

ACE AFRICA (UK)

TRUSTEES' REPORT AND FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012



**ACE
AFRICA**

Helping people to help themselves

A company limited by guarantee
Registered Charity No: 1111283
Company Number: 4726183

ACE AFRICA (UK) REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012



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ACE AFRICA (UK)
LEGAL AND ADMINISTRATIVE
INFORMATION FOR THE YEAR
ENDING 31 DECEMBER 2012



Bungoma, Kenya

Charity Name: ACE Africa (UK) formerly Action in the Community Environment
Charity No: 1111283
Company No: 4726183

The charitable company is governed by its Articles of Association

Registered Office: c/o Lockton CompaniesLLP
 The St Botolph Building
 183 Houndsditch
 London EC3A 7AG

Operational Address: c/o Lockton CompaniesLLP
 The St Botolph Building
 183 Houndsditch
 London EC3A 7AG

Board of Directors:

Francis Howard	Chairman
John Collenette	Treasurer
Mark Chamberlen	
Pratik Chandaria	
Marianne Hay	(appointed 6 th Feb 2013)
Chad Lion-Cachet	
Chris Rowse	(appointed 4 th Feb 2013)
Mike Hammond	(resigned 1 st August 2012)
Andy Jinman	(resigned 23 rd August 2012)
Peter Lever	(resigned 19 th February, 2012)
Derek Walmsley	(resigned 13 th January, 2012)

Secretary: John Collenette

Interim Chief Executive ACE Africa Group: Kedge Martin

Administration: Elizabeth Epsley, Fundraising and Communications Officer
 Natasha Ristic, Fundraising and Office Assistant
 Adenrele A Ajibade, Finance Officer

Auditor: Critchleys LLP, Greyfriars Court, Paradise Square, Oxford OX1 1BE

Bankers: Barclays Bank plc, Knightsbridge International Branch, PO Box 391,
 38 Hans Crescent, London SW1X 0LZ

ACE AFRICA (UK)
TRUSTEES REPORT
FOR THE YEAR ENDING
31 DECEMBER 2012



Arusha, Tanzania

The Trustees of ACE Africa (UK) present their report on activities for the year ended 31st December, 2012.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” 2005 in preparing the annual report and financial statements of the Charity which also comply with the requirements of the Charity’s constitution and applicable law.

CONSTITUTION

ACE Africa (UK) was originally constituted under a Memorandum of Association signed on 10th March 2003 and altered by resolutions dated 13th June 2005, 31st August 2005 and 26th January 2009 and was incorporated on 8th April 2003 as ACE UK. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

TRUSTEES

Trustees are appointed by members in an Annual General Meeting. The trustees may appoint new trustees to serve until the next Annual General Meeting. All trustees retire at the conclusion of each Annual General Meeting unless re-appointed or deemed to have been re-appointed. There may be no less than three Trustees. There are seven trustees at present.

Mike Hammond has moved to live in the USA. He stepped down from the chairmanship on 4th May 2012 and Francis Howard was appointed chairman in his place. Mike Hammond retired as a trustee on 1st August 2012. The board is most grateful to him for his leadership in 2011/2012 and for his support as a trustee. Andy Jinman retired from the board on 23rd August 2012 having served as a trustee for over 6 years. We thank Andy for his enormous support of our fund raising programme, and in particular in organising cricket matches at The Oval and the annual Quiz Night. We have welcomed two trustees to the board early in 2013 - Christopher Rowse appointed on 4th February 2013 and Marianne Hay on 6th February 2013.

In selecting trustees consideration is given to the overall breadth of knowledge required of the board of trustees. New trustees receive the appropriate training documentation about becoming a trustee and are given an induction by an existing Trustee.

ORGANISATIONAL STRUCTURE

The trustees oversee the affairs of the Charity on a voluntary basis, meeting as necessary for this purpose and have appointed from among their number a chairman, a treasurer and a secretary. Decisions are made by majority vote at meetings of trustees. Samantha Kite resigned as Director in May 2012 and we thank her very much indeed for all her hard work over two years, especially in developing our fundraising activities. Following the major review referred to below we now employ an interim chief executive officer, Kedge Martin, to manage ACE Africa (UK)'s fundraising, communications and administrative activities. The Interim CEO is supported by a fundraising and communications officer, a finance officer and a fundraising and office assistant, as well as temporary administrative volunteers.

ACE Africa (UK) conducts its operations from space provided free by the Lockton Companies LLP and we thank them most sincerely for their valuable support of our work in this way.

PRINCIPAL ACTIVITIES

ACE Africa (UK) has been active since late 2005 through the work of its trustees and supporters. ACE Africa (UK) is an independent charity. Its principal activities are to promote the efficiency and effectiveness of charities and non-government organisations (NGOs), community based organisations, voluntary bodies, other associations, institutions and statutory authorities undertaking charitable activities in Africa in particular that would be recognised as such under English law (including the provision of financial and other support as the trustees see fit). ACE Africa (UK)'s aim is to reduce the impact of HIV/AIDS on rural communities so that such communities, parents, guardians and other carers have the knowledge, skills and resources to protect and care for orphans and vulnerable children, and to provide them with the opportunity to develop to their full potential.

The organisations we support recognise that effective community capacity building to achieve these goals is a long-term undertaking in each area of operation, and one which aims to reduce reliance of the host community on the NGO. They therefore provide support appropriate to the degree of self-reliance achieved by each community with which it works.

ACE Africa (UK) raises funds in order to make grants to ACE Africa (Kenya) and ACE Africa (Tanzania). The Charity also provides technical and managerial support, and promotes and communicates on their behalf in the UK. Where appropriate ACE Africa (UK) may support other NGOs working in the same field alongside ACE Africa in Kenya and Tanzania.

ACE Africa (UK) appeals for grants from trusts, foundations, companies and similar institutions. Some of the successful applications result in grants to ACE Africa (UK) and others in grants directly to ACE Africa (Kenya) and ACE Africa (Tanzania). ACE Africa (UK) raises funds from individuals by direct approaches and by holding fundraising events. Included among funds raised are grants from individuals, trusts and schools to sponsor individual orphans through their secondary education. This is a discrete programme funded separately from the community support programmes.



Arusha, Tanzania



Bungoma, Kenya



Bungoma, Kenya

GRANT MAKING POLICY

ACE Africa (UK) makes grants to registered NGOs ACE Africa (Kenya) and ACE Africa (Tanzania) for specific components of their activities and in support of the implementation of their total strategy. In the first case reports are received on the relevant component of activities. In the second, reports will be received of overall progress towards each year's budget and plan.

OPERATIONS SUPPORTED BY ACE AFRICA (UK)

ACE Africa (Kenya) has operated in several districts around Bungoma, Western Kenya for over nine years, where activities are now in the last phase of our community based orphan-care programme. In the nearby Siaya District of Nyanza, Western Kenya operations are in the second, four-year phase. During the year an extension of our programme was planned to start work in areas around Bungoma adjacent to those where we have been working. We are delighted to report that in December Comic Relief approved a three-year grant totaling £385,010 to fund this extension and work has now begun. A feature of this in-filling programme will be the use of community personnel trained in the original programme to help train and guide communities in extension areas, with benefits to both.

ACE Africa (Tanzania) operates a programme similar to the Siaya operations, in the Arusha region, Arumeru District of Tanzania, launched in 2008 and in its second stage of development. In Tanzania 2012 saw extensive research into needs in several new areas, commissioned by a number of partners. Child Reach International funded baseline research in Moshi Rural District, Kilimanjaro Region in early 2012 and ACE Club activities have since been initiated within this area, with the wider ACE programme to be launched in 2013. The Vitol Charitable Foundation commissioned baseline research on Kome Island and Serengema, Mwanza Region which identified 46% of the population showing the signs and symptoms of HIV/ AIDS. The ACE Africa programme will be replicated and adapted for this area with projects likely to commence late 2013, early 2014 if funding has been secured. Gems TV funded research in Mahenge, Morogoro Region and our programmes will be implemented there in 2014.

ACE Africa's programme addresses everything from immediate needs within vulnerable households, such as nutritional supplements, bedding, shelter and school fees, to family and individual counseling, promotion of child rights and child health, community food security, nutrition and training in income-generating activities for households and community support groups. We empower community members to be the agents of change; we help them to help each other.

ACTIVITIES IN THE UK

As reported last year the trustees initiated a review of overall operations of ACE Africa in the UK and in Africa with a view to adapting our funding strategy and in turn our organisation to changing circumstances. In 2012 ACE Africa (UK) received a grant from Comic Relief to fund a review of the activities, organization and fundraising of ACE Africa in the UK, Kenya and Tanzania. This review was undertaken mid-2012 and based on the report received the trustees of ACE Africa (UK) appointed the consultant, Kedge Martin, to make and implement detailed plans for ACE Africa's operations, fundraising, communications and organization over the remainder of the year and into 2013. The cost of this work has been accounted for as restructuring costs in the accounts for 2012 which appear later in this Report. Kedge Martin has been appointed interim Chief Executive Officer for ACE Africa (UK) and for the ACE Africa Group from 1st January, 2013, to oversee the working of the new strategy, organization and activities until May this year. At that stage a permanent appointment will be made for the direction of ACE Africa (UK).

The outcome of the review includes plans:

- 1.** To re-shape our programme work in Africa into two thrusts – building the next generation from childhood up to be self-sufficient and capable of caring for all members of their communities and, secondly, supporting existing communities by working with them to improve their health, wellbeing and economic sustainability. By these means communities will be enabled to care for the needy in their midst both now and in the future.
- 2.** To wind down our small secondary school bursary scheme over the next four years in recognition of the fact that since it was started in 2005 other sources of bursary funding have increasingly become available locally. As a consequence it is no longer necessary for ACE Africa to provide bursaries to children in the communities with whom we work.
- 3.** To evolve from a purely donor funded charity to embrace also a social enterprise generating new income streams from the provision of research on behalf of third parties. These will include Governments, NGO's and corporations. We aim to work in partnership with them to implement the ACE Africa programme on their behalf, and thus extend our reach.
- 4.** To activate a steering committee to coordinate the plans of the ACE Africa entities in the UK, the USA and Africa, and to advise on the resolution of priorities and allocation of resources among them.
- 5.** To strengthen the organization in the UK to be capable of increasing income for the ACE Africa entities significantly in 2013 and beyond.
- 6.** To improve our marketing and communications strategy and tools as resources permit.

Operationally ACE Africa (UK) carried out a reduced series of events in 2012, recognizing the difficult climate in which we operate. However work to raise funds from individuals, trusts, companies and schools was intensified, and will be further developed in 2013. A notable achievement in 2012 was the award of three year grant from Comic Relief of £385,010 for the extension of our programme to new areas surrounding Bungoma, starting in 2013. An initial installment of £164,689 was received towards the end of 2012 and has been treated as deferred income in our 2012 accounts. This is the third multi-year grant from Comic Relief in ACE Africa (UK)'s nine years in operation and we are immensely grateful to them for their core role in our achievements in the Bungoma District. We have also developed a Benefactor Programme for large individual donors and have three Benefactors in place donating a total of over £50,000 per annum of unrestricted funds.

FINANCIAL PERFORMANCE

Income during 2012 amounted to £414,859 (2011: £429,348). Expenditure amounted to £417,384 (2011: £494,560) of which £317,462 (2011: £335,116) was grant making, £91,485 was fundraising and grant application costs (2011: £115,218) and £4,261 was governance costs (2011: £3,517). Donated income was £380,520 (2011: £309,857). Of this £240,917 (2011: £173,767) was restricted and £139,603 (2011: £136,090) unrestricted. Event income was £34,099 (2011: £119,282). Event expenses were £4,176 (2011: £40,709) leaving a surplus on events of £29,923 (2011: £78,573), lower because no major event was held in 2012

In 2012 fund raising and grant application costs amounted to 22% of total income of ACE Africa (UK) (excluding deferred income of £213,380) which is an improvement on 2011. Including governance costs UK operational expenditure was 23% of income. However some income accrues direct to ACE Africa entities in Africa and taking the ACE Africa organisations together, in the UK, Kenya and Tanzania, fundraising and governance costs amounted to 20% of their combined income in 2012.

ACE Africa (UK) has made grants to ACE Africa in Kenya and Tanzania during the year totaling £317,462 (2011: £335,116), of which £234,159 (2011: £216,497) was for restricted purposes and £83,303 (2011: £118,619) comprised unrestricted grants.

Restructuring costs relating to the strategic review and re-structuring of ACE Africa (UK) and the ACE Africa entities in Kenya and Tanzania, referred to earlier in this report, amounted to £25,082. Of this £7,000 was funded by a grant for the strategic review and the remainder, for re-structuring work, from unrestricted funds.

Before restructuring costs there was a deficit for the year in unrestricted funds of £5,783 and an inflow of restricted funds of £3,258. Overall there was a deficit for the year in unrestricted funds of £23,865 (2011: deficit £22,482) and an outflow of restricted funds of £3,742 (2011: deficit £42,730) Including balances brought forward from 2011, retained income at 31st December 2012 consisted of £19,885 (2011: £43,750) of unrestricted and £86,771 (2011: £90,513) of restricted funds. In the ACE Secondary Schooling Bursary Scheme monies were received in 2012 or previously in respect of sponsorships in 2013 and subsequently. These receipts, amounting to £49,691 (2011: £56,637) have been carried forward as deferred income. Including the initial installment of the new grant from Comic Relief mentioned above, total deferred income in hand at the year end was £213,380.

The trustees consider the balance of unrestricted funds carried forward, of £19,885 to be sufficient to ensure continuity of activities given the phasing of income receipts early in 2013. However a higher balance would be desirable in normal circumstances and it will be an objective in 2013 to restore unrestricted reserves to a higher level.

FUTURE PLANS OF THE CHARITY

The charity intends to continue its support of ACE Africa (Kenya) and ACE Africa (Tanzania). These two organisations intend to continue their respective community programmes in the areas where they operate in line with the approach identified in the 2012 strategic review referred to above.

2013 will see the completion of implementation of the changes in strategy, operations, fundraising and communications agreed following this review.

ACE Africa will be ten years old in September 2013 and we plan a major fund raising event to mark this milestone in our work for communities in Africa.

ACCOUNTING POLICIES

A summary of the principal accounting policies is set out in Note 1 to the accounts on page 10.

RISK

At present there are no risks connected with the internal management and administration of the charity beyond those of staff infidelity which are managed by supervision of income and accounting functions and are insured. ACE Africa (UK) makes grants to ACE Africa which gives rise to risks of misappropriation or maladministration of such grants. These risks are managed by regular monitoring of ACE Africa financial reports and activity reports, including the receipt of audited financial reports, and by visits to ACE Africa and its project areas by ACE Africa (UK) trustees and management.



Bungoma, Kenya

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The trustees (who are also directors of ACE Africa (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires that the board of trustees prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Observe the methods and principles in the Charities SORP;
- (iii) Make judgments and estimates that are reasonable and prudent;
- (iv) State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (v) Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The board of trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The board of management is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PUBLIC BENEFIT

In accordance with section 17 of the Charities Act 2011 the Trustees confirm that they have had regard to the Charity Commission's guidance in relation to public benefit. The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning the Charity's future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

TRUSTEE'S DECLARATION

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Trustees on 08th April, 2013 and signed on its behalf by:

Francis Howard
Chairman

8th April, 2013

ACE AFRICA (UK)
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDING
31 DECEMBER 2012



We have audited the financial statements of ACE Africa (UK) for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' report.

Oxford, Robert Kirtland (Senior Statutory Auditor)

..... 2013

Statutory Auditor

for and on behalf of Critchleys LLP,

ACE AFRICA (UK)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDING 31 DECEMBER 2012

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming Resources					
Incoming Resources from operating activities					
Donations and grants	2	139,603	240,917	380,520	309,857
Event Income		34,099		34,099	119,282
Investment Income		240		240	209
Total Incoming Resources		173,942	240,917	414,859	429,348
Resources expended					
Costs of charitable activity					
Support of ACE Africa programmes	3	83,303	234,159	317,462	335,116
Costs of generating funds					
Fundraising and Grant Application Costs	3	87,985	3,500	91,485	115,218
Event Costs	3	4,176		4,176	40,709
Governance Costs	3	4,261		4,261	3,517
Resources expended before restructuring costs		179,725	237,659	417,384	494,560
Net income/(expenditure) before restructuring costs		(5,783)	3,258	(2,525)	(65,212)
Restructuring costs	3	(18,082)	(7,000)	(25,082)	
Net income/(expenditure)		(23,865)	(3,742)	(27,607)	(65,212)
Reconciliation of funds					
Total funds brought forward		43,750	90,513	134,263	199,475
Total funds carried forward		19,885	86,771	106,656	134,263

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

ACE AFRICA (UK)
BALANCE SHEET
 As at 31 DECEMBER 2012



	Notes	2012 £	2011 £
Current Assets			
Debtors	6	16,053	25,601
Cash at Bank and in Hand		<u>307,685</u>	<u>176,036</u>
		323,738	201,637
Creditors: Amounts falling due within one year	5	<u>(217,082)</u>	<u>(67,374)</u>
Net Current Assets		106,656	134,263
Net Assets		<u>106,656</u>	<u>134,263</u>
Unrestricted Funds			
General Funds		19,885	43,750
Restricted Funds	7	<u>86,771</u>	<u>90,513</u>
Total Funds		<u>106,656</u>	<u>134,263</u>

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the board of trustees and authorised for issue on 8th April, 2013 and signed on its behalf by:

Francis Howard, Chairman

John Collenette, Treasurer

Registered Charity Number 1111283
Company Number 4726183

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING
31 DECEMBER 2012

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and the FRSSE (effective April 2008).

b) **Fund accounting**

- ⟨ Unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charity.
- ⟨ Restricted funds are subject to restrictions on their expenditure imposed by the fund provider.

c) **Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- ⟨ Voluntary income is received by way of grants, donations, sponsorships and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognized when the charity becomes entitled to the grant. Sponsorship income is deferred over the period to which the sponsorship relates (4 years).
- ⟨ Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- ⟨ Investment income is included when receivable.

d) **Resources expended**

Expenditure is recognised on an accruals basis as liabilities are incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- ⟨ Grants payable comprises of amounts paid to the institutions within Africa that deliver the services for the beneficiaries. These costs are recognised when paid or if earlier, when a constructive obligation to make the grant arises. These are indicated on the SOFA.
- ⟨ Costs of generating funds include those costs incurred which relate to fundraising or organisation of events.
- ⟨ Governance costs include those costs associated with meeting constitutional and statutory requirements of the charity and include the audit fees and costs linked with the strategic management of the charity.
- ⟨ All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned as set out in note 3

e) **Grant making policy**

The charity's grant making policy is outlined in the Trustees' Report.

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING
31 DECEMBER 2012

2. Donations received

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Sponsor Donations		54,820	54,820	49,090
Restricted Donations		186,097	186,097	124,677
General Donations	139,603		139,603	136,090
	<u>139,603</u>	<u>240,917</u>	<u>380,520</u>	<u>309,857</u>

3. Total Resources Expended

	Cost of Charitable Activity	Fundraising and Grant Applications	Events Costs	Governance Costs	Restructuring Costs	Total 2012	Total 2011
	£	£	£	£	£	£	£
Support of ACE Africa Programmes							
ACE Africa (Kenya) - Unrestricted Grants	76,323					76,323	99,332
ACE Africa (Tanzania) - Unrestricted Grants	6,980					6,980	19,287
	<u>83,303</u>					<u>83,303</u>	<u>118,619</u>
ACE Africa (Kenya) - Restricted Grants	181,662					181,662	183,476
ACE Africa (Tanzania) - Restricted Grants	52,497					52,497	33,021
	<u>234,159</u>					<u>234,159</u>	<u>216,497</u>
Cost of generating funds							
Staff costs - general fundraising		40,453				40,453	60,137
Staff Costs - restricted grants		29,371				29,371	33,898
Bank Charges		1,739				1,739	2,549
Postage		714				714	686
Telephone		588				588	405
Stationery		496				496	1,868
Travel		2,649				2,649	4,487
Media Costs		5,020				5,020	6,398
Miscellaneous Costs		4,055				4,055	4,790
Event Costs			4,176			4,176	40,709
Governance Costs							
Insurance Costs				1,301		1,301	1,137
Audit Fee				2,960		2,960	2,200
Professional Services		6,400			25,082	31,482	180
TOTAL	<u>317,462</u>	<u>91,485</u>	<u>4,176</u>	<u>4,261</u>	<u>25,082</u>	<u>442,466</u>	<u>494,560</u>

Staff Costs are allocated between costs of general fundraising and of administering restricted grants by reference to time spent.

Of the total Professional services an amount of £7,000 included in Restructuring Costs was funded by a restricted grant for a strategic review of all ACE Africa activities. The restructuring work giving rise to these costs is referred to in the Report of the Trustees.

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING
31 DECEMBER 2012

4. Trustees' Remuneration and Expenses

Neither the Trustees nor any persons connected with them have received any remuneration, reimbursed expenditure or other benefits.

5. Creditors

	2012	2011
	£	£
Accruals	3,702	10,737
Other creditors		
Deferred Income	213,380	56,637
	<u>217,082</u>	<u>67,374</u>

Deferred income includes a grant of £163,689 received in December 2012 for a programme to be commenced in January 2013.

Included within funds raised are grants to sponsor individuals through their secondary education.

This income totalling £49,691 at 31st December, 2012 is deferred over the period that the individual is in secondary education.

Of the incoming resources received in the year, £192,169 has been deferred and of the deferred income balance brought forward £35,426 has been released.

6. Debtors

	2012	2011
	£	£
Other debtors	5,935	
Prepayments		14,318
Gift Aid	10,118	11,283
	<u>16,053</u>	<u>25,601</u>

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING
31 DECEMBER 2012

7. Movements in Restricted Funds

	B/Fwd £	Incoming £	Outgoing £	C/Fwd £
Agriculture & Nutrition, Bungoma	5,000		5,000	
Project Site Computers		2,472	1,153	1,319
Alumni Fund for School Leavers	10,460	4,908	308	15,060
Child Rights, Child to Child Education and Welfare Programme	8,500	16,957	8,500	16,957
Training Child to Child teachers on HIV/AIDS lifeskills		3,000	3,000	
Direct Aid Nutrition	1,026		1,026	
CGI:Strengthening Review		7,000	7,000	
Advocacy, training and awareness-raising on PLWA rights		5,000	3,851	1,149
Transport Transit Workers Fund		98	98	
Emergency Fund for Households, Kenya & Tanzania	2,365	4,453	3,000	3,818
Fundraising and advocacy in UK schools	3,500		3,500	
General Disaster Fund	2,217			2,217
Income Generation by Soya Production, Kenya		23,331	23,331	
Community Work with Vulnerable People		15,000	14,494	506
Community health, food and economic security, Tanzania		34,941	34,941	
Mwanza Research and Baseline Study, Tanzania		7,535	7,535	
Primary School Craft Teacher - Rosie Dwyer Memorial	26,764	1,839	8,436	20,167
Community development programme		10,000	6,881	3,119
The Amani Child Development Centre		313		313
Primary School Support, general	776			776
Primary School Support, South End Academy		12,530	12,530	
Rural Community Support Systems, Bungoma	947	1,000	1,000	947
Secondary School Bursary Scheme	7,298	54,820	52,970	9,148
Secondary School Bursary Scheme staffing support	2,062	2,625	4,575	112
Sponsor Direct Support	5,415	19,370	19,019	5,766
Tanzania Community Programme	1,530		1,530	
Tanzania Community Programme	3,880		3,880	
Website Development Fund		2,000		2,000
Tanzania Direct Donation		453	363	90
Abraham Nakhisa Memorial Fund		2,997	2,835	162
Vehicle Acquisition - ACE Truck Group	8,773	8,275	13,903	3,145
	90,513	240,917	244,659	86,771

Each of these grants is restricted to expenditure on the purpose indicated.

ACE AFRICA (UK)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING
31 DECEMBER 2012

8. Taxation

As a charity, ACE AFRICA (UK) is exempt from tax on income and gains as specified by the Income Tax Act 2007 and s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

9. Net incoming resources for the year

	2012	2011
This is stated after charging:	£	£
Auditor's remuneration - current year	2,460	1,900
- underprovision prior year	500	300
	2,960	2,200

10. Analysis of net assets between funds

	Unrestricted	Restricted	Totals
	£	£	£
Fund balances at 31 December 2012 are represented by:			
Net current assets/(liabilities)	19,885	86,771	106,656

11. Employees

	2012	2011
Total gross wages & salaries	64,567	84,557
Employers National Insurance Costs	4,507	7,078
Pension contributions	750	2,400
	69,824	94,035
Average number of employees during year	2	3

There were no employees with emoluments above £60,000 (2011: nil)

12. Company Limited by Guarantee

ACE Africa (UK) is a Company Limited by Guarantee and every Trustee has undertaken to contribute such amount as may be required, not exceeding £10, to the Company's assets should it be wound up.



**ACE
AFRICA**

Helping people to help themselves