

Ace Africa UK Annual Report & Accounts 2017



Ace Africa
Developing Communities

A company limited by guarantee. registered Charity No: 1111283, company Number: 4726183

Ace Africa (UK)
Report and Accounts
for the year ended 31 December 2017

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Ace Africa (UK) Report and Accounts for the year ended 31 December 2017



Charity Name: Ace Africa (UK)

Charity No: 1111283

Company No: 4726183

The charitable company is governed by its 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

Trustees: David Montgomery - Chairman
Christopher Rowse
Francis Howard
Genevieve Lloyd
Lucy Demery (appointed March 2018)
Simon Curtis (appointed March 2018)
John Collenette (resigned March 2018)
Kedge Martin (resigned March 2018)
Mark Chamberlen (resigned March 2018)
Neha Shah (resigned March 2018)

Treasurer: David Whitworth (appointed March 2018)

Staff: David Evans, UK Country Director
Elizabeth Epsley, Trusts and Foundations Senior Manager
Isabella Alexandroff, Trust and Foundations Manager
Olivia Jarman, Events and Communications Manager
Ajay Vasa, Finance Manager

Auditors: Critchleys Audit LLP, Beaver House, 23 - 28 Hythe Bridge Street,
Oxford OX1 2EP

Bankers: CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19
4JQ. Barclays Bank PLC, Leicester, LE827

Ace Africa (UK) Annual Report and Accounts 2017



The Trustees of Ace Africa (UK) (the "Charity") present their report on activities for the year ended 31st December 2017.

The accounts comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure

Ace Africa (UK) is a charity registered with the Charity Commission for England and Wales (number 1111283) and is constituted as a company limited by guarantee (number 04726183). Its governing document is its memorandum and articles of association.

Trustees

The Trustees are the directors and members of the Charity and are appointed by the board. Under the articles of association there may be no fewer than three Trustees; there are seven at present. Trustees are appointed by the board.

In selecting Trustees consideration is given to their breadth of knowledge and the experience required by Ace Africa. Candidates are interviewed and nominations presented for approval to the Board. New Board members receive appropriate documentation about the roles and responsibilities associated with becoming a Trustee and are given appropriate inductions.

John Collenette, Kedge Martin, Mark Chamberlen and Neha Shah have stepped down from the Board. We are very grateful for their respective commitment and enthusiasm over very many years.

We welcomed Simon Curtis, Lucy Demery and David Whitworth to the Board, effective March 2018. Simon works in a senior capacity within Compliance and Regulation at a large Investment Bank in London. He grew up in South Africa and is a regular visitor to the continent. Lucy is a finance professional working with private equity, sovereign wealth funds and family offices. Based in London, she works extensively in Africa and Asia. David is a qualified accountant and has gained extensive experience in the international development sector working as the Head of Finance for AfriKids and Amantani, and recently completed an MSc in Development Management with the Open University. We look forward to benefiting from their respective skills and experience.



Organisational structure

Trustees oversee the affairs of the Charity on a voluntary basis and meet as necessary for this purpose. Decisions are made by majority vote at meetings of trustees. The board remains focused on the levels of unrestricted income/expenditure and reserves, to strike the right balance between the sustainability of the Charity and the effective delivery of the organisation's mission and objectives.

The Charity has three full time and two part time staff. In the summer of 2017 a new Country Director was appointed. A review of the UK staffing requirements took place, leading to new job descriptions and a review of remuneration (balancing the need to motivate and retain staff, and staying within appropriate financial limits). All posts were reviewed alongside comparable organisations in terms of activity and location. A staffing committee was established to receive and discuss recommendations from the UK Country Director, comprising of the Chairman, David Montgomery, Lucy Demery and David Whitworth.

The Charity is fortunate to be able to use office space provided pro bono by the Lockton Companies LLP and we are very grateful to them for this extremely valuable support for our work.

Principal activities

Ace Africa UK is an independent charity, established in 2005 to raise funds for Ace Africa Tanzania (founded in 2008) and Ace Kenya (founded in 2003). Ace Tanzania and Kenya are independent organisations, registered in their respective countries. All three organisations share a common vision: 'to enable children and their communities to participate in and take responsibility for their own health, wellbeing and development'. They also believe in common approaches:

- **a long-term, sustainable approach to community development;** when local people are able to take control of their future, our presence is no longer required
- **working in partnership, with communities, government, other NGOs and donors.** Communities identify problems and priorities, based on local context and needs.
- **interventions are research driven and evidence based** – monitoring and evaluation shows what is working and what needs to be changed
- **creating awareness of government services, and bringing these services closer to the community,** bridging gaps that often exist. Ace works with government to ensure their services are innovative, cost effective and inclusive
- **capacity building and advocacy empower communities** and are central parts of all work

Ace Africa UK approaches trusts, foundations, companies and government funding agencies. Donors may then choose to make grants directly to Ace Kenya and Ace Tanzania, or ask Ace Africa UK to receive and manage the grant on their behalf, and provide relevant accountability to the donor.

Ace Africa UK holds fundraising events and approaches individuals to raise funds forwarded as grants to Ace Kenya and Ace Tanzania to support of their programmes; donations are managed under signed partnership agreements. Reports are received on the activities and progress towards each year's overall objectives. Where appropriate Ace Africa UK may support other NGOs working in the same field.

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Operations supported by Ace Africa UK

Ace Africa Tanzania and Kenya work with vulnerable, marginalised people in low resource settings in Kenya and Tanzania. They build resilient, inclusive communities, helping them access high quality social services. We improve food and economic security, health and education by developing long term sustainable solutions in three programming areas: Child Development, Community Health and Community Livelihoods

- **Child Development**

Giving children the skills and knowledge they need to build healthy, productive and fulfilling lives for themselves, their families and the wider community.

- **Community Health & Wellbeing**

Providing the knowledge and training needed to make better decisions regarding health, and to work proactively to prevent the spread of diseases such as HIV and AIDS.

- **Community Livelihoods**

Agriculture & nutrition (training in nutrition and sustainable organic methods of farming, developing community mentors and providing seeds, tools and technical support to improve food security for the long-term) and economic empowerment (skills/experience to secure economic independence).

Ace Tanzania now works in 11 out of 27 wards in Arusha District. It also has projects in Moshi and Kome. The change of government in 2015 has brought new social and economic policies, many of which impact on the needs Ace responds to, both negatively and positively. There continue to be major changes amongst government staff with whom Ace liaises. The second year of a Comic Relief Programme, targeting improved health systems for people living with HIV/AIDs, met its targets. Its successful Child Development work in Arusha, funded by the Colourful Life Foundation and Stars Foundation, has helped establish Ace as the leading child protection organisation in the Arusha Region.

In 2017 Ace Kenya continued to successfully secure local funding to support activities in the now eight counties where it works. Seventy per cent of its funding is now generated in Kenya. Obtaining local funding was a practical response to the NGO act of 2013 which required organisations to work in larger geographical areas. Meeting diverse donor requirements, across a larger area, has presented significant organisational challenges.

Overall funding increased; new grants were received from GOPA/GIZ, Duke University and USAID/CRS MWENDO. Ace Kenya was awarded management of a major project working with seven local implementing partners and reaching 9000 orphans and vulnerable children.

There is constant monitoring and evaluation of our work in both counties. Systems continue to be upgraded and improved, building on feedback from specific donors. Certain metrics are compiled annually. At the end of 2017 Ace Africa Kenya and Tanzania had reached more than 1.4 million children and their families since 2003.

Activities in the UK

The majority of the income generated by Ace Africa UK is from Trusts and Foundations (including corporate trusts). This year Ace worked with a total of 20 such organisations. While predominately UK based, Ace was also working with donors from France and The Netherlands. In 2017 we added two US and one Canadian donor. Total income from these sources was £543,469 (2016 £577,995).

Partnership with different organisations and sectors is key to our approach. In the UK our partners are predominately donors. Developing partnerships with other UK based NGOs allows us to share our skills and

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learn new ones. Ace Africa UK continued to develop a partnership first negotiated in late 2016, with Kenyan based NGO Haller, helping them improve their monitoring and evaluation, while Haller trains Ace in advanced fish farming techniques. Over the next two years our staff will train community members in Kenya to establish fish ponds allowing 320 households to improve their food and economic security. The UK also continued to facilitate work of the Got Matar Community Development Group (GMCDG) in Kenya.

On October 31st, Ace Africa invited 50 guests to debate how NGOs, and donors, can 'do better'. Ace wants to improve the quality and impact of our work, learning from what works, and what does not in other parts of the sector. A panel including the Vice President of MSF UK and two London based academics were moderated by Tamsyn Barton, Chief Executive of BOND (British Overseas NGOs for Development, a consortium of 450 UK NGOs). The event was used to cultivate new and existing donors.

Five major donors (giving over £2,000) supported Ace, donating £118,750. This figure – donors and sum raised - has remained static for a number of years and is a focus for development in 2018. Our 'Friends of Ace' programme, which promotes giving by monthly direct debit, generated £10,452 (2016: £10,282).

Our annual Quiz Night held in September, brought together 120 of our longstanding supporters at London's Battersea Arts Centre and raised £12,502, our best ever total for the event. Individuals took part in a variety of challenge events (London Marathon, British 10K, Prudential Ride London 100 and Royal Parks Half Marathon) – raising £31,756 (2016: £39,000). Peer-to-peer fundraising raised £25,900 (2016: £14,000),

UK staff again liaised with a number of UK schools, providing information about our work and in several cases leading to fundraising on our behalf. Eton College, Caldicott School, The Dragon School and Cothill School raised funds for our football league in Tanzania and other Ace Africa activities, to a total of £7,928 (2016: £14,000).

Financial performance

Income in 2017 totaled £975,176 (2016: £1,220,222), expenditure £1,080,817 (2016: £1,193,616) of which £870,303 (2016: £924,786) was grant making, £147,711 fundraising and grant application costs (2016: £139,302) and £5,025 was governance costs (2016: £5,497). Donations and grants were £884,047 (2016: £848,565). Of this £672,704 (2016: £712,557) was restricted and £211,343 (2016: £136,008) unrestricted. After costs, event income in 2017 was £33,335 (2016: £245,344). This dramatic reduction reflects the fact that no gala was held in the calendar year for the first time since 2014. The lack of an alternative source of income necessarily impacted reserves (see below).

Ace Africa UK supported Ace Africa programmes in Kenya and Tanzania during the year amounting to £870,303 (2016: £913,775), of which £688,025 (2016: £688,573) was for restricted purposes and £174,867 (2016: £225,202) unrestricted grants. £7,411 was transferred to the Haller Foundation on behalf of the Innocent Foundation as part of our partnership agreement.

2017 was a period of substantial change and transition for Ace Africa UK. The departure of the long-standing Country Director, an abbreviated handover to her replacement mid-year, and the lack of replacement income for the annual gala meant the balance of unrestricted funds carried forward decreased from £141,114 to £58,205. The response to this is detailed in the 'future plans' section below.

Reserves policy

The Trustees hold unrestricted reserves in order:

- to ensure continuity of the charity's activities and delivery of programmes in Africa in the event of

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unexpected circumstances or setbacks

- to fulfil legal obligations in the unlikely event that Ace Africa (UK) ceases to operate

The Trustees estimate the appropriate level of reserves for the above purposes is the higher of three months of unrestricted budgeted expenditure, calculated on the basis of the annual budget, or 10% of annual expenditure, calculated on the basis of the most recent full year.

Although Ace is not currently meeting its reserves policy, this is viewed as a temporary issue that has arisen from special circumstances in 2017. Significant structural changes were made to our fundraising approach at the end of 2017, and the beginning of 2018, that will ensure more robust financial planning and that Ace will meet its reserves policy in the future. This is detailed further in Future Plans below.

Future plans

Between 2012 and 2016 the combined income of Ace Africa increased by 223 percent (from GBP554,000 to GBP1,790,298), leading to substantial organisational challenges, not least the increase in the number, diversity and complexity of funding sources.

Following the appointment of a new UK Country Director, the three Country Directors met in Arusha to discuss strategic issues facing Ace Africa. While sharing a common purpose, each entity will continue to be independent. They agreed to continue to shift the organisational center of gravity to East Africa.

Two key next steps were agreed to promote long-term sustainable organisational change: 1. developing joint long-term, multi-year organisational and funding plans (replacing 2016-18 version), 2. scoping funding opportunities in East Africa and recruiting East African based capacity.

Ace Africa UK is reviewing its approach to corporate and major donors to reduce its reliance on gala event income, removing dramatic peaks and troughs, and increasing income overall. During 2018 Ace Africa UK will establish a CRM database to better understand, target and grow its supporters. Having been dormant since 2009, Ace Africa USA will be revived to provide alternative sources of income from both individuals and grant making organisations.

Accounting policies

A summary of the principal accounting policies is set out in Note 1 to the accounts on page 14.

Risk

At present there are no risks connected with the internal management and administration beyond those of staff infidelity, which are managed by supervision of income and accounting functions and are insured. The Charity makes grants to Ace Kenya and Ace Tanzania, which gives rise to risks of misappropriation or maladministration of such grants. These risks are managed by regular monitoring of Ace Africa financial and activity reports, including the receipt of audited financial reports, and visits to Ace Kenya and Ace Tanzania and their project areas by the Trustees and management of the Charity.

Responsibilities of the board of trustees

The Trustees (who are also directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires that the Trustees prepare accounts 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 accounts, the Trustees are required to:

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- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Observe the methods and principles in the Charities SORP;
- (iii) Make judgments 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 accounts; and
- (v) Prepare the accounts 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 accounts comply with the Companies Act 2006. The board of Trustees 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

In accordance with section 17 of the Charities Act 2011 the Trustees confirm that they have had regard to the Charity Commission's guidance in relation to public benefit. The Trustees have referred to 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/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf:

David Montgomery

Chairman



Statement of Trustees' Responsibilities

The trustees acknowledge their responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa UK

Opinion

We have audited the accounts of Ace Africa UK for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs at 31 December 2017 and of its net income for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa UK

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 accounts 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 accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Ace Africa (UK)
Independent Auditor's Report
To the members of Ace Africa UK

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Robert Kirtland (Senior Statutory Auditor)
For and on behalf of Critchleys Audit LLP, Statutory Auditor

Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 

Ace Africa (UK)
Statement of Financial Activities
(Incorporating an income and expenditure account)
For the year ended 31 December 2017

| | Notes | Unrestricted Funds 2017 £ | Restricted Funds 2017 £ | Total Funds 2017 £ | Total Funds 2016 £ |
|---|----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | |
| Donations and legacies | 2 | 211,343 | 672,704 | 884,047 | 848,565 |
| Charitable activities - events | | 41,113 | - | 41,113 | 319,375 |
| Investments | | 16 | - | 16 | 2,282 |
| Other - gifts in kind | | 50,000 | - | 50,000 | 50,000 |
| Total income and endowments | | 302,472 | 672,704 | 975,176 | 1,220,222 |
| Expenditure on: | | | | | |
| Charitable activities | | | | | |
| Support of Ace Africa programmes | 3 | 174,867 | 695,436 | 870,303 | 924,786 |
| Governance Costs | 3 | 5,025 | - | 5,025 | 5,497 |
| Raising funds | | | | | |
| Fundraising and Grant Application Costs | 3 | 147,711 | - | 147,711 | 139,302 |
| Event Costs | 3 | 7,778 | - | 7,778 | 74,031 |
| Other | 3 | 50,000 | - | 50,000 | 50,000 |
| Total expenditure | | 385,381 | 695,436 | 1,080,817 | 1,193,616 |
| Net income/(expenditure) | | (82,909) | (22,732) | (105,641) | 26,606 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 141,114 | 125,962 | 267,076 | 240,470 |
| Total funds carried forward | 7 | 58,205 | 103,230 | 161,435 | 267,076 |


The statement of financial activities includes all gains and losses in the year.
All income and expenditure derive from continuing activities.

Ace Africa (UK)
Balance Sheet
As at 31 December 2017

| | Notes | 2017 £ | 2016 £ |
|---|-----------|----------------|----------------|
| Current Assets | | | |
| Debtors | 5 | 23,815 | 65,984 |
| Cash at Bank and in Hand | | <u>145,229</u> | <u>208,530</u> |
| | | 169,044 | 274,514 |
| Creditors: Amounts falling due within one year | 6 | <u>(7,609)</u> | <u>(7,438)</u> |
| Net Current Assets | | 161,435 | 267,076 |
| Net Assets | | <u>161,435</u> | <u>267,076</u> |
| Unrestricted Funds | | | |
| General Funds | | 58,205 | 141,114 |
| Restricted Funds | 7 | <u>103,230</u> | <u>125,962</u> |
| Total Funds | 10 | <u>161,435</u> | <u>267,076</u> |

Approved by the board of trustees and authorised for issue and signed on its behalf by:


 David Montgomery - Chairman
 14 / 08 / 2018


 David Whitworth - Treasurer
 14 / 08 / 2018

Registered Charity Number 1111283
 Company Number 472618

Ace Africa (UK)
Cash Flow Statement
As at 31 December 2017

| | 2017 Total funds £ | 2016 Total funds £ |
|--|---------------------------------------|---------------------------------------|
| Cash flows from operating activities: | | |
| Net cash provided (used in) operating activities (reconciliation below) | <u>(63,301)</u> | <u>42,440</u> |
| Change in cash and cash equivalents in the reporting period | (63,301) | 42,440 |
| Cash and cash equivalents at the beginning of the reporting period | <u>208,530</u> | <u>166,090</u> |
| Cash and cash equivalents at the end of the reporting period | <u>145,229</u> | <u>208,530</u> |
| Reconciliation of net income/(expenditure to net cash flow from operating activities | | |
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) | (105,641) | 26,606 |
| Adjustments for: | | |
| Decrease in debtors | 42,169 | 14,331 |
| Increase in creditors | 171 | 1,503 |
| | <u>(63,301)</u> | <u>42,440</u> |
| Net cash (used in)/provided by operating activities | <u>(63,301)</u> | <u>42,440</u> |

Ace Africa (UK)

Notes to the accounts

For the year ended 31 December

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 accounts have been prepared under the historical cost convention. The accounts of the public benefit entity have been prepared in accordance with all applicable accounting standards, FRS102, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" revised 2015 (FRS102) and the Companies Act.

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) Income

All income is 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:

- Donations and legacies are received by way of grants, donations, sponsorships and gifts and are 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 recognised when the charity becomes entitled to the grant. Sponsorship income is deferred over the period to which the sponsorship relates.
- Donated facilities and services are measured on the basis of the value of the gift to the charity, being the value that the charity would pay in an open market for an alternative item that would provide a benefit to the charity equivalent to the donated item. The value of services provided by volunteers has not been included in these accounts. Investment income is included when receivable.

d) Expenditure

Expenditure is recognised on an accrual 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 amounts paid to the institutions within Africa that deliver the services for the beneficiaries. These costs are recognised when the obligation to make the grant arises. Grant payments sent in advance of the month for which they are intended (to allow for cash-in-transit delays on overseas payments) are prepaid.
- Costs of generating funds include costs incurred which relate to fundraising or organisation of events.
- Governance costs include those costs associated with meeting the 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 resources. 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

| | Unrestricted | Restricted | Total 2017 | Total 2016 |
|---------------------------------|---------------------|-------------------|-----------------------|-----------------------|
| 2 Donations and legacies | £ | £ | £ | £ |
| Restricted Donations | - | 672,704 | 672,704 | 712,557 |
| General Donations | <u>211,343</u> | <u>-</u> | <u>211,343</u> | <u>136,008</u> |
| | <u>211,343</u> | <u>672,704</u> | <u>884,047</u> | <u>848,565</u> |
| Other | | | | |
| In kind - use of office space | <u>50,000</u> | <u>-</u> | <u>50,000</u> | <u>50,000</u> |

Ace Africa (UK)

Notes to the accounts

For the year ended 31 December

3 Expenditure

| | Cost of Charitable activity | Fundraising and grant applications | Event costs | Gover- nance costs | In kind expenses | Total 2017 | Total 2016 |
|--|-----------------------------------|--|----------------|--------------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Support of Ace Africa Programmes | | | | | | | |
| Ace Africa (Kenya) - Unrestricted Grants | 100,769 | - | - | - | - | 100,769 | 124,999 |
| Ace Africa (Tanzania) - Unrestricted Grants | 53,145 | - | - | - | - | 53,145 | 70,203 |
| Programme costs paid in UK – Unrestricted | 20,953 | - | - | - | - | 20,953 | 30,000 |
| | 174,867 | - | - | - | - | 174,867 | 225,202 |
| Ace Africa (Kenya) - Restricted Grants | 287,122 | - | - | - | - | 287,122 | 336,581 |
| Ace Africa (Tanzania) - Restricted Grants | 349,302 | - | - | - | - | 349,302 | 351,992 |
| Programme costs paid in UK - Restricted | 51,601 | - | - | - | - | 51,601 | 3,600 |
| Haller Foundation | 7,411 | - | - | - | - | 7,411 | 7,411 |
| | 695,436 | - | - | - | - | 695,436 | 699,584 |
| Cost of Generating Funds | | | | | | | |
| Staff costs - general fundraising | - | 98,982 | - | - | - | 98,982 | 142,782 |
| Staff costs - restricted grants | - | - | - | - | - | - | 2,823 |
| Volunteers & interns | - | - | - | - | - | - | 466 |
| Bank charges | - | 4,712 | - | - | - | 4,712 | 2,074 |
| Postage | - | 709 | - | - | - | 709 | 1,178 |
| Stationery | - | 327 | - | - | - | 327 | 122 |
| Travel | - | 5,855 | - | - | - | 5,855 | 9,535 |
| Media Costs | - | 9,066 | - | - | - | 9,066 | 7,662 |
| Training and development | - | 295 | - | - | - | 295 | - |
| Direct fundraising costs | - | 15,147 | - | - | - | 15,147 | 9,890 |
| Miscellaneous costs | - | 85 | - | - | - | 85 | 515 |
| IT & website costs | - | 863 | - | - | - | 863 | 688 |
| Rent | - | - | - | - | 50,000 | 50,000 | 50,000 |
| Support costs allocated to restricted grants | - | - | - | - | - | - | (44,103) |
| Recruitment fees | - | 11,670 | - | - | - | 11,670 | 5,670 |
| Event Costs | - | - | 7,778 | - | - | 7,778 | 74,031 |
| Insurance Costs | - | - | - | 1,425 | - | 1,425 | 1,417 |
| Audit Fee | - | - | - | 3,600 | - | 3,600 | 4,080 |
| TOTAL | 870,303 | 147,711 | 7,778 | 5,025 | 50,000 | 1,080,817 | 1,193,616 |

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

4 Trustees' Remuneration, Expenses and Donations

Nether the Trustees nor any persons connected with them have received any remuneration, reimbursed expenditure or other benefits

Donations to the charity within the year from Trustees totalled £25,000 (2016: £25,090).

5 Debtors

| | 2017 | 2016 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Other debtors | 4,856 | 54,276 |
| Prepayments | 1,453 | 1,425 |
| Accrued income - Gift Aid | 17,506 | 10,283 |
| | <u>23,815</u> | <u>65,984</u> |

6 Creditors

| | 2017 | 2016 |
|---------------------------|--------------|--------------|
| | £ | £ |
| Accruals | 4,200 | 7,271 |
| Creditors within one year | 2,812 | - |
| Other creditors | 597 | 166 |
| | <u>7,609</u> | <u>7,437</u> |

Included within the funds raised are grants to sponsor individuals through their secondary education.

Deferred income movements

| | 2017 | 2016 |
|-----------------|----------|-----------|
| | £ | £ |
| Brought Forward | - | 1,500 |
| Released | - | - (1,500) |
| Deferred | - | - |
| Carried forward | <u>-</u> | <u>-</u> |

Ace Africa (UK)

Notes to the accounts

For the year ended 31 December

7 Movements in Restricted Funds

| Fund | Brought Forward | Income | Expenditure | Carried Forward |
|--|-----------------|----------------|----------------|-----------------|
| | 01/01/2017 | | | 31/12/2017 |
| | £ | £ | £ | £ |
| Ace Africa, Counsellor, Bungoma, Kenya | 180 | 90 | - | 270 |
| Ace Future Stars, Child Development, Arusha, Tanzania | 9,217 | 7,928 | 9,216 | 7,929 |
| Alumni/Bursary Funds, Kenya | 3,588 | 13,166 | 11,867 | 4,887 |
| Emergency Fund, Kenya & Tanzania | 2,373 | 3,550 | 3,785 | 2,138 |
| General Disaster Fund , Kenya & Tanzania | 2,280 | - | - | 2,280 |
| Got Matar, Siaya, Kenya | 20,381 | 17,775 | 34,202 | 3,954 |
| Community Development, Arusha & Moshi, Tanzania | - | 66,000 | 66,000 | - |
| Rosie Dwyer Fund, Bungoma, Kenya | 2,554 | 859 | 3,002 | 411 |
| Sanitary Pads, Siaya & Bungoma, Kenya | 6,818 | - | 6,818 | - |
| Southend & Alumni, Bungoma, Kenya | - | 51,797 | 51,797 | - |
| The Amani Child Development Centre, Siaya, Kenya | 343 | - | - | 342 |
| Truck Fund, Kenya & Tanzania | 1,263 | - | - | 1,263 |
| Community Livelihoods Initiative, Kome, Tanzania | - | 15,827 | 15,827 | - |
| Child Development, Arusha, Tanzania | - | 1,936 | - | 1,936 |
| Community Development, Moshi, Tanzania | - | 15,000 | - | 15,000 |
| Community Livelihoods Initiative, Arusha, Tanzania | - | 55,080 | 55,080 | - |
| Siaya 10K run, Kenya | 1,935 | 3,500 | 5,435 | - |
| Community Livelihoods Initiative, Siaya, Kenya | 4,299 | - | 4,299 | - |
| Community Health & Wellbeing, Kome Island, Tanzania | 29,470 | 24,226 | 53,696 | - |
| Community Development, Bungoma & Siaya, Kenya | 26,167 | - | 26,167 | - |
| Community Livelihood Siaya, Kenya | - | 1,000 | 1,000 | - |
| Community Health & Wellbeing, Arusha, Tanzania | - | 95,256 | 95,256 | - |
| Ace Future Stars Football League-Tanzania | - | 77,851 | 77,851 | - |
| Women's Rights,Child Development, Siaya, Kenya | - | 9,980 | 907 | 9,073 |
| Child Development, Migori, Kisumu, Kenya | - | 60,928 | 60,928 | - |
| Haller Foundation conjoint project, Community Livelihood Initiative ,Kenya | 11,084 | 19,048 | 19,048 | 11,084 |
| Child Development Vihiga, Kenya | 4,010 | - | 4,010 | - |
| Child Development Solar Energy (Bradshaw Memorial) Siaya, Kenya | - | 50,867 | 50,867 | - |
| Community Livelihoods, Homa Bay, Kenya | - | 23,035 | 22,582 | 453 |
| Child-to-Child, Kakamega, Kenya | - | 5,997 | 5,997 | - |
| Encouragement Grant-Kenya & Tanzania | - | 11,126 | 7,851 | 3,275 |
| Child Development, Vihiga & Homa Bay, Kenya | - | 40,882 | 1,948 | 38,934 |
| | 125,962 | 672,704 | 695,436 | 103,230 |

Ace Africa (UK)

Notes to the accounts

For the year ended 31 December

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 income / expenditure for the year

| | 2017 £ | 2016 £ |
|---------------------------------------|--------------|--------------|
| This is stated after charging | | |
| Auditor's remuneration - current year | 4,000 | 4,000 |
| Over provision for previous year | (400) | 80 |
| | <u>3,600</u> | <u>4,080</u> |

10 Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Totals £ |
|--|-------------------|-----------------|----------------|
| Fund balances at 31 December 2017 are represented by : | | | |
| Net current assets/ (liabilities) | <u>58,205</u> | <u>103,230</u> | <u>161,435</u> |

11 Employees

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Total gross wages & employer's national insurance | 127,956 | 133,056 |
| Social security costs | 6,693 | 11,496 |
| Employer's contributions to defined benefit pension schemes | 1,137 | 1,053 |
| | <u>135,786</u> | <u>145,605</u> |

Staff costs above include remuneration paid to key management personnel, comprising the UK Country

| | | |
|-------------------------|---------------|---------------|
| Director, amounting to: | <u>60,000</u> | <u>55,000</u> |
|-------------------------|---------------|---------------|

| | | |
|---|----------|----------|
| Average number of employees during year | <u>4</u> | <u>4</u> |
|---|----------|----------|

There were no employees with emoluments above £60,000 (2016: £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.

Ace Africa (UK)

Notes to the accounts

For the year ended 31 December

The registered office of the Company is The St Botolph Building, 183 Houndsditch, London, EC3A 7AG.

13 Related party transactions

There were no related party transactions within the reporting period.