

BUILD AFRICA

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

Charity Registration No. 298316

Company Registration No. 2200793 (England and Wales)

**BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS**

	Page
Legal and administrative details	3
Trustees' report	4 - 21
Auditors' report	22 -23
Statement of financial activities	24
Company Balance sheet	25
Consolidated Balance sheet	26
Notes to the accounts	27 - 39

**BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Keith Leslie (Chair) Richard Germond Tom Lindsay Rupal Mistry Michael Noyes Susanne Niedrum Simon Wong Katie Spencer-Smith Siobhan Sheridan Dominic Tutt Andrew White
Secretary	Adrian Stockman
Chief Executive	Oliver Kemp
Charity number	298316
Company number	2200793
Registered office & principal address	Vale House, Clarence Road Tunbridge Wells Kent TN1 1HE
Kenyan Branch Office	Build Africa Kenya P. O Box 1259 -90100, Machakos, Kenya.
Ugandan Branch Office	Build Africa Uganda Block 245, Plot 431 & 424 Kabalagala, Central Zone, Off Gaba Road, P. O Box 7224, Kampala, Uganda.
Auditors	H W Fisher & Company Acre House, 11-15 William Road London, NW1 3ER
Bankers	National Westminster Bank plc 19 Mount Ephraim Road Tunbridge Wells Kent TN1 1EN CAF Bank Limited 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4JQ

BUILD AFRICA
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The Trustees present our report and accounts for the year ended 31 December 2013. The Trustees also serve as the Charity's Directors. In preparing the accounts, we have followed the accounting policies set out in note 1 to the accounts and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

1. GENERAL INFORMATION

Trustees/Directors

The Trustees at the date of this report are:

Keith Leslie (Chair)	Richard Germond
Tom Lindsay	Rupal Mistry
Michael Noyes	Susanne Niedrum
Simon Wong	Katie Spencer-Smith
Siobhan Sheridan	Dominic Tutt
Andrew White	

In addition, the following Trustees also served during the year:

Jason Suckley	(Resigned 11 th July 2013)
Jane West	(Resigned 16 April 2013)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Statement of Trustees' Responsibilities

The Trustees, who are also the directors of Build Africa for the purpose of company law are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law we have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law we trustees must not approve the financial statements unless we are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the group and of the profit or loss of the group for that period.

In preparing these financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 group will continue in business.

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

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Other Administrative details

Details of the charity's registered offices, registration numbers, officers and advisors are listed in page 3 of this document.

2. ORGANISATION

Structure and governance

Build Africa is an international non-governmental organisation created as a charitable legal entity in the United Kingdom in 1978 and a company limited by guarantee (Charity and Company registration numbers are shown on page 3). Build Africa has memorandum and articles of association as its governing document.

Trustees are appointed with a view to ensuring that Build Africa has a variety of experience including international development, business management, financial, and fund-raising. Periodically, we undertake a skills audit to identify areas where additional experience would be useful; the results of this exercise influence the appointment of new Trustees. The Board in consultation with the Chief Executive and Senior Management Team undertakes the appointment of Trustees. All new Trustees are provided with a comprehensive induction information pack and other relevant training so as to ensure that all Trustees have an appropriate understanding of our responsibilities and the background to the current activities and key management issues of the organisation. Additionally, we are given the opportunity to visit programmes.

The Board meets at least four times a year and is responsible for the overall direction of the Charity and for core strategic policies, having regard to the advice of the Chief Executive. Where appropriate, we establish additional smaller committees whose membership is constituted of selected trustees with delegated authority from the full board to undertake detailed reviews, analysis or policy development in conjunction with members of the senior management team and to report back findings and recommendations to the full Board. There are currently three such committees: the Finance and Operations Committee, the Fundraising and Communications Committee and the Programmes Committee.

Organisation and management

Build Africa is based in the United Kingdom in Tunbridge Wells, with branches in Kenya (Build Africa Kenya) and Uganda (Build Africa Uganda) where our projects are implemented. The charity is managed by its international senior management team, led by the Chief Executive and with members in each of the three Build Africa locations.

The Chief Executive is responsible for day to day running of the charity within the framework of clearly delegated powers and responsibilities agreed by the Trustees. Strategic direction, operational plans and budgets are discussed and prepared jointly by all parts of the international senior management team in Kenya, Uganda and the UK. Additionally, decisions of a strategic nature are discussed with the Trustees to agree actions and to shape and direct management thinking.

We deliver our projects in Kenya and Uganda primarily through Build Africa Uganda and Build Africa Kenya, organisations operated and managed by local staff. Build Africa Uganda and Build Africa Kenya are each registered in their own right with their governments' Bureau of NGO Registration. Additionally, both organisations are formally registered in their respective countries as branches of Build Africa.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Build Africa Uganda and Build Africa Kenya are each supported by a local Board. The local Boards review and provide technical guidance on programme quality, budget, policy and procedure, and reviews monitoring and evaluation reports. Appointment to the local Boards is through a rigorous recruitment and selection process; board members are appointed for their diverse and complementary management and development skills, interest in helping very vulnerable communities, willingness to work without remuneration, and integrity and social standing in society.

Build Africa in the UK shares with Build Africa Kenya and Build Africa Uganda a common vision, mission and values as well as a commitment to adhering to mutually agreed operating procedures. The senior management of all three parts of the organisation operates as one international senior management team with key decisions requiring the unanimous consent of the team. The close relationship with these branches proves an effective conduit for ensuring the efficient and effective delivery of programmes that meet the charity's objectives, the Trustees' and management's strategy, and the wishes of donors.

Public Benefit

As Trustees, we are aware of the Charity Commission's guidance on Charities and Public Benefit, in particular, the need to demonstrate an identifiable benefit and to show that the benefits are open to a section of the public that is appropriate to our aims. This report provides full information about Build Africa's aims, activities and achievements. We consider that this information demonstrates the clear benefits to our beneficiaries (and through them to wider sections of the public in Africa) arising from our work.

3. OBJECTIVES, PLANNING & PERFORMANCE: WHAT WE DO AND THE IMPACT WE MAKE

A good education is absolutely vital for unlocking opportunities in later life, and the sooner it starts, the better. Build Africa's education programme supports rural Kenyan and Ugandan children throughout their entire learning journey, from pre-primary and primary education to secondary school and into the working world. We also work with adults in these communities to make sure they can earn a decent living, feed their families and support their children's education.

Combined, our Education and Livelihoods programmes give children and their families the chance to live more fulfilled lives. Our aim is not just to support the schools and communities where we work; we also generate sustainable development, helping communities become more resilient to the environmental and economic shocks and stresses that threaten their livelihoods and security.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

(i) We are laying the foundations for learning, focusing on early years and children's readiness for school

One in five of the children enrolled at the primary schools that we support repeat their first year because they aren't ready for school. The consequences can be disastrous: these children are more likely to drop out before their education properly begins. In Uganda alone 68% of school children are dropping out, destined for a life of poverty.

Great early learning sets off a positive chain reaction in a child's life, putting them on the road to success at school, helping them graduate to secondary school, and ultimately achieve economic security. That's why early learning was an important part of our education programme in 2013. We are committed to helping the schools we work with give their youngest pupils the best start to their education by:

- Building for the future: providing safe, well-furnished and well-stocked nursery classes.
- Tuning in: broadcasting radio shows into homes and community halls to help parents better engage with their children's education.
- Buddying up: because school can be a scary place we are encouraging older pupils, brothers and sisters, to support the youngsters. We are also providing 'taster' days to help them feel comfortable in their new environment.
- Tailored teaching: newly-trained teachers are stimulating their youngest learners by using resources creatively.

CASE STUDY. Laying the foundations: a critical time to learn

Joseph Chege is a health club patron and senior teacher at Kagumu Primary School in Kenya. He has seen the benefits of an early learning class that we helped build in 2013:

"Nursery year children learn counting and matching, reading and drawing. They begin to talk, socialise and express themselves. They learn to share and interact with one another, developing their self-confidence. They are also taught discipline, how to behave and take care of their belongings. These are important lessons for their later years at school. A child who hasn't been to an early learning class is at a disadvantage, having to catch up later on. It is an important transitional period. We get to know their weaknesses and strengths at an early age: we can help with the weaknesses and build on the strengths."

(ii) We are maximising the impact of learning, ensuring that children receive a quality education at primary school.

With our help the school girls and boys of rural Uganda and Kenya acquire the skills and knowledge they need to break out of the cycle of poverty and secure a prosperous and stable future.

We train parents and staff to draw up a targeted and varied School Development Plan. The three-year plan lists challenges such a need for new or renovated classroom blocks and latrines; for better health and hygiene and HIV and AIDS awareness; for a reliable supply of clean water and a nutritious diet; for better stocked classrooms; for greater parental involvement and for better trained and motivated teachers.

We also train those involved to form effective committees to take responsibility for implementing the plan's actions, to oversee all future development at the school, to ensure a high quality education for generations to come.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Child Protection

Our child protection programme is giving schoolchildren the opportunity to share their problems through letter writing. The project made great progress in 2013 in promoting awareness of child protection issues among parents, teachers and pupils in 15 schools.

1,621 pupils (787 girls and 834 boys) had child rights training and 287 parents attended child protection meetings.

Teacher training

Teachers in rural Africa are often undervalued and underpaid, and they struggle to cope with uncomfortable living and working conditions and a lack of resources.

We work with teachers to make sure they are motivated and equipped to perform their crucial role in ensuring children receive a quality education. We provide training in more comprehensive, child-centred teaching methods and in better mentoring of staff by head teachers.

For example, as part of the Transition Research Project in Kenya, we have piloted a syllabus coverage monitoring tool. The tool helps teachers assess whether they are on track with the syllabus by calculating the number of lessons taught and the time that has been allocated to each subject. The tool will provide them with the knowledge and motivation to improve the way in which lessons are held at the schools.

The head teacher at Kamuthini Primary School: *"The syllabus coverage tool we developed with support from BAK is really good and if the teachers will implement it well the school performance will improve. In fact another organisation wants to use it in monitoring syllabus coverage in schools including those not supported by Build Africa."*

We have also introduced subject panel review meetings. Held every term, the meetings give teachers the opportunity to discuss challenges and achievements and get support and advice from their fellow teachers. In addition, training has been provided on exam setting and marking and on child friendly teaching methods.

Results at a glance:

- In Kenya, 206 teachers from 14 schools attended training in child protection, disability issues, HIV and child friendly teaching, while 261 teachers across all schools attended professional development training.
- In Uganda, 19 teachers from 10 schools also took part in the 'supporting teacher development' initiative arranged by the Varkey GEMS Foundation. The foundation is helping us to provide more interactive teaching and learning processes.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

School management

We train parents, pupils, teaching staff and local leaders to take ownership of the development, implementation and monitoring of the school. Every school has its own School Development Plan that suits its own particular needs, with a skilled and motivated School Management Committee to make sure its goals are being met

Our Shule Yetu monitoring tool: progress so far

At the beginning of 2013 Build Africa also introduced the Shule Yetu monitoring, evaluation and learning tool so that School Management Committees (comprised of parents and teachers) could assess the progress of their school against a range of quality indicators.

The tool is giving school communities an opportunity to discuss priorities and agree actions for their school; it helps community members understand their roles and responsibilities and improves communication between them. It also provides an opportunity for Build Africa to better understand the school's key priorities and areas of underdevelopment, helping us get involved in a more specific and efficient way.

- In Kenya 750 people from all project schools have participated in the scheme, identifying and prioritising school needs and then drawing up action plans for their schools.
- Findings in Uganda have been varied and informative. For example, infrastructure and financial health were rated especially low in schools without a final year class; while classroom congestion, the lack of a staff room and the lack of teachers' accommodation were the main problems related to infrastructure.

Building better schools

Many of the schools that we work with are so under-resourced that they hardly resemble a school at all. Lessons are often held under trees, or in makeshift (and often dangerous) structures made of wood and straw or mud and corrugated iron. Conditions are dusty and hot in the summer, cold and windy in the winter. Add to this a lack of textbooks, desks and tables, and you get an idea of the material problems that our schools face.

That is why new classrooms, latrines and kitchens are often a priority of the School Development Plans. In addition we respond to the plans by supplying the desks and tables, science kits and first aid kits, storage and sports equipment that our schools need.

Results at a glance:

- In Kenya we built or renovated 22 classrooms, built one new early learning classroom and 13 latrines.
- In Uganda 49% of parents contribute to construction at their schools.
- In Uganda 1350 pupils benefitted from five new classrooms and two renovated classes, all of which were fully furnished. In addition 10 latrines and 11 kitchens were provided.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Water, hygiene and sanitation

Many of the schools that we work with don't have the clean water supply they need to cultivate their school gardens, to provide school lunches, to maintain a good level of hygiene, to simply keep hydrated and free of disease. That's why we provide boreholes, water tanks and piped water systems to our schools.

- By the end of 2013 *9,607 Ugandan children* had reliable access to clean water for the first time, because of the installation of boreholes and piped water systems.
- In addition, *3063 parents in our Ugandan communities* now know how to keep the clean water flowing, and how to use it most efficiently, because representatives of the district health and water departments provided sanitation and hygiene training at all Build Africa-supported schools, as well as on the construction of home-made hand washing facilities.
- We also provided 17 10,000 litre water tanks to our schools in Kenya.

"Owing to the sanitation and hygiene training held early this year, my school implemented most of the learning. We keep our water source clean and encourage pupils to maintain personal hygiene. We have installed hand-washing facilities, and clean the latrines regularly. Because of this we were assessed the best school in hygiene and sanitation in Ngora district." Egigi George Francis, head teacher, Puuna Primary School, Uganda.

School gardens and school meals

Many children go hungry because their parents can't give them three meals a day and a lot of schools simply don't have the materials, facilities and clean water needed to provide school meals. Pupils miss school because of infection or tiredness, or to help their parent on the farm. Their exam results suffer and they eventually drop out.

Through the *Water and Food Access Project*, children, parents and teachers in 28 school communities in Uganda have learnt how to grow nutritious, cost-effective, high-yielding organic vegetables through school gardens and demonstration plots.

The results have been impressive:

- *12,469 children* received regular school meals because of the gardens and plots.
- On average *two metric tonnes* of maize grain and beans (the most popular crops) have been harvested at each school.
- Attendance has improved as a result. For example, by the end of the school year 70% of pupils were still attending Apama Primary School because of the school garden (compared to very few at some schools without a school garden programme).
- In addition, pupils have passed their organic farming skills to *1,250 parents*, transferring their new skills from the school to home.

Case study: Caroline's compost enterprise

Caroline, a 15-year-old final year pupil from Kachumbala Township, has introduced compost-making and organic farming at home. Using a quarter of an acre, she has harvested 120kg of beans from 5kg of bean seeds: that's 70kg more than the family normally gets using traditional farming methods. She has kept 100kg of the produce to sell at market.

The money she makes couldn't be better spent: it will help her meet her secondary school costs. She says that she couldn't have done it without help from her science teacher, the person responsible for training the pupils in organic farming.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

(iii) We are including girls, addressing the specific challenges faced by girls

Girls face a range of issues that make school attendance particularly problematic, including poor menstrual management, a lack of appreciation of the value of girls' education amongst parents (including the pressure to marry early in some cases) and a lack of female teachers.

We address all these issues. We make sure girls who have started their menstrual cycle are supported, we hold community awareness meetings and broadcast radio shows that deal with issues such as early marriage; we train teachers in child-friendly teaching methods that treat every child as an individual and where necessary we work with schools to lobby the government for more female teachers.

Promoting girls' education in Uganda

Our Rights, Education and Development (READ) project has seen a significant improvement in community perceptions towards girls, especially in relation to girls' education. These changes can be seen at all community levels, from local authorities down to the pupils themselves. Examples of changes include the formulation of by-laws to protect girls. The provision of sanitary towels has also increased from 58.6% to 90% of girls in the 40 target schools.

The project has also improved parental support for girls' education. A mid-term review showed that the percentage of men surveyed who value girls' education has increased from 78% to 91%, while the percentage of women has gone up from 80.7% to 95%. This has contributed towards increases in the number of girls completing primary school. In 2013, 46% of the candidates in the 40 schools covered by the project were girls, and this is expected to increase in 2014.

Advocating for the education rights of girls

- In Uganda, an advocacy forum, attended by School Management Committee members and head teachers, was held to encourage local officials to lobby the government for better provision of sanitary towels (and to revise its Universal Primary Education guidelines so as to include a sanitary towel fund). As a result five of the schools most in need are now providing emergency sanitary pads using their Universal Primary Education grant.
- Together with other Forum for Education non-governmental organisations in Uganda, Build Africa organized a national level symposium to discuss the issues involved in sanitary towel provision. The symposium suggested various lobbying possibilities, including the use of Universal Primary Education grants for emergency towels; promoting the government's support of affordable and locally produced disposable sanitary towels; and improving awareness of the implications of poor sanitary towel provision on girls' education.

Promoting girls' education in Kwale County, Kenya

Build Africa also carried out consultations in Kwale, a county with one of the worst educational records in Kenya. The survey included girls, boys, teachers, head-teachers, young mothers, parents, community leaders and representatives from the Ministry of Education and Non-Governmental Organisations working in Kwale. Its purpose was to identify the particular barriers that prevent girls from leading happy, healthy and productive lives; to identify the patterns of discrimination which prevent them from attending regularly and performing well at primary school and then put in place a programme to address them.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The key findings show that girls in the area suffer the greatest disadvantages of any groups of individuals. For example, 99% of community members consulted said they see little value in educating girls due to local beliefs regarding gender roles; and, as a result, only 40% of girls reach the final year of primary school, compared to a national average of 65%. There is also a lack of respect for girls' rights, leading to 38% of underage girls in Kwale being illegally married and many being subject to physical and sexual exploitation. In addition, they suffer from teaching that isn't girl-friendly and have particularly low self-esteem.

We will therefore be prioritising girls' education in the Kwale area, and respond to the following needs: all of girls surveyed felt it was important for parents to be educated on the importance of sending girls to school; 78% of participants felt that there was a need for teachers to receive follow up training and support to ensure that they are teaching to a higher standard; all of girls felt they needed to receive sex education while 91% believed they would benefit from having exposure to role models to broaden their visions for the future.

Results at a glance:

- In Uganda training has been provided to upper primary girls in menstrual management and life skills. There has been a significant reduction in the number of girls that stay at home as a result because they now have adequate sanitary protection.
- In Kenya The number of girls passing their primary leaving exams with a grade eligible for secondary school has increased from 27% in 2011 to 38% in 2013.
- There has been an increase in the enrolment of girls across our supported schools in Kenya, with an almost 50/50 boy to girl ratio (6,686 boys and 6,612 girls).

(iv) We are preparing for continuous learning, so that children are prepared for what comes after their primary education. That means successful transition to secondary school, vocational training or work.

Transition in Uganda

Our three year Rural Education Strategy for Secondary School Transition and Retention (RESTAR) project began operating in Uganda in 2013. Its aim is to reach 38,167 pupils and 9,550 parents in 40 Ugandan school communities. In 2013 we successfully reached 14,000 beneficiaries, almost one third of the total number, promoting transition to secondary school in the following ways:

Improving attitudes towards education amongst pupils and parents: reaching 3,986 pupils and parents, this initiative has included community meetings, education advocacy forums, the training of 'advocacy champions' (model pupils who have re-enrolled after dropping-out) to encourage other drop-outs to re-join, and fact finding visits to secondary schools.

Improving numeracy, literacy and life skills amongst pupils: reaching 4,474 pupils, we have carried out a raft of training sessions in Sexual Reproductive Health and Life Skills, in making re-usable sanitary towels, in debates and essay writing competitions that highlight the importance of secondary education.

Improving parent's ability to financially support children to attend school: reaching 5,372 parents, this initiative has provided training and discussions in all stages of the growing cycle, from pre-season preparation to post-harvest handling, storage, marketing and sale. It has included the establishment of demonstration gardens and a mentoring scheme that links parents with local entrepreneurs.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Transition tracking

We also conducted some invaluable research into transition in 2013. The resulting Transition Tracking Report has highlighted some important issues that we are addressing in Uganda. We will work with head teachers to help them track their pupils more thoroughly (not least as an indicator for the quality of primary education that they are providing) and implement a formal process for doing this. We will also promote better financial security for parents and better awareness about the value of education.

The Transition Tracking Report has given us a much better understanding of how much we are already achieving, and how we can address the challenges children face in pursuing their education to secondary school or vocational training. The research also provides a base from which we can gather further evidence to demonstrate the long-term impact of our work with school communities.

We also gave pupils an insight into life at secondary school and provided exam tutorials to help them prepare for their final year exams:

- 809 final year pupils from all 18 Build Africa Kenya supported schools and 280 pupils from nine Ugandan schools participated in career talks conducted by secondary school teachers and students.
- 545 pupils (292 boys and 253 girls) were better prepared for their final year exams, because school tutorials helped develop pupils' literacy and numeracy skills, providing exam practice and boosting confidence. They provided opportunities for pupils to learn from each other and most pupils interviewed after the training were motivated to read widely in preparation for the exams.

63 teachers (44 male and 19 female) were also involved in the tutorials:

"The tutorials have helped me to identify the areas that I have not taught properly and this will help me improve when I teach my final year pupils next year".

Mr. Opolot Joseph Godfrey, teacher at Angangam Primary School, Uganda

Transition in Kenya

In Kenya Build Africa's Transition Research Project is also addressing the key factors which stop pupils continuing their education after primary school. The project is increasing the number of children making the all-important transition to secondary school in the following ways:

Increasing household incomes: Community Based Trainers (the experts who advise to the groups) received training in business development and in new farming methods and techniques. This knowledge will be passed on to the groups during the second year of the project.

Improving the attitudes of parents towards education: discussion forums at four Build Africa-supported schools have given parents the opportunity to debate the importance of secondary education. More than 600 parents and School Management Committee members have also attended training sessions to help them become more involved in school development and governance. Parents are now beginning to support the schools by making contributions towards school prizes for teachers and pupils, by purchasing stationery and textbooks and by supporting and contributing towards other school projects.

Providing improved guidance and support to pupils to continue their education at secondary level: more than 800 pupils (including 368 girls) from all 18 project schools attended career talks by students and teachers from local secondary schools. These talks are designed to increase their knowledge of and familiarity with secondary school.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

(v) We are promoting financial services and business development, so people are better able to save, access credit and gain skills in identifying and managing small businesses

We help communities establish Village Savings and Loans Associations through which families can save small amounts of money on a regular basis. We also help rural communities start and develop small enterprises to help diversify sources of income.

Helping households diversify their income generating activities

- In Uganda 1,922 people (480 men and 1,442 women) in 67 Village Savings and Loans Association groups received training to help them develop their enterprise ideas (growing beans, green peas, G-nuts, and water melons for example).
- In Kenya we have worked with 2,093 group members in 161 groups, helping them raise a total of £123,000 and indirectly benefitting 8,372 people (mainly family members).

Putting people in touch with financial services

In a pilot scheme in Kiryandongo district, Uganda, 20 groups of farmers were provided with financial services for the first time. Post Bank, a mobile banking system, allows them to save, to borrow (for periods of up to four months) and invest in their agricultural businesses.

(vi) We are promoting production, value addition and marketing, so that people increase their agricultural production sustainably, add value to their products and have better access to markets.

Low yields and poor quality produce are two of the main reasons why farmers in rural Kenya and Uganda earn so little. Farmers lack information about productive, sustainable farming and post-harvest handling techniques and ideas; consequently, their produce is often spoiled or damaged during harvesting or on the way to market.

As a result they lack the secure, reliable and sufficient income needed to cover existing and potential financial needs, including their children's school expenses.

We enable farmers to improve the quality and quantity of their produce by providing them with the information and training they need to improve their farming practices.

Training in better farming practices

5,378 farmers (3,176 women and 2,202 men) can now produce better maize in bigger quantities, because of the *North Western Livelihoods Improvement Project* in Uganda.

Establishment of Demonstration Sites

6,443 Ugandan farmers are now getting more out of their crops because of 145 demonstration sites that showcase better farming techniques. 67% of the farmers have adopted these new methods, particularly modern planting materials and row planting.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Training in Farming as a Business (FaaB)

We have given 3,328 farmers (1,331 men and 1,997 women) in 145 groups the opportunity to boost their grain production for bulk marketing, because we provided them with *Farming as a Business (FaaB)* training.

The training included a cost-benefit analysis of improved seeds and fertilizers. As a result of the training, 48% of the participants have adopted new techniques, such as farm record-keeping and the use of Projected Income Statements.

Case study: Integrating maize production, marketing, savings and investment

Build Africa is providing farmers like Jackson Aradi with a springboard to success. After receiving training in farming as a business, Jackson used his new-found production and marketing skills to grow more maize and (by jointly marketing it) secure a better price for it. His five-acre farm earned him four million Ugandan Shillings in two seasons.

Jackson noticed that people in his area were travelling 6km to get their maize milled, and he saw a business opportunity. He used part of the proceeds from his maize to buy a simple maize milling machine. Although only just installed, he predicts that he will make at least 15,000 Ugandan Shillings per day from the milling. He is confident that his combined milling and maize growing enterprises will guarantee his family a more stable income. And the trigger was the business training he received from Build Africa.

Our 2013 Objectives – How did we progress?

Overall, it has been a very positive year for Build Africa, particularly in terms of ensuring our activities address the issues that hold communities back. In addition to this progress, we have focused on six specific objectives that we set ourselves a year ago:

A new multi-year programmes strategy

We have made great progress towards finalising our five-year strategy, the ultimate goal of which is to improve the quality of life of more than a million people in Africa by improving the quality of primary education and by increasing the ability of families to secure sustainable livelihoods. The strategy has at its core: sustainability; activities based on consultations with communities; the well-being of children; honest assessment of our impact and continuous learning from our experiences. It also makes clear our willingness to work with high quality partners who can bring skills and expertise beyond our own in specific activities. The programmes strategy is supported by strategies covering Fundraising, Communications and Resources.

A full assessment of the resources needed to deliver the programme strategy

This assessment was begun in 2013 and will continue during 2014. It will address resources in the broadest sense of the word and will include the skills of our staff, the experience and skills we will seek in partner organisations as well as the physical resources required.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

We will explore the viability of an expansion of our activities into a third African country

We remain committed to increasing our organisational impact and diluting the organisational risk that is inherent in only working in 2 countries and to this end, we have been investigating opportunities within Nigeria. Factors we are considering include: a clear understanding of local needs, the local educational environment and our ability to have significant impact; a spread of committed funders; identification of suitable partner organisations to work with; safety and security of staff. It is essential that the time and financial commitment required to start operating in a new country do not jeopardise current operations. During 2013, we developed our start-up plans and have approached a number of potentially interested funders. We are in discussion with some of these potential funders and we will retain this objective for 2014.

We aim to register a non-profit organisation within the USA

Build Africa Inc was incorporated and secured US 501 3c (non-profit) status during 2013. This organisation is not controlled by Build Africa and has an independent board of Trustees. It does have aims that are very sympathetic to those of Build Africa and we are very excited about the future possibility for us to apply to Build Africa Inc for grant funding of project activities.

We will continue to take particular care of vulnerable groups within our communities. In particular, we will continue to develop and strengthen child protection and child rights aspects of our activities

Child well-being is a central pillar of the new strategy and we continue to carry out a lot of activities focused on child protection and child well-being. We work with School Management Committees to help them understand the importance of Child Protection, we train teachers in child-friendly teaching methods and we help pupils form Child Rights clubs within their schools.

However, there is still work to do during 2014 (and beyond) to identify more effective ways of helping communities to develop positive attitudes to children's well-being. This will remain a central objective for Build Africa

We will ensure that our plans are supported within a sustainable financial framework

During 2013, we continued to build on the firm financial foundations and framework that we established in 2011 and 2012. We made a small contribution to unrestricted reserves, exactly in line with our planned contribution. All work plans, budgets and funding applications now strike a good balance between the positive impact of current committed activities, the ability to invest in the charity's future strength and development as well as the gradual replenishment of our reserves.

**BUILD AFRICA
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

4. LOOKING FORWARD: 2014 AND BEYOND

The central aims of our 5 year programme strategy are (a) to build the foundations for children through our early learning objectives, ensure they receive a great education whilst they are in primary school and prepare them for what comes next so that they can emerge as confident, well-educated individuals and (b) to ensure that our livelihoods work will support families across rural Africa, ensuring that people can grow their businesses and provide their families with the food, health and education they need to survive and thrive.

Our plans for 2014 include:

- (i) *Applying our strategy*: We will implement our new programme strategy throughout Build Africa, ensuring we have the right skills and capacity both amongst our staff and amongst a network of programme partner organisations;
- (ii) *Implementing what we learn*: We will develop our systems and capacity to learn from the data we collect about the impact of our work and also from the consultations we carry out with local communities. We collect a rich harvest of useful data; we will focus on learning from it and tailoring our activities accordingly;
- (iii) *A new country*: We will continue to explore the viability of an expansion of our activities into a third African country. We continue to see this as an exciting route to increasing our organisational impact and diluting the organisational risk that is inherent in only working in 2 countries;
- (iv) *A focus on the vulnerable*: We will continue to take particular care of vulnerable groups within our communities. In particular, we will continue to develop and strengthen child protection and child rights aspects of our activities;
- (v) *Promoting better working practices*: We will strive to create a culture and working environment where innovation and creative thinking thrive and staff development is treated as high priority. Linked to this will be a challenge to all of our staff to look at our existing ways of working and finding ways to save time;
- (vi) *Generating secure and long-lasting funding opportunities*: We will secure multi-year programme funding from each of the Build Africa teams in Kenya, Uganda and the UK, thus securing sustainable funding of programme activities as well as building income-generating capacity within our African teams.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

5. FINANCES

Review of 2013 financial position and fundraising activities

The year's highest financial priority for Build Africa was to build on the substantial progress made in 2012 towards creating a financial basis and an operational approach that leaves the organisation best placed to deal with the difficulties and uncertainties around generating income.

Our income budgets reflect fully the different levels of risk and unpredictability attached to different income streams. Cautious initial income budgets are primarily used to determine the sustainable size of the charity's core; this process requires some very tough priority decisions, including cutting back on unfunded programme activities and taking a very tight approach to support costs.

The outlook for income is continually updated; as the outlook climbs above the initial conservative income budgets, informed decisions are made about the best strategic use of funds. In this way, we ensure that no activities are undertaken without being fully funded. We also ensure that decisions about use of funds are made on the most current information possible and reflect Build Africa's strategic aims.

This approach, coupled with a very strong focus on cashflow, has put the charity on a firm footing and leaves us well positioned to respond to the uncertainty that is now a fact of life for virtually all charities.

During the year Build Africa raised £2.70 million (2012 - £2.78 million) of income and spent £2.63 million (2012 - £2.65 million). This led to a surplus for 2013 of £67,000 including a surplus of £12,000 on unrestricted, undesignated funds.

In accordance with SORP 2005, support costs have been allocated between charitable activities and fundraising. Build Africa spent 77% of its total expenditure on charitable activities, 22% on fundraising and 1% on governance. Allocated within these percentages are support costs in all locations of around 14% of total expenditure. This is a higher percentage than we would like, and it reflects the fact that we have invested in recent years in readiness for expansion. Expansion remains a primary objective for Build Africa. As we generate income growth, we will expand project activities accordingly and will ensure that support costs only increase to the extent necessary for excellent programme delivery.

Our income in 2013 was 3% lower than 2012. However, we start 2014 with the highest level of secured income that we have ever had and are extremely confident of income growth in 2014 and beyond. We made investments during 2013 in income-generating capacity that will yield results in future years. Examples of this investment include:

- A redesign of our website making it much easier for potential supporters to understand the work we do and the impact their support will have;
- A professionally produced video to showcase our work in a very accessible way;
- The recruitment of a full-time fundraiser in our Kenyan team
- Detailed consultations with communities to demonstrate the need for the activities we seek funding for and to demonstrate the impact of that work
- Supporting the launch and registration of Build Africa Inc, an US-registered non-profit organisation. This independent non-profit shares the strategic aims of Build Africa and may well provide opportunities for Build Africa to apply for significant funding from the USA.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The ever-improving quality of our programme work and the fact that we are increasingly able to demonstrate the impact of that work means that we are able to approach institutional funders for multi-year grants. Recent successes include:

- Rights, Education and Development (Department for International Development)
- Transition Research Project (Darrell Allett Foundation)
- Rural Education for Secondary Transition and Retention (ELMA Foundation, American Jewish World Service, MacArthur Foundation)
- Water and Food Access Project (Vitol Foundation)
- North Western Livelihood Support Project (Agri Business Trust)

This represents exciting growth potential for Build Africa in the coming years and is not just confined to the UK. We have secured statutory funding in Uganda and are very optimistic of success in Kenya during 2014.

Although it might seem counter-intuitive, our ever-increasing emphasis on consulting communities on their needs and structuring our activities around those needs is actually the main reason for seeing a 3% drop in income during 2013. This community focus has resulted in us placing less emphasis on school construction, which comes with high costs and necessitates a specific fundraising approach targeting large gifts linked to construction. Construction continues to be part of our activities but it is likely to be a smaller part of the whole than in previous years; we achieve greater impact with less income.

Our unrestricted reserves were £525,000 at the year-end; unrestricted, undesignated reserves stood at £367,000. This is below our target and our five year strategy (2014 - 2018) commits us to replenishing reserves up to target levels at a pace that does not inflict excessive pain on communities by damaging our core programme activity. Getting reserves back to the target range of around £700,000 is a high priority over the next 5 years for the Trustees.

Further details of the reserves position are given in notes 12 -15 to the accounts and in the Reserves Policy section of this report. For a description of how our expenditure supported our key objectives, please refer to pages 6 – 15 of this report and Note 5 to the accounts.

In summary, 2013 was a year during which Build Africa consolidated and strengthened the sustainable financial base upon which it stands. The Trustees and management have made changes that have put the charity in a much stronger position to thrive in the difficult and uncertain environment now faced by the sector. As Build Africa follows the path mapped out in our new 5 year strategy, we expect to grow in the coming years whilst replenishing reserves and keeping a sustainable financial framework.

Risk Management and internal control

The Trustees are fully aware of the need to assess the risks faced by the charity and to minimise those risks. They have conducted a comprehensive process to identify, assess and manage risks. This culminates in a register of risks, with all risks being scored for likelihood and impact and management strategies and timetables being established. This risk register is reviewed four times a year by the Board via the Finance and Operations Committee. It also plays an important role in planning and budgeting. In addition, the management team formally consider a schedule of risks and opportunities, report their views to the Board each month and where appropriate, take actions to mitigate the risks.

Whilst no system of internal control can provide absolute assurance against material misstatement or loss, Build Africa's systems have been developed to provide assurance to the Board that there are proper procedures in place and that they are operating effectively.

BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Key elements of the system of risk management and internal control include:

- Delegation: there is a clear organisational structure with lines of authority and responsibility for control; and procedures for reporting decisions, actions and issues
- A clear and comprehensive documented suite of financial policies and procedures in which all staff are trained
- Financial Reporting: the Board approves and monitors the annual budget and income predictions. Each Board meeting receives an update on the latest forecast income and expenditure together with explanations of significant variations. The Finance and Operations Committee reviews the financial reports in detail and agrees any appropriate management actions; minutes from this committee's meetings are presented to the Board
- Programme reporting. Thorough monthly reports are received by the Chief Executive from the directors of the charity's partner organisations in Uganda and Kenya. These are reviewed to ensure programmes are progressing as planned and to identify any issues which are taken up with the directors. The Programmes Sub-Committee meets four times a year and reviews all significant programmes
- Consideration of risk by the senior management team at regular meetings and during the annual planning process
- Segregation of duties as far as is possible in an organisation of this size
- External auditors in Kenya and Uganda being formally required to report to the UK on adherence to financial controls
- External forensic audits being commissioned in response to whistle-blowing and/or after any change in senior financial personnel.

The most significant risks faced at present by the charity are potential shortfalls in voluntary income. Some of our supporters will undoubtedly find that personal circumstances require them to reduce gifts to charities. Additionally, we are aware of the risk that UK public spending cuts may result in more competition for funding in areas where we have enjoyed success. Our response to these risks is threefold.

Firstly, we are pursuing many activities to increase income, with a high priority being placed on submitting high quality applications to statutory funders, confident in the strength of our project work. Secondly, we will focus intently on supporter care so that we retain as many of our current supporters as we can. A key requirement here is to be able to demonstrate how effective a donation to Build Africa is, so we are investing time and money in demonstrating the true impact of our programme work. Thirdly, we have revised our planning approach so that we exclude from spending plans any income felt to have a high risk attached to securing it; such income will only be committed as and when it is received.

Reserves Policy

The Trustees take a risk-based approach to reserves. As part of their risk management strategy, the Trustees recognise the need to have sufficient unrestricted funds held as a reserve to ensure underlying stability should the Charity face an unexpected decline in income streams, unexpected cost increases or the need to respond to a change in its environment. Their policy therefore is to hold a level of unrestricted, undesignated free reserves (ie ignoring assets not readily convertible to liquid funds) sufficient to meet the quantification of risks on the risk register.

At 31 December 2013 the unrestricted, undesignated reserves were £367,000 compared to our risk-based reserves policy target of around £700,000. We achieved our aim of generating a modest surplus in 2013 to begin to replenish reserves and will continue with this objective in the following years until reserves reach target levels. It is likely to take a number of years to bring reserves up to the target level but this strategic objective remains a high priority over the next 5 years for Trustees and senior management alike.

**BUILD AFRICA
TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

Investment Policy

The Trustees consider that Build Africa's level of unrestricted funds would not make a medium to long-term investment portfolio viable. Additionally, Trustees consider it important that Build Africa has quick access to liquid funds so that it can respond to changes in patterns of income or to unexpected events in the countries we work in. Therefore, the charity's investment policy is limited to holding cash surplus to immediate needs in high interest bearing deposit accounts with institutions linked to the Charities Aid Foundation so as to maximise the interest earned without restricting access. This strategy ensured that our cash investments earned consistently high rates of interest throughout the year, although the recent sharp downturn in interest rates will reduce interest income.

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

H W Fisher & Company were appointed auditors to the company and in accordance with section 489 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the members' annual meeting.

Voluntary help

Build Africa greatly benefits from volunteer help and the Board wish to express their gratitude to all of those who have assisted in Build Africa developing its activities through their voluntary assistance. In particular, a number of interns have provided invaluable service during the year in the UK, Kenya and Uganda. Their contributions include: research supporting programme development; research into potential new sources of income; helping us gain feedback from supporters about what they think of our communications; collection of data from project activities. Build Africa would not have had such a successful year and would not have such an exciting future without the contributions of these talented and enthusiastic people.

During 2013, the total time given by volunteers was the approximate equivalent of 5 full-time staff. We do not attempt to place a financial value on the time given by volunteers.

On behalf of the Board of Trustees

Keith Leslie



Dated: 9 July 2014

BUILD AFRICA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUILD AFRICA

We have audited the financial statements of Build Africa for the year ended 31 December 2013 set out on pages 24 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2013 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

BUILD AFRICA
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUILD AFRICA

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sailesh Mehta (Senior Statutory Auditor)

for and on behalf of H. W. Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 11 July 2014

BUILD AFRICA**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT
YEAR ENDED 31 DECEMBER 2013**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming Resources						
<u>Incoming resources from generated funds</u>						
Voluntary income:						
Donations and gifts	2	1,025,749	-	640,336	1,666,085	1,753,469
Legacies	2	129,113	-	-	129,113	23,297
Grants	2	287,203	-	431,280	718,483	859,294
Total Voluntary Income		1,442,065	-	1,071,616	2,513,681	2,636,060
Activities for generating funds	3	158,923	-	-	158,923	140,387
Investment and other income	4	22,068	-	-	22,068	7,072
Total Incoming resources from generated funds		1,623,056	-	1,071,616	2,694,672	2,783,519
Income from charitable activities		-	-	-	-	-
Total Incoming Resources		1,623,056	-	1,071,616	2,694,672	2,783,519
Resources Expended						
Costs of generating funds	5	585,721	-	-	585,721	535,918
Expenditure on charitable activities	5	929,161	71,149	1,014,252	2,014,562	2,088,374
Governance costs	6	27,447	-	-	27,447	29,558
Total Resources Expended		1,542,329	71,149	1,014,252	2,627,730	2,653,850
Net incoming/(outgoing) resources before transfers		80,727	(71,149)	57,364	66,942	129,669
Foreign exchange gain/(loss)		(2,563)	2,655	191	283	(10,591)
Net surplus/(deficit) for the year		78,164	(68,494)	57,555	67,225	119,078
Transfers between funds		(66,072)	37,134	28,938	-	-
Fund balances at 1 January 2013		355,158	188,797	151,257	695,212	576,134
Fund balances at 31 December 2013	12,13,14	367,250	157,437	237,750	762,437	695,212

The notes on pages 27 to 39 form part of these accounts

BUILD AFRICA
BALANCE SHEET AS AT 31 DECEMBER 2013 - CHARITY

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	9		61,363		70,083
Current assets					
Debtors	10	345,641		257,719	
Cash at bank and in hand		478,588		351,632	
			824,229		609,351
Creditors: amounts falling due within one year	11	(241,140)		(98,860)	
Net current assets			583,089		510,491
Total assets less current liabilities			644,452		580,574
Income funds					
Restricted funds	13		237,110		196,175
Designated Funds	14		61,363		70,083
Unrestricted funds			345,979		314,316
	12,15		644,452		580,574

The accounts were approved by the Board on 9 July 2014



The notes on pages 27 to 39 form part of these accounts.

BUILD AFRICA
BALANCE SHEET AS AT 31 DECEMBER 2013 - GROUP

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		157,437		188,797
Current assets					
Debtors	10	354,408		282,693	
Cash at bank and in hand		644,217		518,584	
			<u>998,625</u>		<u>801,277</u>
Creditors: amounts falling due within one year	11	(393,625)		(294,862)	
Net current assets			<u>605,000</u>		<u>506,415</u>
Total assets less current liabilities			<u>762,437</u>		<u>695,212</u>
Income funds					
Restricted funds	13		237,750		151,257
Designated Funds	14		157,437		188,797
Unrestricted funds			367,250		355,158
	12,15		<u>762,437</u>		<u>695,212</u>

The accounts were approved by the Board on 9 July 2014



The notes on pages 27 to 39 form part of these accounts.

BUILD AFRICA

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention. The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

The charitable company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The group accounts consolidate the 'Companies Act' accounts of the Charity and its branches in Uganda and Kenya. As provided by s408 of the Companies Act 2006, no separate income and expenditure account is presented for the Charity.

The date for the Charity having effective control over its branches, and therefore the date from which consolidation commenced, is 1 January 2008. The reserves of the two branches and all transactions are consolidated from that date. All transactions and year-end balances between the Charity and its branches have been eliminated upon consolidation.

Incoming resources

Income is recognised in the period in which it is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Grants from government and other agencies are included as income from activities in furtherance of the Charity's objects only where these grants amount to a contract for services.

Legacies are included when: (i) the Charity is advised by the personal representative of an estate that there is an entitlement in the will; (ii) the amount can be quantified and (iii) there is a reasonable likelihood that the estate will contain sufficient funds to pay the legacy

Donations in kind are included in donations and similar incoming resources where the amounts are material and an estimated market value is readily achievable.

Resources expended

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure.

The majority of costs are directly attributable to specific activities, although support costs and indirect staff costs are apportioned to activities; these costs are apportioned in the same proportion as direct staff costs.

Fundraising costs

These include the direct expenditure and staff costs related to fundraising activities.

Support costs

Support costs represent the cost in all locations of providing support for the Charity's programmes including management and technical support.

Governance costs

These are costs incurred in administering the Charity and complying with constitutional and statutory requirements.

BUILD AFRICA
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

The cost of tangible fixed assets is written off in equal annual instalments over their expected useful life as follows:

Computer equipment and software	3 years
Fixtures, fittings & equipment	5 – 8 years
Motor Vehicles	4 Years

Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on an accruals basis over the period of the lease.

Foreign currency

Assets and liabilities of overseas branches are included in the group balance sheet after converting to sterling at the year-end exchange rate. Income and expenditure transactions are included in the Statement of Financial Activities after converting to sterling at the average exchange rate for the year.

The foreign exchange gain/loss shown in the Statement of Financial Activities represents the gain/loss arising on converting the opening balance sheets of overseas branches at the year-end exchange rate.

Pensions

The pension cost charged to the Statement of Financial Activities represents amounts payable by the Charity in the accounting period. The Charity contributes to employees' personal pension plans which are part of the Charity's group stakeholder scheme.

Accumulated funds

Funds held by the Charity are:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects. They also include an amount equal to the net book value of the Charity's fixed assets, thus recognising that this portion of unrestricted funds would not be quickly convertible into liquid assets.

Restricted funds – these are funds that can only be used for a particular restricted purpose within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Taxation

As a registered charity with very low levels of non-primary purpose trading, Build Africa is exempt from Corporation Tax. The charity is not registered for VAT as it has almost no business income (as defined for VAT purposes) and could not therefore recover significant VAT on expenditure. VAT on expenses is included in the same line of the Statement of Financial Activities as the associated expense.

BUILD AFRICA**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013****2 Voluntary income**

	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Donations and gifts	1,025,749	640,336	1,666,085	1,753,469
Legacies receivable	129,113	-	129,113	23,297
Grants receivable	287,203	431,280	718,483	859,294
	<u>1,442,065</u>	<u>1,071,616</u>	<u>2,513,681</u>	<u>2,636,060</u>

3 Activities for generating funds

	Income generated	Associated costs	Net funds generated 2013 £	Net Income 2012 £
Turnover from trading activities	-	-	-	1,246
Fundraising events	158,923	(60,548)	98,375	82,344
Total	<u>158,923</u>	<u>(60,548)</u>	<u>98,375</u>	<u>83,590</u>

4 Investment income and other income

	2013 £	2012 £
Interest receivable	861	529
Other income including profit on disposals of assets	21,207	6,543
	<u>22,068</u>	<u>7,072</u>

Interest receivable during the year arose as follows:

	2013 £	2012 £
Short-term deposits held with UK financial institutions	566	428
Short-term deposits held with Ugandan branches of UK financial institutions	-	-
Short-term deposits held with Kenyan branches of UK financial institutions	295	101
	<u>861</u>	<u>529</u>

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

5. Resources expended

	Uganda	Kenya	UK	Total 2013	Total 2012
	£	£	£	£	£
<u>Costs of generating funds</u>					
Costs of generating voluntary income	-	-	401,316	401,316	370,154
Costs of activities to generate funds	-	-	60,547	60,547	56,797
Support Costs	-	-	123,858	123,858	108,967
<i>Total cost of generating funds</i>	-	-	585,721	585,721	535,918
<u>Cost of charitable activities:</u>					
Education					
Direct Project Costs	535,200	404,241	499,052	1,438,493	1,360,171
Support Costs	44,904	30,900	140,497	216,301	240,513
<i>Total Education costs</i>	580,104	435,141	639,549	1,654,794	1,600,684
Livelihoods					
Direct Project Costs	78,839	41,094	63,755	183,688	304,523
Support Costs	6,614	3,151	17,949	27,714	50,072
<i>Total Livelihoods costs</i>	85,453	44,245	81,704	211,402	354,595
Other Projects					
Orphans and Vulnerable Children	-	-	-	-	21,271
Water & Food	90,152	873	57,341	148,366	111,824
<i>Total cost of charitable activities</i>	755,709	480,259	778,594	2,014,562	2,088,374
<i>Governance costs</i>	11,110	9,177	7,160	27,447	29,558
Total resources expended	766,819	489,436	1,371,475	2,627,230	2,653,850

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

6. Support & governance costs

Support costs	2013	2012
	£	£
Support costs during the year comprised:		
Staff costs	122,052	91,447
Premises costs	88,377	98,990
Postage/office costs	19,244	35,222
Human Resources costs	31,379	36,743
Depreciation of non-programme assets	43,213	37,475
IT costs	30,986	28,452
Finance costs	30,284	21,720
Travel costs	9,482	37,721
Legal costs	8,732	13,646
Other costs	3,762	(1,864)
Total Support Costs	387,511	399,552

Support costs are apportioned between fundraising and charitable activities based on staff time spent on these activities.

Governance costs	2013	2012
	£	£
Costs relating to Governance comprise:		
Audit fees	17,130	22,864
Other costs	10,317	6,694
	27,447	29,558

Audit fees include audits for statutory funders in the charity's countries of operation.

7. Directors

None of the Directors/Trustees (or any persons connected with them) received any remuneration during the year (2012: Nil). No Director/Trustee was reimbursed for expenses incurred in attending Board meetings (2012: Nil).

BUILD AFRICA**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013****8. Staff Costs****Number of employees**

The average monthly number of employees during the year was:	2013	2012
Fundraising and communications	8	9
Programmes	45	45
Support	8	11
	61	65

Employment costs

	2013	2012
	£	£
Wages and salaries	991,958	1,030,731
National Insurance	71,753	96,649
Pensions	69,947	79,795
	1,133,658	1,207,175

Analysis by activity

		2013	2013
		Staff	£
Education:	Uganda	14	138,698
	Kenya	11	152,091
	UK	7	278,036
Total Education		32	568,825
Livelihoods:	Uganda	6	23,076
	Kenya	3	48,887
	UK	3	94,880
Total Livelihoods		12	166,843
Water	Uganda	1	3,515
Total Water		1	3,515
Fundraising:	UK	8	272,423
Total Fundraising		8	272,423
Support:	Uganda	3	17,505
	Kenya	2	21,386
	UK	3	83,161
Total Support		8	122,052
Total Employment costs and number of employees		61	1,133,658

Employees whose total emoluments during the year exceeded £60,000 is as follows:

£60,000 - £69,999 2 (2012 - 2)

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

9. Tangible fixed assets

Charity	Computer Equipment	Fixtures & leasehold Improvements	Total
Cost	£	£	£
At 1 January 2013	113,482	46,470	159,952
Additions	20,785	-	20,785
Disposals and scrapped assets	-	-	-
At 31 December 2013	134,267	46,470	180,737
Depreciation			
At 1 January 2013	65,994	23,875	89,869
Charge for the year	21,081	8,424	29,505
Disposals and scrapped assets	-	-	-
At 31 December 2013	87,075	32,299	119,374
Net book value			
At 31 December 2013	47,192	14,171	61,363
At 31 December 2012	47,488	22,595	70,083

Group	Motor Vehicles	Computer Equipment	Fixtures & leasehold Improvements	Total
Cost	£	£	£	£
At 1 January 2013	207,124	159,629	159,113	525,866
Additions	12,361	26,388	4,592	43,341
Revaluations	-	-	-	-
Disposals and scrapped assets	(39,943)	(370)	(2,243)	(42,556)
Foreign exchange gain/(loss)	1,847	(230)	(1,381)	236
At 31 December 2013	181,389	185,417	160,081	526,887
Depreciation				
At 1 January 2013	143,248	106,271	87,550	337,069
Charge for the year	27,936	28,045	15,168	71,149
Revaluations	-	-	-	-
Disposals and scrapped assets	(35,757)	(370)	(2,243)	(38,370)
Foreign exchange (gain)/loss	662	(186)	(874)	(398)
At 31 December 2013	136,089	133,760	99,601	369,450
Net book value				
At 31 December 2013	45,300	51,657	60,480	157,437
31 December 2012	63,876	53,358	71,563	188,797

BUILD AFRICA**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013****10. Debtors**

	Charity		Group	
	2013	2012	2013	2012
	£	£	£	£
Accrued income	280,808	190,629	280,808	190,629
Prepayments, other debtors	64,833	67,090	73,600	92,064
	<u>345,641</u>	<u>257,719</u>	<u>354,408</u>	<u>282,693</u>

11. Creditors: amounts falling due within one year

	Charity		Group	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	20,962	12,936	20,962	16,466
Deferred income	90,243	28,110	90,243	28,110
Taxes and social security	39,428	33,235	53,004	49,501
Accruals & other creditors	90,507	24,579	229,416	200,785
	<u>241,140</u>	<u>98,860</u>	<u>393,625</u>	<u>294,862</u>

12. Reserves Summary**Charity Reserves**

	As at 1 January 2013	Income	Resources expended	Transfers Between Funds	As at 31 December 2013
	£	£	£	£	£
Unrestricted Reserves	314,316	1,606,388	(1,573,276)	(1,449)	345,979
Designated Reserves (Note 14)	70,083	-	(29,505)	20,785	61,363
Restricted reserves (Note 13)	196,175	1,025,455	(965,184)	(19,336)	237,110
Total reserves	<u>580,574</u>	<u>2,631,843</u>	<u>(2,567,965)</u>	<u>-</u>	<u>644,452</u>

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

12. Reserves Summary

Group Reserves

	As at 1 January 2013 £	Income £	Resources expended £	Foreign exchange gain/(loss) £	Transfers between funds £	As at 31 December 2013 £
Unrestricted	355,158	1,623,056	(1,542,329)	(2,563)	(66,072)	367,250
Designated (Note 14)	188,797	-	(71,149)	2,655	37,134	157,437
Restricted (Note 13)	151,257	1,071,616	(1,014,252)	191	28,938	237,750
Total reserves	695,212	2,694,672	(2,627,730)	283	-	762,437

13 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Charity

	As at 1 January 2013 £	Income £	Resources expended £	Transfers between funds £	As at 31 December 2013 £
Education, specific projects (Uganda)	21,072	135,490	88,539	381	68,404
School retention & completion (Uganda)	-	150,559	150,559	-	-
Livelihoods projects (Uganda)	-	8,160	8,160	-	-
Education, specific projects (Kenya)	70,114	177,440	122,458	(9,307)	115,789
Livelihoods projects (Kenya)	-	22,833	9,431	-	13,402
Skills For Living (Uganda)	-	152,382	152,382	-	-
Skills For Living (Kenya)	-	61,780	61,780	-	-
Water & Food Security (Uganda)	33,961	138,091	172,052	-	-
Transition: primary to secondary (Kenya)	65,828	39,515	55,418	(10,410)	39,515
Transition: primary to secondary (Uganda)	5,200	68,470	73,670	-	-
Gifts in Kind	-	70,735	70,735	-	-
	196,175	1,025,455	965,184	(19,336)	237,110

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

13 Restricted funds - Group

	As at 1 January 2013 £	Income £	Resources expended £	Transfers £	Foreign exchange gain/(loss) £	As at 31 December 2013 £
Education, specific projects (Uganda) (i)	6,762	135,490	88,539	14,691	-	68,404
School retention & completion (Uganda) (ii)	-	150,559	150,559	-	-	-
Livelihoods, specific projects (Uganda) (iii)	-	8,160	8,160	-	-	-
Education, specific projects (Kenya) (i)	70,114	177,441	122,457	(9,309)	-	115,789
Livelihoods, specific projects (Kenya) (iii)	-	22,833	9,431	-	-	13,402
Skills For Living (Uganda) (vii)	-	152,382	152,382	-	-	-
Skills For Living (Kenya) (vii)	-	61,780	61,780	-	-	-
Water & Food Security Programme (Uganda) (v)	-	138,091	172,052	33,961	-	-
Transition: primary to secondary school (Kenya) (iv)	65,828	39,515	55,418	(10,410)	-	39,515
Transition: primary to secondary school (Uganda) (iv)	5,200	68,470	73,670	-	-	-
Gifts in Kind (vi)	-	70,735	70,735	-	-	-
Village Savings & Loans Associations, Uganda (viii)	2,906	-	3,089	-	183	-
NWELIS (xi)	447	46,160	45,980	5	8	640
	151,257	1,071,616	1,014,252	28,938	191	237,750

Where more has been spent on a project than is covered by restricted income, a transfer is made to that project from unrestricted income. In addition, transfers against projects (i) and (v) reflect the harmonisation of different accounting treatments of project spend between the UK and overseas branches of Build Africa.

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

13 Restricted funds

The charity's restricted funds are summarised below:

(i) Education, specific projects. Where a funder has specified the activity and/or location of the education work their gift is intended to fund, it is included in these restricted funds. In most cases, these funds are restricted to activities at specific schools.

(ii) In 2012, the Department for International Development awarded Build Africa a 3 year grant to improve the attendance and attainment of children at 40 Ugandan rural primary schools. The grant is for £342,648 from January 2012 to December 2014 and is intended to fund 75% of the costs of this project.

These accounts include the following amounts in respect of this grant:

	£
2013 Expenditure within the project	176,368
Income received from DfID	99,653
Income yet to be included in a funding claim to DfID	32,623
Income from other funders	44,092
Total 2013 income	176,368

(iii) These funds represent donations restricted to aspects of our Livelihoods work which improves the opportunities for communities to generate income for themselves.

(iv) These funds represent projects whose emphasis is on improving the opportunities in rural areas for children who complete primary school to move on to secondary education. The activities in these projects aim to change the attitudes of pupils and families to secondary education, to improve the quality of primary education and to raise the incomes of families so they can afford to send their children to secondary school.

(v) The Water and Food Security project has two main elements. Firstly, communities are provided with a reliable supply of water; the nature of the supply depends on the local geology but is usually or borehole or a well. Secondly, schools in those communities are trained to set up and maintain gardens that provide a reliable food supply. This not only helps to feed the children at the schools but also adds to the communities' food-growing skills.

(vi) During 2013, we received gifts in kind in the form of online advertising (from Google), software (Microsoft) and computer equipment (Euroclear). We are very grateful indeed to these companies for this tangible support.

BUILD AFRICA
NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013

13 Restricted funds

(vii) Over 2,000 supporters donate regularly to our Skills For Living programme. These donations are restricted to general project use in specified regions within Kenya or Uganda. Any carried forward balances on these restricted funds represent the amount by which accumulated Skills For Living income for any region exceeded the charity's expenditure in that region.

(viii) The VSLA project in Uganda is a programmatic partnership with Care International, assisting communities in to establish and run savings and loans groups that enable access funding for small businesses, short-term loans for medical and other household needs as well as providing a return for group members on savings. This partnership project concluded on schedule in the early months of 2013.

(ix) The NWELIS project is funded in Uganda by the Agri-Business Initiative Trust and extends our VSLA programme within the Masindi and surrounding regions.

14 Designated funds

Charity	As at 1 January 2013	Income	Resources expended	Transfers between funds	As at 31 December 2013
	£	£	£	£	£
Capital Assets	70,083	-	(29,505)	20,785	61,363
Total reserves	70,083	-	(29,505)	20,785	61,363

Group	As at 1 January 2013	Income	Resources expended	Foreign exchange gain/(loss)	Transfers between funds	As at 31 December 2013
	£	£	£	£	£	£
Capital Assets	188,797	-	(71,149)	2,655	37,134	157,437
Total reserves	188,797	-	(71,149)	2,655	37,134	157,437

BUILD AFRICA**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2013****15. Analysis of net assets between funds**

Charity	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
<u>Fund balances: 31 December 2013</u>				
Tangible fixed assets	-	61,363	-	61,363
Cash at bank and in hand	241,478	-	237,110	478,588
Current assets	345,641	-	-	345,641
Creditors falling due with one year	(241,140)	-	-	(241,140)
	<u>345,979</u>	<u>61,363</u>	<u>237,110</u>	<u>644,452</u>
Group	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
<u>Fund balances at 31 December 2013:</u>				
Tangible fixed assets	-	157,437	-	157,437
Cash at bank and in hand	406,467	-	237,750	644,217
Current assets	354,408	-	-	354,408
Creditors falling due with one year	(393,625)	-	-	(393,625)
	<u>367,250</u>	<u>157,437</u>	<u>237,750</u>	<u>762,437</u>

16 Commitments under operating leases

	Charity		Group	
	2013	2012	2013	2012
Expiry date:	£	£	£	£
Between 1 and 5 years	0	0	17,316	30,551
Greater than 5 years	48,000	48,000	48,000	48,000
	<u>48,000</u>	<u>48,000</u>	<u>65,316</u>	<u>78,551</u>

The commitment is in respect of the charity's offices in Tunbridge Wells (UK), Machakos (Kenya) and Kampala (Uganda)

