

AFRICA RESEARCH INSTITUTE

England & Wales · Charity number 1118470

Details

Status Registered

Legal form Trust

Registered 2007-03-21

Register [View on the Charity Commission register](#)

Contact

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Kingsland
Leominster
Herefordshire
HR6 9QA

Phone 01568708744

Email enquiries@africaresearchinstitute.co.uk

Website www.africaresearchinstitute.org

Activities

Objects: 3.1 TO ADVANCE THE EDUCATION OF THE GENERAL PUBLIC IN THE UK, AFRICA AND ELSEWHERE IN SUBJECTS OF GOOD GOVERNANCE, HEALTH, GENDER ISSUES, TRADE, RURAL DEVELOPMENT, INTERNATIONAL AID, HUMAN WELFARE AND POVERTY RELIEF RELATING TO COUNTRIES AND SOCIETIES IN AFRICA AND TO EDUCATE THE PUBLIC ABOUT AFRICA GENERALLY AND THE CHALLENGES IT FACES; AND 3.2 TO PROMOTE RESEARCH INTO THE ABOVE SUBJECT AREAS FOR THE BENEFIT OF THE PUBLIC AND TO DISSEMINATE THE USEFUL RESULTS OF SUCH RESEARCH. THE TRUSTEES MUST USE THE INCOME AND MAY USE THE CAPITAL OF THE CHARITY IN PROMOTING THE OBJECTS..

Activities: EDUCATION AND RESEARCH ON AFRICAN AFFAIRS

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Overseas Aid/famine Relief, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- **Area of benefit:** IN THE UK, AFRICA AND ELSEWHERE.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£100,000	£90,365	-	-
2024-03-31	£130,000	£89,562	-	-
2023-03-31	£105,000	£89,367	-	-
2022-03-31	£51,025	£87,552	-	-
2021-03-31	£180,000	£94,078	-	-

Trustees

Name	Role	Appointed
RICHARD SMITH		
SUSAN FRANCES SMITH BA HONS		

AFRICA RESEARCH INSTITUTE

England & Wales - Charity number 1118470

Accounts

Charity registration number: 1118470

Africa Research Institute

Annual Report and Financial Statements
for the Year Ended 31 March 2025

Africa Research Institute

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Africa Research Institute

Reference and Administrative Details

Trustees	Mr R E L Smith Miss S F Smith
Charity Registration Number	1118470
Principal Office	Street Court Kingsland Leominster Herefordshire HR6 9QA
Independent Examiner	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX
Solicitors	Harrison Clark Rickerbys LLP Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD
Bankers	Lloyds TSB Bank Plc 49-51 Dean Street Marlow Buckinghamshire SL7 3BP

Africa Research Institute

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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)".

Objectives and activities

Objects and aims

The objects of the charity are to advance the education of the general public in the UK, Africa and elsewhere in the subjects of good governance, health, gender issues, trade, rural development, international aid, human welfare and poverty relief relating to countries and societies in Africa and to educate the public about Africa generally and the challenges it faces; and to promote research into the above subject areas for the benefit of the public and to disseminate the useful results of such research.

Objectives, strategies and activities

The objectives of the charity are to encourage debate, question orthodoxy and challenge "received wisdom" in and about Africa. The charity seeks to promote an informed, nuanced and representative understanding of the continent.

The work of the charity draws attention to good practice and innovation, while also identifying where new approaches might be needed. Examples of practical achievement are of particular interest to us.

The charity's research is distributed widely within Africa and elsewhere to decision-makers, institutions and individuals with a keen interest in the continent's future. The charity also holds regular interactive events with expert speakers in London and Africa.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

There have been no significant developments or changes to the activities of the charity during the last year however an employed director has remained in post to further progress its aims and objectives.

Financial review

At the balance sheet date, "free reserves", being unrestricted funds other than fixed assets, amounted to £118,202 (2024: £108,567).

Policy on reserves

The charity aims to retain free reserves sufficient to provide adequate working capital to fund its charitable activities.

Cash reserves at the year end (including amounts held on short term deposit) were £122,269 (2024: £112,639).

Risk

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks

Africa Research Institute

Trustees' Report (continued)

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees: Mr R E L Smith
Miss S F Smith
Lord Flight of Worcester (resigned 13 November 2024)

Structure, governance and management

Nature of governing document

The charity is governed by its Trust Deed dated 26 February 2007. It is independently funded and strictly non- partisan.

Recruitment and appointment of trustees

The power of appointing new trustees is vested in the trustees.

Organisational structure

The trustees are responsible for formulating the strategies and policies of the charity including the exercising of financial controls.

The annual report was approved by the trustees of the charity on ~~.26/01/2026~~ and signed on its behalf by:

.....
Mr R E L Smith
Trustee



Africa Research Institute

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

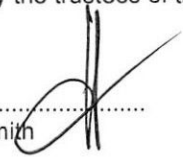
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 26/01/2026 and signed on its behalf by:

.....
Mr R E L Smith
Trustee



Africa Research Institute

Independent Examiner's Report to the trustees of Africa Research Institute

I report to the trustees on my examination of the accounts of Africa Research Institute for the year ended 31 March 2025.

Responsibilities and basis of report

As the charity trustees of Africa Research Institute you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Africa Research Institute's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Africa Research Institute as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Felicity Sang FCA

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 26/01/2026

Africa Research Institute

Statement of Financial Activities by fund for the Year Ended 31 March 2025


	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Income from:		
Donations and legacies	100,000	130,000
Expenditure on:		
Charitable activities	<u>90,365</u>	<u>89,562</u>
Net income for the year/net movement in funds	9,635	40,438
Total funds brought forward	<u>108,567</u>	<u>68,129</u>
Total funds carried forward	<u><u>118,202</u></u>	<u><u>108,567</u></u>

Africa Research Institute

(Registration number: 1118470)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Current assets			
Cash at bank and in hand		122,269	112,639
Creditors: Amounts falling due within one year	8	<u>(4,067)</u>	<u>(4,072)</u>
Net assets		<u>118,202</u>	<u>108,567</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>118,202</u>	<u>108,567</u>
Total funds	9	<u>118,202</u>	<u>108,567</u>

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 26/01/2026, and signed on their behalf by:


.....
Mr R E L Smith
Trustee

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Charity information

Africa Research Institute is an unincorporated charity and is registered with the Charity Commission under number 1118470. The address of the principal office can be found on the legal and administrative information page.

Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for smaller charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

1 Accounting policies (continued)

Judgements

Critical accounting judgements and key sources of estimation uncertainty

The trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities based on their experience and professional advice received. Inevitably, the actual outcome may differ from predictions. Estimates and underlying assumptions are reviewed on an ongoing basis to ensure that they remain relevant.

Income and endowments

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Interest on funds held on deposit is included when receivable & the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The charity receives donated resources from the HR Smith Group of companies in the form of provision of office space but as the value of these resources cannot be quantified the income and expenditure has not been recognised in the statement of financial activities.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

Grants are recognised in full in the year in which they are approved with future payments being included as liabilities. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure

Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to the charitable objects.

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

1 Accounting policies (continued)

Debt instruments

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

2 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations from companies, trusts and similar proceeds	100,000	130,000
	<u>100,000</u>	<u>130,000</u>

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

3 Expenditure on charitable activities

	Note	Direct costs 2025 £	Direct costs 2024 £
Staff costs		84,913	84,912
Allocated support costs	4	3,462	2,908
Governance costs	4	1,990	1,742
		90,365	89,562

4 Analysis of governance and support costs

	Support costs £	Governance costs £	2025 £	2024 £
Rates	1,480	-	1,480	1,319
Insurance	542	-	542	-
Other support costs	1,249	-	1,249	1,375
Accountancy	-	1,340	1,340	871
Independent Examiners fee	-	650	650	871
Bank charges	191	-	191	214
Analysed between Charitable activities	3,462	1,990	5,452	4,650

Governance costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Independent examiner fees			
Examination of the financial statements	650	650	871
Other fees paid to examiners	1,340	1,340	871
	1,990	1,990	1,742

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2024: Nil).

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

6 Staff costs

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2025	2024
	No	No
Research	1	1

The aggregate payroll costs were as follows:

	2025	2024
	£	£
Staff costs during the year were:		
Wages and salaries	80,113	80,112
Social security costs	4,800	4,800
	84,913	84,912

The number of employees whose emoluments fell within the following bands was:

	2025	2024
	No	No
£80,001 - £90,000	1	1

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other creditors	2,617	2,680
Accruals	1,450	1,392
	4,067	4,072

9 Funds

	Balance at 1	Incoming	Resources	Balance at 31
	April 2024	resources	expended	March 2025
	£	£	£	£
Unrestricted funds				
General	108,567	100,000	(90,365)	118,202

Africa Research Institute

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

9 Funds (continued)

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds				
General	<u>68,129</u>	<u>130,000</u>	<u>(89,562)</u>	<u>108,567</u>

10 Related party transactions

	Donations 2025 £	Donations 2024 £	Recharges 2025 £	Recharges 2024 £
HR Smith Technical Developments Limited	-	-	199	195
HR Smith Group Limited	100,000	130,000	-	-
Specmat Limited	-	-	-	148
	<u>100,000</u>	<u>130,000</u>	<u>199</u>	<u>343</u>

Mr R E L Smith and Miss S F Smith are Trustees of the charity and also directors of HR Smith Group Limited, HR Smith (Technical Developments) Limited, Specmat Limited and Techtest Limited. The charity received donations without conditions and was recharged for IT and life insurance related costs as detailed above.

AFRICA RESEARCH INSTITUTE

England & Wales - Charity number 1118470

Accounts

Charity registration number 1118470

AFRICA RESEARCH INSTITUTE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

AFRICA RESEARCH INSTITUTE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R E L Smith Miss S F Smith Lord Flight of Worcester
Charity number	1118470
Principal address	Street Court Kingsland Leominster Herefordshire United Kingdom HR6 9SG
Independent examiner	Katherine Parkin FCA Azets Audit Services Epsilon House Gloucester United Kingdom GL3 4AD
Bankers	Lloyds TSB Bank Plc 49-51 Dean Street Marlow Buckinghamshire United Kingdom SL7 3BP
Solicitors	Harrison Clark Rickerbys LLP c/o Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire United Kingdom GL50 1YD

AFRICA RESEARCH INSTITUTE

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AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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)".

Objectives and activities

Objects

The objects of the charity are to advance the education of the general public in the UK, Africa and elsewhere in the subjects of good governance, health, gender issues, trade, rural development, international aid, human welfare and poverty relief relating to countries and societies in Africa and to educate the public about Africa generally and the challenges it faces; and to promote research into the above subject areas for the benefit of the public and to disseminate the useful results of such research.

Activities

The objectives of the charity are to encourage debate, question orthodoxy and challenge "received wisdom" in and about Africa. The charity seeks to promote an informed, nuanced and representative understanding of the continent.

The work of the charity draws attention to good practice and innovation, while also identifying where new approaches might be needed. Examples of practical achievement are of particular interest to us.

The charity's research is distributed widely within Africa and elsewhere to decision-makers, institutions and individuals with a keen interest in the continent's future. The charity also holds regular interactive events with expert speakers in London and Africa.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Charitable activities

There have been no significant developments or changes to the activities of the charity during the last year however an employed director has remained in post to further progress its aims and objectives.

Financial review

Financial position

At the balance sheet date, "free reserves", being unrestricted funds other than fixed assets, amounted to £108,567 (2023: £68,129).

Reserves policy

The charity aims to retain free reserves sufficient to provide adequate working capital to fund its charitable activities.

Cash reserves at the year end (including amounts held on short term deposit) were £112,639 (2023: £72,134).

Risk

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

Governing document

The charity is governed by its Trust Deed dated 26 February 2007. It is independently funded and strictly non-partisan.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr R E L Smith

Miss S F Smith

Lord Flight of Worcester

Recruitment and appointment of trustees

The power of appointing new trustees is vested in the trustees.

Organisational structure

The trustees are responsible for formulating the strategies and policies of the charity including the exercising of financial controls.

The trustees' report was approved by the Board of Trustees.

Mr R E L Smith

Trustee

Dated: 9 January 2025

AFRICA RESEARCH INSTITUTE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF AFRICA RESEARCH INSTITUTE

I report to the trustees on my examination of the financial statements of Africa Research Institute (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Katherine Parkin FCA
Azets Audit Services
Epsilon House
The Square
Gloucester Business Park
Gloucester
GL3 4AD
United Kingdom

Dated: 16 January 2025

AFRICA RESEARCH INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Income from:</u>			
Donations and legacies	2	130,000	105,000
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	3	89,562	89,367
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		40,438	15,633
Fund balances at 1 April 2023		68,129	52,496
		<hr/>	<hr/>
Fund balances at 31 March 2024		108,567	68,129
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

AFRICA RESEARCH INSTITUTE

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Cash at bank and in hand		112,639		72,134	
Creditors: amounts falling due within one year	8	<u>(4,072)</u>		<u>(4,005)</u>	
Net current assets			<u>108,567</u>		<u>68,129</u>
Income funds					
Unrestricted funds			<u>108,567</u>		<u>68,129</u>
			<u>108,567</u>		<u>68,129</u>

The financial statements were approved by the Trustees on 9 January 2025

Mr R E L Smith
Trustee

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Africa Research Institute is an unincorporated charity and is registered with the Charity Commission under number 1118470. The address of the principal office can be found on the legal and administrative information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for smaller charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Interest on funds held on deposit is included when receivable & the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The charity receives donated resources from the HR Smith Group of companies in the form of provision of office space but as the value of these resources cannot be quantified the income and expenditure has not been recognised in the statement of financial activities.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

Grants are recognised in full in the year in which they are approved with future payments being included as liabilities. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to the charitable objects.

1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

2 Donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	130,000	105,000

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Charitable activities

	Direct costs 2024 £	Direct costs 2023 £
Staff costs	84,912	85,207
Share of support costs (see note 4)	2,908	2,717
Share of governance costs (see note 4)	1,742	1,443
	<u>89,562</u>	<u>89,367</u>

4 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Bank charges	214	-	214	215	-	215
Other support costs	1,375	-	1,375	1,367	-	1,367
Rates	1,319	-	1,319	1,135	-	1,135
Independent Examiners fee	-	871	871	-	721	721
Accountancy	-	871	871	-	722	722
	<u>2,908</u>	<u>1,742</u>	<u>4,650</u>	<u>2,717</u>	<u>1,443</u>	<u>4,160</u>
Analysed between Charitable activities	<u>2,908</u>	<u>1,742</u>	<u>4,650</u>	<u>2,717</u>	<u>1,443</u>	<u>4,160</u>

Governance costs include amounts payable to the independent examiner of £871 (2023: £721) for Independent Examination and £871 (2023: £722) payable to the Independent Examiner for other accountancy services provided.

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the charity during the year (2023: Nil).

6 Employees

The average monthly number of employees during the year was:

2024 Number	2023 Number
<u>1</u>	<u>1</u>

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	80,112	79,909
Social security costs	4,800	5,298
	<u>84,912</u>	<u>85,207</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
	<u>1</u>	<u>1</u>

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	2,680	2,753
Accruals and deferred income	1,392	1,252
	<u>4,072</u>	<u>4,005</u>

9 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds			Movement in funds			
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 31 March 2024 £
Unrestricted funds	52,496	105,000	(89,367)	68,129	130,000	(89,562)	108,567
	<u>52,496</u>	<u>105,000</u>	<u>(89,367)</u>	<u>68,129</u>	<u>130,000</u>	<u>(89,562)</u>	<u>108,567</u>

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations received		Recharge of costs	
	2024	2023	2024	2023
	£	£	£	£
HR Smith (Technical Developments) Limited	-	-	195	192
Techtest Limited	-	-	-	108
HR Smith Group Limited	130,000	105,000	-	-
Specmat Limited	-	-	148	-
	<u>130,000</u>	<u>105,000</u>	<u>343</u>	<u>300</u>

Mr R E L Smith and Miss S F Smith are Trustees of the charity and also directors of HR Smith Group Limited, HR Smith (Technical Developments) Limited, Specmat Limited and Techtest Limited. The charity received donations without conditions and was recharged for IT and life insurance related costs as detailed above.

AFRICA RESEARCH INSTITUTE

England & Wales - Charity number 1118470

Accounts

Charity registration number 1118470

AFRICA RESEARCH INSTITUTE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

AFRICA RESEARCH INSTITUTE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R E L Smith Miss S F Smith Lord Flight of Worcester
Charity number	1118470
Principal address	Street Court Kingsland Leominster Herefordshire United Kingdom HR6 9SG
Independent examiner	Katherine Parkin FCA Azets Audit Services Epsilon House Gloucester United Kingdom GL3 4AD
Bankers	Lloyds TSB Bank Plc 49-51 Dean Street Marlow Buckinghamshire United Kingdom SL7 3BP
Solicitors	Harrison Clark Rickerbys LLP c/o Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire United Kingdom GL50 1YD

AFRICA RESEARCH INSTITUTE

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Balance sheet	5
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AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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)".

Objectives and activities

Objects

The objects of the charity are to advance the education of the general public in the UK, Africa and elsewhere in the subjects of good governance, health, gender issues, trade, rural development, international aid, human welfare and poverty relief relating to countries and societies in Africa and to educate the public about Africa generally and the challenges it faces; and to promote research into the above subject areas for the benefit of the public and to disseminate the useful results of such research.

Activities

The objectives of the charity are to encourage debate, question orthodoxy and challenge "received wisdom" in and about Africa. The charity seeks to promote an informed, nuanced and representative understanding of the continent.

The work of the charity draws attention to good practice and innovation, while also identifying where new approaches might be needed. Examples of practical achievement are of particular interest to us.

The charity's research is distributed widely within Africa and elsewhere to decision-makers, institutions and individuals with a keen interest in the continent's future. The charity also holds regular interactive events with expert speakers in London and Africa.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Charitable activities

There have been no significant developments or changes to the activities of the charity during the last year however an employed director has remained in post to further progress its aims and objectives.

Financial review

Financial position

At the balance sheet date, "free reserves", being unrestricted funds other than fixed assets, amounted to £68,129 (2022: £52,496).

Reserves policy

The charity aims to retain free reserves sufficient to provide adequate working capital to fund its charitable activities.

Cash reserves at the year end (including amounts held on short term deposit) were £72,134 (2022: £56,412).

Risk

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing document

The charity is governed by its Trust Deed dated 26 February 2007. It is independently funded and strictly non-partisan.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr R E L Smith

Miss S F Smith

Lord Flight of Worcester

Recruitment and appointment of trustees

The power of appointing new trustees is vested in the trustees.

Organisational structure

The trustees are responsible for formulating the strategies and policies of the charity including the exercising of financial controls.

The trustees' report was approved by the Board of Trustees.

Mr R E L Smith

Trustee

Dated: 6 October 2023

AFRICA RESEARCH INSTITUTE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF AFRICA RESEARCH INSTITUTE

I report to the trustees on my examination of the financial statements of Africa Research Institute (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Katherine Parkin FCA
Azets Audit Services
Epsilon House
The Square
Gloucester Business Park
Gloucester
GL3 4AD
United Kingdom

Dated: 16 October 2023

AFRICA RESEARCH INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
Income from:			
Donations and legacies	2	105,000	51,025
		<hr/>	<hr/>
Expenditure on:			
Charitable activities	3	89,367	87,552
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		15,633	(36,527)
Fund balances at 1 April 2022		52,496	89,023
		<hr/>	<hr/>
Fund balances at 31 March 2023		68,129	52,496
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

AFRICA RESEARCH INSTITUTE

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Cash at bank and in hand		72,134		56,412	
Creditors: amounts falling due within one year	7	<u>(4,005)</u>		<u>(3,916)</u>	
Net current assets			<u>68,129</u>		<u>52,496</u>
Income funds					
Unrestricted funds			<u>68,129</u>		<u>52,496</u>
			<u>68,129</u>		<u>52,496</u>

The financial statements were approved by the Trustees on 1 October 2023

Mr R E L Smith
Trustee

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Africa Research Institute is an unincorporated charity and is registered with the Charity Commission under number 1118470. The address of the principal office can be found on the legal and administrative information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for smaller charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Interest on funds held on deposit is included when receivable & the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The charity receives donated resources from the HR Smith Group of companies in the form of provision of office space but as the value of these resources cannot be quantified the income and expenditure has not been recognised in the statement of financial activities.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

Grants are recognised in full in the year in which they are approved with future payments being included as liabilities. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to the charitable objects.

1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

2 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	105,000	51,025

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities

	Direct costs 2023 £	Direct costs 2022 £
Staff costs	85,207	85,275
Share of support costs (see note 4)	2,717	1,118
Share of governance costs (see note 4)	1,443	1,159
	<u>89,367</u>	<u>87,552</u>

4 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Bank charges	215	-	215	217	217
Other support costs	1,367	-	1,367	1,358	1,358
Rates	1,135	-	1,135	(457)	(457)
Independent Examiners fee	-	721	721	-	579
Accountancy	-	722	722	-	580
	<u>2,717</u>	<u>1,443</u>	<u>4,160</u>	<u>1,118</u>	<u>2,277</u>
Analysed between Charitable activities	<u>2,717</u>	<u>1,443</u>	<u>4,160</u>	<u>1,118</u>	<u>2,277</u>

Governance costs include amounts payable to the independent examiner of £721 (2022: £579) for Independent Examination and £722 (2022: £580) payable to the Independent Examiner for other accountancy services provided.

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the charity during the year (2021: Nil).

6 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
1	1
<u>1</u>	<u>1</u>

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6	Employees	(Continued)	
	Employment costs	2023	2022
		£	£
	Wages and salaries	79,909	79,528
	Social security costs	5,298	5,747
		<u>85,207</u>	<u>85,275</u>
		<u><u>85,207</u></u>	<u><u>85,275</u></u>
	 The number of employees whose annual remuneration was more than £60,000 is as follows:		
		2023	2022
		Number	Number
	£70,000 - £80,000	1	1
		<u>1</u>	<u>1</u>
		<u><u>1</u></u>	<u><u>1</u></u>
7	Creditors: amounts falling due within one year		
		2023	2022
		£	£
	Other taxation and social security	2,753	2,757
	Accruals and deferred income	1,252	1,159
		<u>4,005</u>	<u>3,916</u>
		<u><u>4,005</u></u>	<u><u>3,916</u></u>

AFRICA RESEARCH INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds		Movement in funds		Movement in funds			
Unrestricted funds	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Incoming resources £	Resources expended 31 March 2023 £	Balance at 31 March 2023 £
	89,023	51,025	(87,552)	-	52,496	105,000	(89,367)	68,129
	=====	=====	=====	=====	=====	=====	=====	=====

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations received		Recharge of costs	
	2023	2022	2023	2022
	£	£	£	£
HR Smith (Technical Developments) Limited	-	-	192	-
Techtest Limited	-	-	108	-
HR Smith Group Limited	105,000	50,000	-	-
	<u>105,000</u>	<u>50,000</u>	<u>300</u>	<u>-</u>
	=====	=====	=====	=====

Mr R E L Smith and Miss S F Smith are Trustees of the charity and also directors of HR Smith Group Limited, HR Smith (Technical Developments) Limited and Techtest Limited. The charity received donations without conditions and was recharged for IT and life insurance related costs as detailed above.

AFRICA RESEARCH INSTITUTE

England & Wales - Charity number 1118470

Accounts

Charity Registration No. 1118470

AFRICA RESEARCH INSTITUTE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

AFRICA RESEARCH INSTITUTE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R E L Smith Miss S F Smith Lord Flight of Worcester
Charity number	1118470
Principal address	Street Court Kingsland Leominster Herefordshire United Kingdom HR6 9SG
Independent examiner	Katherine Parkin FCA Azets Audit Services Epsilon House Gloucester United Kingdom GL3 4AD
Bankers	Lloyds TSB Bank Plc 49-51 Dean Street Marlow Buckinghamshire United Kingdom SL7 3BP
Solicitors	Harrison Clark Rickerbys LLP c/o Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire United Kingdom GL50 1YD

AFRICA RESEARCH INSTITUTE

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AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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)".

Objectives and activities

Objects

The objects of the charity are to advance the education of the general public in the UK, Africa and elsewhere in the subjects of good governance, health, gender issues, trade, rural development, international aid, human welfare and poverty relief relating to countries and societies in Africa and to educate the public about Africa generally and the challenges it faces; and to promote research into the above subject areas for the benefit of the public and to disseminate the useful results of such research.

Activities

The objectives of the charity are to encourage debate, question orthodoxy and challenge "received wisdom" in and about Africa. The charity seeks to promote an informed, nuanced and representative understanding of the continent.

The work of the charity draws attention to good practice and innovation, while also identifying where new approaches might be needed. Examples of practical achievement are of particular interest to us.

The charity's research is distributed widely within Africa and elsewhere to decision-makers, institutions and individuals with a keen interest in the continent's future. The charity also holds regular interactive events with expert speakers in London and Africa.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Charitable activities

There have been no significant developments or changes to the activities of the charity during the last year however an employed director has remained in post to further progress its aims and objectives.

Financial review

Financial position

At the balance sheet date, "free reserves", being unrestricted funds other than fixed assets, amounted to £52,496 (2021: £89,024).

Reserves policy

The charity aims to retain free reserves sufficient to provide adequate working capital to fund its charitable activities.

Cash reserves at the year end (including amounts held on short term deposit) were £56,412 (2021: £93,374).

Risk

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

Governing document

The charity is governed by its Trust Deed dated 26 February 2007. It is independently funded and strictly non-partisan.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr R E L Smith

Miss S F Smith

Lord Flight of Worcester

Recruitment and appointment of trustees

The power of appointing new trustees is vested in the trustees.

Organisational structure

The trustees are responsible for formulating the strategies and policies of the charity including the exercising of financial controls.

The trustees' report was approved by the Board of Trustees.

Mr R E L Smith

Trustee

Dated: 13 January 2023

AFRICA RESEARCH INSTITUTE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF AFRICA RESEARCH INSTITUTE

I report to the trustees on my examination of the financial statements of Africa Research Institute (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Katherine Parkin FCA
Azets Audit Services
Epsilon House
The Square
Gloucester Business Park
Gloucester
GL3 4AD
United Kingdom

Dated: 17 January 2023

AFRICA RESEARCH INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	2	51,025	180,000
Investment income	3	-	37
		<hr/>	<hr/>
Total income		51,025	180,037
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	87,552	94,078
		<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(36,527)	85,959
Fund balances at 1 April 2021		89,023	3,065
		<hr/>	<hr/>
Fund balances at 31 March 2022		52,496	89,024
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

AFRICA RESEARCH INSTITUTE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	8	-		56	
Cash at bank and in hand		56,412		93,374	
		<u>56,412</u>		<u>93,430</u>	
Creditors: amounts falling due within one year	9	(3,916)		(4,406)	
Net current assets			52,496		89,024
			<u>52,496</u>		<u>89,024</u>
Income funds					
Unrestricted funds			52,496		89,024
			<u>52,496</u>		<u>89,024</u>
			<u>52,496</u>		<u>89,024</u>

The financial statements were approved by the Trustees on 13 January 2023

Mr R E L Smith
Trustee

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Africa Research Institute is an unincorporated charity and is registered with the Charity Commission under number 1118470. The address of the principal office can be found on the legal and administrative information page.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for smaller charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Interest on funds held on deposit is included when receivable & the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

The charity receives donated resources from the HR Smith Group of companies in the form of provision of office space but as the value of these resources cannot be quantified the income and expenditure has not been recognised in the statement of financial activities.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

Grants are recognised in full in the year in which they are approved with future payments being included as liabilities. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to the charitable objects.

1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

2 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	51,025	180,000

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Investment income

	Total	Unrestricted
	2022	funds
	£	2021
		£
Investment income	-	37
	<u> </u>	<u> </u>

4 Charitable activities

	Direct costs	Direct costs
	2022	2021
	£	£
Staff costs	85,275	85,289
Share of support costs (see note 5)	1,118	7,707
Share of governance costs (see note 5)	1,159	1,082
	<u> </u>	<u> </u>
	<u>87,552</u>	<u>94,078</u>

5 Support costs

	Support costs	Governance costs			2022	Support costs	Governance costs	2021
	£	£	£	£	£	£	£	£
Bank charges	217	-	217	132	-	132		132
Other support costs	1,358	-	1,358	1,462	-	1,462		1,462
Rates	(457)	-	(457)	6,113	-	6,113		6,113
Independent Examiners fee	-	579	579	-	540	540		540
Accountancy	-	580	580	-	542	542		542
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u> </u>
	<u>1,118</u>	<u>1,159</u>	<u>2,277</u>	<u>7,707</u>	<u>1,082</u>	<u>8,789</u>		<u>8,789</u>
Analysed between Charitable activities	<u>1,118</u>	<u>1,159</u>	<u>2,277</u>	<u>7,707</u>	<u>1,082</u>	<u>8,789</u>		<u>8,789</u>

Governance costs include amounts payable to the independent examiner of £579 (2021: £540) for Independent Examination and £580 (2021: £542) payable to the Independent Examiner for other accountancy services provided.

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the charity during the year.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
1	1

Employment costs

	2022 £	2021 £
Wages and salaries	79,528	79,523
Social security costs	5,747	5,766
	<u>85,275</u>	<u>85,289</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£70,000 - £80,000	1	1

8 Debtors

Amounts falling due within one year:	2022 £	2021 £
Prepayments and accrued income	-	56

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	2,757	2,762
Trade creditors	-	540
Accruals and deferred income	1,159	1,104
	<u>3,916</u>	<u>4,406</u>

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds	3,065	180,037	(94,078)	89,023	51,025	(87,552)	52,496

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations received	
	2022	2021
	£	£
H R Smith Group Limited	50,000	180,000
	<u>50,000</u>	<u>180,000</u>
	<u><u>50,000</u></u>	<u><u>180,000</u></u>

Mr Richard Smith and Miss Susan Smith are Trustees of the charity and also directors and shareholders of H R Smith Group Limited. The charity received donations without conditions as detailed above.

AFRICA RESEARCH INSTITUTE

England & Wales - Charity number 1118470

Accounts

AFRICA RESEARCH INSTITUTE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

AFRICA RESEARCH INSTITUTE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R E L Smith Miss S F Smith Lord Flight of Worcester
Charity number	1118470
Principal address	Street Court Kingsland Leominster Herefordshire United Kingdom HR6 9SG
Independent examiner	Katherine Parkin FCA Azets Audit Services Pillar House 113-115 Bath Road Cheltenham Gloucestershire United Kingdom GL53 7LS
Bankers	Lloyds TSB Bank Plc 49-51 Dean Street Marlow Buckinghamshire United Kingdom SL7 3BP
Solicitors	Harrison Clark Rickerbys LLP c/o Harrison Clark Rickerbys Limited Ellenborough House Wellington Street Cheltenham Gloucestershire United Kingdom GL50 1YD

AFRICA RESEARCH INSTITUTE

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AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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)".

Objectives and activities

Objects

The objects of the charity are to advance the education of the general public in the UK, Africa and elsewhere in the subjects of good governance, health, gender issues, trade, rural development, international aid, human welfare and poverty relief relating to countries and societies in Africa and to educate the public about Africa generally and the challenges it faces; and to promote research into the above subject areas for the benefit of the public and to disseminate the useful results of such research.

Activities

The objectives of the charity are to encourage debate, question orthodoxy and challenge "received wisdom" in and about Africa. The charity seeks to promote an informed, nuanced and representative understanding of the continent.

The work of the charity draws attention to good practice and innovation, while also identifying where new approaches might be needed. Examples of practical achievement are of particular interest to us.

The charity's research is distributed widely within Africa and elsewhere to decision-makers, institutions and individuals with a keen interest in the continent's future. The charity also holds regular interactive events with expert speakers in London and Africa.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Charitable activities

There have been no significant developments or changes to the activities of the charity during the last year however an employed director was appointed in the prior year to further progress its aims and objectives.

Financial review

Financial position

At the balance sheet date, "free reserves", being unrestricted funds other than fixed assets, amounted to £89,024 (2020: £3,065).

Reserves policy

The charity aims to retain free reserves sufficient to provide adequate working capital to fund its charitable activities.

Cash reserves at the year end (including amounts held on short term deposit) were £93,374 (2020: £8,351).

Covid-19

Following the start of the Covid-19 pandemic in March 2020, all travel to Africa has been postponed indefinitely, however work continues in the UK to further the objects of the charity.

Risk

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

AFRICA RESEARCH INSTITUTE

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

Governing document

The charity is governed by its Trust Deed dated 21 March 2007. It is independently funded and strictly non-partisan.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr R E L Smith

Miss S F Smith

Lord Flight of Worcester

Recruitment and appointment of trustees

The power of appointing new trustees is vested in the trustees.

Organisational structure

The trustees are responsible for formulating the strategies and policies of the charity including the exercising of financial controls.

The trustees' report was approved by the Board of Trustees.

.....

Mr R E L Smith

Trustee

Dated: 22/10/2021

AFRICA RESEARCH INSTITUTE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF AFRICA RESEARCH INSTITUTE

I report to the trustees on my examination of the financial statements of Africa Research Institute (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Katherine Parkin FCA
Azets Audit Services
Pillar House
113-115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS
United Kingdom

Dated: 26/10/2021

AFRICA RESEARCH INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	2	180,000	60,000
Investment income	3	37	183
Other income	4	-	1,025
		<hr/>	<hr/>
Total income		180,037	61,208
<u>Expenditure on:</u>			
Charitable activities	5	94,078	95,210
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		85,959	(34,002)
Fund balances at 1 April 2020		3,065	37,067
		<hr/>	<hr/>
Fund balances at 31 March 2021		89,024	3,065
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

AFRICA RESEARCH INSTITUTE

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	9	56		-	
Cash at bank and in hand		93,374		8,351	
		<u>93,430</u>		<u>8,351</u>	
Creditors: amounts falling due within one year	10	(4,406)		(5,286)	
Net current assets			89,024		3,065
			<u>89,024</u>		<u>3,065</u>
Income funds					
Unrestricted funds			89,024		3,065
			<u>89,024</u>		<u>3,065</u>

The financial statements were approved by the Trustees on ..22./10./2021


.....
Mr R E L Smith
Trustee

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Africa Research Institute is an unincorporated charity and is registered with the Charity Commission under number 1118470. The address of the principal office can be found on the legal and administrative information page.

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1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Interest on funds held on deposit is included when receivable & the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The charity receives donated resources from the HR Smith Group of companies in the form of provision of office space but as the value of these resources cannot be quantified the income and expenditure has not been recognised in the statement of financial activities.

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the financial statements.

Grants are recognised in full in the year in which they are approved with future payments being included as liabilities. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Taxation

The charity is exempt from corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to the charitable objects.

1.10 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Donations and legacies

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Donations and gifts	180,000	60,000

3 Investment income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Investment income	37	183

4 Other income

	Total 2021 £	Total 2020 £
Royalties	-	1,025

5 Charitable activities

	Direct costs 2021 £	Direct costs 2020 £
Staff costs	85,289	85,647
Travel	-	1,250
Consultancy	-	506
	85,289	87,403
Share of support costs (see note 6)	7,707	6,195
Share of governance costs (see note 6)	1,082	1,612
	94,078	95,210

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Support costs	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Bank charges	132	-	132	143	-	143
Other support costs	1,462	-	1,462	962	-	962
Rates	6,113	-	6,113	5,090	-	5,090
Independent Examiners fee	-	540	540	-	540	540
Accountancy	-	542	542	-	1,072	1,072
	<u>7,707</u>	<u>1,082</u>	<u>8,789</u>	<u>6,195</u>	<u>1,612</u>	<u>7,807</u>
Analysed between Charitable activities	<u>7,707</u>	<u>1,082</u>	<u>8,789</u>	<u>6,195</u>	<u>1,612</u>	<u>7,807</u>

Governance costs include amounts payable to the independent examiner of £540 (2020: £540) for Independent Examination and £542 (2020: £1,072) payable to the Independent Examiner for other accountancy services provided.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or reimbursed expenses from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>1</u>	<u>1</u>
Employment costs	2021	2020
	£	£
Wages and salaries	79,523	78,944
Social security costs	5,766	6,703
	<u>85,289</u>	<u>85,647</u>

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Employees

(Continued)

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£70,000 - £80,000	1	1

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	56	-

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	540	1,410
Other creditors	2,762	2,774
Accruals and deferred income	1,104	1,102
	<u>4,406</u>	<u>5,286</u>

11 Unrestricted funds

These are unrestricted funds which are material to the charity's activities made up as follows:

	Movement in funds			Movement in funds			
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Unrestricted funds	37,067	61,208	(95,210)	3,065	180,037	(94,078)	89,024

AFRICA RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations received	
	2021	2020
	£	£
H R Smith Group Limited	180,000	60,000
	<u>180,000</u>	<u>60,000</u>
	<u><u>180,000</u></u>	<u><u>60,000</u></u>

Mr Richard Smith and Miss Susan Smith are Trustees of the charity and also directors and shareholders of H R Smith Group Limited. The charity received donations without conditions as detailed above.

Document Activity Report

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