

E3 INITIATIVE
FINANCIAL STATEMENTS
31 DECEMBER 2017

Charity Number 1092574

E3 INITIATIVE

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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E3 INITIATIVE

REFERENCE AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2017

Status

E3 Initiative is formed under a Declaration of Trust dated 4 March 2002, as amended on 12 May 2009 and then amended by deed on 29 March 2013. E3 Initiative is constituted as an unincorporated trust. Initially named iThemba AIDS Foundation, it is a registered charity, with charity number 1092574. On 10 June 2009 its name changed from iThemba AIDS Foundation to EngageHIV Foundation. On 12 September 2010, EngageHIV Foundation agreed to merge with Entrust Foundation which transferred all its assets and liabilities to EngageHIV Foundation. Its name was changed at the same time to E3 Initiative.

Trustees

The Trustees have the power to appoint new or additional Trustees and to remove any Trustee provided the number of Trustees does not fall below a minimum of three. The Trustees who served during the year and since the year-end were as follows:

T Finlay (Chairman)
R Meryon
T Sheppard
A Fearon
A Davisson
M Davisson

Principal Address

Cornerstone, Fyfield Wick, Abingdon OX13 5NB

Independent Examiner

Neil Kingston FCA, The Clock Tower, 5 Farleigh Court, Old Weston Road, Flax Bourton, Bristol, BS48 1UR

Bankers

Danske Bank, PO Box 183, Donegall Square West, Belfast BT1 6JS

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REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2017

The Trustees have pleasure in presenting their report and financial statements of the charity for the year ended 31 December 2017.

1. Structure, Governance and Management

1.1. Organisational structure

E3 Initiative ('E3 UK') is formed under a Declaration of Trust dated 4 March 2002. As of 31 December 2017, the organisation had six Trustees who are responsible for directing the affairs of E3 UK and ensuring that it is solvent, well-run, and delivering the charitable outcomes detailed below, under the sub-heading, 'Charitable Objects and Purpose'. E3 UK has two sister charities, one in South Africa called E3 Initiative South Africa Trust ('E3 SA') and a US 501(c) 3 corporation called E3 Initiative Foundation USA ('E3 US'). Together the three charities form what we call the 'E3 Group'.

The E3 UK Trustees have delegated responsibility for the day-to-day overall management of E3 to Pastor Sinatra Matimelo who serves as Chief Executive Officer ('CEO') of E3 SA. Andrew Davisson, who is also a Trustee of E3 SA, is the Financial Controller for each of the three charities in the E3 Group. E3 UK and E3 US are primarily responsible for fundraising for the E3 Group. To that end, the Trustees are all involved in various fundraising initiatives. In addition, Sarah Smith is a consultant responsible for marketing and communications, reporting to the Trustees.

1.2. Recruitment and appointment of new Trustees

As stated above, as of 31 December 2017, E3 UK had six Trustees. The Trustees have the power to appoint new or remove existing Trustees provided that there are at least three Trustees. New Trustees are appointed for a term of three years by a resolution of the Trustees passed at a Special Meeting.

The Trustees identify the need for new Trustees, either because vacancies have arisen through resignations or because there is a need for one or more Trustees with specific skills that are required to help run the charity more effectively.

The Trustees then agree selection criteria based on an agreed view of Trustees' roles, responsibilities and expected contribution towards E3's vision. In more detail, we use a skills and experience matrix which identifies areas of strength of the existing Trustees and highlights which skills are required. We then work within our existing contacts and networks to identify potential names and contacts. Up until now we have not formally advertised such positions. Potential Trustees are interviewed by the Trustees and if successful are invited to join the Trustees, subject to references and formal vetting. The vetting process includes confirmation that the candidate is not disqualified from acting as a Trustee, confirmation from the candidate of any existing or potential conflicts of interest as well as seeking the necessary Disclosures from the Criminal Records Bureau. (We have had confirmation from the Charity Commission that in its present modus operandi, E3 is not required to seek such Disclosures from the Trustees but we consider it to be good practice.)

1.3. Note on public benefit

This Trustees' report respects and values the Charity Commission's requirements for reporting on activities that further our charitable purposes from the perspective of public benefit. We believe we have not only done this, but have also fully complied with the duty outlined in the Charities Act 2011, to have paid due regard to the public benefit guidance published by the Charity Commission. E3 Initiative is committed to planning and implementing its charitable activities with this guidance in mind, and to integrating the reporting of public benefit into its reports to the Charity Commission.

In particular, all our activities are aimed not only at improving the delivery of care for the pastors and community leaders our local project partners work with, but also at deliberately improving the lives and

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livelihoods of those in the communities that they serve, regardless of race or gender. In other words the very nature of E3 means that the charity is designed to serve the wider community.

1.4. Financial review and reserves policy

In 2017, E3 received voluntary income of £239,159, higher than the income of £214,009 received in 2016. However it should be noted that this does not give a complete picture of the level of funding for the E3 Group because donations are also provided to the US Foundation and the South African Trust.

Total expenditure for 2017 was £342,335 (2016: £132,608). E3 had a deficit for the year of £103,004 which decreased total funds from £213,902 on 1 January 2017 to £110,898 as of 31 December 2017.

In 2017, E3 spent £325,453 on charitable activities (94% of total expenditure), most of which constituted grants to E3 partner projects. Approximately another 5% of expenditure was allocated to the costs of raising funds and 1% was spent on governance costs.

E3 holds all of its assets in cash or cash deposits so no formal investment objectives are set as part of our planning process. There was only minimal investment income received in 2017 as a result of the prevailing low deposit interest rates.

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should not be less than £10,000 (modified from £50,000 on 21 November 2014). This amount is reviewed each year when the annual budget is set. At this level, the Board of Trustees feels that it would be able to continue the current activities of the charity in the event of a reduction in funding. However, should such an event occur, it would be necessary to review the level of activities or seek replacement funds. At the balance sheet date, the free reserves amounted to £94,779.

1.5. Charitable Objects and Purpose

E3 Initiative continues to work with its partner projects in the Democratic Republic of Congo, Lesotho, Malawi, South Africa, Swaziland, Zambia and Zimbabwe to serve needy communities within its vision of bringing transformation to local communities affected by poverty and HIV and AIDS in Southern Africa. E3 also continues to focus on its charitable activities outlined below:

- a) to advance the Christian religion;
- b) to advance the education of disadvantaged church leaders;
- c) the relief of sickness and financial hardship due to HIV and AIDS;
- d) to promote the sustainable development of poor communities.

E3 Initiative's Community-based Programmes

To achieve its objectives and purpose, E3 Initiative works with its partner projects in Southern Africa within four key programmes agreed upon by the Trustees which are outlined below:

1.5.1 Church and Community Transformation

The Church and Community Transformation programme (CCT) provides training so that church leaders, their congregations and communities can lay out their own community transformation agenda. We believe that the solutions to local issues lie with the churches and communities themselves, and not with outside development experts with little knowledge and experience of the community they seek to transform.

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1.5.2. Back to School

The Back to School programme provides uniform and equipment for orphaned and vulnerable children who otherwise would be unable to attend school. Many orphaned children drop out of school because of a lack of support and encouragement and insufficient money to afford uniforms and other school equipment. E3's Back to School programme provides funding to each of our partners so they can enable children to return to school and have a chance of a better future.

1.5.3. HIV and AIDS Support

Our local partner churches run a number of HIV and AIDS support initiatives including feeding patients on HIV treatment and practical, emotional and spiritual support for orphaned and vulnerable children. We are confident that amidst the pain and suffering caused by HIV, churches can bring hope for the present and the future as they reach out in word and action.

1.5.4. Improving Livelihoods

Microfinance programmes give people a hand up out of poverty. Income from a small business empowers them to provide for their families' most basic needs and contribute to improving livelihoods for others in their community as the microfinance group grows. In many of the communities where E3 partners serve, people face a daily struggle to provide for their families and even survive. This struggle for survival can force families to get involved in criminal activities. For example, many refugee women and young girls engage in prostitution to make money to survive.

2. Activity and Outcomes

E3 Initiative, based on its vision and working with its partner projects in the Democratic Republic of Congo, Lesotho, Malawi, South Africa, Swaziland, Zambia and Zimbabwe managed to achieve its set goals in 2017. Below is a summary of E3's work based on the 6 goals that were set and how they were achieved within the organisation's charitable activities and the four programmes outlined above. All of these figures are taken from audited reports from E3 partner projects.

Goal 1

To continue pursuing the E3 vision of empowering local churches and grassroots community organisations for spiritual, economic and social transformation as they work to alleviate poverty and the burden of disease.

Outcomes:

E3 Initiative managed to work closely with all its 26 partner projects in the 7 Southern African countries listed above. Below are some of the activities that were carried out:

- All the partner projects received grants from E3 Initiative as per the agreed Memorandum of Understanding.
- All partner projects were visited for spiritual and emotional encouragement by E3 staff and some of the Trustees at least twice in the course of the year.
- The work of all partner projects went through internal audits to ensure that the funds they received from E3 and the agreed upon impact numbers for the year were achieved.

It must be stated that more than 70% of E3 partner projects are 75% to 100% dependant on E3 Initiative funding.

Goal 2

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To directly impact the lives of 38,000 people and indirectly impact more than 190,000 other needy people in Southern Africa.

Outcomes:

Based on the target impact numbers agreed upon with partner projects, E3 managed to directly impact more than 39,048 people and indirectly impact 187,702 others in 2017. E3 partner projects have continued to exceed the targets agreed for direct impact numbers. Please note that our partner projects in Zambia did not hold the annual E3 Initiative Conference in 2017 due to travel and logistical issues. This resulted in the reduced indirect impact number. The E3 Initiative Leaders' Conference will however be hosted in Zambia from 30 April 2018 to 4 May 2018.

Goal 3:

To Support 7,010 orphaned and vulnerable children in Southern Africa

Outcomes:

Poverty and emotional trauma among children are a huge problem in Southern Africa. In 2017, working closely with its partner projects, E3 managed to support 7,037 orphaned and vulnerable children.

E3 supported 973 children with uniforms, shoes and other school materials in South Africa, Zambia, Zimbabwe and DR Congo. Working closely with Mobile Mission Maintenance in Zambia, Father's Heart Ministries and King's Community Church in South Africa and Family Life Projects Trust in Zimbabwe, E3 provided meals to 1,896 children in schools and HIV and AIDS feeding centres in South Africa, Zambia and Zimbabwe. 4,168 children participated in E3 partner projects' psychosocial and Life Skills workshops conducted by our partner projects in South Africa (Lulisandla Kumntwana, Key Ministry International, United National Baptist Church and Inceboyenkosi Foundation), Family Life Projects Trust in Zimbabwe and Acts of Faith in Swaziland. Based on an average household of 4 people, E3 indirectly impacted 28,148 people through the support it provided to orphaned and vulnerable children.

Goal 4:

To Support 4,275 people through the Church and Community Transformation Programme

Outcomes:

Through the Church and Community Transformation Programme, E3 supported 3,983 church leaders and community people in 2017. 65 church and community leaders from DR Congo, Lesotho, Malawi, South Africa, Swaziland, Zambia and Zimbabwe participated in the E3 annual conference where teaching on leadership integrity was presented. The conference in Zambia could not take place as explained above. Three E3 partners ran Bible training programmes that incorporated community development. A total of 438 leaders were trained at Acton Missionnaire au Congo in DR Congo, Family Life Trust in Zimbabwe and at Isibani Sethemba in South Africa.

E3 funded the purchase of 6 motor vehicles. 5 vehicles were bought in 2017 (Scripture Union – Zimbabwe, Paran Church – South Africa, Acts of Faith – Swaziland, Father's Heart Ministries – South Africa and Sunrise Ministries – Malawi). Based on audited reports written by partner projects, these vehicles were used to service 3,042 people.

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256 people were directly impacted by proceeds from the chicken farm that was 100% funded by E3 Initiative at Truevine Community Church. The chicken farm is based in a rural community and now thousands of people have access to fresh and affordable chicken meat.

E3 also impacted the lives of 182 church leaders who were enabled to start small businesses through revolving loans through Action Missionnaire in DR Congo, Isibani Sethemba in South Africa, Centre for Christian Missions in Zambia and Mountaineers for Christ in Lesotho. The average number of people in a local church is 50. Based on this average number, E3 managed to indirectly impact 35,274 people through the training of church leaders who in turn serve their congregations better.

Goal 5:

To provide support to 22,550 people affected or infected by HIV and AIDS

Outcomes:

E3 continues to be passionate about providing support and education on HIV and AIDS across Southern Africa. In 2017, E3 provided direct support to 22,556 people.

- 13,471 meals were provided to people living with HIV at 5 clinics in Lesotho by Mountaineers for Christ.
- 242 people were supported by Acts of Faith through the Home-based Care projects.
- E3 provided funds for meals throughout the year to Esther House, a safe home for women who suffered domestic violence, human trafficking or survived rape and were being kept at the home by the police as key court witnesses. The home provided shelter and care to 1,564 women and their children.
- 7,279 people attended an HIV workshop, were tested for HIV or provided with easy access to AIDS medication at Sunrise Ministries in Malawi, Inceboyenkosi in South Africa and Jabulani Foundation in South Africa.
- By directly providing support to 22,550 people affected or infected with HIV and AIDS, E3 indirectly supported a further 102,392 who are part of their families and households.

Goal 6:

To improve livelihoods through food security initiatives and Self-help Groups

Outcomes:

To reduce dependence on handouts, E3 has continued to work with its partner projects to empower people in needy communities with knowledge and skills to enhance their livelihood strategies.

- E3 worked with 3 partner projects (Zimele Wethu Foundation, Sunrise Ministries and Family Life Projects Trust in Zimbabwe to empower 3,168 women, men and young people through the Self-help Group programme.
- 158 people also participated in the Microfinance programmes, which enabled them to access small loans to either pay for an immediate need such as medical bills or college fees or start a small business. Most of the people were from the refugee community.

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- E3 also worked with its partner projects to impact the lives of 1,961 people through the provision of water to communities in Swaziland and Lesotho, provided funds to Sunrise Ministries to start a cassava farm and also provided funds to Isibani Sethemba to start a Pastors' garden project in Northern KwaZulu-Natal, South Africa.
- 185 people were supported to continue with their small businesses in Swaziland where they are making peanut butter and running a laundry business.
- In Malawi, some women on the Home-based care programme were trained and supported to start small businesses by Sunrise Ministries.
- By enabling 5,472 people to have clean water, start a small business or access a loan, E3 indirectly impacted 21,888 other people (there is an average of 4 people living with the person who was supported through E3).

At E3, we are excited to observe that many lives were touched and changed through the work of E3 Initiative and its partner projects.

3. E3 Plans for 2018

E3 will continue to serve needy communities in Southern Africa, working with 26 partner projects to achieve the 8 main goals we have planned to achieve in 2018.

Goal 1: To directly impact the lives of 40,000 women, men and children in 2018 and indirectly impact 196,764 others.

Working with its partner projects in Southern Africa, E3 staff will continue to provide support, financial and impact audits to all its partner projects based on agreed and signed memorandums of understanding.

Goal 2: To fundraise £305,000 for 2018

To ensure the sustainability of the work E3 is doing, it is our goal to raise £305,000 in 2018 to fund the work in 2019. With these funds, E3 will work closely with its partner projects in Lesotho, Malawi, South Africa, Swaziland, Zambia and Zimbabwe in 2018 to alleviate poverty, provide much-needed skills through training, address issues on HIV and AIDS and provide school necessities for orphaned and vulnerable children.

Goal 3: To facilitate the building of sustainable partner organisations

In 2018, E3 will continue to support its partner projects with initiatives that will ensure sustainability of the work we are doing.

It must be stated that most of E3's partner projects are 100% dependant on E3 funding. In the light of such dependence, E3's theme for this year is sustainability. We are seeking to enable our partner projects to start programmes that will enable them to become financially self-reliant in the next 3 years or develop self-sustaining community-based initiatives. Below are some of the initiatives we will be working on this year to ensure that our partner projects become self-sustaining.

- **Completing the construction of an under-five clinic in Malawi:** E3 will work to enable Sunrise Ministries to complete the construction and furnishing of the under-five clinic, which will serve an average of 53 children each day in a rural high density community in Malawi.
- **Pastor's farm in Zimbabwe:** In 2017, E3 trained and encouraged a group of 10 Pastors from different churches to work together and start a small farm. This year, the 10 Pastors received

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funding from E3 and started the farm. The produce will be sold to generate funds to keep capitalising the farm. It is hoped that through this farm, the 10 Pastors will be able to become self-sustaining under the leadership of Family Life Projects Trust.

- **Intensive training on Microfinance and the Self-help Group:** E3 has continued to fund and support extensive skills training programmes among its partner projects. In Swaziland, Zimbabwe and Malawi, E3 is working alongside Acts of Faith, Family Life Projects Trust and Sunrise Ministries to conduct intensive training on the Self-help Group programme to Home-based Care clients who desire to improve their economic situations.
- **Computer Schools:** Working with Inceboyenkosi and Zimele Wethu, E3 has continued to support the growth of the Computer Youth Academy in Swayimane and has also funded the establishment of a new Computer School in rural Durban facilitated by Zimele Wethu Foundation.
- **Sanitary Pads production:** E3 will fund Word Alive Ministries to buy 5 sewing machines and materials to start a sewing initiative that will ensure the provision of 500 sanitary pads a month to young school girls who without such support stay at home during their time of menstruation.

Those are just some of the initiatives that E3 is working on with its partner projects to ensure that development initiatives become self-sustaining.

Goal 4: To directly support 8,371 orphaned and vulnerable children

E3 remains committed to supporting orphaned and vulnerable children who suffer poverty as a result of HIV and AIDS or neglect by parents/guardians. To ensure this project is effective, E3 has employed Ms. Lidia Matabaro who will ensure that E3's work among children continues to grow and becomes increases in effectiveness.

In 2018, E3 will support 1,071 children with school uniforms, shoes and school bags in Durban and Pietermaritzburg. Another 2,100 children will be supported by E3 partner projects in DR Congo, Malawi, Zimbabwe, Zambia and South Africa.

To ensure the psychological and emotional wellbeing of children in several partner projects we work with, E3 will continue to fund psychosocial workshops for children at Lulisandla Kumntwana, Isibani Sethemba, King's Community Church and Inceboyenkosi in South Africa. Family Life Projects Trust in Zimbabwe and Word Alive in Malawi will continue to conduct Life Skills and E3 will also continue to fund Life Skills programmes for children on the E3 Back to School programme. 5,200 children will this year be supported through various approaches to psychological and emotional wellbeing.

Goal 5: To train and support 1,012 Pastors and Church Leaders through the Church and Community Transformation Programme and E3 funded Bible programmes

E3 will this year host 2 leaders' conferences in Zambia (30 April – 3 May 2018) and in South Africa (13 November – 16 November 2018). 80 leaders will be trained through these conferences.

Through the Church and Community Transformation programme, E3 will also train leaders at Isibani Sethemba – South Africa, Action Missionnaire au Congo – DR Congo, African United Baptist Church – South Africa and Key Ministry International – South Africa. In total 632 leaders and community leaders with congregations of about 50 people will be trained. As part of E3's vision to support sustainability, E3 will fund partner projects to provide small loans to start small businesses. 300 Pastors in South Africa, DR Congo, Zambia, Lesotho and Zimbabwe will be provided with training and financial support to start small businesses.

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Goal 6: To support 26,450 people affected and infected with HIV and AIDS

HIV and AIDS training and support is key to E3's vision. Working alongside its partner projects, E3 wants to see people who are infected or affected by HIV and AIDS to be trained in HIV management, treatment and care in order to reduce the HIV and AIDS stigma.

13,500 meals will be provided to people living with HIV through Mountaineers for Christ in Lesotho and Mobile Mission Maintenance in Zambia.

E3 will provide support for the ongoing care of people living with HIV in Swaziland and restricted funds to Zimele Wethu to help with the care of terminally ill people in Msinga, South Africa.

A total of 250 people will be cared for through the Home-based Care initiative in Swaziland and South Africa.

E3 will continue to provide financial support to Abrina Esther House, a safe house where women who suffer rejection, domestic violence and victims of human trafficking are cared for. E3 will provide food for the 1,600 women pass through its doors each year.

Sunrise Ministries, Glad Tidings and the Ecumenical Counselling Centre in Malawi, and Jabulani Foundation, Evangelical AIDS Programme and Truevine Community Church in South Africa will work closely with E3 to provide counselling, testing and treatment to 7,600 people.

Using the 5 vehicles bought by E3 for Sunrise ministries in Malawi, Father's Heart Ministries in South Africa, Paran Ministries in South Africa, Scripture Union in Zimbabwe and Acts of Faith in Swaziland, a further 3,500 people affected and infected with TB and HIV and AIDS will be helped.

All the above mentioned partner projects will work with E3 to support, educate and care for 26,450 people living in a household with an average of 4 people who will be indirectly impacted.

Goal 7: To empower 360 refugees and asylum seekers through the Refugees' Support Programme

E3's work among refugees and asylum seekers in South Africa has continued to grow. This year, E3 wants to directly impact the lives of 360 refugee families in Durban, Pietermaritzburg and Cape Town in South Africa through microfinance and the Self-help Group programme. E3 will also work to provide Self-help Group training to Refugees in Malawi at a Refugee Camp.

Goal 8: To provide training to 4,810 people and revolving loans to needy families through the Improving Livelihoods Programme

We are delighted at E3 that this year we will work directly with two Primary schools (Nobanda Primary School in Pietermaritzburg and Mdutshini Primary School in Bulwer) to start school vegetable gardens. School children who are part of the feeding schemes at these schools will benefit from the fresh produce from the gardens.

E3 will continue to support Isibani Sethemba and Acts of Faith who are working closely with community people in drought prone areas. It is our desire to maintain the running of clean water at Ephlabeni Metropolitan Church where community women are involved in vegetable farming and the block making business that is 100% funded by E3 Initiative through Acts of Faith. A total of 1,760 will continue to benefit from the supply of clean water in Ingwavuma – South Africa and at Ephlabeni Metropolitan Church in Swaziland.

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E3 Initiative will also work closely with Family Life Projects Trust in Zimbabwe, Acts of Faith in Swaziland, Sunrise Ministries in Malawi and Zimele Wethu in South Africa to continue mobilising and training 3,050 people through the Self-help Group programme.

E3 Trustees and staff are confident that, with the support and financial generosity of our funders and the unwavering commitment of the staff who are working with our partner projects across Southern Africa, the goals set above will be achieved.

4. Statement of Trustees Responsibilities for the Annual Accounts

Law applicable to charities in England and Wales requires us as trustees of E3 Initiative to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the year end. In preparing financial statements giving a true and fair view, our responsibility as trustees requires us to follow best practice and:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and the relevant SORP have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

As the charity trustees, we are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of E3 Initiative at any time, and which enable us as trustees to ensure that the financial statements comply with applicable law. As charity trustees, we are also responsible for safeguarding the assets of the charity and for their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud.

This report and the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (FRS 102 2015).

Principal address:

Cornerstone,
Fyfield Wick,
Abingdon OX13 5NB

Signed on behalf of the
Trustees

Trevor Finlay
Chair of the Trustees

Approved by the Trustees on

E3 INITIATIVE

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

YEAR ENDED 31 DECEMBER 2017

I report on the accounts of the Trust for the year ended 31 December 2017, which are set out on pages 12 to 20.

Respective responsibilities of Trustees 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(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioner. 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 the seeking of explanations from you as 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:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Neil Kingston FCA
Burton Sweet Chartered Accountants
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol
BS48 1UR

Date:.....2018

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STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income from					
Donations	2	208,284	30,875	239,159	214,009
Investment income		172	-	172	142
Total income		<u>208,456</u>	<u>30,875</u>	<u>239,331</u>	<u>214,151</u>
Expenditure on					
Raising funds	3	-	16,882	16,882	14,941
Charitable activities	4, 5	316,033	9,420	325,453	117,667
Total expenditure		<u>316,033</u>	<u>26,302</u>	<u>342,335</u>	<u>132,608</u>
Net income/(expenditure)	6	(107,577)	4,573	(103,004)	81,543
Net movement in funds		<u>(107,577)</u>	<u>4,573</u>	<u>(103,004)</u>	<u>81,543</u>
Total funds at 1 January	11	202,356	11,546	213,902	132,359
Total funds at 31 December	11	<u>94,779</u>	<u>16,119</u>	<u>110,898</u>	<u>213,902</u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The comparative funds are set out in note 13.

The notes on pages 14 to 20 form part of these financial statements

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BALANCE SHEET
AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors	9	7,795	4,379
Cash at bank		<u>182,653</u>	<u>274,503</u>
		190,448	278,882
Creditors : Amounts falling due within one year			
	10	<u>(79,550)</u>	<u>(64,980)</u>
Net current assets		110,898	213,902
Net assets		<u><u>110,898</u></u>	<u><u>213,902</u></u>
Funds			
Unrestricted			
General Funds	12	94,779	202,356
Restricted	12	<u>16,119</u>	<u>11,546</u>
		<u><u>110,898</u></u>	<u><u>213,902</u></u>

These financial statements were approved by the trustees on 2018, and are signed on their behalf by:

Trevor Finlay
Chair of Trustees

The notes on pages 14 to 20 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Accounting Regulations set out under the Charities Act 2011 and the Charities Statement of Recommended Practice (FRS 102 2015).

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern due to the liquid reserves held.

The charity is a public benefit entity.

- b) Income from donations are included as income when these are receivable, except as follows:
- I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
 - II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.
- c) Expenditure is recognised in the period in which it is incurred. Expenditure include attributable VAT which cannot be recovered.
- d) Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised when the conditions attaching are fulfilled.
- e) Charitable activities include costs incurred directly in support of expenditure on the objects of the charity and 100% of the support costs.
- Governance costs include the costs of governance arrangements which relate to the general running of the charitable activities. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. These are included within charitable activities.
- f) Transactions in foreign currencies are recorded at the average rate of exchange for the year. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.
- g) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the management committee.
- h) Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
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E3 INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (continued)

- i) Raising funds comprise the costs associated with attracting that income, including fundraising costs and the cost of raising awareness of partnership projects and their needs.
- j) Fixed assets are stated at cost and new items costing more than £2,000 are capitalised.
- k) No restatement of the comparative figures was needed as a result of preparing the financial statements in accordance with the accounting policies required by FRS 102 and the Charities SORP FRS 102. The existing accounting policies remain the same.

2 Donations

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Donations	208,284	30,875	239,159	214,009
	<u>208,284</u>	<u>30,875</u>	<u>239,159</u>	<u>214,009</u>

3 Raising funds

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Fundraising activities	-	11,723	11,723	12,230
Web development	-	857	857	1,073
Advertising and Marketing for Partnership Projects	-	4,302	4,302	1,638
	<u>-</u>	<u>16,882</u>	<u>16,882</u>	<u>14,941</u>

4 Charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Partnership Projects (note 5)	36,927	-	36,927	114,929
Funds to South Africa	279,106	7,574	286,680	-
Governance costs	-	1,846	1,846	2,738
	<u>316,033</u>	<u>9,420</u>	<u>325,453</u>	<u>117,667</u>

E3 INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

5 Analysis of expenditure on charitable activities

	Grant funding of activities £	Support costs £	Total Funds 2017 £	Total Funds 2016 £
Partnership Projects	36,514	413	36,927	114,929
	<u>36,514</u>	<u>413</u>	<u>36,927</u>	<u>114,929</u>

Support costs

	Total Funds 2017 £	Total Funds 2016 £
Wages and salaries	-	8,721
Office and general costs	129	80
Foreign currency exchange gains/(losses)	284	(2,069)
	<u>413</u>	<u>6,732</u>

6 Net income/expenditure for the year

This is stated after charging:

	2017 £	2016 £
Independent examiner's fee : for independent examination	920	880
for preparation of statutory accounts	630	600
Trustees and connected persons remuneration	-	-
Reimbursement of Nil trustee's travel expenses (2016: 1 trustees)	-	1,928

3 Trustees and related parties (2016: 4) made donations to the charity totalling £21,150 (2016: £2,700) during the year.

2 Trustees (2016: 2) waived expenses for travel totalling £268 (2016: £218).

E3 INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

7 Staff costs and numbers

	2017	2016
	£	£
Wages and salaries	-	8,721

No employee received emoluments in excess of £60,000.

During the year the average number of staff was zero full-time employees (2016: 1).

The key management team as defined as the Trustees and marketing and fundraising consultant received total remuneration amounting to £9,047 (2016 - £19,023).

8 Taxation

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

9 Debtors

	2017	2016
	£	£
Gift aid recoverable	7,795	4,379
	<u>7,795</u>	<u>4,379</u>

10 Creditors : amounts falling due within one year

	2017	2016
	£	£
Accruals	1,550	1,480
Grants payable	78,000	63,500
	<u>79,550</u>	<u>64,980</u>

E3 INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

11 Movement in funds

	At 1 Jan 2017 £	Income £	Expenditure £	Transfers £	At 31 Dec 2017 £
Restricted Funds					
Running costs of charity	7,001	26,288	(18,728)	-	14,561
Lulisandla	500	400	(800)	-	100
Back to school	4,045	4,187	(6,774)	-	1,458
	11,546	30,875	(26,302)	-	16,119

Unrestricted Funds

General Funds	202,356	208,456	(316,033)	-	94,779
	213,902	239,331	(342,335)	-	110,898

Prior year comparatives

	At 1 Jan 2016 £	Income £	Expenditure £	Transfers £	At 31 Dec 2016 £
Restricted Funds					
Running costs of charity	21,980	2,700	(17,679)	-	7,001
Lulisandla	100	400	-	-	500
Back to school	350	3,695	-	-	4,045
	22,430	6,795	(17,679)	-	11,546

Unrestricted Funds

General Funds	109,929	207,356	(114,929)	-	202,356
	132,359	214,151	(132,608)	-	213,902

E3 INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

11 Movement in funds (continued)

Running costs of charity are funds donated to cover expenditure of the charity incurred during the year, with the exception of grant funding of partnership projects.

The Lulisandla fund has arisen as a result of funds being donated for the purpose of supporting orphans.

The Back to school fund is a programme supporting the purchase of school clothes and stationery for children in South Africa.

12 Analysis of net assets between funds

	Current assets £	Current liabilities £	Total £
Unrestricted Funds			
General Funds	174,329	(79,550)	94,779
Restricted Funds			
Running costs of charity	14,561	-	14,561
Lulisandla	100	-	100
Back to school	1,458	-	1,458
	<u>190,448</u>	<u>(79,550)</u>	<u>110,898</u>

Prior year comparatives

	Current assets £	Current liabilities £	Total £
Unrestricted Funds			
General Funds	267,336	(64,980)	202,356
Restricted Funds			
Running costs of charity	7,001	-	7,001
Lulisandla	500	-	500
Back to school	4,045	-	4,045
	<u>278,882</u>	<u>(64,980)</u>	<u>213,902</u>

E3 INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

13 Comparative SOFA funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Income from			
Donations	207,214	6,795	214,009
Investment income	142	-	142
Total income	<u>207,356</u>	<u>6,795</u>	<u>214,151</u>
Expenditure on			
Raising funds	-	14,941	14,941
Charitable activities	114,929	2,738	117,667
Total expenditure	<u>114,929</u>	<u>17,679</u>	<u>132,608</u>
Net income/(expenditure)	92,427	(10,884)	81,543
Net movement in funds	<u>92,427</u>	<u>(10,884)</u>	<u>81,543</u>
Total funds at 1 January	109,929	22,430	132,359
Total funds at 31 December	<u>202,356</u>	<u>11,546</u>	<u>213,902</u>