

REGISTERED COMPANY NUMBER: 01411390 (England and Wales)
REGISTERED CHARITY NUMBER: 278704

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2019**

AFRICAN ENTERPRISE UK LTD

**AFRICAN ENTERPRISE UK LTD -
REPORT OF THE TRUSTEES
for the Year Ended 31 December 2019**

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**AFRICAN ENTERPRISE UK LTD -
REPORT OF THE TRUSTEES
for the Year Ended 31 December 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2019. The basis of preparing the financial statements is set out in note 1.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

278704

Registered Company number

01411390 (England and Wales)

Registered office

23 The Service Road
Potters Bar
Hertfordshire
EN6 1QA

Trustees who served during the year

R D Brookes
Rev Preb P R T Bewes OBE (died May 10th 2019)
Dr E J Wibberley
Dr J M T Hawkins
Mrs O M C Snelling
Mrs R C Buwalda
S P J Charles
D W Luogon

Company Secretaries

Mrs M Thomas
H Thomas CBE

UK Ambassador

Rev Oswald Post

Independent Examiner

Robert Knight FCA
39 Bradgate
Cuffley
Potters Bar
Hertfordshire, EN6 4RP

Bankers

Barclays Bank plc
Bedford Square
50 Pall Mall
London
SW1Y 5AX

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

African Enterprise UK Ltd is a UK charitable company limited by guarantee, as defined by the Companies Act 1985. It was incorporated on 25 January 1979 and registered as a Charity on 20 March 1980. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the charity being woundup, the liability in respect of the guarantee is limited to £1 per member of the charity.

AFRICAN ENTERPRISE UK LTD -

REPORT OF THE TRUSTEES for the Year Ended 31 December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of Trustees

Trustees are appointed by the Council of Management, after assessing the needs of the charity. We acquaint the prospective trustee with the work and ministry of African Enterprise and determine how best they can contribute to the charity. Trustees are kept up to date with charity guidelines and most have attended an approved trustee training course.

Trustees were saddened by the death of the Reverend Prebendary Richard Bewes OBE on May 10th 2019 at the age of 84. The son of missionaries Canon Cecil and Mrs Sylvia Bewes, Richard was born in Kenya and treasured his African roots throughout his life. He served as Chairman of African Enterprise UK and AE International for many years. He was still a very active member of the AE UK Board of Trustees. Richard was a prolific writer, publishing more than 20 books on Christian Life and Living. His last (2017) book *“Under the Thorn Tree – When Revival Comes”*, was a call to Revival, reflecting on growing up on the slopes of Mount Kenya and describing how his upbringing in, and love for, Africa had inspired and shaped his whole life and ministry.

Organisational structure

The directors of the company are also charity trustees for the purposes of UK charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association the number of members on the Council should be no less than three or more than twelve. Day to day running of the Charity is carried out by the joint Company Secretaries.

For some years, funds raised by African Enterprise UK were passed to African Enterprise International (AEI), for distribution. However, the AE UK trustees found it impossible either to account accurately for, or to determine the “end-use” of, funds sent to Africa. Following Charity Commission advice therefore the trustees have been sending funds directly to specific AE Teams and Charitable Projects since December 2013. This provides a full audit trail and the funds can now be properly accounted for to AE UK’s financial supporters.

This action was endorsed by the Charity Commission and is warmly appreciated by the African Enterprise Mission Teams in Africa. During 2019, AE UK was able to support a number of specific charitable activities in ten African countries. Trustees endeavour to assess the financial planning and viability of AE projects before giving support and in 2019 contributed significantly to a number of city-wide charitable projects in Africa, including educational work and rehabilitation programmes.

Risk management

The trustees regularly review the major risks which the charity may face and believe that maintaining reserves for a minimum of three months, combined with an annual review of the controls over key financial systems, provides sufficient resources in the event of adverse conditions. The trustees are conscious of the need to maintain sufficient reserves and, on the recommendation of our accountants, have held them at the three month minimum throughout 2019. All monies AE UK contributes are now specifically restricted to named charitable activities and receipts are obtained from the designated recipients. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established procedures to mitigate the significant risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objectives and its principal activities continue to be evangelistic mission, peace-making and reconciliation work, poverty relief, educational health, aiding and assisting displaced persons and refugees, leadership training and community development, in Africa.

Public Benefit

The fulfilment of the objectives and aims combine to produce significant Public Benefit to the people of Africa. Public Benefit also accrues to UK residents by way of regular news and education about Africa and the provision of a conduit for those who have a special interest in, or wish to become actively involved in, the work or to make charitable donations.

AFRICAN ENTERPRISE UK LTD

REPORT OF THE TRUSTEES for the Year Ended 31 December 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charity supports the work of AE Teams in Africa, particularly with reconciliation and evangelistic activities, HIV/AIDS education, aid and development and leadership training. In a number of countries, AE Teams run very effective rehabilitation programmes for drug users and former prostitutes. These programmes include health and hygiene education and teaching practical skills such as sewing, which helps to ensure future personal development. An amount of £47,630 was contributed through voluntary donations towards the direct charitable activities of African Enterprise in Africa during 2019, a decrease of £2,091 from 2018.

The Reverend Ossie Post is AE UK's "Ambassador" to churches and the Christian public. He makes a valuable and strategic contribution both to the awareness of AE UK and the promotion of its prayer, charitable work and financial needs. In 2019, we could also identify specific giving, resulting directly from Ossie Post's work.

AE's national teams and their trustees determine the most effective locations for city missions, which incorporate training, reconciliation, peace-making and functional aid, as well as evangelism. In 2019, AE UK was able to contribute a total of £47,630 directly to the social, training and evangelistic activities of the African teams. Particular projects to which AE UK made a significant contribution include: Discipleship Programme and Youth Leadership Development in Ethiopia; the Mombasa North/Mtwapa Mission for leadership in Kenya; the Cape Town Mission in South Africa; the Arua Mission in Uganda; ongoing support for vehicle maintenance and the Kolwezi Mission in the DRC and AE's Founder, Michael Cassidy, published a new book "Footprints in the African Sand" as a direct outreach tool for AE which was well supported by gifts from the UK.

In South Africa, AE's Barnabas Programme continues to be a leading body in mentoring young people in their spiritual growth and leadership capacities. The Barnabas Programme is active in many cities, helping to create young leaders from all over South Africa.

Fundraising activities

Charitable giving in the UK has declined in recent years. However, donations and gifts received by AE UK increased by £32,970 and the overall income was £119,815 as opposed to £86,845 last year. We are deeply thankful for the legacies to AE UK which are most valuable to assist our planning and giving. Through the work of Reverend Ossie Post, speaking engagements by other AE personnel and other promotional activities, trustees are working to increase UK awareness of AE's work. A quarterly Newsletter is sent to AE UK's supporters, together with a Prayer Diary for AE activities.

AE UK receives reports of AE Team work in Africa by direct contacts with the Teams. These are not always easy to obtain and AE UK's giving is based on our knowledge of the Missions and charitable activities in the various countries, which is obtained primarily through these reports. This is particularly important to inform and account to our supporters accurately. Once AE UK has good information on the projects, it gives as much support as possible directly to the Teams. We monitor and encourage their progress to ensure a valid audit trail of monies sent.

FINANCIAL REVIEW

Funds review

During 2019 the Trustees contributed £47,630 directly to AE charitable activities. In order to maintain a full audit trail, no payments were made to AEI, however one gift for the support of an AE International staff member was routed through AEI.

Investment policy and objectives

Under the memorandum and Articles of Association, the charity has the power to make any investments which the trustees see fit. Low interest rates, however, have virtually removed the returns from monies on deposit.

AFRICAN ENTERPRISE UK LTD

REPORT OF THE TRUSTEES for the Year Ended 31 December 2019

FUTURE DEVELOPMENTS

In 2020, the AE UK trustees will continue to encourage the most effective ways forward in terms of mission, structure, personnel and finance. This will focus on gathering full information from the National Teams, so that we can support their on-going work in reconciliation, leadership training, aid and development and mission.

There are a number of specific areas of need in Africa and our Teams' comprehensive programmes include peace-making and reconciliation, leadership training and aid and development such as building toilets in slum areas and providing skills training for young women currently in prostitution, to equip them to reintegrate into society and additionally to build their emotional and spiritual wellbeing.

Approved by order of the board of trustees on 17th September 2020 and signed on its behalf by:

R D Brookes - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AFRICAN ENTERPRISE (UK) LIMITED

I report on the accounts for the year ended 31 December 2019 set out on pages 6 to 12.

Respective responsibilities of trustee and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed. It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below

Independent examiner's statement

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

R I Knight FCA
39 Bradgate
Cuffley
Potters Bar
Hertfordshire
EN6 4RP

17 September 2020

AFRICAN ENTERPRISE (UK) LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>2019</u> <u>TOTAL</u> <u>£</u>	<u>2018</u> <u>TOTAL</u> <u>£</u>
<u>INCOME AND EXPENDITURE</u>					
<u>Incoming resources from generated funds</u>					
Voluntary income	2	103,238	16,577	119,815	86,845
Activities for generating funds	3	659	-	659	357
Investment income	4	98	-	98	131
Sundry income		260	-	260	-
		<hr/>	<hr/>	<hr/>	<hr/>
		104,255	16,577	120,832	87,333
<u>RESOURCES EXPENDED</u>					
<u>Costs of generating funds</u>					
Costs of generating voluntary income	5	14,965	-	14,965	13,324
<u>Charitable activities</u>					
General activities	6	31,053	-	31,053	40,410
Designated general		-	16,577	16,577	9,311
<u>Governance costs</u>					
	7	50,136	-	50,136	51,065
		<hr/>	<hr/>	<hr/>	<hr/>
		96,154	16,577	112,731	114,110
<u>NET (OUTGOING)/INCOMING</u>					
<u>RESOURCES BEFORE TRANSFERS</u>					
		<hr/>	<hr/>	<hr/>	<hr/>
		8,101	-	8,101	(26,777)
<u>Gross transfers between funds</u>					
	11	-	-	-	-
<u>Net incoming resources</u>					
		<hr/>	<hr/>	<hr/>	<hr/>
		8,101	-	8,101	(26,777)
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 11 form part of these accounts

AFRICAN ENTERPRISE (UK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2019

	<u>Note</u>	<u>Unrestricted</u> <u>fund</u> <u>£</u>	<u>Restricted</u> <u>fund</u> <u>£</u>	<u>31.12.19</u> <u>Total</u> <u>funds</u> <u>£</u>	<u>31.12.18</u> <u>Total</u> <u>funds</u> <u>£</u>
CURRENT ASSETS					
Debtors	9	3,768	-	3,768	3,486
Cash at bank		<u>56,063</u>	<u>-</u>	<u>56,063</u>	<u>48,244</u>
		59,831	-	59,831	51,730
LIABILITIES					
Amounts falling due within one year	10	(2,400)	-	(2,400)	(2,400)
NET CURRENT ASSETS		<u>57,431</u>	<u>£ -</u>	<u>57,431</u>	<u>£ 49,330</u>
<u>RESERVES</u>					
<u>FUNDS</u>	11				
Unrestricted				57,431	49,330
Restricted				-	-
<u>TOTAL RESERVES</u>				<u>£ 57,431</u>	<u>£ 49,330</u>

The notes on pages 9 to 11 form part of these accounts

AFRICAN ENTERPRISE (UK) LIMITED

BALANCE SHEET CONTINUED

At 31 December 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2016 for the year ended 31 December 2019.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) Ensuring the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) Preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 17 September 2020 and were signed on its behalf by:

R D Brookes
Trustee

AFRICAN ENTERPRISE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015 (as amended by the Bulletin issued in February 2016) published by the Charity Commission in England & Wales (CCEW) ,effective January 2016, (The SORP), and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015 (as amended by the Bulletin issued in February 2016) in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Incoming Resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to particular headings they have been allocated to unrestricted activities.

Cost of generating funds

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable activities

Charitable expenditure comprises those costs associated with meeting the constitutional and statutory requirements of the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities and those of an indirect nature necessary to support them.

Governance costs

Governance includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund Accounting

General donations received are treated as unrestricted funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted or designated donations received are restricted to the use specified by the donor and restrictions arise when funds are raised for particular or designated purposes.

2 VOLUNTARY INCOME

	<u>2019</u>	<u>2018</u>
Donations and gifts	79,970	74,629
Gift Aid	8,631	8,033
Legacies	31,214	4,183
	<u>119,815</u>	<u>86,845</u>

AFRICAN ENTERPRISE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
Continued

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
3 <u>ACTIVITIES FOR GENERATING FUNDS</u>		
Sale of literature	659	357
4 <u>INVESTMENT INCOME</u>		
Deposit account interest	98	131
5 <u>COSTS OF GENERATING VOLUNTARY INCOME</u>		
Postage and stationery	14,965	13,324
6 <u>CHARITABLE ACTIVITY COSTS</u>		
General activities	31,053	40,410
Designated general	16,577	9,311
	<u>47,630</u>	<u>49,721</u>

The company continues to work in partnership with the African Enterprise National Teams. This year the payments were again sent directly to the African Enterprise (AE) charities operating in the African countries.

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
7 <u>GOVERNANCE COSTS</u>		
Office expenses	892	645
Administration fees	34,992	34,992
Independent examiner's fee	2,400	2,400
Support costs and finance	11,852	13,028
	<u>50,136</u>	<u>51,065</u>

8 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ending 31 December 2019 nor for the previous year.

9 <u>DEBTORS FALLING DUE WITHIN ONE YEAR</u>		
Gift Aid due	<u>3,768</u>	<u>3,486</u>
10 <u>CREDITORS DUE WITHIN ONE YEAR</u>		
Accruals	2,400	2,400
Due to African charities	-	-
	<u>2,400</u>	<u>2,400</u>

AFRICAN ENTERPRISE (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
Continued

11 MOVEMENT IN FUNDS

	<u>At 1.1.19</u>	<u>Net movement in funds</u>	<u>Transfers between funds</u>	<u>At 31.12.19</u>
Unrestricted funds				
Undesignated fund	49,330	8,101	-	57,431
Restricted funds				
Designated fund	-	-	-	-
TOTAL FUNDS	<u>49,330</u>	<u>8,101</u>	<u>-</u>	<u>57,431</u>

Net movement in funds included in the above are as follows:

	<u>Incoming Resources</u>	<u>Resources expended</u>	<u>Movement in funds</u>
Unrestricted funds			
Undesignated fund	104,255	(96,154)	8,101
Restricted funds			
Designated fund	16,577	(16,577)	-
TOTAL FUNDS	<u>120,832</u>	<u>(112,731)</u>	<u>8,101</u>

12 RELATED PARTY DISCLOSURES

During the year £34,992 (2018 - £34,992) was paid to Mr and Mrs H Thomas for providing administration services to the charity which is shown under Governance costs, note 7, above.

AFRICAN ENTERPRISE (UK) LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2019

	<u>31.12.19</u>	<u>31.12.18</u>
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations and gifts	79,971	74,629
Gift Aid	8,631	8,033
Legacies	31,214	4,183
Sundry income	260	-
	<u>120,076</u>	<u>86,845</u>
Activities for generating funds		
Sale of literature	659	357
Investment income		
Deposit account interest	98	131
Total incoming resources	<u>120,833</u>	<u>87,333</u>
RESOURCES EXPENDED		
Costs of generating voluntary income		
Postage and stationery	14,965	13,324
Charitable activities		
General and designated donations paid	47,632	49,721
Governance costs		
Office expenses	892	645
Administration fees	34,992	34,992
Independent examiner's fee	2,400	2,400
	<u>38,284</u>	<u>38,037</u>
Support costs		
Management	691	899
Postage and telephone	1,509	1,402
Stationery, advertising and promotion	8,423	8,661
Travelling	-	753
	<u>10,623</u>	<u>11,715</u>
Finance		
Bank charges	1,228	1,313
Total resources expended	<u>112,732</u>	<u>114,110</u>
Net income/(expenditure)	<u>8,101</u>	<u>(26,777)</u>

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17 September 2020