-	3,880	-	3,880
	Nutritional food capacity building, Tanzania	7,644	-	7,644	-
	Vehicle Acquisition - ACE Truck Group	3,743	5,030	0	8,773
		133,243	173,767	216,497	90,513

Each of these grants is restricted to expenditure on the purpose indicated.

8 **Taxation**

As a charity, ACE AFRICA (UK) is exempt from tax on income and gains as specified by the Income Tax Act 2007 and s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

9	Net incoming resources for the year		2011	2010
	This is stated after charging:		£	£
	Auditor's remuneration - current year		1,900	2,700
	- underprovision prior year		300	411
			<u>2,200</u>	<u>3,111</u>
10	Analysis of net assets between funds			
		Unrestricted	Restricted	Totals
		£	£	£
	Fund balances at 31 December 2011			
	are represented by:			
	Net current assets/(liabilities)	<u>43,750</u>	<u>90,513</u>	<u>134,263</u>

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
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11	Employees	2011 £	2010 £
	Total gross wages & salaries	84,557	62,620
	Employers National Insurance Costs	7,078	3,223
	Pension contributions	<u>2,400</u>	<u>1,104</u>
		<u>94,035</u>	<u>66,947</u>
	Average number of employees during year	<u>3</u>	<u>3</u>

There were no employees with emoluments above £60,000 (2010: nil)

12 Company Limited by Guarantee

ACE Africa (UK) is a Company Limited by Guarantee and every Trustee has undertaken to contribute such amount as may be required, not exceeding £10, to the Company's assets should it be wound up.