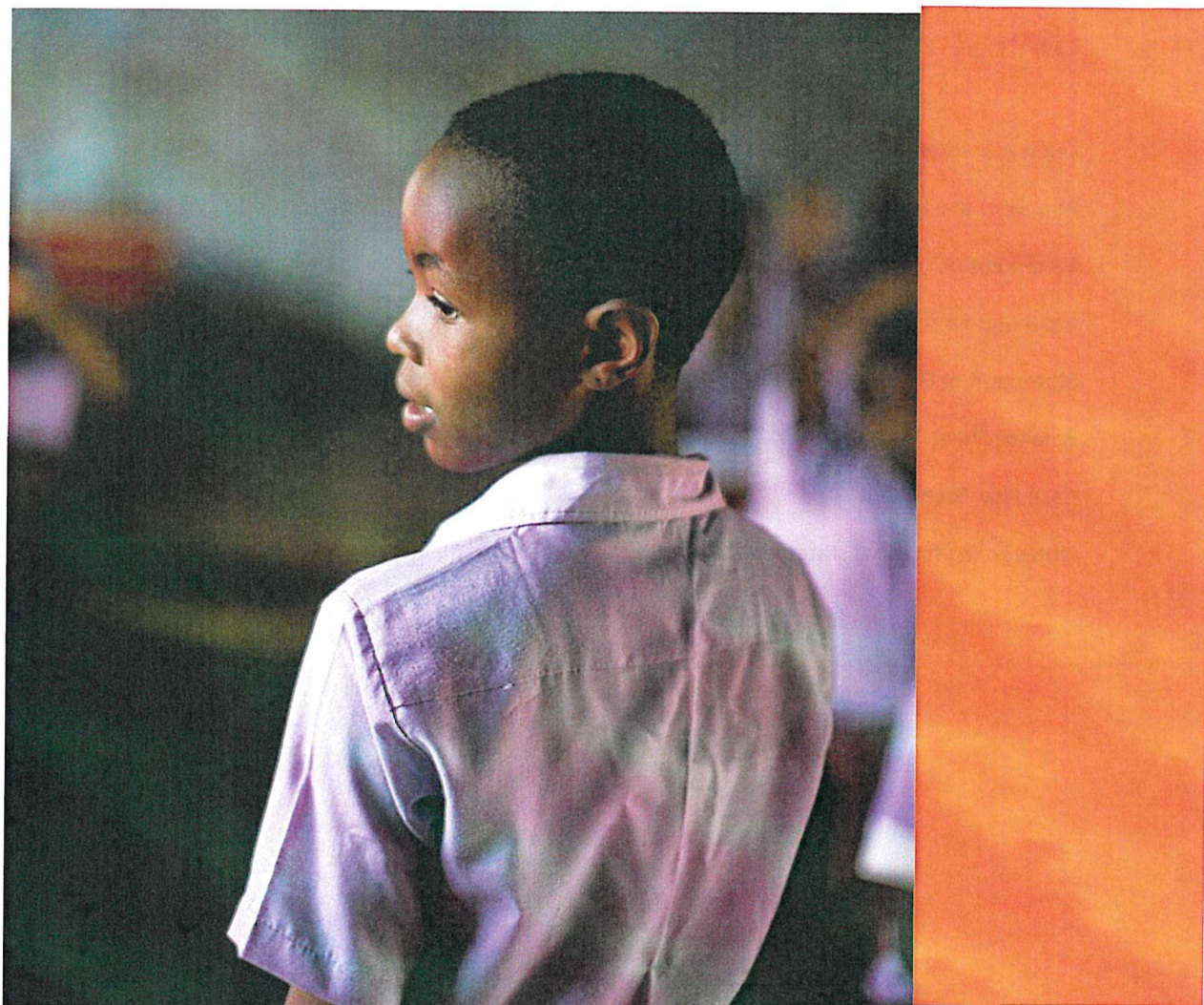


Ace Africa UK

Annual Reports & Accounts 2021



Ace Africa
Developing Communities

Registered charity number 1111283
Company number 4726183

Ace Africa (UK)
Report and Financial Statements
for the year ended 31 December 2021

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Ace Africa (UK) Report and Financial Statements For the year ended 31 December 2021

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:	Fiona Hammond Chair (appointed 11.10.21) Anne-Gabrielle Starkloff Rachel McCastman (Honorary Secretary resigned 05.09.22) Fiona Murray (Honorary Treasurer) David Montgomery Kennedy Wanyonyi Nishit Ruparellia (resigned 07.02.22) Janenika Beale (resigned 19.02.22)
Staff:	David Evans, UK Country Director Olivia Jarman, Events and Fundraising 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)

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The Trustees of Ace Africa UK (the “Charity”) present their report on activities for the year ended 31st December 2021.

The financial statements 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 2019).

Constitution

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 articles of association.

Trustees

The Trustees are the directors and members of the Charity. Under the articles of association there may be no fewer than three Trustees; there are six trustees at present. Trustees are appointed by the board. In selecting Trustees, consideration is given to their breadth of knowledge and the experience required by the Charity. Candidates are interviewed, and nominations presented for approval to the Board.

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.

Ace Africa UK currently employs two full time staff and one part time staff member (August 2022).

The Charity uses office space provided pro bono by the Lockton Companies LLP and we are grateful for their support and their understanding during the disruption caused by COVID-19.

Principal activities

Ace Africa UK is an independent charity, established in 2005 to support charities working in Africa in particular with the aim of reducing the impact of HIV/Aids on rural communities. During the 2021 financial year, Ace Africa UK supported Ace Africa Tanzania (founded in 2008) and Ace Africa Kenya (founded in 2003); both are independent organisations registered in their 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 share a commitment to the following:

- **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

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- **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 Africa Tanzania and Ace Africa Kenya work 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

Having been dormant since 2009, Ace Africa USA was revived in 2018 to provide alternative sources of income. New trustees were appointed. Appropriate filings made in 2021. The ambition remains to release the potential of this part of the network, but this requires additional capacity.

Ace Africa UK approaches individuals, families, trusts, foundations, companies and government funding agencies to raise funds to make grants. During 2021, grants were made to Ace Africa Kenya and Ace Africa Tanzania in support of their programmes. Grants were made in accordance with signed partnership agreements updated at the end of 2020.

Ace Africa UK may support other NGOs if the trustees decide that doing so is in the best interests of the Charity in achieving its objects.

Operations supported by Ace Africa UK in Kenya and Tanzania

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 in sustainable, organic methods of farming, developing community mentors, providing seeds, tools and technical support to improve food security) and economic empowerment (skills and experience to secure economic independence).

Since 2003 and up until the end of 2021, Ace Africa Kenya and Tanzania reached **2,036,133** children and their families, including:

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- **28,131** cases of child abuse reported and resolved
- **218,850** individuals reaching long term food security (i.e., 3 nutritious meals & some surplus food)
- **645** Ace Child Clubs established, helping **124,467** children learn about child rights, hygiene and nutrition. The clubs are run by children.
- **195,121** people tested for HIV

In both countries a small number of local staff cover fundraising, management, research/evaluation, training and programme delivery. Members of the local communities lead our work. Since 2003 23,986 volunteers have been involved in planning and delivering long term change in health, agriculture, income generation and child rights.

Since 2003, **Ace Africa Kenya** has reached **1,626,440 people directly** and another **3,426,880 indirectly**. Since 2008 **Ace Africa Tanzania** has reached **409,693 people directly** and another **819,385 indirectly**.

COVID-19 exacerbated issues that Ace Africa has addressed for 20 years – hunger, poverty, a lack of access to education and child abuse. Demands for services increased, while fundraising activities in the UK continued to be disrupted by COVID (see below).

- **Ace Africa Kenya**

The majority of funds are raised in Kenya. Income in 2021 did not significantly change. **Ace Africa Kenya is developing a fundraising strategy to diversify its fundraising sources and ensure predictable long term funding**, looking for new donors in person and through written proposals. Formal reporting ensures donors already on board remain committed. Minimal fundraising resources and capacity remains a challenge and the UK was asked to help strengthen capacity, with an emphasis on organisational as well as programme funding. Income includes USAID funding. However large scale institutional funding comes with substantial challenges. The majority of the contracts end this year.

A second grant from the Ernest Kleinwort Charitable Trust will reach 500 women aged 18-24 in Siaya County to access sexual and reproductive health services. A follow up grant from Catherine McQuade will support 200 women to improve their livelihood resilience in Kakamega County. Allen and Nestor gave a grant to strengthen child protection systems in Busia County.

Other grants received include **EKOEnergy** (from Finland) to establish water purification, ice making and off grid energy source in a fish landing beach in Siaya. **Peter Stebbings Trust** gave a follow up grant to increase children's access to safe water in Ace Child Clubs. **Scott Badder** helped improve nutrition through a fruit tree programme in Ace School Clubs. **Mulnutrition Matters Canada** became a new partner to pilot soya product processing and marketing. Triggerise helped improve access to Sexual Reproductive health Services to young girls aged 15-19 years.

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Research is a substantial part of Ace Africa Kenya's work; Ace has both long term and short term research projects, mostly funded through Duke University in USA. The longest running study is in its 14 year; it aims to address mental and emotional health issues faced by children who have lost one or both parents due to various causes including HIV and AIDS. Other short and long term research targets minorities facing challenges of access to healthcare.

- **Ace Africa Tanzania**

Its three project areas are Arusha District Council in Arusha Region, Moshi rural area in the Kilimanjaro Region and Kome (plus other islands) in Bushosa District, Mwanza Region. In 2021 Ace worked in 70 schools and with 60 community support groups.

A new three year project aimed at improving awareness and access to quality of health services for 20,000 people living with HIV in Arusha, started in autumn 2020. By March 2021 community drama events on HIV were held for 850 people, 96 people were tested for HIV at voluntary counselling and testing (VCT) events, and health education days were hosted for 1,100 people with 21 community health mentors trained.

Despite COVID, schools were open sufficiently later in the year for the **Ace Future Stars Football League** to take place, combining football training and tournament with child rights awareness and protection. So far 84 schools and 2,514 children have benefited.

A one-year pilot environmental protection programme concluded resulting in: increased knowledge of and access to quality environmental protection for 7,078 people (3,320 community members and 2,602 students) in the rural and drought prone Kisongo Ward, Arusha. 8,000 tree seedlings were distributed to four schools and four villages, with a 74% survival rate and 200 households received eco-stoves with 89% still using them 12 months later.

A major community livelihoods programme started its third and final year, aiming to **improve economic security for youth and community members in rural areas of Arusha District Council**. From July to September 20 training sessions to six youth and two community groups took place, reaching 169 young people and 56 community group members (mostly women, from marginalised rural communities where there are limited economic and training opportunities, and food security is a struggle).

Ace Africa Tanzania and Ace Africa Kenya work with local government, INGOs and many local civil society organisations to share expertise and increase impact. Some of this work is supported by funding from Ace Africa UK. Key partners include: Kenya Red Cross, Haller Foundation, Maternity Africa, Seka Educational Theatre, Natron Health Project, Mango Tree and Got Matar Community Development Group. In the past year Ace Africa continued to partner with CHASE Africa, Watershed Ecosystem Conservation and Dandelion Africa to increase tree planting and sustainable agriculture in Western Kenya).

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Activities in the UK

In 2021, a small number of professional staff (3.5 fte) worked for the charity. As well as fundraising, this team also carries out the essential work that underpins fundraising: communications, donor stewardship, financial accountability, governance and networking within the UK INGO community.

Volunteers are also involved and were supported by the professional staff; this includes not just our Patrons and trustees, but others who donate, provide introductions to new supporters and run fundraising activities.

COVID continued to impact the work of the charity. The biennial major fundraising event (relied on to generate significant unrestricted income between 2012 and 2018) has now not been held for three years. Reliance on this event had already been agreed as an unsustainable risk. In 2021 we were not eligible for COVID related government support, and emergency donations responding to the pandemic reduced.

In 2021 we aimed to be agile, creative while also working to our strengths, the key part of which is a catalogue of existing and previous supporters. Examples of this approach in 2021 included:

- a **smaller in-person fundraising event**, fully funded by advance ticket sales with 50 supporters. Scheduled for May but after considerable investment of time by the staff, this event had to be postponed due to a rise in COVID cases
- a new initiative, **Ace Next Generation, targeting younger supporters**. These supporters think and act differently to older supporters.
- experimenting with **virtual fundraising** to hold auctions without any physical engagement
- **creating bespoke fundraising materials** for major donors to explain why Ace Africa should be seen as a charity of choice for those wanting to support international development in East Africa
- **recruiting volunteers to increase our trust and foundations capacity**; a UK graduate and Kenyan private sector volunteer were recruited and worked over two months

Thanks to the support of trusts/foundations, major donors and countless individuals total income for 2021 totalled £737,003. Restricted income was £485,635 and unrestricted £251,368.

Two **virtual fundraisers** made use of extremely generous donations which could not be monetised at an in person event. The first event raised a total of £10,000 a second virtual event raised a further £8,000, with a focus on vacations.

Normal **challenge events** continued to be impacted by COVID but challenge events of different kinds raised a total of £1,000

The first **Ace Next Gen** event was organised by Ace Africa/Eton alumni who volunteered in East Africa in 2014. They hosted an event at Eton College which involved 6 university teams, in a highly competitive event raising £7,047. Other individual students took part in challenge events supported by Ace staff, including a tennis fundraiser in Hong Kong.

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Schools across the UK supported Ace. Marlborough College adopted Ace Africa as its charity of the year and raised funds towards Christmas. Students and staff at Eton College were again incredibly supportive; they selected Ace as beneficiaries of the 2021 Eton Action Fair and hosted multiple 5-a-side events. (The Executive Director gave a presentation to final year Eton students on careers in the charity sector).

At the beginning 2021 our **Patron, Andre Villas Boas**, asked Ace to partner with him to link his love of motor sport to his philanthropic activities, leading to a branded Ace Africa car taking part in the Monte Carlo Rally. Towards the end of 2021 Ace became one of three beneficiaries of his Race For Good charity which will generate funds in 2022.

The majority of Ace Africa UK income was generated from **Trusts and Foundations** (including corporate trusts). In 2021 £493,340 was raised from 20 Trusts/Foundations of very different sizes. Contrasting expectations and requirements (e.g. applications and reporting) creates considerable challenges for a small office, including applications processes which generate significant costs. (Research has outlined the costs to charities and funders of existing sector norms)¹. Three trusts continued substantial multi-year programmes which helps long term planning and sustainability of projects.

Eight **individual donors** (defined here as giving over £2,000) donated £111,615. Their donations were unrestricted, built on mutual trust, but also regular and detailed financial and narrative updates. One existing donor substantially increased their annual support.

The **'Friends of Ace'** programme generated £9,424 from monthly support. This predictable unrestricted income will be further developed in 2022, by deepening relations with the individuals concerned.

Production and distribution costs of the **impact report** were met by individual rather than corporate donors.

An on-line session with the BOND, the UK NGO network, was attended by the Trustees to discuss the urgent need to genuinely shift power from northern NGOs to southern partners, and address around racism and colonial attitudes (debates in the international development sector reignited by the death of George Floyd).

Expenditure

Total expenditure in the UK and overseas was £723,126. The total cost of fundraising was £161,718 (staffing costs represent the majority of this).

Ace Africa (UK) support of programmes in Kenya and Tanzania totaled £505,644 of which £455,340 was restricted and £50,304 was unrestricted grants. The section above (operations supported by Ace Africa UK in Kenya and Tanzania) gives examples of what was done thanks to these funds.

Liaison with Ace Kenya and Tanzania

¹ <https://civilsocietycommission.org/publication/giving-pains-the-cost-of-grant-making/>

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Ace Africa was founded to support organisations carrying out charitable activities in Africa. Our job is to be aware of the funding requirements of our partners, who best understand the problems and solutions faced by the communities of which they are a part. In 2021 visits were not possible due to COVID-19 but it is hoped that in 2022 staff, trustees and donors will have opportunities to meet our partners and the communities they work with to get a deeper understanding of their role and the impact of their work.

Governance

One new trustee joined the Board during 2021. Two trustees stepped down in early 2022. The Board continues to recruit new trustees based on defined needs. A Chair, Honorary Secretary and Honorary Treasurer are in place. During 2021 there was a focus by the Board on organisational strengthening, including improving policies and procedures at board and executive level.

Reserves policy

Ace is grateful to those who provide unrestricted donations, which help the charity to build reserves.

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

The charity's target level of reserves is four months of unrestricted budgeted expenditure, calculated based on the annual budget (covering 3 months operating costs and redundancy). Our ability to meet this target in 2021 was influenced by

- taking a conscious decision to grant unrestricted funding to meet urgent needs in East Africa, following consideration of the consequences to the charity's beneficiaries of not providing immediate support
- unexpected loss of unrestricted income from two major income sources, at the year-end, with short notice, and based on no reflection of the charity's performance (but rather on the donor's circumstances relating to COVID-19)
- the capacity and organisational structure of the charity and how this impacts delivery of its fundraising strategy (designing change required whilst continuing to deliver business as usual)

In 2021 the trustees agreed a plan to build free reserves, which was successful in some areas (progress outlined below). The plan was reviewed and additional actions undertaken to strengthen free reserves, including the need to monitor the budget more closely and more frequently re-forecasting income to adjust expenditure if required, to stabilise the reserves.

Agreed Actions (as of signing off 2020 accounts)	Update (as of signing off 2021 accounts)
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Introducing a fundraising plan that proactively involves trustees in fundraising	More trustees engaged in fundraising and became donors to the charity than in 2020. Further pledges and support have been committed for 2023. Additional trustee volunteering hours (to assist with operational fundraising) has also been offered.
Mapping out our organisational development needs and the needs of our partners to strengthen the charities in the longer-term as part of a Covid-19 recovery plan	Capabilities and capacity have been mapped for the East Africa entities, including a transition plan as the founders of each entity plan to step away from their management role during 2022 (see below). A review of the UK organisational structure is underway in light of ongoing capacity issues. Organisational strengthening goals have been identified and targeted proposals are under development.
The default position that any extra unrestricted income will be kept as reserves, with decisions on different use to be decided through discussion between board and staff	Additional unrestricted funding support was provided to Ace Africa Tanzania and Ace Africa Kenya to address immediate capacity and project logistics requirements.

The COVID-19 pandemic emphasised the importance of reserves, while coinciding with a challenging fundraising environment to raise such funds. As in 2020, staff and trustees invested unrestricted income in urgent needs in East Africa. Partners faced increased needs while the unknown impact of COVID-19 saw continued nervousness from some donors as per the impact of the pandemic on their finances and planning processes.

A closing balance of free reserves of £10,178 falls short of the target, for the reasons outlined above. Improving reserves is a priority for 2022. Not only does it provide stability and security for the charity, but some donors will not consider supporting a charity without satisfactory reserves in place.

Future plans

The Ace Africa entities in East Africa are undergoing a phase transition of leadership, with the founders in both countries moving from their current leadership roles to different strategic support roles. Ace Africa Tanzania and Ace Africa Kenya have reviewed their legal organisational structures and work is underway to identify how these bodies, with the UK office, can work in the most synergized way.

COVID 19 and its impact on unrestricted income emphasised the need for reliable long term organisational funding for all three parts of Ace Africa to thrive. Current cost recovery from programme funding, on its own, does meet the costs to maintain and strengthen the services of Ace Africa (UK).

The challenges Ace Africa faces in the UK and overseas, are similar to those highlighted in research, published by Humentum in March 2022, which showed that the majority of NGOs are in a starvation cycle, due to a lack of balance between good income quality and developed cost recovery². (Analysis of 286 restricted grant

² <https://humentum.org/policy/administration-costs-research-project/>

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agreements showed that two thirds did not cover their fair share of administration costs. Two thirds of NGOs also said they could not attract or retain staff with adequate knowledge and experience).

Ace Africa UK trustees agreed changes were required to the fundraising strategy for 2022 with a focus on:

- making bolder, targeted and urgent approaches to donors for immediate, medium-term and long-term flexible funding
- creating a case for support that explains the necessity of organisational strengthening/investment to maintain and strengthen Ace's services
- establish a development committee to test and iterate how we work with major donors

In 2021 the trustees agreed that the charity's organisational structure could be strengthened to better support the charity's work. The trustees agreed for the Country Director to prioritise fundraising for two additional part-time roles to strengthen fundraising and communications infrastructure. Raising funds for these posts and working to improve the charity's effectiveness in the short-, medium- and long-term continues to be a priority in 2022.

Following governance work in 2021 (including a board skills audit), new trustees were recruited over the summer period during 2022. The board has also engaged with Cranfield Trust, following the recommendation of a funder, to support with organisational strengthening, with a particular emphasis on financial sustainability.

2023 will mark the 20th anniversary of Ace Africa and provides a tremendous opportunity to thank, celebrate and fundraise. During 2022 a programme of activities for 2023 will be considered, alongside the capacity (staff or voluntary) required to deliver them.

Accounting policies

A summary of the principal accounting policies is set out in Note 1 to the accounts on page 22.

Risk

Financial sustainability and the charity's financial model is a key risk, with the transition from major events income to other unrestricted income sources remaining a challenge. Having identified the core team and associated costs that are needed to operate the charity, income generation focusses on securing funding for this. Additional country specific expenditure, including associated staffing costs, will only be committed once funding has been secured. The financial position is kept under close scrutiny, through regular management accounts, cashflow forecast and monitoring of the charity's pipeline of potential and actual grant/funding applications and other sources (schools, major donors, small events etc.).

Ensuring the continued wellbeing of a small team to deliver a significant workload is a concern for the board and has informed decisions to secure interim support following the departure of the Trusts and Foundations Manager in March 2022.

The external environment to secure funding has been very challenging throughout the COVID-19 pandemic, and the trustees have taken advice in considering contingency plans to ensure the charity's long-term success.

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There are no other 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. In 2021 the Charity made grants to Ace Africa Kenya and Ace Africa Tanzania, which gives rise to risks of misappropriation or maladministration of such grants. These risks are managed by regular monitoring of 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. This will recommence as soon as circumstances allow.

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires that the 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 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 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 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.

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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 by:

David Montgomery
David Montgomery (Sep 14, 2022 14:30 GMT+1)

David Montgomery

Trustee

Fiona Murray

Fiona Murray

Treasurer

8/9/22

Ace Africa (UK)

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Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements 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 financial statements 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 financial statements, 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 financial statements 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 financial statements 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

Independent auditor's report to the members of Ace Africa (UK)

Opinion

We have audited the financial statements of Ace Africa (UK) ('the charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at [date] and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa UK

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 require(s) us to report to you if, in our opinion:

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

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa UK

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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, and to observe the methods and principles in the Charities SORP.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees, and from our knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa UK

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

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

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

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.



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: 22/9/2022

Ace Africa (UK)
Statement of Financial Activities
(Incorporating an income and expenditure account)
For the year ended 31 December 2021

		Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2021	2020	2021	2020
Notes		£	£	£	£
Income and endowments from:					
Donations and legacies	2	185,368	485,636	671,004	745,734
Charitable activities - events		16,000	-	16,000	24,091
Other - gifts in kind		50,000	-	50,000	50,000
Total income and endowments		251,368	485,636	737,004	819,825
Expenditure on:					
Charitable activities					
Support of Ace Africa programmes	3	50,304	455,340	505,644	558,374
Governance Costs	3	5,764	-	5,764	5,477
Raising funds					
Fundraising and Grant Application Costs	3	161,718	-	161,718	169,563
Event Costs	3	-	-	-	89
Other	3	50,000	-	50,000	50,000
Total expenditure		267,786	455,340	723,126	783,503
Net income/(expenditure)		(16,418)	30,296	13,878	36,322
Reconciliation of funds					
Total funds brought forward		26,596	85,597	112,193	75,871
Total funds carried forward	7	10,178	115,893	126,071	112,193

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

Ace Africa (UK)
Balance sheet
As at 31 December 2021

	Notes	2021 £	2020 £
Current Assets			
Debtors	5	60,148	7,095
Cash at Bank and in Hand		<u>77,983</u>	<u>115,569</u>
		138,131	122,664
Creditors: Amounts falling due within one year	6	<u>(12,060)</u>	<u>(10,471)</u>
Net Current Assets		126,071	112,193
Net Assets		<u><u>126,071</u></u>	<u><u>112,193</u></u>
Unrestricted Funds			
General Funds		10,178	26,596
Restricted Funds	7	<u>115,893</u>	<u>85,597</u>
Total Funds	10	<u><u>126,071</u></u>	<u><u>112,193</u></u>

The financial statements of Ace Africa (UK), which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt. 15, were approved by the board of directors on 8th September 2022 and signed on its behalf

David Montgomery
David Montgomery (Sep 14, 2022 14:55 GMT+1)

David Montgomery
 Trustee

Fiona Murray

Fiona Murray
 Treasurer

Ace Africa (UK)
Cash flow statement
As at 31 December 2021

	2021 Total funds £	2020 Total funds £
Cash flows from operating activities:		
Net cash provided (used in) operating activities (reconciliation below)	(37,586)	41,350
Change in cash and cash equivalents in the reporting period	(37,586)	41,350
Cash and cash equivalents at the beginning of the reporting period	115,569	74,219
Cash and cash equivalents at the end of the reporting period	<u>77,983</u>	<u>115,569</u>

Reconciliation of net income/(expenditure to net cash flow from operating activities

Net income/(expenditure) for the reporting period (as per the statement of financial activities)	13,878	36,322
Adjustments for:		
(Increase)/decrease in debtors	(53,053)	975
Increase/(decrease) in creditors	1,589	4,053
Net cash provided by (used in) operating activities	<u>(37,586)</u>	<u>41,350</u>

Ace Africa (UK)

Notes to the financial statements

For the year ended 31 December 2021

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. The financial statements 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 2019 (FRS102) and the Companies Act.

There were no adjustments to the charity's Balance Sheet or Statement of Financial Activities on the transition to FRS102.

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 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.
- 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 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 the meeting constitutional and statutory

Ace Africa (UK)
Notes to the financial statements
For the year ended 31 December 2021

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) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

f) Grant making policy

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

g) Foreign currency

Foreign currency transactions are initially recognised using the monthly exchange rate.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate. Gains and losses on exchange are allocated to the appropriate resource.

h) Employee benefits

The charity operates a defined pension contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

i) Tangible fixed assets

Tangible fixed assets costing less than £1000 are not capitalised and are written off in the year of purchase. Tangible fixed assets which are capitalised are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life which for equipment and computers is three years

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
2 Donations and legacies				
Restricted Donations	-	485,636	485,636	447,591
General Donations	185,368	-	185,368	298,143
	<u>185,368</u>	<u>485,636</u>	<u>671,004</u>	<u>745,734</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 financial statements
For the year ended 31 December 2021

3 Expenditure

	Costs of charitable activity	Fundraising and grant applications	Governance costs	In kind expenses	Total 2021	Total 2020
	£	£	£	£	£	£
Support of Ace Africa Programmes						
Ace Africa (Kenya) - Unrestricted Grants	10,548	-	-	-	10,548	21,250
Ace Africa (Tanzania) - Unrestricted Grants	9,756	-	-	-	9,756	72,929
Programme costs paid in UK – Unrestricted	30,000	-	-	-	30,000	32,500
	50,304	-	-	-	50,304	126,679
 Ace Africa (Kenya) - Restricted Grants	108,250	-	-	-	108,250	119,962
Ace Africa (Tanzania) - Restricted Grants	347,090	-	-	-	347,090	282,790
Programme costs paid in UK - Restricted	-	-	-	-	-	-
Conjoint Projects	-	-	-	-	-	28,943
	455,340	-	-	-	455,340	431,695
 Cost of Generating Funds						
Staff costs - general fundraising	-	179,935	-	-	179,935	178,834
Bank charges	-	547	-	-	547	5,147
Postage	-	875	-	-	875	899
Stationery	-	1,000	-	-	1,000	494
Telephone	-	173	-	-	173	101
Travel	-	396	-	-	396	258
Media Costs	-	10,452	-	-	10,542	10,937
Training and development	-	1,598	-	-	1,598	-
Direct fundraising costs	-	3,317	-	-	3,317	1,033
Miscellaneous costs	-	1,952	-	-	1,952	1,618
Professional services	-	-	-	-	-	-
IT & website costs	-	199	-	-	199	199
Rent	-	-	-	50,000	50,000	50,000
Support costs allocated to restricted grants	-	(38,726)	-	-	(38,726)	(30,532)
Recruitment fees	-	-	-	-	-	575
Event Costs	-	-	-	-	-	89
Insurance Costs	-	-	1,624	-	1,624	1,457
Audit Fee	-	-	4,140	-	4,140	4,020

Ace Africa (UK)
Notes to the financial statements
For the year ended 31 December 2021

TOTAL	505,644	161,718	5,764	50,000	723,126	783,503
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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 £250 (2020:£2,780)

5 Debtors	2021	2020
	£	£
Other debtors	58,229	2,000
Prepayments	1,572	2,366
Accrued income - Gift Aid	347	2,729
	<u>60,148</u>	<u>7,095</u>

6 Creditors	2021	2020
	£	£
Accruals	5,897	4,000
Creditors within one year	-	-
Other creditors	6,163	6,471
	<u>12,060</u>	<u>10,471</u>

Ace Africa (UK)
Notes to the financial statements
For the year ended 31 December 2021

7. Movement in Restricted Funds

Fund Details	<u>Brought Forward</u> <u>01/01/2021</u>	<u>Income</u>	<u>Expenditure</u>	<u>Carried Forward</u> <u>31/12/2021</u>
	£	£	£	£
Ace Future Stars, Child Development, Arusha, Tanzania	2,552	52,384	52,558	2,378
Alumni/Bursary Funds, Kenya	4,400	-	4,400	-
Emergency Fund, Kenya & Tanzania	1,930	1,327	1,930	1,327
Got Matar & Siaya 10k run, Siaya, Kenya	7,624	3,707	7,881	3,450
Community Development, Arusha & Moshi, Tanzania	-	45,000	41,250	3,750
Rosie Dwyer Fund, Bungoma, Kenya	2,381	176	-	2,557
Truck & Driver's Fund, Kenya & Tanzania	1,263	6,000	7,263	-
Community Livelihoods Initiative, Arusha, Tanzania	2,170	-	2,170	-
Strengthen Child Protection, Arusha, Tanzania	-	22,706	22,706	-
Child Development, Vihiga & Homa Bay Kenya	1,902	-	1,902	-
Counsellor Salary, Kenya	750	-	750	-
Nutrition Supplements & Training	2,000	24,000	24,000	2,000
Fruit Tree Cultivation, Siaya, Kenya	-	10,000	10,000	-
Youth & Community-Arusha, Tanzania	-	112,989	112,989	-

Ace Africa (UK)
Notes to the financial statements
For the year ended 31 December 2021

HIV Community Drama & VCT, Tanzania	-	12,107	12,107	-
Expanding access to child protection-Kenya	28,046	54,142	57,760	24,428
Strengthening HIV health services-Arusha, Tanzania	21,237	47,976	69,213	-
Increasing youth access to sexual health,Kenya	9,342	10,000	9,342	10,000
Safe Water in schools, Siaya, Kenya	-	10,000	10,000	-
Improving Livelihoods for women-Kenya	-	23,122	2,119	21,003
Child Development -Kenya & Tanzania	-	50,000	5,000	45,000
	85,597	485,636	455,340	115,893

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

	2021	2020
	£	£
This is stated after charging		
Auditor's remuneration - current year	4,000	4,000
Over provision for previous year	140	20
	4,140	4,020

10 Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by :	Unrestricted	Restricted	Totals
	£	£	£
Net current assets/ (liabilities)	10,178	115,893	126,071

Ace Africa (UK)
Notes to the financial statements
For the year ended 31 December 2021

11	Employees	2021 £	2020 £
	Total gross wages & employer's national insurance	179,935	178,834
		<u>179,935</u>	<u>178,834</u>
	Staff costs above include remuneration paid to key management personnel, comprising the UK Country Director, amounting to:	<u>63,732</u>	<u>68,611</u>
	Average number of employees during year	<u>4</u>	<u>4</u>
	There were one employees with emoluments above £63,732 (2020: £68,611)		

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.

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 Other than the trustee donations as disclosed in note 8