

THE AFRICA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE AFRICA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr David Fremel Mrs Kirsten Searle Mr Paul Searle
Charity number	1147666
Principal address	Secretary : Aidan Geraghty 10 Kings Court Willie Snaith Road Newmarket CB8 7SG
Auditor	Brown Warner LLP 38 Northgate Newark-on-Trent Nottinghamshire NG24 1EZ
Bankers	HSBC PLC 63 - 64 St Andrew's Street Cambridge CB2 3BZ

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THE AFRICA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their Annual Report and Financial Statements for the year ended 31 December 2020. (Previous year ended 31 December 2019).

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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objectives of the Trust are:

To promote sustainable development for the benefit of people in Africa through:

- A) The relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities;
- B) The promotion of sustainable means of achieving economic growth and regeneration;
- C) The preservation, conservation and protection of the environment with a particular focus on improvements to water supply and sanitation;
- D) To advance the education of the public (in the UK and elsewhere) in subjects relating to sustainable development and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large.

'Sustainable development' means 'Development which meets the needs of the present without compromising the ability of future generations to meet their own needs.'

The Trust carries out these objectives by:

- A) Providing grants to partner organizations in Africa to fund activities which will further the Trust's charitable objectives while building the capacity of each partner.
- B) Funding research into innovations, with a particular focus on the Trust's core strength of clean water supply and sanitation.

The Trust carries out this programme through partnerships with independent organisations in various countries across Africa. These partners include the Zimbabwe Africa Trust, the Alliance Development Africa Foundation in Malawi, Living Business Education in Uganda, the Better Living Initiative in Kenya, and the Another Hope Foundation in Tanzania.

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

Grant making policy

The Trust has established its grant making policy to achieve its objectives.

How the grant and research programmes delivered public benefit; a review of the achievements and performance.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The total number of beneficiaries at the start of 2020 was 2,909,403 and 259,097 new beneficiaries were added by the end of the year. This pushed the total number of beneficiaries past three million as The Africa Trust commences its ten-year anniversary year in 2021.

A total of 857 new pumps were installed in 2020 compared to 912 in 2019. All of these pumps were installed in Zimbabwe. 102 new toilets were built including 45 in Tanzania, and 57 in Zimbabwe. The number of new beneficiaries for the pigeon pea, dairy and bananas for fees projects during the year was 1,635. There were 2,112 new beneficiaries for the sanitation programme. A total of 3,149 new beneficiaries were added to the business skills training programme, most of whom received loans through VSLAs towards business start-ups. Over ten thousand new businesses have been set up to date as a result of this programme.

2020 was a challenging year, with a reduction in income from AquAid compared to 2019. This was offset by increased personal contributions, especially from the Searle family, Dave, Alastair and the chief executive's brother Andrew. As a result, the outputs and achievements, though slightly lower than 2019, still exceeded the original planned targets. It was also possible to retain a healthy level of year-end reserves, with a reduction of £24,521 leaving £212,235. This is well above the prescribed minimum of £100,000 according to the agreed reserves policy.

Zimbabwe: The policy to increase stocks of pump building materials in 2019 proved beneficial in 2020, as operations were able to continue close to optimal capacity even when the level of funding was reduced. When funding levels returned to normal, these stocks were replenished. 857 new pumps were built in Zimbabwe, at a per pump cost which was significantly below the agreed target. These savings were used for other approved projects including sanitation, the bananas for fees project (which has now drawn to a close after seven successful years) and a self-sustaining project, which will generate funds for a staff pension scheme.

With every new project, the aim is to achieve sustainable benefits. After the enormous success of the programme for business skills and VSLA training with loans in Malawi, a plan was agreed to start a similar project in Zimbabwe in 2021. The local implementing partner will be the Alliance Development Africa Trust, which includes two senior staff who have spent several months working with ADAF in Malawi. The target for 2021 will be to train and provide loans to at least 480 people.

Malawi: The implementing partner ADAF has continued to perform well during a period of expansion. The chair and chief executive had assisted in securing significant funding for them from Christian Aid in addition to the ongoing funding from The Africa Trust. It was reported that the level of loan repayment continues to exceed 95% and was even higher for the first cohort of more than a thousand beneficiaries under the Christian Aid funded project. The chief executive has helped to ensure that ADAF has excelled in their project monitoring outputs and reporting to Christian Aid as a way to build their capacity. It is hoped this will allow Christian Aid to see the potential of this project with a view to increased funding.

The Africa Trust also funded a consultant for short period who assisted the Christian Aid project to identify ways in which pigeon pea farmers can increase their income. This concluded with a recommendation that local processing of pigeon peas to dhal would be the best way to add value whether for local sale or export. Plans were developed to trial village level and larger scale processing in 2021 to determine which approach would work better in increasing the income for local farmers.

ADAF was able to double the number of people they trained in 2020 compared to the previous year thanks to additional staff and a new vehicle (funded by Christian Aid). While this level of exponential growth is not sustainable, plans are in place for further expansion in 2021. 784 of the beneficiaries were pastors, who are generating huge demand for expansion of this project as they talk about it with their congregations across the whole of Malawi. While many of these pastors had initially struggled to pay back their loans, the repayment levels have now improved significantly. Their testimonies are quite extraordinary.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Tanzania: 45 toilets were built in Tanzania along with further extension of the gravity fed pipeline projects, which provide clean water to tens of thousands of people. The demonstration elephant pumps are working well and have been enthusiastically embraced by local communities, but official government approval is now needed for the technology before further expansion of this programme can proceed. Some areas in Mwanza have already been identified as suitable for these pumps.

Uganda: In 2020, there were 310 business skills training graduates. The decrease from the previous year's total was mainly due to a significant reduction in allocated funding. Work was also suspended for a couple of months due to a strict local lockdown. While the Uganda programme is having an enormous positive impact, it is clear that the level of poverty and need is not as great as is seen in Malawi and Zimbabwe. This was the main reason for a reduction in funding to this project in 2020.

Kenya: The business skills and VSLA training programme with loans was affected by local lockdowns. While training classes were not permitted for most of the year, it was possible to continue planned mentoring for existing beneficiaries. There are plans to catch up on training in 2021 with 30 trainees per month. The scale of this project remains small.

Monitoring achievement

All partner organizations provide regular updates on progress including accounts, narrative reports and photos for all the projects. There are a number of layers of monitoring both internally, within the partner organizations, and externally, including regular visits (normally) and continuous remote monitoring by the chief executive, independent monitoring exercises, trustee visits to projects and regular checking of progress for all field programmes against agreed milestones. Senior personnel from our partner organisations are also sent by the chief executive to visit the Africa Trust funded projects in other countries for training and monitoring purposes. The trustees of The Africa Trust review progress through formal quarterly meetings and keep up to date with regular phone calls and email exchanges. It was not possible for the chief executive to visit field projects during 2020 due to travel restrictions however he continued to monitor all projects remotely. He was also still able to task and fund personnel from partner organisations to visit other country projects for independent monitoring purposes.

Financial review

In total, incoming resources for the calendar year 2020 amounted to £1,185,979 (2019: £1,354,776) from which grants and payments to partners and projects, including the chief executive's remuneration, of £1,198,218 (2019: £1,329,755) have been made. Governance costs of £12,282 (2019: £5,974) have been deducted leaving a deficit of £24,521 (2019: surplus £19,047) to be deducted from reserves.

The trustees agreed that the level of free reserves could be reduced to a level that equates to at least one month of planned forward expenditure. Due to the scalable nature of the core programme in Zimbabwe, this level of reserves is considered to be adequate.

The balance of unrestricted funds at 31st December 2020 was £212,235, all of which is regarded as free reserves, against a one month projected spend of under £100,000 for the first month of 2021. The current level of reserves is therefore well above the approved minimum. Experience in 2020 demonstrated that operations can be scaled down and up quite rapidly in response to changes in the flow of funding. It is therefore felt by the trustees that holding a higher level of reserves is not necessary and would reduce the number of beneficiaries. Nevertheless, the chief executive was encouraged to consider £100,000 as a minimum, with a figure closer to £200,000 being ideal.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risks

The trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The major risk is the extent to which the grants awarded will further the aims of the Trust due to operational challenges on the ground. The trustees manage this risk and seek to maximize the positive impact by regularly reviewing the outputs and activities of all implementing partners and by reviewing the funding to each partner according to their monitored achievements. In 2020, the impact of the Covid pandemic was a major risk factor due to the impact on revenue streams and project implementation. There was successful mitigation of this risk and the planned output targets were achieved and generally exceeded despite various challenges.

Grants Approved for the Period January 2021 – December 2021

Trustees approved the following grants and funding for the coming year:

1. Up to £900,000 will be allocated to the Zimbabwe Africa Trust (ZAT) primarily for the core programme of installing and maintaining elephant pumps to provide clean water in poor rural communities in Zimbabwe including some allocation to sanitation projects, emergency relief and the dairy project. Under the terms of this grant, ZAT would commit to installing one new pump for every one thousand two hundred pounds provided. This is an agreed per pump reduction of £200 compared to 2020. As ZAT is a non-profit organization, any funds saved would be used by ZAT to: install additional pumps, improve capacity such as vehicles and to invest in secondary projects to relieve poverty and emergency relief for those in desperate situations. ZAT would be expected to provide the chief executive with weekly updates on progress including photos of pumps built and reports on the secondary projects. The impact of the projects would be monitored including estimates of the number of people who were assisted to have a sustainable supply of clean productive water. This country programme is the flagship endeavour of the Africa Trust, which satisfies the needs and interests of the Africa Trust's core funder AquAid, since they are keen for money donated from their water cooler business to be used to establish supplies of clean drinking water in poor areas of Africa.
2. A grant of up to £15,000 was approved for the year to Living Business Education (LBE) in Uganda for the on-going business skills training and mentoring programme and some VSLA training.
3. A grant of up to £60,000 was approved for the Another Hope Foundation (AHF) in Tanzania for the elephant pump, sanitation and pipeline programme in that country. Other projects under the terms of this grant include: business skills and VSLA training and small loans to help trainees start their own businesses.
4. Up to £15,000 was approved for the Better Living Initiative organization in Kenya. The primary use of this grant would be to provide training and loans to poor people for them to start up small business ventures along with VSLA training.
5. Up to £10,000 was approved for the year for emergency relief at the discretion of the chief executive.
6. A subsistence and operational allowance of up to £55,000 was approved for the chief executive to oversee, monitor and develop the field programmes. This was structured to include a formal UK net salary of £2,500 per month plus funds towards a pension scheme. This allowance can include accommodation, travel, food and other basics such as air-time for phone and data needs.
7. Up to £120,000 was allocated to the business skills training and small loans project run by ADAF in Malawi. Included in this is £9,000 towards the pigeon pea project (funded by Christian Aid).
8. Up to £70,000 was allocated to ADAT for the new business skills and VSLA training project with loans in Zimbabwe.
9. Up to £10,000 was approved for UK administration including audit.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Approved Budget for 2021

Details	Income £	Expenditure £	Beneficiaries	
			Existing	New (approx.)
AquAid and other Contributions	1,200,000			
Pumps, Pipelines and Relief *		990,000	3,105,655	252,000
Business Skills Training				
(including loans and grants)		240,000	28,522	4,000
Agriculture (peas, dairy)		10,000	6,024	1,200
Improved Sanitation		5,000	28,299	1,800
Projects - Sub Total		1,245,000		
UK administration and audit		10,000		
TOTAL	1,200,000	1,255,000	3,168,500	259,000

* The UK Payroll is incorporated into the project management budgets.

Structure, governance and management

The Africa Trust became a registered charity, number 1147666, on 12th June 2012 having been in operation since December 2010 and is constituted under a trust deed.

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

Mr David Fremel
Mrs Kirsten Searle
Mr Paul Searle

Paul Searle, David Fremel and Kirsten Searle are the founding trustees of The Africa Trust. The Board will next decide upon any extension to their current tenure in May 2023 for Paul Searle and in May 2022 for David Fremel and Kirsten Searle.

New trustees are appointed by the existing trustees and serve for three to five years after which they may put themselves forward for re-appointment. The trust deed provides for a minimum of 3 trustees, to a maximum of 9 trustees, with no more than 3 trustees due for re-appointment in any one year.

All trustees give of their time freely and no trustee remuneration was paid. No expenses were claimed by any of the trustees. Trustees are required to disclose all relevant interests and register them with the chief executive and in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

At the quarterly trustees' meetings, the trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, reserves and risk management policies and performance. Day-to-day administration of grants and the processing and handling of applications prior to consideration by the trustees is delegated to the chief executive. The chief executive did not claim any expenses during the year. He was able to subsidize his work with his own funds and with part of the salary paid to him by the Trust during the year. Salary payments paid to the chief executive including his pension and national insurance contributions amounted to £48,808 during the year.

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TRUSTEES' REPORT (CONTINUED)

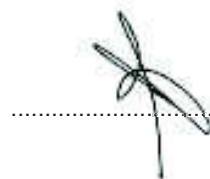
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees formally approved arrangements complying with the ICSA guide 'Recruitment, Appointment and Induction of Charity Trustees' and now convene the Nominations Sub Committee as required both to recruit new trustees for their experience, empathy and knowledge of the charity and to keep the skills and composition of the trustee body and succession planning under review. New trustees may be sought by open advertisement or through a dialogue with potential candidates. Respecting the ethos of the Trust to continue the charitable work intended by the founders, the ultimate decision on selection is a matter for the trustees.

On appointment, new trustees commit to giving of their time and expertise. The induction process follows the ICSA good practice guide with a formal induction programme for any newly appointed trustee which includes an initial meeting with the chairman and the trustees, followed by a series of meetings with the chairman and chief executive on responsibilities of the trustee board and the sub committees. This induction includes a brief history of the Trust, copies of trustee board and subcommittee minutes, a copy of recent annual reports and accounts, a copy of the governing trust deed and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Charities and Public Benefit'.

The trustees are related parties to the charity; Kirsten and Paul Searle are directors and controlling shareholders of AquAid Franchising Limited which company is the major contributor to the Charity, donating £808,976 in the year 2020 (2019: £987,500) . In addition, they donated £172,000 personally in the year and David Fremel donated £4,800.

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

A handwritten signature in black ink, appearing to be 'Paul Searle', written over a horizontal dotted line.

Mr Paul Searle

Trustee

Dated: 25.05.2021

THE AFRICA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of charity and of the incoming resources and application of resources of the charity for that year.

In preparing these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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 AFRICA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE AFRICA TRUST

Opinion

We have audited the financial statements of The Africa Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE AFRICA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE AFRICA TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

We identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

We conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE AFRICA TRUST

We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

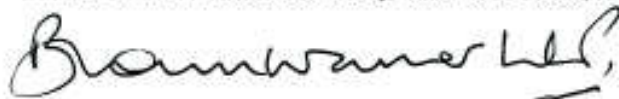
Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Brown Warner LLP

10 June 2021

**Chartered Accountants
Statutory Auditor**

38 Northgate
Newark-on-Trent
Nottinghamshire
NG24 1EZ

THE AFRICA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE AFRICA TRUST

Brown Warner LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE AFRICA TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Donations and legacies	2	1,185,979	1,354,776
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	3	1,210,500	1,335,729
		<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(24,521)	19,047
Fund balances at 1 January 2020		236,756	217,709
		<hr/>	<hr/>
Fund balances at 31 December 2020		212,235	236,756
		<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.

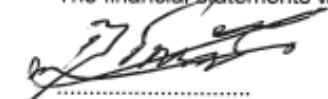
THE AFRICA TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	7	45,160		52,593	
Cash at bank and in hand		171,427		188,824	
		<u>216,587</u>		<u>241,417</u>	
Creditors: amounts falling due within one year	8	(4,352)		(4,661)	
Net current assets			<u>212,235</u>		<u>236,756</u>
Income funds					
Unrestricted funds - general			<u>212,235</u>		<u>236,756</u>
			<u>212,235</u>		<u>236,756</u>

The financial statements were approved by the Trustees on 25.05.2021


.....
Mr David Fremel
Trustee


.....
Mr Paul Searle
Trustee

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Africa Trust is a Registered Charity, number 1147666.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Trust Deed, 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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.

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 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.

1.6 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.

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.

1.7 Employee benefits

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.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Donations and gifts	1,185,979	1,354,776

3 Charitable activities

	2020 £	2019 £
Staff costs	48,809	31,009
Bank and other charges	82	74
Legal and professional expenses	12,200	5,900
	<u>61,091</u>	<u>36,983</u>
Grant funding of activities (see note 4)	1,149,409	1,298,746
	<u>1,210,500</u>	<u>1,335,729</u>

4 Grants payable

	2020 £	2019 £
Grants to institutions:	1,149,409	1,298,746

Included within the cost of pumps, pipelines and filters are grants paid to Zimbabwe Africa Trust totalling £963,209 which is the largest recipient of funds during the year.

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5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but the chief executive was paid a salary and pension fund contributions as set out in note 6.

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

Number of employees

The average monthly number of employees, including the Trustees, during the year was:

	2020 Number	2019 Number
	4	4

Employment costs

	2020 £	2019 £
Wages and salaries	38,809	21,009
Other pension costs	10,000	10,000
	48,809	31,009

7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	45,160	52,593

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	4,352	4,661

9 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	48,809	31,009