

# APT Action on Poverty

## Report and Audited Financial Statements

### 31 December 2018



## APT Action on Poverty

### Reference and administrative details

For the year ended 31 December 2018

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<b>Company number</b>	01872538
<b>Charity number</b>	290836
<b>Registered office and operational address</b>	Nicholas House Heath Park Main Road Crophorne Pershore Worcestershire, WR10 3NE
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  Helen Altshul (appointed 11 December 2018) Brian Capper Steven Edwards (resigned 22 May 2018) Neil Fray Malcolm Harper Laura Quigley (resigned 10 April 2019) Vomic Nur Shah Justine Williams
<b>Chief executive officer</b>	Alex Daniels
<b>Company secretary</b>	Elizabeth Chard
<b>Bankers</b>	Barclays Bank plc 128 High Street Cheltenham GL50 1EL  CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ  Virgin Money plc Jubilee House Gosforth NE3 4PL  Monmouthshire Building Society Monmouthshire House John Frost Square Newport South Wales NP20 1PX
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

## **APT Action on Poverty**

### **Report of the Trustees**

#### **For the year ended 31 December 2018**

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The trustees are pleased to present their report and accounts for the year ended 31 December 2018, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The accounts comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association 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) (effective 1 January 2015).

#### **Structure, governance and management**

The company is limited by guarantee, registered as a charity in 1985 and is governed by its Memorandum and Articles of Association.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the company's aims and objectives and in planning future activities and are therefore confident that APT Action on Poverty ('Action on Poverty') meets the public benefit requirements.

When considering the appointment of trustees, the board give regard to the skills audit of existing trustees, the requirement for any specialist skills, and ability to contribute to the charity's governance and objectives. The key element of the trustee's induction is to ensure sound understanding of the charity's mission, principles and strategy as well as the legal obligations of trustees. The induction process for new trustees involves a combination of provision of key documents plus communications and face to face discussions with the Chair of the trustees and the Chief Executive Officer. New trustees are required to comply with company law requirements and declare any interests.

The Chief Executive of Action on Poverty, Alex Daniels, is appointed by the trustees to manage the day to day operations of the charity and ensure the overall implementation of the organisational strategy as agreed by the trustees. The Chief Executive and the Chair of the trustees communicate on a regular basis.

#### **Objectives and activities for the public benefit**

**Our Vision:** *A fair world free from poverty and discrimination where every person is empowered to fulfil their potential.*

**Our Mission:** *To build sustainable livelihoods to transform lives and promote economic empowerment and social change by helping vulnerable and socially excluded people achieve sustainable livelihoods and by addressing the barriers that limit their participation.*

We aim to achieve our objectives through delivering programmes targeting different sectors, communities and disadvantaged groups. All of the projects will have a livelihood focus (jobs, income or food production) but the nature of the project activities will depend upon the local needs prioritised and the capacity / experience of the partners. We deliver this through working together with overseas partners and their beneficiaries to design programmes and activities in the various countries in which we operate.

#### **Achievements and performance**

Action on Poverty has helped over 22,000 beneficiaries during the year to obtain sustainable livelihoods and/or increase their incomes – so that they have enough food, medicines and education for themselves and their children and a life with more respect and dignity. Indirectly 140,000 people have been helped through being better informed, empowered and/or as dependants of the direct beneficiaries. To extend the impact and to build for the future our work also helps small producer groups and community organisations to become more effective in helping their members collaborate

## APT Action on Poverty

### Report of the Trustees

#### For the year ended 31 December 2018

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for increased incomes and influence institutions to make more informed decisions in the interest of vulnerable people.

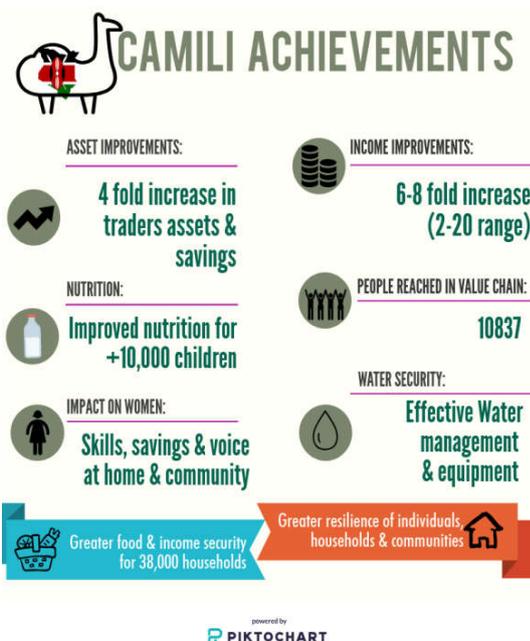
By the end of 2018 there were three active projects and a fourth due to start in January 2019. We consider that poverty and gender inequality are inextricably linked and this is reflected in our work - looking forward, 69% of new or current beneficiaries are women.

We have made significant progress this year in terms of diversifying our income. Historically we have had considerable success with and consequently heavy reliance on key institutional donors (Comic Relief, BIG Lottery Fund and UK Aid). In 2018 the proportion of our income from individuals, trusts and institutions, other than those named, has substantially increased to 60% (£573,185) of our overall income, helped by securing European funding from local delegations. This proportion was 27% in 2017 (£129,057), and 9% in 2016 (£68,505).

Particular emphasis was given to securing higher levels of donations from trusts and smaller institutions and this has borne fruit. Donations from trusts have increased to £280,066 in 2018. This is up 174% from £102,135 in 2017 and up 544% from £43,522 in 2016. We received a further grant from the Turing Foundation, a grant of £100,000 over three years from the Marr Munning Trust for apprenticeship training of young people in Sierra Leone and a £200,000 contribution over 3 years from Medicor Foundation to improve livelihoods and food security for vulnerable people in Sierra Leone. Our Chief Executive led an incredible team of supporters to complete the Three Peaks Challenge and we were extremely grateful recipients of a legacy from a former Chairwoman of Action on Poverty, Ms Marie Fry.

#### Project performance

##### Kenya



**Working in the Camel Milk Sector ('CAMILI'):** In Kenya we have been working with our partner SITE (SITE Enterprise Promotion Limited) on a project which aims to transform the camel milk value chain to improve the productivity and competitiveness of camel milk and value added products.

The second (18 month) phase of this project started in August 2017 and built on the success of the previous project that ran from 2014. Like the original, the project addresses the high levels of poverty among rural and urban households in Garissa County through focussing on camel milk which is the single most important source of income and nutrition in this drought prone area.

Training is being given in animal husbandry, herd management, appropriate handling and hygiene of milk, storage and transportation, improved equipment and materials and promotional activities delivered on improved hygiene, quality and nutritional value.

By December 2018, Phase 2 of the project supported 10,628 value chain actors including 3,871 camel herders, 3,052 camel owners, 3,192 milk traders, 104 milk transporters and 80 community health workers. It also impacted on the nutritional status of over 10,000 children under 5 years of age.

## APT Action on Poverty

### Report of the Trustees

For the year ended 31 December 2018

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#### Sierra Leone

The **'Empowering Communities in Sierra Leone'** project, funded by the Big Lottery Fund and implemented by our long-standing partner MAPCO (Movement for Assistance and Promotion of Rural Communities) was completed in April 2018 and the external final evaluation's findings were very positive. The project covered 12 rural communities in six widespread districts of the country delivering livelihoods support, WASH (Water, Sanitation and Hygiene) and human rights activities to a total of 12,000 vulnerable people. Many thousands of vulnerable people now have opportunities, choices and control in their lives where previously they had little or none. The project supported communities with entrepreneurship training in a number of areas, including soap making, carpentry, weaving, tailoring and blacksmithing. These communities also enjoyed improved access to safe water and sanitation and their knowledge of good hygiene practices was increased, leading to improved health. Women, youths and people with disabilities now have greater awareness of their rights and entitlements and inclusion in decision-making, reducing discrimination and their improved participation in social and economic activities.



Funding from the Turing Foundation extended the apprenticeship training of the above project for young people who are particularly vulnerable and lack training opportunities, helping a further 240 youth obtain skills with local artisans and establish their own incomes through enterprise or employment.

#### **'Life After MAPCO': Reviewing the impact after support has finished**

To further consider the sustainability of our work, we have also undertaken a brief historical assessment of the CBO support model which Action on Poverty and MAPCO have been using to help CBOs (Community Based Organisations) develop and thrive in Sierra Leone since 2004, and to consider how these CBOs have fared once programme support has ended. This model has been implemented and adapted in different programmes with 64 CBOs. The success factors for their sustainability and challenges to those which did not survive were considered. Given that the period includes a difficult post conflict period and the devastation of Ebola virus, the fact that 37 (58%) are still operating and most of them very strongly, is a significant achievement.

#### **'Livelihoods and Food Security for Vulnerable People in Sierra Leone'**

In April 2018 we started a new project with our partner MAPCO funded by the Department of International Development through UK Aid with matched funding from Medicor Foundation. This project addresses the chronic poverty faced by rural communities with inadequate incomes, food and nutrition, especially children and vulnerable mothers in Moyamba District. This situation is exacerbated by gender and disability discrimination and the unemployment of youth. Through a proven sustainable CBO support model these vulnerable groups are being targeted in 15 communities (64,000 beneficiaries) to improve livelihoods and food security through access to resources, markets, knowledge, skills in agriculture and enterprise together with integrated inputs on women's and youth empowerment and well-being.

#### **'Livelihoods for Young People'**

With our partner CARD (Community Action for Rural Development) we implemented a three year five month project, funded by the Big Lottery Fund, to empower 1,200 vulnerable young women and men in Bo and Kenema Districts to reduce their poverty through employment and enterprise training.

## APT Action on Poverty

### Report of the Trustees

For the year ended 31 December 2018

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Betty, a girl mother, is a tailor's apprentice

The project came to an end in June 2018 and yielded a wide range of expected and unexpected positive impacts including increased incomes from safer livelihoods, better financial support for basic needs of trainees and their dependents, substantially increased family and community respect and self-empowerment for trainees (especially women and disabled people), reunification of families, better self-care behaviour and reduction in juvenile delinquency, crime and violence.

The external evaluator congratulated CARD for their substantive achievements. The project had met most and in some areas substantially exceeded project targets with the project delivery model considered sound.

*"The project has helped sway young people away from violence, begging and commercial sex work. It has given them skills and hope for the future. They realise they have potential. They have developed some sense of unity."*

Government Youth Commissioner, Bo Region

### 'The Empowerment and Education of Young Mothers, Women and Girls'

In August 2018, with our partner CARD and with funding from the European Union we began a project to empower 3,500 young women in 40 rural communities in Kenema District, both economically and socially. They will access literacy, business skills, apprenticeships and rights training. Forty CBOs and five NGOs will be strengthened to deliver these services in the future. The project includes an understanding of the mechanisms to protect young women from gender-based violence and will foster attitudinal change among men and community leaders.

The Turing Foundation is also contributing to this project by supporting the Apprenticeship Training of 200 of the most vulnerable women, specifically those with disabilities and young mothers.

### Sri Lanka



Our partner BCCD (Business Creations and Community Development) implemented a small programme aimed to strengthen the capacities of six CBOs in Eragama and Navithanveli DS Divisions. The project ensured 38 CBO leaders were trained, including the maintenance of financial and management records. With the establishment of marketing links between CBOs and private sector companies, working collectively and an improved micro finance system operated by the communities, the CBO members were able to improve their sales. We also worked to reach and motivate five Children's clubs with 238 members.

*Eragama CBO leader proudly presenting management records*

## **APT Action on Poverty**

### **Report of the Trustees**

**For the year ended 31 December 2018**

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#### **Plans for the future**

Our Strategic Plan confirms our vision, mission and aims.

We will continue to empower vulnerable people economically and socially by working together with local partners in sub-Saharan Africa and South Asia.

We will deliver sustainable, cost effective and transformative impact in livelihoods work with some of the most marginalised people. We will work to catalyse change in this area of work, proactively pushing the cross cutting agenda of inclusive livelihoods amongst different stakeholders.

We strive to further improve the quality and effectiveness of our work, supporting and developing new programmes in response to need and opportunities and diversifying our range of income sources.

Specifically:

- Extending our transformational impact and building on earlier success: including through smaller projects and developing new partnerships and ways of working.
- Developing a sound financial platform: We will continue to seek funding from larger trusts to follow up the success in previous years. This will continue to build a better foundation and income diversification from a low resource base. We will also investigate partnerships with others, including the private sector where mutual objectives can be met.
- Supporting our individual givers with appropriate levels of communication.
- Increased awareness, targeted communication and promotion of Action on Poverty in line with the above.

Specific targets and activities have been set for the above.

#### **Financial review**

As always, the vast majority of our total expenditure of £772,539 has been on charitable activities in the year and sent out to our overseas project partner organisations who lead our projects from within the communities they are designed to help. Similarly, of the costs incurred in the UK, the vast majority was spent on programme management, with our staff overseeing and adding value to the projects in the field and reporting back to our UK donors.

During 2018, our unrestricted reserves were increased by a generous legacy donation and a surplus of £37,089 was achieved. This leaves free reserves of £189,976 at the year-end which were in excess of our 6-12 month target range and this will ensure we are able to continue operating as a going concern throughout 2019. Restricted reserves at the end of 2018 were £211,815.

#### **Reserves policy**

Action on Poverty's stated policy is to maintain a level of unrestricted reserves equivalent to 6-12 months' running costs. As a short term measure the management ensure that, at a minimum, this reserve should be at least 3 months' running costs for the next 6 months' based on committed expenditure and quarterly cashflow forecasts. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

## **APT Action on Poverty**

### **Report of the Trustees**

**For the year ended 31 December 2018**

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#### **Investment policy**

The trustees have the power to invest in such assets as they see fit but to date surplus unrestricted funds are held on low risk deposit in order to ensure ready availability.

#### **Risk management**

Action on Poverty takes very seriously the management of risk to which the charity is exposed, particularly cash flow, recruitment, safeguarding and safety and security of staff travelling overseas. The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to those risks.

The risk register is an agenda item at each trustees' meeting and we have reviewed practices around managing the safety and security of staff when working overseas to ensure we are meeting reasonable duty of care requirements and have strengthened security risk management practices to mitigate exposure. Safeguarding policies and procedures have been brought into line with renewed donor practices and we are working with partners to improve policies and procedures. Partnership contracts are reviewed to bring them in line with donor requirements. Action on Poverty has a child protection policy and vulnerable adults' policy in place. We are contributing to the general review of safeguarding procedures as well as continuing to develop our own safeguarding procedures.

#### **Asset cover for funds**

The trustees are satisfied that the charitable company's assets and cash balances attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

#### **Trustees' consideration of going concern**

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

#### **Statement of responsibilities of the trustees**

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the

## **APT Action on Poverty**

### **Report of the Trustees**

**For the year ended 31 December 2018**

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financial statements comply with the Companies Act 2006. The trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

#### **Auditors**

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 7 May 2019 and signed on their behalf by



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Brian S. Capper BSc MA PhD  
Chairman  
7 May 2019

## **Independent auditors' report**

**To the members of**

### **APT Action on Poverty**

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#### **Opinion**

We have audited the financial statements of APT Action on Poverty (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of 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 2018 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.

#### **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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Independent auditors' report**

### **To the members of**

#### **APT Action on Poverty**

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

#### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, 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 they 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Independent auditors' report

To the members of

### APT Action on Poverty

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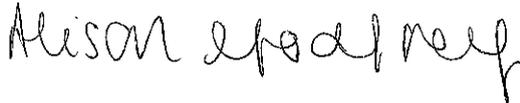
#### **Our responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 7 MAY 2019.

**Alison Godfrey FCA**  
**(Senior Statutory Auditor)**

For and on behalf of:

**GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

## APT Action on Poverty

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2018

	Note	Restricted £	Unrestricted £	2018 Total £	2017 Total £
<b>Income from:</b>					
Donations and legacies	3	43,537	69,822	<b>113,359</b>	55,392
Charitable activities	4	824,687	-	<b>824,687</b>	428,752
Investments		-	305	<b>305</b>	1,788
<b>Total income</b>		<u>868,224</u>	<u>70,127</u>	<u><b>938,351</b></u>	<u>485,932</u>
<b>Expenditure on:</b>					
Raising funds		9,142	8,281	<b>17,423</b>	26,777
Charitable activities		<u>727,371</u>	<u>27,745</u>	<u><b>755,116</b></u>	<u>508,069</u>
<b>Total expenditure</b>	6	<u>736,513</u>	<u>36,026</u>	<u><b>772,539</b></u>	<u>534,846</u>
<b>Net income / (expenditure)</b>		131,711	34,101	<b>165,812</b>	(48,914)
Transfers between funds		<u>(2,988)</u>	<u>2,988</u>	-	-
<b>Net movement in funds</b>	7	128,723	37,089	<b>165,812</b>	(48,914)
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>83,092</u>	<u>152,887</u>	<u><b>235,979</b></u>	<u>284,893</u>
<b>Total funds carried forward</b>		<u><u>211,815</u></u>	<u><u>189,976</u></u>	<u><u><b>401,791</b></u></u>	<u><u>235,979</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

**APT Action on Poverty**

**Balance sheet**

**As at 31 December 2018**

	Note	£	2018 £	2017 £
<b>Fixed assets</b>				
Tangible assets	11		-	-
<b>Current assets</b>				
Debtors	12	5,387		88
Current asset investments	13	64,885		107,691
Cash at bank and in hand		<u>342,512</u>		<u>137,017</u>
		412,784		244,796
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	14	<u>(10,993)</u>		<u>(8,817)</u>
<b>Net current assets</b>			<u>401,791</u>	<u>235,979</u>
<b>Net assets</b>	15		<u>401,791</u>	<u>235,979</u>
<b>Funds</b>	16			
Restricted funds			211,815	83,092
Unrestricted funds				
General funds			<u>189,976</u>	<u>152,887</u>
<b>Total charity funds</b>			<u>401,791</u>	<u>235,979</u>

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

Approved by the trustees on 7 May 2019 and signed on their behalf by



Brian S Capper BSc MA PhD  
Chairman

## APT Action on Poverty

### Statement of cash flows

For the year ended 31 December 2018

	2018 £	2017 £
<b>Cash used in operating activities:</b>		
Net movement in funds	165,812	(48,914)
<i>Adjustments for:</i>		
Depreciation charge	-	265
Dividends, interest and rents from investments	(305)	(1,788)
Decrease / (increase) in debtors	(5,299)	2,861
Increase / (decrease) in creditors	2,176	(3,488)
	<u>162,384</u>	<u>(51,064)</u>
<b>Net cash provided by / (used in) operating activities</b>		
	<u>162,384</u>	<u>(51,064)</u>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	305	1,788
	<u>305</u>	<u>1,788</u>
<b>Net cash provided by / (used in) investing activities</b>		
	<u>305</u>	<u>1,788</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	162,689	(49,276)
Cash and cash equivalents at the beginning of the year	244,708	293,984
<b>Cash and cash equivalents at the end of the year</b>	<u>407,397</u>	<u>244,708</u>
This is represented as:		
Current asset investments	64,885	107,691
Cash at bank and in hand	342,512	137,017
	<u>407,397</u>	<u>244,708</u>

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

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#### 1. Accounting policies

##### a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

APT Action on Poverty meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

##### b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

##### c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

##### d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

##### e) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

##### f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

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#### 1. Accounting policies (continued)

##### g) Allocation of support and governance costs

Support and governance costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis, which is an estimate of staff time spent on each activity:

	2018	2017
Raising funds	9.8%	12.5%
Charitable activities	90.2%	87.5%

##### h) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Plant and machinery	20% straight line basis
Fixtures, fittings and equipment	20 - 33% straight line basis

##### i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### j) Current asset investments

Current asset investments consist of cash held on short term deposit.

##### k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### l) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

##### n) Pension costs

The charity operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the statement of financial activities.

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

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#### 1. Accounting policies (continued)

##### o) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

##### p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

#### 2. Prior period comparatives

	Restricted £	Unrestricted £	2017 Total £
<b>Income from:</b>			
Donations	29,679	25,713	<b>55,392</b>
Charitable activities	428,752	-	<b>428,752</b>
Investments	-	1,788	<b>1,788</b>
<b>Total income</b>	<b>458,431</b>	<b>27,501</b>	<b>485,932</b>
<b>Expenditure on:</b>			
Raising funds	11,163	15,614	<b>26,777</b>
Charitable activities	478,789	29,280	<b>508,069</b>
<b>Total expenditure</b>	<b>489,952</b>	<b>44,894</b>	<b>534,846</b>
<b>Net expenditure and net movement in funds</b>	<b>(31,521)</b>	<b>(17,393)</b>	<b>(48,914)</b>

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

#### 3. Income from donations and legacies

	Restricted £	Unrestricted £	2018 Total £
Trusts and foundations	43,047	6,300	<b>49,347</b>
Legacies	-	46,000	<b>46,000</b>
Donations and other fundraising	490	17,522	<b>18,012</b>
	<u>43,537</u>	<u>69,822</u>	<u><b>113,359</b></u>

Prior year comparative	Restricted £	Unrestricted £	2017 Total £
Trusts and foundations	21,294	8,313	<b>29,607</b>
Donations and other fundraising	8,385	17,400	<b>25,785</b>
	<u>29,679</u>	<u>25,713</u>	<u><b>55,392</b></u>

#### 4. Income from charitable activities

	Restricted £	Unrestricted £	2018 Total £	2017 Total £
<i>Project grants from institutional donors:</i>				
European Commission	222,070	-	<b>222,070</b>	-
Comic Relief	159,465	-	<b>159,465</b>	121,725
DFID	136,302	-	<b>136,302</b>	-
Medicor Foundation	125,000	-	<b>125,000</b>	-
Big Lottery Fund	72,394	-	<b>72,394</b>	233,355
Marr Munning	70,000	-	<b>70,000</b>	-
Turing Foundation	39,456	-	<b>39,456</b>	43,672
Dulverton Trust	-	-	-	30,000
	<u>824,687</u>	<u>-</u>	<u><b>824,687</b></u>	<u>428,752</u>

All income from charitable activities was restricted in the prior year.

#### 5. Government grants

The charitable company receives government grants, defined as funding from the Department for International Development (DFID) and European Commission to fund charitable activities. The total value of such grants in the period ending 31 December 2018 was £358,372 (2017: £nil). There are no unfulfilled conditions or contingencies attaching to these grants.

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

#### 6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2018 Total £
Staff costs (note 9)	12,996	119,054	7,656	<b>139,706</b>
Other costs	-	23,897	21,403	<b>45,300</b>
Audit and accountancy fees	-	-	5,436	<b>5,436</b>
Depreciation	-	-	-	-
Grants payable to partners (note 8)	-	581,065	-	<b>581,065</b>
Publicity and fundraising costs	<u>1,032</u>	<u>-</u>	<u>-</u>	<u><b>1,032</b></u>
<b>Sub-total</b>	14,028	724,016	34,495	<b>772,539</b>
Allocation of support and governance costs	<u>3,395</u>	<u>31,100</u>	<u>(34,495)</u>	<u>-</u>
<b>Total expenditure</b>	<u><b>17,423</b></u>	<u><b>755,116</b></u>	<u>-</u>	<u><b>772,539</b></u>

Total governance costs were £5,436 (2017: £3,890).

Prior year comparative	Raising funds £	Charitable activities £	Support and governance costs £	2017 Total £
Staff costs (note 9)	16,906	118,142	7,549	<b>142,597</b>
Other costs	-	19,483	17,524	<b>37,007</b>
Audit and accountancy fees	-	-	3,890	<b>3,890</b>
Depreciation	-	-	265	<b>265</b>
Grants payable to partners (note 8)	-	344,875	-	<b>344,875</b>
Publicity and fundraising costs	<u>6,212</u>	<u>-</u>	<u>-</u>	<u><b>6,212</b></u>
<b>Sub-total</b>	23,118	482,500	29,228	<b>534,846</b>
Allocation of support and governance costs	<u>3,659</u>	<u>25,569</u>	<u>(29,228)</u>	<u>-</u>
<b>Total expenditure</b>	<u><b>26,777</b></u>	<u><b>508,069</b></u>	<u>-</u>	<u><b>534,846</b></u>

## APT Action on Poverty

### Notes to the financial statements

#### For the year ended 31 December 2018

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#### 7. Net movement in funds

This is stated after charging:

	2018	2017
	£	£
Depreciation	Nil	265
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Statutory audit (including VAT)	5,076	5,076
▪ Consultancy (including VAT)	360	-
	<u>5,436</u>	<u>5,076</u>

#### 8. Grants payable

	2018	2017
	£	£
<i>Grants paid to partner organisations:</i>		
SITE Enterprise Promotion	145,527	165,790
Movement for Assistance and Promotion of Rural Communities	252,662	102,234
Community Action for Rural Development	181,070	75,968
Other small grants: country-specific funding	1,806	883
	<u>581,065</u>	<u>344,875</u>

#### 9. Staff costs and numbers

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	124,667	129,289
Social security costs	6,122	7,005
Pension costs	8,917	6,303
	<u>139,706</u>	<u>142,597</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the trustees and chief executive. The total employee benefits of the key management personnel were £49,232 (2017: £48,497). This is made up of salary costs of £42,058 (2017: £41,420) and employer NI and pension costs of £7,174 (2017: £7,077).

Included in salaries and wages are total amounts paid to employees for redundancy and voluntary termination during the year of £6,767 (2017: £nil).

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

#### 9. Staff costs and numbers (continued)

	2018 No.	2017 No.
Average head count	<u>5.17</u>	<u>6.00</u>

#### 10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 11. Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2018 and at 31 December 2018	<u>1,299</u>	<u>4,053</u>	<u>5,352</u>
<b>Depreciation</b>			
At 1 January 2018 and at 31 December 2018	<u>1,299</u>	<u>4,053</u>	<u>5,352</u>
<b>Net book value</b>			
<b>At 31 December 2018</b>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>

#### 12. Debtors

	2018 £	2017 £
Prepayments and accrued income	5,387	-
Other debtors	<u>-</u>	<u>88</u>
	<u>5,387</u>	<u>88</u>

#### 13. Current asset investments

	2018 £	2017 £
Cash held on deposit	<u>64,885</u>	<u>107,691</u>

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

#### 14. Creditors : amounts due within 1 year

	2018 £	2017 £
Accruals	6,920	6,284
Other taxation and social security	1,996	2,533
Other creditors	2,077	-
	<u>10,993</u>	<u>8,817</u>

#### 15. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	<u>211,815</u>	<u>189,976</u>	<u>401,791</u>
<b>Net assets at 31 December 2018</b>	<b><u>211,815</u></b>	<b><u>189,976</u></b>	<b><u>401,791</u></b>
	Restricted funds £	Unrestricted funds £	Total funds £
<b>Prior year comparative</b>			
Tangible fixed assets	-	-	-
Net current assets	<u>83,092</u>	<u>152,887</u>	<u>235,979</u>
<b>Net assets at 31 December 2017</b>	<b><u>83,092</u></b>	<b><u>152,887</u></b>	<b><u>235,979</u></b>

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

#### 16. Movements in funds

	At 1 January 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2018 £
<b>Restricted funds</b>					
Kenya: Camel milk project	25,613	177,787	(198,889)	2,610	<b>7,121</b>
Sierra Leone: Empowering communities	37,189	26,158	(60,499)	(2,446)	<b>402</b>
Sierra Leone: Livelihoods for young people	5,130	50,451	(54,825)	(756)	-
Sierra Leone: Vocational skills development and income generation for disadvantaged young people	3,214	27,137	(29,995)	(356)	-
Sierra Leone: Livelihoods and food security for vulnerable people	-	261,302	(218,553)	-	<b>42,749</b>
Sierra Leone: Enhancing CSO capacity	-	321,389	(169,554)	-	<b>151,835</b>
Country-specific funding	<u>11,946</u>	<u>4,000</u>	<u>(4,198)</u>	<u>(2,040)</u>	<u><b>9,708</b></u>
<b>Total restricted funds</b>	<u>83,092</u>	<u>868,224</u>	<u>(736,513)</u>	<u>(2,988)</u>	<u><b>211,815</b></u>
<b>Unrestricted funds</b>					
General funds	<u>152,887</u>	<u>70,127</u>	<u>(36,026)</u>	<u>2,988</u>	<u><b>189,976</b></u>
<b>Total unrestricted funds</b>	<u>152,887</u>	<u>70,127</u>	<u>(36,026)</u>	<u>2,988</u>	<u><b>189,976</b></u>
<b>Total funds</b>	<u><u>235,979</u></u>	<u><u>938,351</u></u>	<u><u>(772,539)</u></u>	<u><u>-</u></u>	<u><u><b>401,791</b></u></u>

#### Purposes of restricted funds

Kenya: Camel milk project	Providing skills and hygiene training throughout the entire Camel Milk supply chain to improve productivity and produce standards.
Sierra Leone: Empowering communities	Growth and development of small community organisations to be more self sufficient and provide services.
Sierra Leone: Livelihoods for young people	Skills training for marginalised youths in order to help maintain political and economic stability.
Sierra Leone: Vocational skills development and income generation for disadvantaged young people	To reach an additional 240 disadvantaged youths and provide skills training in conjunction with the larger livelihoods project.
Sierra Leone: Livelihoods and food security for vulnerable people	Reducing the poverty and malnutrition of people in rural households through community organisations.

## APT Action on Poverty

### Notes to the financial statements

#### For the year ended 31 December 2018

##### Purposes of restricted funds (continued)

Sierra Leone: Enhancing CSO capacity	Strengthening 45 civil society organisations to empower women, and provide gender, literacy, business skills and apprenticeship training.
Country-specific funding	Funds raised to provide help in Tanzania, Sri Lanka, Uganda and Sierra Leone on future project opportunities.

##### Transfers between funds

Fund transfers have been made to correct immaterial discrepancies on opening funds.

##### Prior year comparative movement in funds

	At 1 January 2017 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2017 £
<b>Restricted funds</b>					
Uganda: Rights and livelihoods for domestic workers	2,483	-	-	(2,483)	-
Sri Lanka: Reaching disabled people	(4,933)	-	-	4,933	-
Kenya: Food and livelihoods for PLWHA	(853)	-	-	853	-
Kenya: Camel milk project	74,234	166,725	(216,871)	1,525	<b>25,613</b>
Sierra Leone: Empowering communities	7,215	131,686	(107,595)	5,883	<b>37,189</b>
Sierra Leone: Livelihoods for young people	17,865	108,245	(116,072)	(4,908)	<b>5,130</b>
Sierra Leone: Vocational skills development and income generation for disadvantaged young people	-	43,672	(40,114)	(344)	<b>3,214</b>
Country-specific funding	18,602	8,103	(9,300)	(5,459)	<b>11,946</b>
<b>Total restricted funds</b>	<b>114,613</b>	<b>458,431</b>	<b>(489,952)</b>	<b>-</b>	<b>83,092</b>
<b>Unrestricted funds</b>					
General funds	170,280	27,501	(44,894)	-	<b>152,887</b>
<b>Total unrestricted funds</b>	<b>170,280</b>	<b>27,501</b>	<b>(44,894)</b>	<b>-</b>	<b>152,887</b>
<b>Total funds</b>	<b>284,893</b>	<b>485,932</b>	<b>(534,846)</b>	<b>-</b>	<b>235,979</b>

## APT Action on Poverty

### Notes to the financial statements

For the year ended 31 December 2018

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#### 17. Financial instruments

	2018	2017
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Prepayments and accrued income	5,387	-
Other debtors	-	88
Cash at bank and in hand	<u>342,512</u>	<u>244,708</u>
	<u><u>347,899</u></u>	<u><u>244,796</u></u>
Financial liabilities measured at amortised cost:		
Accruals	6,920	6,284
Other creditors	<u>2,077</u>	<u>-</u>
	<u><u>8,997</u></u>	<u><u>6,284</u></u>

#### 18. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2018	2017
	£	£
Amount falling due:		
Within 1 year	936	936
Within 1 - 5 years	<u>234</u>	<u>1,170</u>
	<u><u>1,170</u></u>	<u><u>2,106</u></u>

The charity's rental lease is on a short term notice period; there is no lease commitment.

#### 19. Related party transactions

There are no other related party transactions to disclose in the current or previous reporting period.