

**THE AFRICA TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# THE AFRICA TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr David Fremel Mrs Kirsten Searle Mr Joshua Searle	(Appointed 29 July 2022)
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<b>Charity number</b>	1147666
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<b>Principal address</b>	Secretary : Aidan Geraghty 10 Kings Court Willie Snaith Road Newmarket CB8 7SG
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<b>Auditor</b>	Brown Warner LLP 38 Northgate Newark-on-Trent Nottinghamshire NG24 1EZ
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<b>Bankers</b>	HSBC PLC 63 - 64 St Andrew's Street Cambridge CB2 3BZ
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# THE AFRICA TRUST

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# THE AFRICA TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The Trustees present their Annual Report and Financial Statements for the year ended 31 December 2021. (Previous year ended 31 December 2020).

Paul Searle, who founded The Africa Trust together with Ian Thorpe, died in a car accident in July 2022. He had served as Chairman for the Board of Trustees since the Trust was founded, and remained passionate about the work of the Trust until his passing. He visited and inspected the field projects on many occasions across several countries, most recently with Ian in Malawi at the end of June 2022. Paul's personal commitment to helping the needy was rooted in his Christian faith. Whenever beneficiaries thanked him, he would ask them to give all the thanks and praise to Jesus and he did the same. He joyfully and generously gave his own money in addition to the extraordinary level of funding that continues to come to The Africa Trust from AquAid, which is owned by the Searle family. Paul is greatly missed by his family, friends and all those who met him. In a meeting of the Board on 29th July 2022, it was agreed that Paul would be replaced as a trustee by his son Joshua.

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 2019)

#### **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.

# THE AFRICA TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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.

#### Achievements and performance

How the programmes delivered public benefit: A review of activities, achievements and performance. The total number of beneficiaries at the start of 2021 was 3,168,500 and 287,203 new beneficiaries were added.

A total of 988 new pumps were installed in 2021 compared to 857 in 2020. All of these pumps were installed in Zimbabwe. 39 new toilets were built in Tanzania along with significant improvement to the gravity-fed water pipelines. A pharmacy/clinic was established in the Mutasa District of Zimbabwe. A total of 5,162 new beneficiaries were added to the business skills training programme (3,314 in Malawi, 1,498 in Zimbabwe and 350 in Uganda). This represents a massive increase from 3,149 beneficiaries in 2020, which was mainly due to the new programme commenced in Zimbabwe. Over twelve thousand new businesses have been set up to date as a result of this work across three countries.

2021 was a year of recovery, with a gradual reduction in the ongoing impact of the Covid pandemic. There were however still some local lockdowns and travel restrictions. Despite this, outputs and achievements exceeded the planned targets. It was possible to retain a healthy level of year-end reserves, with a reduction of £18,918 leaving £193,317. This is well above the prescribed minimum of £100,000 according to the agreed reserves policy.

#### Zimbabwe

988 new Elephant Pumps were built in Zimbabwe, at a per pump cost which was just below the agreed target. The savings were used for other approved projects, including emergency relief. A pharmacy/clinic was established in Mutasa District. 988 is the highest number of pumps ever installed in a single year, which was possible because the chief executive negotiated an exemption to strict lockdown rules that were generally imposed. This exemption was approved due to the work being classified as a vital front-line health operation. Pump installation work is also done in the open air, which is considered low risk.

Plans for community led total sanitation meetings were not possible as these would have required large numbers of people to gather. Staff who were allocated to toilet installation were moved to pump building. It was however possible to conduct monitoring exercises to investigate the impact of previous sanitation work. As a result, there will be a shift from toilet installation to more public hygiene education from 2022, through community led total sanitation meetings. Such meetings have resulted in large numbers of households installing toilets for themselves, hence the total number of beneficiaries to date was found to be higher than previously recorded. By offering one or two bags of cement per household plus training, far more toilets will be installed, benefitting many more people.

The additional implementing partner in Zimbabwe, the Alliance Development Africa Trust, exceeded its original target for entrepreneurial training of 500 by almost 200% and then even surpassed the revised target of 1,000 by nearly 50% with 1,498 people trained. This new project has proved to be extraordinarily successful in its first year, building on the framework that was developed with ADAF in Malawi. The level of demand for this project is unprecedented. Thousands of people are clamouring to be enrolled in the classes in the high density per-urban areas around Harare, where levels of poverty are extremely severe. Where a class of around 40 people are enrolled for training, it is not unusual for over 200 people to show up on the first day. During the course of the year, the generosity of Paul Searle and his family allowed for significant expansion, beyond the approved targets. Further expansion is planned for 2022

# THE AFRICA TRUST

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 DECEMBER 2021*

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#### **Malawi**

The implementing partner ADAF has continued to perform well during a further period of expansion. The chair and chief executive assisted in securing significant funding for them from Christian Aid in addition to the ongoing funding from The Africa Trust. The level of loan repayment continues to exceed 95%. The chief executive helped to ensure that ADAF has excelled in the timeliness and quality of project monitoring outputs and reporting to Christian Aid as a way to build their capacity. It is clear that Christian Aid now see the potential of this project. The chief executive and chair are assisting ADAF to secure a further funding agreement from Christian Aid from July 2022.

A village level processing centre for de-husking pigeon peas to produce dhal, was set up to add value and increase the income for local farmers. The husks are not discarded, as they have value for animal feed. In addition to the de-husking machine, a maize grinding machine was installed in the same building, to provide year-round income for the centre to be financially self-sustaining. A second such centre is planned to come on line in 2022. ADAF trained 3,314 people in 2021, which exceeded the ambitious target of 3,000. The number of village banks (village savings and loans associations) that were established, exceeded the target of 100 by 46. It is important to note that these savings clubs continue to operate after loans are repaid, creating an invaluable source of micro-finance.

#### **Tanzania**

39 toilets were built in Tanzania along with a major overhaul of the gravity-fed pipelines, which provide clean water to tens of thousands of people. This large-scale maintenance operation, which may be needed every ten years or so, involves clearing sedimentation, re-levelling sections and replacing inlet filter systems. Replacement of the taps on the standpipes is a community responsibility, and some were found to be in poor condition with wastage of water due to leakage. Meetings were held to encourage the community to focus more on maintenance and to save towards the next major maintenance operation in around 2030. This may however be quite challenging, as so little work has been needed over the last ten years that the community maintenance committees had become defunct. The communities have started to forget how much they were previously paying to buy water before the pipelines were installed. Official government approval is still needed for the Elephant Pump technology before expansion of this programme can proceed. The demonstration pumps that were installed, continue to work well.

#### **Uganda**

In 2021, there were 350 business skills training graduates mainly in Kampala and Wakiso. This is an increase of 40 from the previous year. The level of funding for LBE remained low, at £6,000 for the entire year, however the historical support by The Africa Trust has allowed LBE and its director to grow and develop considerable influence. The books LBE have published (The Great Financial Rebuild and Investing for The Future) have been widely read and are some of the most recommended books on financial literacy and starting a small business in Uganda. Having built Mazima Retirement Plan, Uganda's first informal sector pension scheme, LBE have continued to play a role in shaping Uganda's social security agenda. Livingstone now sits on the technical committee of the Ministry of Gender and Social affairs of the Uganda Government, representing the informal economy.

Director Livingstone and project leader Rebecca also created an online business and financial training class that reached 500 people during 2021 and impacted many more through social media channels. They provided mentoring support to four Village Savings and Loans Associations with a total membership of 286. These four VSLAs had previously been established with support from The Africa Trust and have grown to achieve annual savings in excess of £30,000. This allows members to borrow money to establish small business ventures, then repay their loans.

# THE AFRICA TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 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 the 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 2021 due to travel restrictions however he continued to monitor all projects remotely and will resume visits in 2022. 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 2021 amounted to £1,641,159 (2020: £1,185,979) from which grants and payments to partners and projects, including the chief executive's remuneration, of £1,653,707 (2020: £1,198,218) have been made. Governance costs of £6,370 (2020: £12,282) have been deducted leaving a deficit of £18,918 (2020: deficit £24,521) to be deducted from reserves.

The trustees agreed that the minimum level of free reserves would be maintained at £100,000.

The balance of unrestricted funds at 31st December 2021 was £193,317, all of which is regarded as free reserves, against a one month projected spend of around £100,000 for the first month of 2022. 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.

### 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 2021, the Covid pandemic continued to be a 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.

# THE AFRICA TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Grants Approved for the Period January 2022 – December 2022

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 and emergency relief. Under the terms of this grant, ZAT would commit to installing one new pump for every one thousand two hundred pounds provided. 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 money donated from their water cooler business is 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 water and sanitation programme in that country.
4. Up to £15,000 was approved for the Better Living Initiative organization in Kenya if requested. 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 £15,000 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 £260,000 was allocated to the business skills training and small loans project run by ADAF in Malawi. Included in this is £10,000 towards the pigeon pea processing centre projects.
8. Up to £200,000 was allocated to ADAT for business skills and VSLA training with loans in Zimbabwe.
9. Up to £10,000 was approved for UK admin including audit.



# THE AFRICA TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### Approved Budget for 2022

			Beneficiaries	
Details	Income £	Expenditure £	Existing	New (approx.)
AquAid and other Contributions	1,500,000			
Pumps, Pipelines and Relief		970,000	3,379,516	275,000
Business Skills Training				
(including loans and grants)		470,000	33,684	5,000
Agriculture (processing centres)		10,000	6,855	500
Improved Sanitation		15,000	35,648	1,200
<b>Projects - Sub Total</b>		<b>1,465,000</b>		
UK admin and audit		10,000		
<b>TOTAL</b>	<b>1,500,000</b>	<b>1,475,000</b>	<b>3,455,703</b>	<b>281,700</b>

\* 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 (Deceased 6 July 2022)

Mr Joshua Searle (Appointed 29 July 2022)

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

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 £50,266 during the year.

# THE AFRICA TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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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 were directors and controlling shareholders of AquAid Franchising Limited which company is the major contributor to the Charity, donating £1,024,549 in the year 2021 (2020: £808,976) In addition, they personally donated £322,040 (2020: £172,000) in the year 2021 and David Fremel donated £4,800 (2020: £4,800).

#### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

**Mr Joshua Searle**

Trustee

Dated: 6 October 2022

# THE AFRICA TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 DECEMBER 2021*

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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

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### Opinion

We have audited the financial statements of The Africa Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2021 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

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### **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.

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).

# THE AFRICA TRUST

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

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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**

7 October 2022

**Chartered Accountants  
Statutory Auditor**

38 Northgate  
Newark-on-Trent  
Nottinghamshire  
NG24 1EZ

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 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 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b><u>Income from:</u></b>			
Donations and legacies	2	1,641,159	1,185,979
<b><u>Expenditure on:</u></b>			
Charitable activities	3	1,660,077	1,210,500
<b>Net expenditure for the year/ Net movement in funds</b>		(18,918)	(24,521)
Fund balances at 1 January 2021		212,235	236,756
<b>Fund balances at 31 December 2021</b>		193,317	212,235

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 2021**

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	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Debtors	7	52,460		45,160	
Cash at bank and in hand		145,224		171,427	
		<u>197,684</u>		<u>216,587</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(4,367)</u>		<u>(4,352)</u>	
Net current assets			193,317		212,235
			<u><u>193,317</u></u>		<u><u>212,235</u></u>
<b>Income funds</b>					
Unrestricted funds - general			193,317		212,235
			<u>193,317</u>		<u>212,235</u>
			<u><u>193,317</u></u>		<u><u>212,235</u></u>

The financial statements were approved by the Trustees on 6 October 2022

Mr Joshua Searle  
**Trustee**



# THE AFRICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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 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 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 2021

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### 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 2021

### 2 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Donations and gifts	1,641,159	1,185,979

### 3 Charitable activities

	2021 £	2020 £
Staff costs	50,266	48,809
Bank and other charges	150	82
Legal and professional expenses	6,220	12,200
	56,636	61,091
Grant funding of activities (see note 4)	1,603,441	1,149,409
	1,660,077	1,210,500

### 4 Grants payable

	2021 £	2020 £
Grants to institutions:	1,603,441	1,149,409

Included within the cost of pumps, pipelines and filters are grants paid to Zimbabwe Africa Trust totalling £1,167,022 (2020: £963,209) which is the largest recipient of funds during the year.

### 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 2021

### 6 Employees

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

	2021 Number	2020 Number
	4	4

#### Employment costs

	2021 £	2020 £
Wages and salaries	40,266	38,809
Other pension costs	10,000	10,000
	<u>50,266</u>	<u>48,809</u>

There were no employees whose annual remuneration was more than £60,000.

### 7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	<u>52,460</u>	<u>45,160</u>

### 8 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	<u>4,367</u>	<u>4,352</u>

### 9 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>50,266</u>	<u>48,809</u>

#### Transactions with related parties

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

# THE AFRICA TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **9 Related party transactions**

**(Continued)**

The trustees are related parties to the charity; Kirsten and Paul Searle were directors and controlling shareholders of AquAid Franchising Limited which company is the major contributor to the Charity, donating £1,024,549 in the year 2021 (2020: £808,976) In addition, they donated £322,040 (2020: £172,000) personally in the year 2021 and David Fremel donated £4,800 (2020: £4,800).