

THE AFRICA TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE AFRICA TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|--------------------------------------------------------------------------------------------|
| Trustees | Mr David Fremel Mrs Kirsten Searle Mr Joshua 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 |

THE AFRICA TRUST

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THE AFRICA TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their Annual Report and Financial Statements for the year ended 31 December 2023. (Previous year ended 31 December 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)" (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 organisations 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 and the Alliance Development Africa Trust in Zimbabwe, the Alliance Development Africa Foundation in Malawi, Living Business Education in Uganda 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.

THE AFRICA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

The total number of beneficiaries at the start of 2023 was 3,776,616 and 292,875 new beneficiaries were added. This includes 6,329 beneficiaries for the entrepreneurial training and loans programmes. A total of 942 new pumps were installed in 2023 (1,003 in 2022). The suspension of operations for nearly a month during the election period, caused this reduction from 1,003 down to 942 pumps built. All of these pumps were installed in Zimbabwe. 18 new toilets were built in Tanzania along with significant improvements and extension of the gravity-fed water pipelines. After Cyclone Freddy, 51 families in Malawi were assisted to rebuild their devastated homes and move back from camps.

With over four million beneficiaries, The Africa Trust is now one of the leading aid and development organisations on the continent in terms of the number of beneficiaries served. This is despite the relatively small annual budget compared to the major aid agencies. Over 40,000 people have been assisted with entrepreneurial training, loans and the establishment of village banks, allowing them to set up small businesses to support themselves and their families. This is now one of the largest entrepreneurship programmes in Africa, which differs from other approaches in its focus on helping people from the poorest communities to lift themselves out of poverty.

Zimbabwe

942 new Elephant Pumps were built in Zimbabwe, at a per pump cost which was below the agreed target. The savings were used for other approved projects, including emergency relief and the distribution of cement for toilet slabs. This was achieved despite a reduction in funding and during an election year in Zimbabwe, in which operations were suspended for nearly a month. Two of the project vehicles (an 8-tonne truck and a pick-up) are still in need of replacement (when funds allow) after over eleven years of continuous, heavy usage. The annual maintenance cost for these vehicles is increasing, even though one of the project staff is a qualified mechanic and does all repairs at cost.

Pump installation was combined with hygiene education during 2023, through community-led total sanitation meetings. Such meetings have resulted in much larger numbers of households installing toilets for themselves. By offering one bag of cement per household plus training, far more toilets are being installed, benefiting many more people by avoiding open defecation in entire communities. By addressing both water supply and sanitation for an entire cluster of villages, such as those in the catchment area of one rural school, the positive health impact can be far greater. This is seen in the reduction of the water borne disease burden and therefore improved school attendance.

The entrepreneurial training programme in Zimbabwe continues to grow, while we assist our implementing partner to put in place structures needed to secure significant independent funding from other organisations. In particular, the Chief Executive has been progressing negotiations with Christian Aid who are currently providing matched funding for the REAP Malawi project. Although negotiations for commencement of a similar REAP Zimbabwe project have taken longer than was originally anticipated, all signs are now positive that this project will commence in 2024. There is also interest from the Netherlands Government and together with Christian Aid, it is hoped that Africa Trust grants to our implementing partner ADAT (for entrepreneurial training and loans in Zimbabwe) will be soon matched.

Loan repayment has continued to exceed the target of 95%, with a further increase from 96% in 2022 up to 97% in 2023. This level of loan repayment is extraordinary, especially when you consider the harsh economic environment in which most Zimbabweans find themselves. Since 2021, when this programme was launched, 4,722 beneficiaries have been trained and assisted to start or improve their own businesses. Further significant investment is needed for this programme, especially in the first half of 2024, for matched funding from Christian Aid and the Netherlands government to be secured. There are now clearly developed plans in place to launch the £1 million REAP Zimbabwe project in 2024 in which £500,000, from the Africa Trust over five years, will be matched by Christian Aid.

THE AFRICA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Malawi

5,060 people received entrepreneurial training under the REAP Malawi project in 2023, which was above the ambitious target of 4,800 despite the devastating impact of Cyclone Freddy in March. Loan repayment rates in Malawi Kwacha remained high, however this local currency was devalued by the current administration during 2023, meaning that the value of loan repayments in pounds sterling was reduced by around 44%. This came after more than a decade (from 2012) without any sudden devaluation and was therefore impossible to anticipate and budget for. Discussions were had as to whether loans could be pegged to the pound at prevailing rates, but this would impact negatively on the ability of beneficiaries to make payments in the case of a sudden devaluation. A further concern would be the appearance of there being significant interest charged on loans if calculated in Malawi Kwacha. Overall it was decided that the priority was the pride and sense of achievement for beneficiaries when they repay their loans in full (in Kwacha with zero interest) even though the pound sterling value of these repayments may have fallen.

The Africa Trust's entrepreneurial training with loans programme in Malawi is now one of the largest micro-credit organisations in the whole country, in terms of the number of people benefitting from the loans and the village banks that have been established and continue to operate. 287 new village banks were established during 2023, each with around 15-20 members. The REAP Malawi Project has been tremendously successful and is expected to be extended beyond the three-year initial period. Furthermore, REAP Malawi has provided a model framework for the planned commencement of REAP Zimbabwe on a similar scale in 2024. One significant advantage in Zimbabwe, is that USD are used, hence reducing the likelihood of sudden currency devaluations impacting on the revolving fund. Although funding for ADAF from The Africa Trust directly was lower in 2023, a grant of £135,000 made to Christian Aid in November 2022 was disbursed to ADAF in 2023 along with more than matched funding from Christian Aid.

After floods caused by Cyclone Freddy in March 2023 washed away entire villages, 51 families in Malawi were assisted to rebuild their homes. 46 of these families were surviving in refugee camps having lost everything. It should be noted that the total cost of this project was just £7,644, which represents the cost incurred by other aid agencies to rebuild the homesteads for four or five families. The Africa Trust in partnership with ADAF, has shown that funds can go ten times as far if the project is well structured, working hand in hand with the affected local families. Other agencies were instead hiring contractors to build housing, which costs much more with less suitable results.

Tanzania

18 toilets were built in Tanzania along with further significant extension and futureproofing of the gravity-fed pipelines, which provide clean water to tens of thousands of people. It was decided to draw the Tanzania project to a close at the end of the year to allow for exclusive focus on Zimbabwe and Malawi where the level of poverty is more severe and the impact of funding is greater. A significant and sustained positive footprint will be left behind in Tanzania with improved sanitation, and gravity-fed pipelines that will provide clean water for thousands of people for decades to come. It should be noted that before these pipelines were established, local communities were paying extortionate amounts for their household water, which was being delivered in lorries.

The entire communities in the areas where pipelines were installed came out to assist with digging trenches, demonstrating the importance of these projects. At one time, the chief executive was digging deep trenches alongside over four thousand people! The topography meant that deep trenches were needed at certain points along more than ten kilometres of piping to allow for water to flow by gravity rather than requiring diesel pumping stations or syphon systems that are much more likely to fail. Good water pressures were achieved by gravity alone at all standpipe taps confounding local government experts, who had insisted that pump stations with storage tanks would be needed. The local communities now have full control of this project, along with adequate training for long-term maintenance.

THE AFRICA TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Uganda

In 2023, there were 476 business skills training graduates against a planned target of 360. The level of funding for LBE was increased from £12,000 up to £17,000 for the entire year. It was previously decided to end funding for Uganda at the end of 2023. It was hard to justify continued investment there, when there is such huge potential for expansion in Malawi and Zimbabwe. The scale of achievements from Africa Trust funding in Uganda is however extraordinary, with over 15,000 new jobs created due to the entrepreneurial training programme. Alongside this, there were many other achievements as documented over more than a decade, including assistance for 1,200 chili farmers in northern Uganda, funding for a 60-seat classroom at Mirembe Green Academy, the Mazima Retirement Scheme and the MyWater initiative to provide clean water in high density peri-urban areas. The chief executive will continue to provide Livingstone and LBE some support when requested, such as assistance in writing funding proposals.

Monitoring achievement

All partner organisations 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 organisations, 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.

Financial review

In total, incoming resources for the calendar year 2023 amounted to £1,418,835 (2022: £1,735,492) from which grants and payments to partners and projects, including the chief executive's remuneration, of £1,398,444 (2022: £1,859,028) have been made. Governance costs of £8,674 (2022: £10,184) have been deducted leaving a surplus of £11,717 (2022: deficit £133,720) to be added to reserves.

The trustees agreed that the minimum level of free reserves would now be set at £50,000. This lower level of reserves is possible due to the reliable and regular income flow from AquaAid and because it has proven possible to scale down operations, such as pump building, at short notice if and when this is required.

Total assets at the end of 2023 amounted to £179,085. However, with £107,771 in liabilities, including £100,000 outstanding for the long-term loan from the late Paul Searle's brother John, the actual level of free reserves at the end of 2023 was £71,314. This is above the target of £50,000 that was set as a minimum level for free reserves. The surplus for the year was £11,717. Experience in 2020 demonstrated that operations can be scaled down and up rapidly in response to changes in the flow of funding.

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.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Grants Approved for the Period January 2024 – December 2024

1. At least £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 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. If funds allow, an eight-ton truck and/or a pick-up are needed during 2023.
2. Up to £15,000 for the year for emergency relief at the discretion of the Chief Executive.
3. A subsistence and operational allowance of up to £55,000 would be maintained for the Chief Executive to oversee, monitor and develop the field programmes. This is structured to include a formal UK net salary of £2,500 per month plus funds towards a pension scheme. This allowance can include up to £5k towards accommodation, travel, food and other basics such as air-time for phone and data needs.
4. Up to £200,000 was approved to go towards the business skills training and small loans project run by ADAF in Malawi (funding can either be direct or via Christian Aid under the REAP Malawi project).
5. Up to £200,000 would be allocated to ADAT for business skills training with loans in Zimbabwe.
6. Up to £10,000 is proposed for UK administration, including audit.

Approved Budget for 2024

| Details | Income £ | Expenditure £ | Beneficiaries | |
|--------------------------------------------------------------------------|------------------|------------------|------------------|----------------|
| | | | Existing | New (approx.) |
| AquAid and other Sources | 1,350,000 | | | |
| Pumps, Pipelines and Relief | | 950,000 | 4,011,251 | 280,000 |
| Business Skills Training (including loans, grants and agriculture) | | 400,000 | 58,240 | 6,000 |
| | | | | |
| Projects - Sub Total | | 1,350,000 | | |
| | | | | |
| UK administration and audit | | 10,000 | | |
| | | | | |
| | | | | |
| TOTAL | 1,350,000 | 1,360,000 | 4,069,491 | 286,000 |

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

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 Joshua Searle

The Board will next decide upon any extension to the current tenures of trustees in June 2026 for Joshua Searle and in May 2025 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 £50,763 during the year.

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 Searle is a director and controlling shareholder of AquAid Franchising Limited which company is the major contributor to the Charity, donating £1,127,925 in the year 2023 (2022: £1,093,135) In addition, she personally donated £110,000 (2022: £366,250) in the year 2023, Joshua Searle donated £8,500 and David Fremel donated £4,800 (2022: £4,800).

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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: 27 Aug 24

THE AFRICA TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2023 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.

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.

THE AFRICA TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE AFRICA TRUST

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).

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.

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

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.

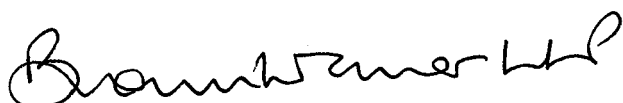
Other matters

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

**Chartered Accountants
Statutory Auditor**

27 August 2024

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 2023

| | Notes | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|-------------------------------------------------------|-------|------------------------------------|------------------------------------|
| Income from: | | | |
| Donations and legacies | 2 | 1,418,835 | 1,735,492 |
| Total income | | <u>1,418,835</u> | <u>1,735,492</u> |
| Expenditure on: | | | |
| Charitable activities | 3 | 1,407,118 | 1,869,212 |
| Total expenditure | | <u>1,407,118</u> | <u>1,869,212</u> |
| Net income/(expenditure) and movement in funds | | 11,717 | (133,720) |
| Reconciliation of funds: | | | |
| Fund balances at 1 January 2023 | | <u>59,597</u> | <u>193,317</u> |
| Fund balances at 31 December 2023 | | <u>71,314</u> | <u>59,597</u> |

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 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|----------------------------------------------------------------|-------|----------------|---------------|----------------|---------------|
| Current assets | | | | | |
| Debtors | 8 | 57,296 | | 55,376 | |
| Cash at bank and in hand | | 121,789 | | 210,712 | |
| | | <u>179,085</u> | | <u>266,088</u> | |
| Creditors: amounts falling due within one year | 10 | (107,771) | | (106,491) | |
| Net current assets | | | 71,314 | | 159,597 |
| Creditors: amounts falling due after more than one year | 11 | | - | | (100,000) |
| Net assets | | | <u>71,314</u> | | <u>59,597</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | | | 71,314 | | 59,597 |
| | | | <u>71,314</u> | | <u>59,597</u> |

The financial statements were approved by the Trustees on 27 Aug 24



Mr Joshua Searle
Trustee

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 or grantors 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 2023

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 2023

2 Donations and legacies

| | Unrestricted funds general 2023 £ | Unrestricted funds general 2022 £ |
|---------------------|-----------------------------------------------|-----------------------------------------------|
| Donations and gifts | 1,418,835 | 1,735,492 |

3 Charitable activities

| | 2023 £ | 2022 £ |
|------------------------------------------|-----------|-----------|
| Staff costs | 50,763 | 51,072 |
| Bank and other charges | 74 | 288 |
| Legal and professional expenses | 8,600 | 9,896 |
| | 59,437 | 61,256 |
| Grant funding of activities (see note 4) | 1,347,681 | 1,807,956 |
| | 1,407,118 | 1,869,212 |

4 Grants payable

| | 2023 £ | 2022 £ |
|-------------------------|-----------|-----------|
| Grants to institutions: | 1,347,681 | 1,807,956 |

Included within the cost of pumps, pipelines and sanitation are grants paid to Zimbabwe Africa Trust totalling £1,138,095 (2022: £1,112,263) 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 2023

6 Employees

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

| | 2023 Number | 2022 Number |
|--|----------------|----------------|
| | 4 | 4 |

Employment costs

| | 2023 £ | 2022 £ |
|---------------------|-----------|-----------|
| Wages and salaries | 43,263 | 41,072 |
| Other pension costs | 7,500 | 10,000 |
| | 50,763 | 51,072 |

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

7 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

8 Debtors

| | 2023 £ | 2022 £ |
|--------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 57,296 | 55,376 |

9 Loans and overdrafts

| | 2023 £ | 2022 £ |
|---------------------------------------|-----------|-----------|
| Other loans | 100,000 | 200,000 |
| Payable within one year (see note 10) | 100,000 | 100,000 |
| Payable after one year (see note 11) | - | 100,000 |

A loan of £250,000 was provided by CoolerAid Limited, in August 2022 and is repayable in equal six monthly instalments of £50,000 commencing in December 2022. The loan is unsecured and is free of interest.

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Borrowings | 100,000 | 100,000 |
| Accruals and deferred income | 7,771 | 6,491 |
| | <u>107,771</u> | <u>106,491</u> |

11 Creditors: amounts falling due after more than one year

| | 2023 £ | 2022 £ |
|------------|-----------|----------------|
| Borrowings | - | 100,000 |
| | <u>-</u> | <u>100,000</u> |

12 Retirement benefit schemes

| | 2023 £ | 2022 £ |
|---------------------------------------------------------------------|--------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 7,500 | 10,000 |
| | <u>7,500</u> | <u>10,000</u> |

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

13 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 January 2023 £ | Incoming resources £ | Resources expended £ | At 31 December 2023 £ |
|-----------------------|---------------------------|----------------------------|----------------------------|--------------------------------|
| General funds | 59,597 | 1,418,835 | (1,407,118) | 71,314 |
| | <u>59,597</u> | <u>1,418,835</u> | <u>(1,407,118)</u> | <u>71,314</u> |
| Previous year: | | | | |
| | At 1 January 2022 £ | Incoming resources £ | Resources expended £ | At 31 December 2022 £ |
| General funds | 193,317 | 1,735,492 | (1,869,212) | 59,597 |
| | <u>193,317</u> | <u>1,735,492</u> | <u>(1,869,212)</u> | <u>59,597</u> |

THE AFRICA TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

| | 2023 | 2022 |
|------------------------|--------|--------|
| | £ | £ |
| Aggregate compensation | 51,072 | 50,266 |

Transactions with related parties

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

The trustees are related parties to the charity; Kirsten Searle is, and Paul Searle was, a director and controlling shareholder of AquAid Franchising Limited which company is the major contributor to the Charity, donating £1,127,925 in the year 2023 (2022: £1,093,135). In addition, she personally donated £110,000 (2022: £366,250) in the year 2023, Joshua Searle donated £8,500 and David Fremel donated £4,800 (2022: £4,800).