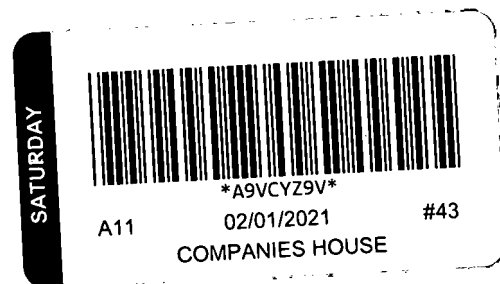


Registered number
08119885
(England and Wales)

Africa Check C.I.C
Report and Financial Statements
31 December 2019



Africa Check C.I.C
Report and accounts
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Africa Check C.I.C
Company Information

Directors

E Chinje (resigned 16 May 2019)

A Harber

K Bezuidenhout

B Bachorz

Secretary

P Cunliffe-Jones

Accountants

Knox Cropper LLP

65 Leadenhall Street

London

EC3A 2AD

Bankers

HSBC

210 High Holborn

London

WC1V 7HD

Solicitors

Bates Wells & Braithwaite

2-6 Cannon Street

London

EC4M 6YH

Registered office

3rd Floor, 2 Carlton Gardens

St James's

London

SW1Y 5AA

Registered number

08119885

Africa Check C.I.C

Registered number:

08119885

Directors' Report

The directors present their report and accounts for the year ended 31 December 2019.

Legal information

The Company was incorporated on 26th June 2012 in England and Wales as a company limited by guarantee under the Companies Act (Registration No. 08119885). The Company has subsequently been incorporated as a Community Interest Company on 27th September 2013.

Principal activities

The object of the company is to promote accuracy in public debate and the media in Africa, doing this not for profit but for the public good. The principal activity of the company is the operation of the company's website, www.africacheck.org, on which it both publishes reports investigating the accuracy of claims made by leading public figures and the media in Africa and also provides advice, information, support and encouragement to other media and civil society organisations so that they can fact-check claims for themselves.

The focus of the company in 2019 was mainly on implementing the restructuring of the management of the organization while continuing to carry out the principal activity.

Review of business

The year under review was mainly a year of transition for the company with a significant focus placed on the changes in management and the changes in editorial leadership.

In 2019 grants previously awarded and delivered by the CIC were transferred to the South African registered Trust to be managed by that entity going forward.

The CIC continued to manage the contract with Facebook as part of the global third-party fact-checking programme. Through the programme, we are contracted to identify and reduce the circulation of misinformation directly on Facebook, focusing on fact-checking content such as bogus health scares or cures, false crime rumours, misleading posts that could lead to civil unrest and violence, and posts promoting pyramid schemes and scams the sort of content that can lead to physical and social harm.

The management transition was completed at the end of May 2019, transferring the management functions at Africa Check from London to Johannesburg.

Future developments

Looking ahead, the work of the CIC will be wound down in 2020 as the Trust leads the work to strengthen fact-checking operations across Africa Check's four countries of operation. We plan to conclude the operations of the CIC at the end of 2020.

Directors

The following persons served as directors during the year:

E Chinje (resigned 16 May 2019)

A Harber

K Bezuidenhout

B Bachorz

Results

The surplus for the financial year was £142,774 (2018: surplus £112,047). These funds will be used to continue to support the company's activities in year. No dividends have been paid or are proposed (31 December 2018: £nil).

Africa Check C.I.C

Registered number:

08119885

Directors' Report**Directors' responsibilities**

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

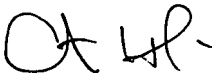
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board on 21 December 2020 and signed on its behalf.



A Harber
Director

AFRICA CHECK C.I.C

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF AFRICA CHECK C.I.C FOR THE YEAR ENDED 31 DECEMBER 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Africa Check C.I.C for the year ended 31 December 2019 which comprise of the Statement of Comprehensive Income, the Balance Sheet and the related notes from the CIC's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance

This report is made solely to the Board of Directors of Africa Check C.I.C, as a body. Our work has been undertaken solely to prepare for your approval the accounts of Africa Check C.I.C and state those matters that we have agreed to state to the Board of Directors of Africa Check C.I.C, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Africa Check C.I.C and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Africa Check C.I.C has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Africa Check C.I.C. You consider that Africa Check C.I.C is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Africa Check C.I.C. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

(Registered company no. 08119885)

Knox Cropper LLP

Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London

21 December 2020

Africa Check C.I.C
Statement of Comprehensive Income
(incorporating Income Statement)
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Income			
Earned income	2	355,430	102,296
Income from grants and donations	3	24,523	506,776
Direct costs	4	(180,579)	(404,401)
Gross surplus		<u>199,374</u>	<u>204,671</u>
Administrative expenses	5	(39,858)	(92,799)
Operating surplus		<u>159,516</u>	<u>111,872</u>
Interest receivable		56	175
Surplus on ordinary activities before taxation		<u>159,572</u>	<u>112,047</u>
Tax on profit on ordinary activities	6	(16,798)	-
Surplus for the financial year		<u>142,774</u>	<u>112,047</u>

Africa Check C.I.C
Statement of Financial Position
as at 31 December 2019

	Notes	2019 £	2018 £
Current assets			
Debtors	8	76,172	45,251
Cash at bank and in hand		354,548	401,669
		<u>430,720</u>	<u>446,920</u>
Creditors: amounts falling due within one year	9	(99,162)	(258,136)
Net current assets		<u>331,558</u>	<u>188,784</u>
Net assets		<u>331,558</u>	<u>188,784</u>
Capital and reserves			
Income and expenditure account	10	331,558	188,784
Total equity		<u>331,558</u>	<u>188,784</u>

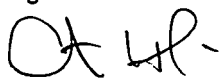
The Company is exempt from the requirements relating to preparing audited accounts in accordance with Section 477 of the Companies Act 2006.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 21 December 2020 and were signed on its behalf by:



A Harber
Director

Approved by the board on 21 December 2020

Registered number: 08119885

Africa Check C.I.C
Notes to the Financial Statements
for the year ended 31 December 2019

1 Summary of significant accounting policies

Basis of preparing the financial statements

The financial statements of the C.I.C, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention and in accordance with the provisions of Small Entities of FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Income

Grant income which is subject to performance conditions is taken into account when the grant has been earned. In particular, where grants are funding salaried posts, the grant is recognised over the period the post is funded. Services rendered are recognised on a receivable basis when the services had been provided.

Basic Financial Instruments

The CIC only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

Financial instruments

The CIC only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

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.

Creditors and provisions

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.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 Earned income	2019	2018
	£	£
Services rendered	<u>355,430</u>	<u>102,296</u>

Africa Check C.I.C
Notes to the Financial Statements
for the year ended 31 December 2019

3	Income from grants and donations	2019	2018
		£	£
	Grants and donations	24,523	506,776
		<u>24,523</u>	<u>506,776</u>
4	Direct costs	2019	2018
		£	£
	Editorial Cost	56,366	221,149
	Project Cost	120,043	61,113
	Fact-Checking Awards	0	2,812
	Website and promotion	1,766	70,397
	Conference	2,404	23,101
	Business development & services	0	25,829
		<u>180,579</u>	<u>404,401</u>
5	Administration costs	2019	2018
		£	£
	Office costs	7,307	20,760
	Governance costs	4,571	82,943
	Finance cost & exchange and translation (gains)/losses	27,980	(10,904)
		<u>39,858</u>	<u>92,799</u>
6	Taxation		
	Analysis of charge in period		
	Current tax:		
	UK corporation tax on profits of the period	16,798	-
		<u>16,798</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>16,798</u>	<u>-</u>
8	Debtors	2019	2018
		£	£
	Other debtors	-	12,355
	Prepayments and accrued income	76,172	32,896
		<u>76,172</u>	<u>45,251</u>

Other debtors in 2018 relate to the Shuttleworth Trust which awarded a bursary to Peter Cunliffe-Jones, Executive Director (resigned May 2019), to fund his role at Africa Check CIC with amounts being paid directly to him by the Trust. Other debtors represent the grant paid in advance to the Executive Director under this award and the grant balance for 2018 was offset against his salary from January 2019 to May 2019.

Africa Check C.I.C
Notes to the Financial Statements
for the year ended 31 December 2019

9 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	76,224	-
Corporation tax	16,798	-
Other creditors	3,140	-
Accruals and deferred income	3,000	258,136
	<u>99,162</u>	<u>258,136</u>

10 Income and expenditure account

	2019	2018
	£	£
At 1 January	188,784	76,737
Surplus for the financial year	142,774	112,047
	<u>331,558</u>	<u>188,784</u>
At 31 December		

11 Events after the reporting date

After the year-end, the Covid-19 pandemic has presented both challenges and opportunities and changed the way we work. To proactively meet the massive need for accurate information around Covid-19, we refocused most of our efforts to counter the avalanche of dangerous health misinformation facing people globally. The pandemic, however, significantly hampered the implementation of our new strategy to expand the services and geographic scope of our subsidiary TRi Facts and pushed the staff to move to work remotely in all four countries of operation.

12 Related party transactions

The Executive Director received a bursary from the Shuttleworth Foundation to enable him to perform his duties at Africa Check CIC. This amount is being treated as a grant receivable by the Africa Check CIC to fund his salary. See details in note 8.

13 Controlling party

The CIC is wholly owned subsidiary of the Africa Check Trust, a non-profit trust registered under the South African Trust Property Control Act of 1988, with registration number: IT728/2015 (C) and registered office at 12th-floor University Corner, Cnr Jorissen and Bertha Streets, Braamfontein, Johannesburg, South Africa.

Africa Check C.I.C
Notes to the Financial Statements
for the year ended 31 December 2019

14 Change in organisational structure

In November 2018, the board of Africa Check CIC agreed to restructure the organisation to make the Africa Check group a fully African-run organisation while enabling it to enjoy the support offered by donors and supporters in the United Kingdom and elsewhere. Accordingly, the statutes of the UK-based Africa Check CIC and its South Africa-based offshoot, Africa Check Trust, were changed to make Africa Check Trust the controlling body (parent) in the group as from 1 January 2019, with Africa Check CIC becoming the supporting body (subsidiary). Subsequently, the functions of the Executive Director and Finance Manager at Africa Check were moved to the Johannesburg office of the organisation from 31 May 2019.

These financial statements represent are for Africa Check CIC only and comparative are adjusted accordingly.

15 Presentation currency

The financial statements are presented in Sterling.

101132-15

CIC 34

Community Interest Company Report

For official use
(Please leave blank)

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*Please
complete in
typescript, or
in bold black
capitals.*

Company Name in
full

Africa Check CIC

Company Number

08119885

Year Ending

(31/12/19)

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

The year under review was mainly a year of transition for the company with a significant focus placed on the changes in management and the changes in editorial leadership.

In 2019 grants previously awarded and delivered by the CIC were transferred to the South African registered Trust to be managed by that entity going forward.

The CIC continued to manage the contract with Facebook as part of the global third-party fact-checking programme. Through the programme, we are contracted to identify and reduce the circulation of misinformation directly on Facebook, focusing on fact-checking content such as bogus health scares or cures, false crime rumours, misleading posts that could lead to civil unrest and violence, and posts promoting pyramid schemes and scams – the sort of content that can lead to physical and social harm.

The management transition was completed at the end of May 2019, transferring the management functions at Africa Check from London to Johannesburg.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

See separate sheet attached

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

No remuneration was received by any director. There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for directors' loss of office, which require disclosure.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration have been made.

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS

The company's primary stakeholders can be divided into three broad groups:

- Grant and sponsorship giving organisations that provide the majority of the company's funding;
- Media and civil society organisations who make use of the company's work; and
- The general public who both inform and use the company's work.

In the year to 31 December 2019, the company, working primarily through Africa Check Trust in South Africa had grant and sponsorship funding from (i) the Bill and Melinda Gates Foundation, (ii) Innovate Africa, (iii) Facebook, (iv) Luminate Group, (v) the Millennium Trust, (vi) the Open Society Foundations, (vii) the Raith Foundation, (viii) the Shuttleworth Foundation, (ix) Social Justice Initiative and (x) Standard Bank

Throughout the year, the company provided a series of reports to keep these donors well informed about how their grants were being spent and the impact of the company's work on public debate.

At the same time, the company liaised closely with media and civil society partners in South Africa, Nigeria, Kenya and Senegal who make use of the company's reports, factsheets and guidelines to maintain good relations and continue to provide a useful service.

We launched a bi-monthly newsletter to friends and supporters of the organisation.

Through the year the organisation followed up on support for a dozen media and civil society organisations from around Africa who are interested in launching fact-checking initiatives.

Throughout the year, the company has also consulted closely via its website and social media platforms, with members of the public who visit the website and make use of company reports. The company actively engages, on a daily basis, with members of the public who send in suggestions for reports and promote the reports on their own social media feeds.

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report
must be signed by a
director or
secretary of the
company

Signed

OK LP

Date

21/12/20

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Anton Harber	
41 Kildare Ave, Parkview	
Johannesburg, 2193, South Africa	
Tel +27 83 303 9497	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)