

Ace Africa (UK) Annual Report & Accounts 2022



Ace Africa

Developing Communities

Registered charity number 1111283
Company number 4726183

Ace Africa (UK)
Report and Financial Statements
for the year ended 31 December 2022

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Ace Africa (UK) Report and Financial Statements For the year ended 31 December 2022

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 Anne-Gabrielle Starkloff David Montgomery Kennedy Wanyonyi Delia Karen Appelt (Appointed 28.07.2022) Simon Butt (Appointed 28.07.2022) Rachel McCastman (Honorary Secretary resigned 05.09.2022) Fiona Murray (Honorary Treasurer resigned 05.09.2022)
Staff:	David Evans, UK Country Director Olivia Jarman, Events and Fundraising Manager Ajay Vasa, Finance Manager
Auditors:	Critchleys Audit LLP, Beaver House, 23 - 38 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

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The Trustees of Ace Africa (UK) (the "Charity") present their report on activities for the year ended 31st December 2022.

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.

The Charity uses office space provided pro bono by the Lockton Companies LLP and we are grateful for their support.

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 2022 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 respective countries. All three 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
- working in partnership, with communities, other NGOs and donors. Communities identify problems and priorities, based on local context and needs. They participate in delivering, sustaining and embed quality local service provision
- creating awareness of government services and bringing these services closer to the community by bridging geographical and cultural gaps in service provision; government is also a key partner, to help ensure services that are innovative, cost effective, sustainable and embedded in local communities
- interventions are research driven and evidence based – based on context specific research, robust monitoring and evaluation and learning. Our projects are adapted and taken to scale

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Having been dormant since 2009, Ace Africa USA was revived in 2018 to provide alternative sources of income. All appropriate filings were made in 2022. This resource remains underused and requires US based capacity (whether paid or voluntary).

Ace Africa (UK) approaches individuals, families, trusts, foundations, companies and government funding agencies to raise funds. During 2022, grants were made to Ace Africa Kenya and Ace Africa Tanzania to support their programmes (grants are 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.

The work 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, education and rights awareness with 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 (including knowing their rights and how to protect them, and sexual and reproductive education).
- **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 2022, Ace Africa Kenya and Tanzania reached 2,113,465 children and their families, including:

- 31,494 cases of child abuse reported and resolved
- 219,130 individuals reaching long term food security (i.e., 3 nutritious meals & some surplus food)
- 706 Ace School Clubs established, helping 116,718 children learn about child rights, hygiene and nutrition. The clubs are primarily run by children.
- 203,942 people tested for HIV
- 23,371 young people and adults have been involved in income generating activities

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 27,985 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 1,668,560 people directly and another 3,511,120 indirectly. Since 2008 Ace Africa Tanzania has reached 444,905 people directly and another 889,809 indirectly.

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In 2020 and 2021 COVID-19 exacerbated issues that Ace Africa has been addressing for 20 years – hunger, poverty, a lack of access to education and child abuse. In 2022 the war in Ukraine greatly affected the lives of the most vulnerable; inflation increased the costs of basics by more than 50 per cent, hitting the poorest hardest.

Ace Africa Kenya

The funding situation improved slightly with one major three year grant and other smaller grants as a result of a new fundraising strategy.

A three year grant from the Egmont Trust provides comprehensive services for marginalised children, young women and their families who face extreme structural, economic, or social barriers in 20 new wards in Siaya County.

The Evan Cornish Foundation is helping 200 youths to improve food and nutrition security and increase incomes through better post-harvest reduction practices in vegetable farming in Migori county. The Big Give Christmas challenge will ensure that 1,500 children in 30 Ace school clubs in Bungoma, Kakamega and Vihiga access health, rights and life skills education. An Ernest Kleinwort charitable trust grant reaches 500 young women aged 15-24 and 300 men to access sexual reproductive health education and services in Siaya County.

Kindemonthilfe funded Ace to reach 791 women and their families to improve their livelihoods through a self-help group approach in Migori County. Repeat Peter Stebbing Trust funding will give 2000 children access to safe water in Ace school clubs in Siaya County. St. James Palace Charitable Trust grant will give 400 vulnerable children in Bungoma, Western Kenya sanitary towels, treat /prevent jigger infection as well as advocacy/awareness raising on water, sanitation and hygiene.

Short term and long-term research studies continued, including Positive Outcomes for Orphans (POFO) III – this work is now in its 15th year. These studies are funded by DUKE university and have been approved by Kenya Medical Research Institute and National Commission For Science, Technology & Innovation in Kenya. Work will target children facing emotional and mental health issues who have lost one or both parents, as well as minorities struggling to access health care.

New partnerships were developed with interfaith networks in Siaya and Busia counties to improve child protection and safeguarding.

Ace Africa Tanzania

In 2022 Ace Africa Tanzania continued to work in three regions of Tanzania (Arusha, Kilimanjaro and Mwanza) contributing to the government's development priorities and SDGs. Based on learning from existing projects and government requests, projects were extended/replicated in new districts:

- In Arusha region this included Longido and Monduli district councils
- In Mwanza region work extended to Buchosa District Council; services have expanded from 1 island (Kome) to 12 other remote islands in lake Victoria and two new wards of Bulyaheke and Bupandwa (Buchosa mainland).

This extension of activities reached 35,212 new direct and 70,424 indirect beneficiaries with much needed services in 2022. Due to the geographical expansion of the projects, Ace decided to increase its staffing capacity through the enrollment of 2 new staff (1 community health Counselor in Mwanza and 1 M&E volunteer).

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With the generous support of donors in 2022 (Egmont, The SOL Foundation, Bennett Foundation, Allan and Nesta, Oak, Mercury Phoenix Trust, George Freud and the Amcomri Foundation), achievements in three key areas included:

- **Community health:** 8,040 community members attended awareness events with 3,821 accessing health checkup services including Voluntary Counseling and Testing (VCT) for HIV at outreach events. Strengthening of government MoH systems through the training of 20 new government nurses in anti-retroviral treatment (ART) management and 38 community health workers in basic counseling skills.
- **Child development:** 3,380 children and 6,210 community members accessed child rights, wellbeing and protection information through drama, 8,535 children received training in Life Skills (LS) and Sexual Reproductive Health and Rights (SRHR). In line with these achievements, 50 teachers and 20 head teachers were trained in football coaching skills, child rights and protection forming 15 new and directly engaging 10 existing Ace child wellbeing clubs.
- **Community livelihoods:** 6 new youth and community volunteer support groups made up of 180 community members trained in Village Community Banking (VICOBA) and Small Medium Enterprises (SMEs).

Ace Africa Tanzania and Ace Africa Kenya work with local government, INGOs and many local civil society organisations. In addition to government departments, key partners in Kenya include the Kenyan Red Cross to reduce jigger infestation among children and their families increasing their access to education and livelihoods, as well as interfaith networks in Busia and Siaya Counties to improve child protection and safeguarding. In Tanzania child development partners included: Good Neighbors (School wellbeing clubs), Maternity Africa (Maternal health), Government Social Welfare (Child rights and protection) and the Faraja Centre (Youth empowerment) in community health: Government DMO/DACC & CHACC (HIV testing/VCT & general health awareness), Aga Khan (HIV testing/VCT and general health awareness), ELCT Kizazi Kipya (HIV testing/VCT) and Plaster House (disability and treatment). In community livelihoods: Small Industries Development Org (product processing e.g. soap making etc), Tanzania Food & Drugs Authority, Tanzania Pastoralist Hunters and Gatherers Org (community mobilization/engagement) and Ministry of Agriculture.

Ace Africa Kenya and Tanzania completed significant transitions, with the founders in both moving from their leadership roles to strategic support roles. The new Country Directors are long standing members of staff. Ace Africa Tanzania has registered as an international NGO in that country; this allows representatives from Ace Africa Kenya to sit on the Board and will help develop Ace as a regional entity in East Africa.

Activities in the UK

Ace Africa (UK) was created to raise funds for its partners¹. In 2022 the above staff and volunteers helped secure support from trusts/foundations, major donors and countless individuals of £602,280. Restricted income was £354,599 and unrestricted £247,681.

In addition to fundraising, our small staff (2.5fte) carry out the work that underpins successful fundraising: communications, donor stewardship, financial accountability, work with our partners, governance and networking within the UK INGO community.

¹ The number of professional staff determines our fundraising totals. In April a staff member resigned and was not replaced to minimize financial risks. This placed additional pressure on remaining staff in 2022. (Capacity is now 70 per cent of the levels of 2017). This impacts funds that can be raised and managed. In mid 2021 Trustees agreed to a costed proposal by the Country Direct to invest in professional capacity to increase fundraising totals.

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Volunteers also play a vital role in our fundraising and are supported by the professional staff; this includes Patrons, trustees and others who donate, provide introductions to new supporters and run fundraising activities. Their work in 2022 contributed hugely to our success as a charity.

COVID continued to impact the work of the charity, with our biennial major fundraising event (generating significant unrestricted income) postponed and has now not been held for four years. We tried to be agile and creative. Examples included:

- **two small dinners** (for 22 guests in total) to connect with existing donors and introduce Ace to potential new supporters. These events replaced the large fundraising dinner postponed for the third year due to COVID. The presence of existing long term donors played a key role in each. The first in June was hosted by our Chair, Fiona Hammond, who invited specific contacts with similar interests. The second was held in October and hosted by Ace Africa Patron Liz Earle and Ace Africa founder Joe Waddington, with a specific theme of girls and women's rights
- taking part for the first time in the UK's largest on-line match funding programme, **The Big Give**
- recruitment of a new '**development group**' targeting commercial sector donors who understand and support the need for long term investment in the organisation, as well as projects. This was closely linked to the major donor programme²
- **use of cost effective short term consultants** to assist in key areas, in lieu of a full time staff member and avoid loss of potential income

Challenge events restarted after a three year gap – a key source of income for charities, including Ace. We recruited a team of seven cyclists to take part in the Prudential100. This team raised £11,074, the majority raised by our Patron Phil Howard and two close friends.

Other **individual donors** held events and fundraising activities that raised £4,011.

Schools continue to be fantastic supporters of the charity, including Marlborough College and Eton College, who hosted multiple 5-a-side events. A new relationship was established with Worth School. These relations raised £10,735.

The majority of income was generated from **Trusts and Foundations** (including corporate trusts). In 2022 £323,100 was raised from 21 Trusts/Foundation (new and contracted). The majority were restricted funds for projects in Kenya and Tanzania (see above section on work supported by the charity in East Africa).

With limited capacity in 2022, Ace focused on existing and previous supporters, which was successful. The number of repeat donations remained positive. Long term planning and the ability to deliver projects without gaps, was made easier by three trusts continuing substantial contracted multi-year programmes.

Time and energy invested in this stream can also result in low or no return due to changes in strategy/priorities, lack of funds and changes of personnel; this is hard if not impossible to avoid and absorbs limited capacity, making research and priority setting essential).

The Big Give is an on-line match funding programme that has raised £242,309,804 for over 15,000 charity projects since 2008. Ace took part for the first time, secured a champion to match donations during a Christmas appeal and raised £20,923 from a range of individual donors whose donations were 'doubled'.

Major donors (defined here as giving over £2,500) donated £144,212. The majority of these donations were unrestricted, allowing the charity to prioritise expenditure based on need and changing

² We approached and met with half a dozen individuals. It was challenging to appoint a Chair, agree a format and clear purpose. Ultimately the work resulted in a number of new major donor relations. The key learning from this effort was to continue to connect and develop relations with individuals

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circumstances. One existing donor doubled their annual support. A new restricted donation funded a 12 month health awareness project in Tanzania. The donor visited the project in October – the first UK visit since late 2019.

Our Patron, **André Villas-Boas**, is a long term donor; we continued to partner with his charity Race For Good, as one of three beneficiaries. This resulted in funding, awareness raising on a global scale and the collection of sporting equipment at an event in Portugal to be sent to Tanzania.

Our regular giving programme, **Friends of Ace** generated £9,373 from monthly support. We sent a bespoke thank you to each of the members of this programme, thanking them for their invaluable continuing support.

Finally, we raised £17,460 for our Kenyan Partner, the Got Matar Community Development Group from a variety of sources - this relation involved Ace Africa Kenya.

Expenditure

Total expenditure in the UK and overseas was £628,604. The total cost of fundraising was £161,596 (staffing costs represent the majority of this). Ace Africa (UK) support of programmes in Kenya and Tanzania was £410,580 (£381,992 was restricted and £28,588 unrestricted).

Working with Ace Kenya and Tanzania

Ace Africa was founded to support organisations carrying out charitable activities in Africa. Our partners best understand the problems and solutions. In 2022 we arranged for a major donor to meet our partners and the communities they support. In 2023 there is an ambitious programme of staff and donor visits, which we hope will now return to pre-COVID levels.

We plan to secure funds to facilitate a visit to the UK by representatives from Ace Africa Kenya and Tanzania. This will coincide with our 20th anniversary and allow direct face-to-face conversations by those delivering the work of the charity, with both existing and potential supporters.

Governance

There were no further changes to Board membership. Staff and trustees came together for the first time since 2020 in early 2023, planned and facilitated by an external party to increase trustee understanding of our work and to build a clear sense of teamwork. The meeting benefited from the presence of the Ace Africa founder and now UK-based Chair of Ace Africa Tanzania, Joanna Waddington

Reserves policy

This is a challenging issue for Ace, as for all charities in the sector in 2022. A review by the leading membership body for international NGOs in the UK (BOND³) looking at the impact of national and international events found that 76 per cent of members surveyed said yes when asked '*has the current crisis put pressure on your reserves or prevented your organisation building*'. The same survey showed that existing / on-going support to 80 per cent of charities was not being adjusted to meet the incredibly high rates of inflation overseas and in the UK, again impacting on available unrestricted funds.

Unrestricted reserves are required to:

- 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

³ <https://www.bond.org.uk/>

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The target level of reserves is four months of unrestricted budgeted expenditure, based on an annual budget (covering 3 months operating costs and redundancy). Our ability to meet this in 2022 was influenced by:

- i. prioritising unrestricted funding to meet urgent needs in East Africa⁴
- ii. a continued transition (since 2019) from an active fundraising board to a governance focus
- iii. the above coinciding with reduced fundraising capacity during 2022 (see above)
- iv. the decision to postpone (due to the uncertainties post COVID) for a third year, the major in-person fundraising event that raises significant unrestricted income

The closing balance of free reserves of £11,247 is below our target; improving reserves remains a priority, providing as it does stability and security. Some donors will not consider supporting a charity without satisfactory reserves, but there remains little appetite to fund this key area to facilitate that same support.

Post COVID, the sector has seen increasingly realistic conversations of how organisational resilience requires appropriate support/funding (including the importance of long term, flexible funding due to its positive impact; see also future plans below) and Ace will continue to play a constructive role in this debate.

Future plans

2023 is the 20th anniversary of Ace Africa, a milestone to be used to thank, celebrate and fundraise. A focal point of year will be a dinner for past, present and potential supporters in September. It will be a fundraiser but also a donor cultivation event. Should funds allow, East African partners will attend this event and undertake a week of fundraising activity.

With the resumption of international travel, visits by donors and Ace Africa (UK) staff to speak with the people and communities we serve will recommence. Events not held in 2022 will take place in 2023, including Ace Next Generation and school football tournaments.

Donors (both individual and trust) will be asked to invest in the continued success of all parts of Ace Africa. Reliable and adequate funding of existing and new staff is the only way to maintain and increase our impact. This is extremely hard to fund from restricted project funding.

Supporters will - where possible - be asked to consider multiyear agreements to increase certainty and reliability of our work in the UK and East Africa. Direct and open conversations in the early part of 2023 resulted in several agreements to work this way. Engaging with current and previous supporters will maximise the likelihood of support. Ace Africa (UK) does not have the capacity to engage in the 'open market' where success rates amongst trusts for open calls are on average 20 per cent.

Our challenges are normal in the sector as highlighted in research, published by Humentum in 2022, showing the majority of NGOs are in a starvation cycle.⁵

Ace Africa (UK) trustees agreed a fundraising strategy for 2023 that includes:

- a focus on five figure and a limited number of six figure gifts, or events, reflecting strengths and capacity
- the necessity of organisational strengthening/investment to maintain and strengthen Ace's services; donors must be convinced of the value of funding the organisation as a whole, as well as specific projects⁶
- fundraising is the responsibility of the Executive in the UK; the Board does not, and is not expected to, secure significant gifts; the Executive must be properly resourced for Ace to succeed

⁴ Unrestricted income met urgent needs in East Africa that included legal advice to assist the complex reregistration of Ace Africa Tanzania as an international NGO.

⁵ *Breaking the Starvation Cycle. How international funders can stop trapping their grantees in the starvation cycle and start building their resilience.* Humentum March 2022

⁶ This is based on experience, not expectation - unrestricted, multi-year funding by major donors has grown in the last two years, and a further donor was added in early 2023.

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The positive impact of unrestricted funds is increasingly confirmed by research that is further promoting change amongst donors. Ace Africa will use this evidence in making relevant approaches⁷.

Following a significant increase in debates around the legacy and impact of colonialism and racism in international development, Ace Africa (UK) will continue internal discussions and contribute to debates in the sector. Having been established to fund Africa-based, African-led, independent partners, it has always accepted and promoted the concept of 'locally led' development. In 2023, during visits from our partner, staff and trustees will be asked to consider issues that include:

- the role of Ace Africa (UK) as UK based INGO long-term
- what kind of funds we try to raise in the UK and where from
- how we are staffed
- to take the above forward, further strengthening and diversifying the UK Board

Accounting policies

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

Risk

Ace Africa (UK) is accountable for the use of funds, raised by us, used by our partners in East Africa. The risks of misappropriation or maladministration of funds is minimised by our checks on formal accountability processes on behalf of our donors - based on open/transparent relations with partners. We receive financial and activity reports (specific to the contracts and related reporting requirements of specific donors), and annual audited financial reports. Visits to Ace Kenya and Ace Tanzania and by the Trustees and staff will recommence in 2023.

In-country accountability is also key; our partners' Boards have primary oversight of their work, as do local/national authorities to whom reports and audits must be submitted.

The challenges of the funding eco-system (common to all charities in the UK) pose a significant risk to Ace and are hard to minimise. The BOND survey referred to above highlighted common challenges for charities of a similar size to Ace including: contracted donors not adjusting grants to take into account the impact of inflation on agreed projects, reduced funding levels due to uncertainty caused by COVID and the war in Ukraine, and pressure to use reserves to meet these shortfalls.

Inadequate staff capacity due to insufficient funding of these costs is an enduring risk. A resilient charity needs to reliably recruit and retain qualified staff. High quality, long term two way relations with donors (existing and future) are at the heart of successful fundraising. Funding of our staff/the organisation, rather than projects overseas, is sometimes unattractive but its benefits are increasingly evident and understood.

Overseas, senior managers are also often hard to reliably fund. It is these same staff who undertake the vital planning/oversight on an on-going basis, ensuring accountability and professional standards expected by donors⁸. Ace Africa (UK) has been asked by its partners to assist; it is in the interest of our supporters to do so, to ensure their continuing success and ensure the accountability referred to above.

⁷ Including: 'The Holy Grail of Funding; why and how foundations give unrestricted funding' Institute for Voluntary Action Research and Giving Big, the impact of large unrestricted gifts on non profits' The Centre for Effective Philanthropy

⁸ Global survey of 84 NGOs worldwide showed that two thirds reported that (1) donor contracts did not adequately cover administrative costs and (2) left them unable to retain/recruit qualified staff. <https://humentum.org/wp-content/uploads/2022/03/Humentum-ACR-Research-Report-Executive-Summary-FINAL.pdf>

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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.

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:

 28/06/2023
Fiona Hammond
Chair

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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 2022 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 31 December 2022 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

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

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa (UK)

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.

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.

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

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 directors and from other management, 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 company
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and inspecting legal correspondence where applicable; and
- 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 company'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 and
- 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:

Ace Africa (UK)

Independent Auditor's Report

To the members of Ace Africa (UK)

- 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;
- reviewing relevant correspondence

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 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

For and on behalf of Critchleys Audit LLP, Statutory Auditor

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

Date: 30/6/2023

Ace Africa (UK)
Statement of Financial Activities
(Incorporating an income and expenditure account)
For the year ended 31 December 2022

		Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
	Notes				
Income and endowments from:					
Donations and legacies	2	182,596	354,599	537,195	671,004
Charitable activities - events		15,085	-	15,085	16,000
Other - gifts in kind		50,000	-	50,000	50,000
Total income and endowments		247,681	354,599	602,280	737,004
Expenditure on:					
Charitable activities					
Support of Ace Africa programmes	3	28,588	381,992	410,580	505,644
Governance Costs	3	6,428	-	6,428	5,764
Raising funds					
Fundraising and Grant Application Costs	3	161,596	-	161,596	161,718
Other	3	50,000	-	50,000	50,000
Total expenditure		246,612	381,992	628,604	723,126
Net income/(expenditure)		1,069	(27,393)	(26,324)	13,878
Reconciliation of funds					
Total funds brought forward		10,178	115,893	126,071	112,193
Total funds carried forward	7	11,247	88,500	99,747	126,071

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 2022

		2022	2021
	Notes	£	£
Current Assets			
Debtors	5	14,519	60,148
Cash at Bank and in Hand		<u>91,448</u>	<u>77,983</u>
		105,967	138,131
Creditors: Amounts falling due within one year	6	<u>(6,220)</u>	<u>(12,060)</u>
Net Current Assets		99,747	126,071
Net Assets		<u>99,747</u>	<u>126,071</u>
Unrestricted Funds			
General Funds		11,247	10,178
Restricted Funds	7	<u>88,500</u>	<u>115,893</u>
Total Funds	10	<u>99,747</u>	<u>126,071</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 28/06/2023 and signed on its behalf.


Fiona Hammond
Chair

Ace Africa (UK)
Cash flow statement
As at 31 December 2022

	2022 Total funds £	2021 Total funds £
Cash flows from operating activities:		
Net cash provided (used in) operating activities (reconciliation below)	13,466	(37,586)
Change in cash and cash equivalents in the reporting period	13,466	(37,586)
Cash and cash equivalents at the beginning of the reporting period	77,983	115,569
Cash and cash equivalents at the end of the reporting period	<u>91,449</u>	<u>77,983</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)	(26,324)	13,878
Adjustments for:		
(Increase)/decrease in debtors	45,629	(53,053)
Increase/(decrease) in creditors	<u>(5,839)</u>	<u>1,589</u>
Net cash provided by (used in) operating activities	<u>13,466</u>	<u>(37,586)</u>

Ace Africa (UK)

Notes to the financial statements

For the year ended December 2022

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 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.

Ace Africa (UK)

Notes to the financial statements

For the year ended December 2022

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 £1,000 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 2022	Total 2021
	£	£	£	£
2 Donations and legacies				
Restricted Donations	-	354,599	354,599	447,591
General Donations	182,596	-	182,596	298,143
	<u>182,596</u>	<u>354,599</u>	<u>537,195</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 accounts
For the year ended 31 December 2022

3 Expenditure

	Costs of charitable activity	Fundraising and grant applications	Governance costs	In kind expenses	Total 2022	Total 2021
	£	£	£	£	£	£
Support of Ace Africa Programmes						
Ace Africa (Kenya) - Unrestricted Grants	-	-	-	-	-	10,548
Ace Africa (Tanzania) - Unrestricted Grants	4,088	-	-	-	4,088	9,756
Programme costs paid in UK - Unrestricted	24,500	-	-	-	24,500	30,000
	<u>28,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,588</u>	<u>50,304</u>
 Ace Africa (Kenya) - Restricted Grants	 107,971	 -	 -	 -	 107,971	 108,250
Ace Africa (Tanzania) - Restricted Grants	274,021	-	-	-	274,021	347,090
	<u>381,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,992</u>	<u>455,340</u>
Cost of Generating Funds						
Staff costs - general fundraising	-	147,505	-	-	147,505	179,935
Bank charges	-	1,167	-	-	1,167	547
Postage	-	204	-	-	204	875
Stationery	-	284	-	-	284	1,000
Telephone	-	130	-	-	130	173
Travel	-	1,875	-	-	1,875	396
Media Costs	-	1,277	-	-	1,277	10,452
Training & development	-	-	-	-	-	1,598
Direct fundraising costs	-	4,756	-	-	4,756	3,317
Miscellaneous costs	-	1,500	-	-	1,500	1,952
Professional services	-	23,750	-	-	23,750	-
IT & website costs	-	658	-	-	658	199
Rent	-	-	-	50,000	50,000	50,000
Support costs allocated to restricted grants	-	(21,509)	-	-	(21,509)	(38,726)
Insurance Costs	-	-	1,572	-	1,572	1,624
Audit Fee	-	-	4,856	-	4,856	4,140
TOTAL	<u>410,580</u>	<u>161,596</u>	<u>6,428</u>	<u>50,000</u>	<u>628,604</u>	<u>723,126</u>

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 totaled £4,483 (2021: £250)

Ace Africa (UK)
Notes to the accounts
For the year ended 31 December 2022

5 Debtors	2022	2021
	£	£
Other debtors	-	58,229
Prepaid grants to Kenya / Tanzania		
Prepayments	1,494	1,572
Accrued income - Gift Aid	5,375	347
Accrued income - Other	7,650	-
	<u>14,519</u>	<u>60,148</u>
	2022	2021
	£	£
6 Creditors		
Accruals	4,500	5,897
Creditors within one year	-	-
Other creditors	1,720	6,163
	<u>6,220</u>	<u>12,060</u>

7. Movement in Restricted Funds

	<u>Brought Forward</u>	<u>Income</u>	<u>Expenditure</u>	<u>Carried Forward</u>
<u>Fund Details</u>	<u>01/01/2022</u>			<u>31/12/2022</u>
	£	£	£	£
Ace Future Stars, Child Development, Arusha, Tanzania	2,378	47,274	49,599	53
Emergency Fund, Kenya & Tanzania	1,327	1,816	-	3,143
Got Matar Community Development, Kenya	3,450	17,460	16,062	4,848
Community Development, Arusha & Moshi, Tanzania	3,750	45,000	45,000	3,750
Rosie Dwyer Fund, Bungoma, Kenya	2,557	-	250	2,307
Agriculture & food security, Kenya	-	7,681	7,681	-
Nutrition Supplements & Training, Tanzania	2,000	2,000	4,000	-
Youth & Community Income Generation & Business Development Tanzania	-	82,569	82,569	-
Water, sanitation & hygiene, Kenya	-	2,500	2,500	-
Expanding access to child protection, Kenya	24,428	39,023	27,975	35,476
Strengthening HIV health services- Arusha, Tanzania	-	57,853	57,853	-
Increasing youth access to sexual health, Kenya	10,000	10,000	10,000	10,000

Ace Africa (UK)
Notes to the accounts
For the year ended 31 December 2022

Safe water in school, Kenya		5,000		5,000
Improving Livelihoods for women - Kenya	21,003	-	21,003	
Child Development, Kenya & Tanzania	45,000		45,000	-
Dental Hygiene, Tanzania	-	25,000	12,500	12,500
Child to Child Clubs, Kenya & Tanzania	-	11,423		11,423
	115,893	354,599	381,992	88,500

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

	2022 £	2021 £
This is stated after charging		
Auditor's remuneration - current year	4,500	4,000
Over provision for previous year	356	140
	4,856	4,140

10 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:	Unrestricted £	Restricted £	Totals £
Net current assets/ (liabilities)	11,247	88,500	99,747

11 Employees

	2022 £	2021 £
Total gross wages & employer's national insurance	147,505	179,935

Ace Africa (UK)
Notes to the accounts
For the year ended 31 December 2022

	<u>147,505</u>	<u>179,935</u>
Staff costs above include remuneration paid to key management personnel, comprising the UK Country Director, amounting to:	<u>61,108</u>	<u>63,732</u>
Average number of employees during year	<u>3</u>	<u>4</u>
There was one employee with emoluments above £60,000		

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

A company controlled by one of the trustee gave an interest free loan of £5,820 to the charity in 2022 which was fully repaid during the year. There were no other related party transactions within the reporting period other than the trustee donations as disclosed in note 4.



Ace Africa

Developing Communities

