

**BUILD AFRICA**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

Charity Registration No. 298316

Company Registration No. 2200793 (England and Wales)

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

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<b>Trustees</b>	<b>Andrew White (Chair)</b> Richard Germond Tom Lindsay Rupal Mistry Michael Noyes Susanne Niedrum Simon Wong Katie Spencer-Smith
<b>Secretary</b>	Adrian Stockman
<b>Chief Executive</b>	Linda Edwards
<b>Charity number</b>	298316
<b>Company number</b>	2200793
<b>Registered office &amp; principal address</b>	Vale House, Clarence Road Tunbridge Wells Kent TN1 1HE
<b>Kenyan Branch Office</b>	Build Africa Kenya P. O Box 1259 -90100, Machakos, Kenya.
<b>Ugandan Branch Office</b>	Build Africa Uganda Block 245, Plot 431 & 424 Kabalagala, Central Zone, Off Gaba Road, P. O Box 7224, Kampala, Uganda.
<b>Auditors</b>	H W Fisher & Company Acre House, 11-15 William Road London, NW1 3ER
<b>Bankers</b>	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

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## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The Trustees present our report and accounts for the year ended 31 December 2014. 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:

Andrew White (Chair)	Richard Germond
Tom Lindsay	Rupal Mistry
Michael Noyes	Susanne Niedrum
Simon Wong	Katie Spencer-Smith

Other Trustees who served during the year are: Keith Leslie (until 30 June 2015); Siobhan Sheridan (until 16 July 2015); Dominic Tutt (until 19 June 2015);

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.

#### **Other Administrative details**

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

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### **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 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**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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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. These close relationships are an effective conduit for ensuring the efficient and effective delivery of programmes that meet the charity's objectives, the Trustees' and management's strategy.

In April 2015, Oliver Kemp stepped down after 5 highly successful years as Build Africa's Chief Executive Officer (CEO). During that time, Build Africa has become a much stronger charity with a clear focus on community impact, a sustainable financial model and an emphasis on valuing and developing staff. The Trustees are very grateful to Oliver for all of his accomplishments. The Trustees also extend a warm welcome to Linda Edwards who joined Build Africa as our new CEO in June 2015. Linda has a wealth of senior experience in the development and humanitarian sectors including serving with Marie Stopes International as a Country Director as well as Regional Director. We very much look forward to working with Linda as Build Africa strives to implement its strategic aims in the coming years.

#### **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**

Our vision is of people in Africa leading fulfilling, happy lives; our mission is to partner with African communities to create lasting educational and livelihoods opportunities. We make this a reality by providing the skills, knowledge and opportunities that the school children and members of the wider community so desperately need.

#### **What we do**

We combine education and livelihoods for maximum impact. Our programmes are mutually beneficial and reinforce each other: we have seen that parents with better livelihoods keep their children in school longer and children with a good education get better jobs when they become adults.

At the moment we are supporting over 100,000 people. But we don't believe in standing still; our programmes are growing in depth and breadth all the time. That is why we embarked on an ambitious five-year plan in 2014, aimed at improving the quality of education and the livelihoods of more than a million people in rural Africa by the end of 2018.

This review outlines the progress we made in the first year of our strategy, against our seven key strategic objectives. In education these objectives include ensuring that children are well prepared for primary school (through early learning classes), that they get the best education possible while they are at primary school, that girls' specific needs are met and that children successfully go on to secondary school and into the workplace. In other words, we are giving rural school children the support they need throughout their primary school journey, and this includes the most vulnerable among them.

In livelihoods our objectives focus on business development, on boosting harvests and increasing access to markets, and on helping communities withstand environmental and economic shocks and stresses by encouraging alternative incomes, water and land management, and conservation. As a result smallholder farmers and small business owners can reliably provide for themselves and their families, including their basic need for food, education and healthcare.

## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1. Laying the foundations for learning**

Supporting early learning is critical in ensuring children are able to fully benefit from all the learning opportunities they will receive throughout their lives. However, many young children do not receive the support they need from parents or have the resources to prepare them for school, and formal preschool systems fail to deliver quality education. Our own research in Eastern Uganda confirms this: in the schools that we work 15% of pupils repeat their first year, only 20% progress to their final year and less than 40% of children can read and understand a basic sentence.

Through our EQUAL (Early Years Education Quality in Uganda: Advancing Learning) Project we are therefore providing quality early learning education for 6,100 children (including exceptionally disadvantaged groups such as orphans and children with disabilities) in 15 schools in Western Uganda.

We are working with the whole community (including children, parents, teachers and school management committees) to improve the school-readiness of girls and boys. We are using innovative approaches (such as training older pupils to become 'buddies' to the younger pupils), changing parental attitudes to early learning and teacher attitudes to punishment as well as increasing the resources available for young children to aid their development.

By the end of the year we had partnered with a social enterprise, Mango Tree, to develop appropriate learning materials and produced a teacher, parent and pupil early learning toolkit for piloting at the beginning of 2015.

We want to make the early learning experience a safe, friendly and rewarding foundation for life at primary school, and feedback is showing that we are on track to providing that:

#### ***Case study: Best Buddies***

Harriet Ondoro is a teacher at Kisomere Primary School who has been trained as one of the patrons of the buddy club:

*"Everyone has been very supportive in the starting of the buddy club. We have since trained 87 buddies with each older buddy having two young ones to take care of.*

*It is very important to help the young ones, since this is the foundation of their education and future. It makes them either like school and progress or hate school and risk dropping out. There has been some good progress since we can now see the older pupils taking up responsibilities and enjoying it. They are able to even tell us what the young ones enjoy and what they dislike. They know the young ones more than we do since they are free and can interact without fear.*

*We also see that there is cooperation between pupils and teachers. The parents also appreciate it and we have seen some unity within the school.*

*The discipline has also improved and we hardly have issues of bullying and the other bad behaviours witnessed before. The attendance of the young ones is also good and they stay in school until time for going home comes."*

*Gloria is a 14-year-old buddy at Kilima Primary School:*

*"It has been a good experience helping the young ones to enjoy school. My buddy has started to enjoy school, she can now come to school by herself and she freely shares her problems with me. She does not cry often like she used to and she likes to share her break snack with her friends."*

## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **2. Maximising learning**

Primary school education should provide the practical, critical and social skills that children will require as adults, and address the obstacles to education that are specific to each gender. Unfortunately, in rural Africa too many children receive an education that falls far short of this.

That is why we do more than improve the physical environment at school. We built 13 new classrooms and five-stance latrines in five schools in 2014. But we also improved the quality of teaching; increased access to clean water and food; increased the engagement of parents in the education of their children; improved the management and governance of schools and expanded the availability of appropriate books and equipment. We carried out one or more of these interventions in all the schools we worked with in 2014.

#### *Giving school communities a voice*

Sustainable development is less of a challenge with the support of the local government. That is why we helped the parents and staff at 30 schools in Uganda draw up Advocacy Plans and then submit petitions to sub-county and district offices. As a result many schools reported an increase in monitoring visits by the district authorities, a transfer of poor performing teachers and the allocation of new and refurbished infrastructure.

#### *Supporting child rights*

An education is every child's right, and a quality education is impossible if the rights of children in general are not recognised and protected. They have the right of provision (including a decent standard of living, health care, play and recreation, as well as an education); the right of protection (from physical and emotional abuse); and the right of participation (as decision-makers in the community). We support children in all of these categories.

In Kenya, for example, we trained 874 parents on child rights and 182 teachers on child-friendly teaching methods, on giving guidance and mentorship to pupils and on adopting non-physical forms of punishment.

We also formed nine child support groups that have become very influential in their communities (participating in public village meetings to create awareness on child protection). While in Uganda we improved the play facilities for 2,700 pupils in six schools, refurbishing play fields, distributing play equipment and training teachers to better integrate play into learning.

#### *Ensuring better teaching*

We take the role teachers play in providing a good education very seriously. In 2014, we partnered with a variety of organisations, adapting different approaches to improve the effectiveness of teachers. For example, we worked with STIR Education to improve the working practices of teachers in Uganda.

Research shows that 35% of teachers are regularly absent in some of our schools. We have responded to this by implementing a teacher welfare and management project that combines our savings and loans project with an improvement in teaching practices. The results have been impressive. At Kizibu Junior Primary School, for example, teacher attendance rose from 75% to 95%. In addition, the savings schemes generated over five million Ugandan Shillings (over £1,000), helping teachers invest in businesses that will supplement their salaries.

#### *Promoting great school management*

We are helping School Management Committees run their schools better through training courses, refresher courses and mentorship. In the Masindi area of Uganda there has been a noticeable improvement in the percentage of parents satisfied with the performance of their Committees (from 70% to 80% according to the final results). In addition, they are better attended, comprise more members and include more women than ever before.



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### *A clean water supply*

Through the Water and Food Access Programme we provided clean water to the schools and communities we work with. We drilled boreholes, installed tanks and laid a piping system so that 14,779 pupils at 28 schools can drink safely, wash regularly and eat hot nutritious lunches with produce from school gardens.

### **3. Including girls**

African girls face specific challenges that prevent them going to school. Because of a lack of sanitary protection they can miss between 10% and 20% of their school days, putting them at a serious disadvantage when it comes to covering the syllabus and being able to perform well in examinations.

In addition, deeply entrenched cultural attitudes mean that many girls are still regarded as less valuable than boys, so educating them isn't considered to be as important. Some are taken out of school for financial reasons, to be married off early or forced into the sex trade. As a result they remain in poverty and are excluded from decision-making on matters that affect their lives.

We are increasing the number of girls benefiting from a quality education by changing attitudes, building self-esteem, giving girls more say in the decisions that affect their education, introducing teaching styles that are sensitive to girls' needs, and giving girls positive role models. We are improving attendance and academic achievement by ensuring girls who have started their menstrual cycle are supported. Our Rights Education and Development programme, for example, has seen the proportion of girls accessing sanitary pads go up from 59% to 88%.

We are seeing some great results from our innovative and inclusive gender projects:

#### *'Second chance champions'*

We train 'second chance champions' (drop-outs who have re-enrolled at school themselves) to pass on messages about the value of education to other dropouts. They get them back in school and back on track. In Uganda in 2014, 35 'second chance champions' (including 24 girls) encouraged 132 children (including 94 girls) to return to school.

#### *Men and menstrual management*

Menstruation is a subject that is almost taboo in the patriarchal communities of rural Africa. So to help dispel the many myths that accompany it we took men through a carefully devised set of stages to educate them and encourage them to get involved as well. These included breaking the ice through dialogue sessions and media; demystifying the issue by encouraging them to join in pad-making workshops and using the most receptive men to spread the word via radio talk shows and school and community meetings.

As a result there has been an increase in the number of men who say they find it easier to discuss menstruation with their daughters; an increase in the number of fathers who contribute to the emergency sanitary pad supplies at school, and we have seen examples of men buying the materials for the re-usable pads.

Of course, we trained girls and female teachers on menstruation issues and on making reusable sanitary pads. Leah is a year six pupil in Madoc Ailak Primary School, Ngora District, Uganda:

*"The training has improved my understanding and appreciation of menstruation and sexual reproductive health. I can no longer be teased and be ashamed of menstruation both at home and school."*

#### *Skills for life*

School children can suffer from low self-confidence and lack important psychosocial skills such as problem solving, assertiveness, critical thinking, and effective communication. Girls who lack negotiation skills can be drawn into early sexual contact, which can mean pregnancy and a premature end to their education. We have therefore organised sessions that pass on necessary life and psychosocial skills to children in upper primary classes, especially girls, to help them stay in school longer.

## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The head teacher at Morukakise Primary School, Ngora District, Uganda:

*"In the recent past it was common to have about five girls get pregnant each year; but this year has been different. We haven't recorded any pregnancies and I strongly believe the life skills education from Build Africa, targeting girls in upper primary, has contributed to this."*

### **Case study: The impact of life skills training**

But it isn't just the girls who have benefitted from the training. Noel is a pupil at Miduuma Primary School, Masindi District, Uganda:

*"Ever since I did these trainings, my life has changed. Firstly, I fully understand the different types of life skill, including assertiveness, self-awareness, self-esteem and coping with emotions. I have enjoyed the session on self-awareness the most. Through it I have understood what I am good and bad at. I am now working on my weakness. For example, I used to resort to violence to resolve issues. But since last term I have been practicing dialogue more. I am learning to love myself more and take my education more seriously. I am now more inquisitive in class and actively participate in social activities at school."*

### **Case study: The impact of menstrual hygiene training**

Caroline is a 14-year old pupil at Akeit Primary School, Kumi District, Uganda,

*"After attending the training on reusable pads and sexual reproductive health organised by Build Africa, the skills I learned on making reusable pads helped me supply myself every month. I now have emergency pads in hand when going to school and this has improved my attendance. I have also learnt how to keep myself clean during my periods and to delay sex until I achieve my life goal of becoming a nurse."*

## **4. Preparing for continuous learning**

With a post-primary education children are much better equipped to secure a future that's free of poverty. Unfortunately many children do not continue their education beyond primary school at all and therefore lack the relevant skills and knowledge they need to find work or start their own business.

We are increasing the number of children who have the relevant skills and abilities to make the successful transition to secondary education or work. We do this by improving vocational skills, ensuring parents and communities support the post-primary education of their children and ensuring children are receiving good quality education.

In 2014, we implemented the following activities:

#### *A taste of secondary school*

We arranged exposure visits to secondary school, to help inspire pupils to work with secondary school in mind (including 995 children in Uganda and 471 pupils, 28 teachers and 66 parents in Kenya).

In Kenya, 765 pupils in upper classes also took part in motivational talks that complemented their secondary school career talks, and some teachers have been selected to counsel them and to help them make informed decisions about the careers they want to follow.

Mwendwa is 13 year old pupil at Kamuthini Primary School, Machakos District, Kenya

*"The secondary school students shared with us the challenges they faced and how they managed to overcome them. I was encouraged because I face some of the same problems and I believe I shall be able to overcome them as they did. In conclusion, I have to work hard to join secondary."*

## **BUILD AFRICA**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### *Income generation at school*

In 2014, we also began working with schools on income generation, improving their sustainability and providing children with the opportunity to learn business and entrepreneurial skills. We provided grants for start-up capital and trained parents and school management committee members on the prioritisation and management of their income generating activities.

In Kahara Primary School in Uganda, for example, the school raised 1.8 million Ugandan Shillings (about £400) from maize shelling, while Budembe Primary School raised 3 million Ugandan Shillings (£630) from a horticulture project. This revenue will help pay for improvements at the school and provide wages for extra teachers, both of which will contribute towards a better education for the children.

## **5. Supporting financial services and business development**

Without savings and credit, families often struggle to invest in their businesses, pay health care bills and provide for their children's education. For individuals to become more financially secure they need to be able to save money, and to have access to it in times of need.

We provide people with the opportunity to save and access credit through savings and loans groups, and give them the skills and knowledge they need to get their business up and running and diversify their sources of income. We will also support them as they develop their businesses. The scheme's popularity with women has meant more investment in children's education, health, access to food and nutrition, as well as an improvement in women's involvement in decision-making at household level.

Our Village Savings and Loans Association scheme is so well established now that we have been able to build on the groups' sound financial basis to help members develop their businesses and reliably provide for their families. In 2014 the Farmers Network Project (FNP), for example, has been working with 200 savings and loans groups, creating networks that promote better farming techniques and methods, and that improve knowledge sharing between farmers. The majority of these members are women: grandmothers, mothers and parentless girls who have to provide for their siblings. And it is the women who are the most reliable investors in the household.

#### ***Case study: Teresiah Wanjiku, a member of the Umoja Womens Group in Kenya.***

*"After the post-election violence in 2007, our property was destroyed and our house burnt, so we started living in a house made of paper. But after taking some loan we bought fertilizer. We were able to harvest a lot of food, which I sold and used the money to build a better house. I am happy since we have a better house where my family and I stay without fear of rains or strong winds".*

## **6. Boosting harvests and increasing access to markets**

Smallholder farmers often struggle to produce a surplus to sell, or even to produce enough food to feed their families. Farmers often sell their produce to middlemen at very low prices because of the low quantity and quality of their produce. Lack of market information and opportunities makes it difficult for farmers to negotiate from a position of strength and to secure a fair price.

We work with rural farmers to increase the returns achieved on their agricultural enterprises, resulting in improved incomes and food security. In 2014 we did this in the following ways:

- We trained farmers in viable business opportunities that will help them diversify their income. In Bukedea District of Uganda, for example, 18 demonstration gardens were established to show

## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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1,091 women and 628 men how to grow sunflower, maize and beans, and to help them choose which crop was best for them.

- We introduced a mentorship programme so that poorer farmers (1,164 women and 637 men in Uganda) can learn and receive support from successful farmers; and arranged exposure visits to the national agricultural show and to model farms, so they can learn post-harvest handling, bulking and marketing for best returns.
- We helped farmers become more market savvy by training them in how best to look after their harvest and in establishing marketing linkages. We also provided training sessions to 1,418 women and 721 men in Uganda to help them prepare and manage their harvests better. As a result the farmers have experienced less crop losses, both before and after harvest, and a better quality of grain and cereals. And the resulting financial security is benefitting the whole family.
- We established links between farmers and commercial groups, helping them get a better price for their crops because they bulk them rather than sell them immediately after harvest to unscrupulous 'middlemen'. In the Masindi area of Uganda, for example, the price offered by well-established maize buyers was up to twice as much as that being offered to farmers who marketed individually.
- We helped farmers access regular market information and weather reports through their mobile phones. As an example 22 tonnes of beans and maize were sold by the farmers that we supported in the Bukedea District of Uganda, at the proper market rate.

### **7. Strengthening resilience to shocks and stresses**

The communities we work with often have limited access to savings or any other form of safety net. Therefore, events outside their control (such as climate change, drought or price fluctuations) can have devastating consequences on the lives of individuals and families.

We are helping individuals prepare for and withstand environmental and economic shocks and stresses. We are always developing new approaches, and working in collaboration with others, to build community resilience, focusing on measures such as income diversification, water and land management, and conservation.

Our now-completed North Western Region Livelihoods Support (NWELIS) Project has, for example, improved the long term income and livelihood opportunities of 7500 maize farming households in Uganda. Our project objectives were to increase farm production and to improve access to both financial services and to competitive and profitable markets. The results have been impressive.

The average return on investment for each NWELIS farmer was 61%, compared to 42% for the control group we used. This meant additional individual profit of 82,036 Ugandan Shillings (approximately £20) per harvest for the farmers who had received our training. Given the economic context (including a significant fall in the global price of maize during the project's implementation) this profit has made the difference between a family that struggles and a family that endures.

We will also be carrying out a Social Return on Investment (SROI) analysis of the NWELIS project. This will look beyond its financial value to its broader impact on the lives of the participants. When the results are collated we will have a better picture of the improved resilience of the farmers involved.

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### **4. LOOKING FORWARD: 2015 AND BEYOND**

We have made a good start in 2014 towards the aims of our five year strategic plan .

In order to deliver our education and livelihoods work, the strategy commits the whole organisation to seven key approaches:

- Laying the Foundations for Learning;
- Maximising Learning;
- Including Girls;
- Preparing for Continuous Learning;
- Supporting Financial Services and Business Development;
- Boosting Harvests and Increasing Access to Markets;
- Strengthening resilience to Shocks and Stresses.

These approaches reflect the aims and aspirations of the communities we partner, and will guide all our programmes. Working closely with families and children, we will ensure they have the skills and knowledge to make informed choices about their futures. Together, we will create opportunities to escape poverty for good.

All of our plans for 2015 and beyond have the central aim of making our strategy a reality. Our priorities for 2015 include:

- Developing detailed plans to expand Build Africa into a new country, providing opportunities to expand our programmatic reach and to reduce operational risk
- Developing a Monitoring, Evaluation and Learning framework, ensuring we can demonstrate change in beneficiaries' lives and identify ways to increase the positive impact;
- Building child safeguarding capacity, ensuring that children, staff, partners and stakeholders understand and play their part in protecting children;
- Continuing to identify programme implementation partners, thereby increasing the range of project activities our programmes can deliver and giving us the opportunity to learn from those partners;
- Growing brand awareness, identifying our key target audiences and beginning a programme of profile-raising amongst them to increase fundraising and improve our credibility.
- Creating and implementing a skills development programme so that we have the right skills to deliver the strategy.
- Further developing our grant management capacity to ensure we have the skills required for our strategy and ambition.

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### **5. FINANCES**

#### **Review of 2014 financial position and fundraising activities**

The financial position at the end of 2014 is very encouraging. Income and spending on our programmes continues to grow, liquidity is good and we made further small steps towards replenishing the charity's reserves that were dented in the global economic downturn.

Crucially, the financial picture is consistent with the charity's 5 year strategy. The strategic aim of securing multi-year grants to fund projects in our 7 areas of programmatic focus is borne out by these results. We have secured 3 year funding for the first time from The Big Lottery Fund and from Comic Relief as well as project funding from other significant funders in the UK and in the US. This funding allows Build Africa to expand greatly our work in fields including: girls' education; early years' learning; transition to secondary school and agri-business/livelihoods projects.

Additionally, the results show us building on our strategic aim of working through partnerships. For example, we signed a 3 year programme implementation agreement with Water Aid for a school water, hygiene and sanitation project in 31 Ugandan schools.

Encouragingly, our aim to strengthen the local income generation capacity is demonstrated in the 2014 results; Build Africa Uganda had 7 locally-funded projects during the year bringing in around £150,000 of income. We have yet to see similar success in Kenya and are making this a priority in 2015/2016.

During the year Build Africa raised £3.13 million (2013 - £2.70 million) of income and spent £2.93 million (2013 - £2.63 million). This led to a surplus for 2014 of £201,000, most of which arose from restricted income received towards the end of 2014 to be spent during 2015. There was a small surplus of £13,000 on unrestricted, undesignated funds.

In accordance with SORP 2005, support costs have been allocated between charitable activities and fundraising. Build Africa spent 76% of its total expenditure on charitable activities, 23% on fundraising and 1% on governance. Allocated within these percentages are support costs in all locations of around 12% of total expenditure, which represents a pleasing decrease on previous years and supports our assertion that as we scale up programme activities, our support costs are likely to increase at a slower rate.

Expansion remains a primary objective for Build Africa. For that expansion to be sustainable, the functions that support growth must be strong. We will need to invest in staff development, in financial stewardship and in the IT and knowledge management tools that will support efficient working. This commitment means that we are unlikely to see the support cost percentage fall much further than the 12% reported in 2014.

Our income in 2014 was about 16% higher than in 2013. Perhaps more importantly, the increase was fuelled by funding of strategically important projects that take Build Africa in the direction we want to travel. Additionally, we start 2015 with the highest level of secured income that we have ever had. This growth is only possible because of the ever-improving quality of our programme work and the fact that we are increasingly able to demonstrate the impact of that work.

Although we are optimistic that this gives us a good basis for medium and long term expansion, there will be challenges in 2016 and 2017 as some of our current projects come to an end. We are taking steps to establish a consistent pipeline of projects and associated funding that will reduce the risk of dips in income but until that point is reached, we will need to manage the risk of peaks and troughs in project funding.

## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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Our unrestricted reserves were £506,000 at the year-end; unrestricted, undesignated reserves stood at £380,000. This is below our target and our five year strategy 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. In the last two years, we have increased unrestricted, undesignated reserves by £25,000 by very close cost control and by paying close attention to core cost funding. Getting reserves back to the target range of around £700,000 is a high long term priority 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 – 12 of this report and Note 5 to the accounts.

### **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 its three sub-committees, with each committee paying closest attention to those risks in its sphere of influence.

Risk management is an integral part of the way the organisation is run. For example, all large projects have their own risk registers which are used by project management teams to make operational decisions. All fundraising events have their own risk assessments. Foreign currency risk is mitigated by the use of forward purchase contracts.

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.

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, comprehensive documented suite of financial 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.

## **BUILD AFRICA TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **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. Our 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 2014 the unrestricted, undesignated reserves were £380,000 compared to our risk-based reserves policy target of around £700,000. We achieved our aim of generating a modest surplus in 2014 to continue 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 for Trustees and senior management alike.

### **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 interest-bearing deposit accounts. However, in response to the growth in Build Africa's income and the improvement in liquidity during the last two years, this policy shall be reviewed in 2015.

### **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 are deemed to be re-appointed auditors under section 487 (2) of the Companies Act 2006.

### **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.

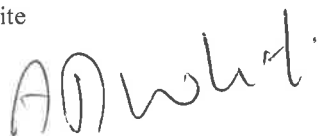
During 2014, the total time given by volunteers was the approximate equivalent of 6 full-time staff. We do not attempt to place a financial value on the time given by volunteers.

On behalf of the Board of Trustees

Andrew White

Dated: 27<sup>th</sup> July

2015





## **BUILD AFRICA**

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

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We have audited the financial statements of Build Africa for the year ended 31 December 2014 set out on pages 19 to 34. 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 2014 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**

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**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.

*H W Fisher & Company*

**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: 31 July 2015

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**BUILD AFRICA****STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT  
YEAR ENDED 31 DECEMBER 2014**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Incoming Resources</b>						
<u>Incoming resources from generated funds</u>						
Voluntary income:						
Donations and gifts	2	406,575	-	927,532	1,334,107	1,666,085
Legacies	2	104,874	-	-	104,874	129,113
Grants	2	220,137	-	1,009,794	1,229,931	718,483
<b>Total Voluntary Income</b>		<b>731,586</b>	<b>-</b>	<b>1,937,326</b>	<b>2,668,912</b>	<b>2,513,681</b>
Activities for generating funds	3	447,194	-	-	447,194	158,923
Investment and other income	4	13,379	-	-	13,379	22,068
<u>Total Incoming resources from generated funds</u>		<b>1,192,159</b>	<b>-</b>	<b>1,937,326</b>	<b>3,129,485</b>	<b>2,694,672</b>
Income from charitable activities		-	-	-	-	-
<b>Total Incoming Resources</b>		<b>1,192,159</b>	<b>-</b>	<b>1,937,326</b>	<b>3,129,485</b>	<b>2,694,672</b>
<b>Resources Expended</b>						
Costs of generating funds	5	680,239	-	-	680,239	585,721
Expenditure on charitable activities	5	418,693	79,004	1,724,551	2,222,248	2,014,562
Governance costs	6	25,117	-	-	25,117	27,447
<b>Total Resources Expended</b>		<b>1,124,049</b>	<b>79,004</b>	<b>1,724,551</b>	<b>2,927,604</b>	<b>2,627,730</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>68,110</b>	<b>(79,004)</b>	<b>212,775</b>	<b>201,881</b>	<b>66,942</b>
Foreign exchange gain/(loss)		614	(854)	(326)	(566)	283
<b>Net surplus/(deficit) for the year</b>		<b>68,724</b>	<b>(79,858)</b>	<b>212,449</b>	<b>201,315</b>	<b>67,225</b>
Transfers between funds		(55,633)	55,633	-	-	-
Asset Revaluation		-	(7,879)	-	(7,879)	-
<b>Fund balances at 1 January 2014</b>		<b>367,250</b>	<b>157,437</b>	<b>237,750</b>	<b>762,437</b>	<b>695,212</b>
<b>Fund balances at 31 December 2014</b>	12,13,14	<b>380,341</b>	<b>125,333</b>	<b>450,199</b>	<b>955,873</b>	<b>762,437</b>

The notes on pages 22 to 34 form part of these accounts

**BUILD AFRICA**  
**BALANCE SHEET AS AT 31 DECEMBER 2014 - CHARITY**

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		30,273		61,363
<b>Current assets</b>					
Debtors	10	247,108		345,641	
Cash at bank and in hand		918,182		478,588	
		<hr/>		<hr/>	
		1,165,290		824,229	
<b>Creditors: amounts falling due within one year</b>					
	11	(387,988)		(241,140)	
		<hr/>		<hr/>	
<b>Net current assets</b>			777,302		583,089
		<hr/>		<hr/>	
<b>Total assets less current liabilities</b>			807,575		644,452
		<hr/>		<hr/>	
<b>Income funds</b>					
Restricted funds	13	423,052		237,110	
Designated Funds	14	30,273		61,363	
Unrestricted funds		354,250		345,979	
		<hr/>		<hr/>	
	12,15		807,575		644,452
		<hr/>		<hr/>	

The accounts were approved by the Board on 24 July 2015


  
 \_\_\_\_\_ Chair of Trustees

The notes on pages 22 to 34 form part of these accounts.

**BUILD AFRICA**  
**BALANCE SHEET AS AT 31 DECEMBER 2014 – GROUP**

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		125,333		157,437
<b>Current assets</b>					
Debtors	10	268,284		354,408	
Cash at bank and in hand		1,064,367		644,217	
			1,332,651		998,625
<b>Creditors: amounts falling due within one year</b>					
	11	(502,111)		(393,625)	
<b>Net current assets</b>					
			830,540		605,000
<b>Total assets less current liabilities</b>					
			955,873		762,437
<b>Income funds</b>					
Restricted funds	13		450,199		237,750
Designated Funds	14		125,333		157,437
Unrestricted funds			380,341		367,250
	12,15		955,873		762,437

The accounts were approved by the Board on 24 July 2015

 Chair of Trustees

The notes on pages 22 to 34 form part of these accounts.

## **BUILD AFRICA**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **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 2014**

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#### **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 2014****2 Voluntary income**

	Unrestricted funds	Restricted funds	2014	2013
	£	£	£	£
Donations and gifts	406,575	927,532	1,334,107	1,666,085
Legacies receivable	104,874	-	104,874	129,113
Grants receivable	220,137	1,009,794	1,229,931	718,483
	731,586	1,937,326	2,668,912	2,513,681

**3 Activities for generating funds**

	Income generated	Associated costs	Net funds Generated	Net Income
			2014	2013
			£	£
Fundraising events	447,194	(218,417)	228,777	98,375
<b>Total</b>	447,914	(218,417)	228,777	98,375

**4 Investment income and other income**

	2014	2013
	£	£
Interest receivable	2,630	861
Other income including profit on disposals of assets	10,749	21,207
	13,379	22,068

Interest receivable during the year arose as follows:

	2014	2013
	£	£
Short-term deposits held with UK financial institutions	657	566
Short-term deposits held with Ugandan branches of UK financial institutions	-	-
Short-term deposits held with Kenyan branches of UK financial institutions	1,973	295
	2,630	861



**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

**5. Resources expended**

	Uganda	Kenya	UK	Total 2014	Total 2013
	£	£	£	£	£
<b><u>Costs of generating funds</u></b>					
Costs of generating voluntary income	-	-	364,216	364,216	401,316
Costs of activities to generate funds	-	-	218,417	218,417	60,547
Support Costs	-	-	97,606	97,606	123,858
<b><i>Total cost of generating funds</i></b>	<b>-</b>	<b>-</b>	<b>680,239</b>	<b>680,239</b>	<b>585,721</b>
<b><u>Cost of charitable activities:</u></b>					
<b>Education</b>					
Direct Project Costs	516,598	484,037	623,554	1,624,189	1,438,493
Support Costs	54,963	24,209	131,490	210,662	216,301
<b><i>Total Education costs</i></b>	<b>571,561</b>	<b>508,246</b>	<b>755,044</b>	<b>1,834,851</b>	<b>1,654,794</b>
<b>Livelihoods</b>					
Direct Project Costs	56,210	104,181	98,926	259,317	183,688
Support Costs	5,980	4,939	20,862	31,781	27,714
<b><i>Total Livelihoods costs</i></b>	<b>62,190</b>	<b>109,120</b>	<b>119,788</b>	<b>291,098</b>	<b>211,402</b>
<b>Water &amp; Food</b>	<b>56,672</b>	<b>-</b>	<b>39,627</b>	<b>96,299</b>	<b>148,366</b>
<b><i>Total cost of charitable activities</i></b>	<b>690,423</b>	<b>617,366</b>	<b>914,459</b>	<b>2,222,248</b>	<b>2,014,562</b>
<b><i>Governance costs</i></b>	<b>7,101</b>	<b>4,154</b>	<b>13,862</b>	<b>25,117</b>	<b>27,447</b>
<b>Total resources expended</b>	<b>697,524</b>	<b>621,520</b>	<b>1,608,560</b>	<b>2,927,604</b>	<b>2,627,230</b>

**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

**6. Support & governance costs**

<b>Support costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Support costs during the year comprised:		
Staff costs	140,258	122,052
Premises costs	80,571	88,377
Postage/office costs	17,618	19,244
Human Resources costs	21,051	31,379
Depreciation of non-programme assets	43,925	43,213
IT costs	25,201	30,986
Finance costs	18,546	30,284
Travel costs	1,214	9,482
Legal costs	4,015	8,732
Other costs	-	3,762
<b>Total Support Costs</b>	<b>352,399</b>	<b>387,511</b>

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

<b>Governance costs</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Costs relating to Governance comprise:		
Audit fees	21,787	17,130
Other costs	3,330	10,317
	<b>25,117</b>	<b>27,447</b>

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 (2013: Nil). No Director/Trustee was reimbursed for expenses incurred in attending Board meetings (2013: Nil).

**BUILD AFRICA**

**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

**8. Staff Costs**

**Number of employees**

The average monthly number of employees during the year was:	<b>2014</b>	2013
Fundraising and communications	8	8
Programmes	52	45
Support	8	8
	<hr/> 68	<hr/> 61

**Employment costs**

	<b>2014</b>	2013
	£	£
Wages and salaries	1,179,129	991,958
National Insurance	93,823	71,753
Pensions	85,326	69,947
	<hr/> 1,358,278	<hr/> 1,133,658

**Analysis by activity**

		<b>2014</b>	<b>2014</b>
		Staff	£
<b>Education:</b>	Uganda	12	196,405
	Kenya	17	192,628
	UK	8	312,419
<b>Total Education</b>		<b>37</b>	<b>701,452</b>
<b>Livelihoods:</b>	Uganda	5	22,733
	Kenya	5	67,561
	UK	3	133,894
<b>Total Livelihoods</b>		<b>13</b>	<b>224,188</b>
<b>Water</b>	Uganda	2	18,641
<b>Total Water</b>		<b>2</b>	<b>18,641</b>
<b>Fundraising:</b>	UK	8	273,739
<b>Total Fundraising</b>		<b>8</b>	<b>273,739</b>
<b>Support:</b>	Uganda	3	25,964
	Kenya	2	20,371
	UK	3	93,923
<b>Total Support</b>		<b>8</b>	<b>140,258</b>

**Total Employment costs and number of employees**

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**68 1,358,278**

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

£60,000 - £69,999                      3                      (2013– 2)

**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

**9. Tangible fixed assets**

<b>Charity</b>	<b>Computer Equipment</b>	<b>Fixtures &amp; leasehold Improvements</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2014	134,268	46,470	180,738
Additions	1,466	-	1,466
<b>At 31 December 2014</b>	<b>135,734</b>	<b>46,470</b>	<b>182,204</b>
<b>Depreciation</b>			
At 1 January 2014	87,075	32,299	119,374
Charge for the year	24,133	8,424	32,557
<b>At 31 December 2014</b>	<b>111,208</b>	<b>40,723</b>	<b>151,931</b>
<b>Net book value</b>			
<b>At 31 December 2014</b>	<b>24,526</b>	<b>5,747</b>	<b>30,273</b>
At 31 December 2013	47,192	14,171	61,363

<b>Group</b>	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Fixtures &amp; leasehold Improvements</b>	<b>Total</b>
<b>Cost</b>		<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2014	181,389	185,417	160,081	526,887
Additions	42,177	7,412	7,645	57,234
Revaluations	-	(4,596)	(25,316)	(29,912)
Disposals and scrapped assets	(6,896)	(6,652)	(5,499)	(19,047)
Foreign exchange gain/(loss)	(3,011)	(681)	(1,195)	(4,887)
<b>At 31 December 2014</b>	<b>213,659</b>	<b>180,900</b>	<b>135,716</b>	<b>530,275</b>
<b>Depreciation</b>				
At 1 January 2014	136,089	133,760	99,601	369,450
Charge for the year	35,080	30,283	13,642	79,005
Revaluations	-	(3,561)	(18,472)	(22,033)
Disposals and scrapped assets	(5,260)	(6,687)	(5,499)	(17,446)
Foreign exchange (gain)/loss	(2,540)	(613)	(880)	(4,033)
<b>At 31 December 2014</b>	<b>163,369</b>	<b>153,182</b>	<b>88,392</b>	<b>404,943</b>
<b>Net book value</b>				
<b>At 31 December 2014</b>	<b>50,290</b>	<b>27,718</b>	<b>47,324</b>	<b>125,332</b>
31 December 2013	45,300	51,657	60,480	157,437

**BUILD AFRICA****NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014****10. Debtors**

	Charity		Group	
	2014	2013	2014	2013
	£	£	£	£
Accrued income	171,678	280,808	182,318	280,808
Prepayments, other debtors	75,430	64,833	85,966	73,600
	<u>247,108</u>	<u>345,641</u>	<u>268,284</u>	<u>354,408</u>

**11. Creditors: amounts falling due within one year**

	Charity		Group	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	43,257	20,962	43,257	20,962
Deferred income	248,299	90,243	248,299	90,243
Taxes and social security	48,301	39,428	48,301	53,004
Accruals & other creditors	48,131	90,507	162,254	229,416
	<u>387,988</u>	<u>241,140</u>	<u>502,111</u>	<u>393,625</u>

**12. Reserves Summary****Charity Reserves**

	As at 1 January 2014	Income	Resources expended	Transfers Between Funds	As at 31 December 2014
	£	£	£	£	£
Unrestricted Reserves	345,979	1,162,543	(1,152,806)	(1,466)	354,250
Designated Reserves (Note 14)	61,363	-	(32,556)	1,466	30,273
Restricted reserves (Note 13)	237,110	1,802,970	(1,617,028)	-	423,052
<b>Total reserves</b>	<u>644,452</u>	<u>2,965,513</u>	<u>(2,802,390)</u>	<u>-</u>	<u>807,575</u>

**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

**12. Reserves Summary**

**Group Reserves**

	As at 1 January 2014 £	Income £	Resources expended £	Foreign exchange gain/(loss) £	Transfers and revaluations £	As at 31 December 2014 £
Unrestricted	367,250	1,192,159	(1,124,049)	614	(55,633)	380,341
Designated (Note 14)	157,437	-	(79,004)	(854)	47,754	125,333
Restricted (Note 13)	237,750	1,937,326	(1,724,551)	(326)	-	450,199
<b>Total reserves</b>	<b>762,437</b>	<b>3,129,485</b>	<b>(2,927,604)</b>	<b>(566)</b>	<b>(7,879)</b>	<b>955,873</b>

**13 Restricted funds - Charity**

	As at 1 January 2014 £	Income £	Resources expended £	As at 31 December 2014 £
The Big Lottery Fund – The Washichana Project	-	155,801	78,260	77,541
The Big Lottery Fund - organisational development	-	12,841	12,841	-
Comic Relief - Changing the Future For Girls	-	197,021	106,551	90,470
DfID - School retention & completion	-	137,358	137,358	-
Transition: primary to secondary (Uganda)	-	93,019	89,588	3,431
Transition: primary to secondary (Kenya)	39,515	20,599	49,650	10,464
Early Years Learning (Uganda)	-	76,561	76,561	-
Education, specific projects (Kenya)	115,789	193,285	206,897	102,177
Education, specific projects (Uganda)	68,404	243,803	228,920	83,287
Girls education (Kenya)	-	94,776	94,776	-
Water & Food Security (Uganda)	-	145,373	145,373	-
Livelihoods projects (Uganda)	-	40,572	40,572	-
Livelihoods projects (Kenya)	13,402	71,957	29,677	55,682
Skills For Living	-	286,637	286,637	-
Gifts in Kind	-	33,367	33,367	-
	<b>237,110</b>	<b>1,802,970</b>	<b>1,617,028</b>	<b>423,052</b>

**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

**13 Restricted funds - Group**

	Note	As at 1 January 2014 £	Income £	Resources expended £	Foreign exchange movement £	As at 31 December 2014 £
The Big Lottery Fund – The Washichana Project	i	-	155,801	78,260	-	77,541
The Big Lottery Fund - organisational development	ii	-	12,841	12,841	-	-
Comic Relief - Changing the Future For Girls	iii	-	197,021	106,551	-	90,470
DfID - School retention & completion	iv	-	137,358	137,358	-	-
Transition: primary to secondary (Uganda)	v	-	93,019	89,588	-	3,431
Transition: primary to secondary (Kenya)	v	39,515	20,599	49,650	-	10,464
Early Years Learning (Uganda)	vi	-	76,561	76,561	-	-
Education, specific projects (Kenya)	vii	115,789	193,284	206,896	-	102,177
Education, specific projects (Uganda)	vii	68,404	262,638	236,576	(128)	94,338
Girls education (Kenya)	viii	-	94,776	94,776	-	-
Water & Food Security (Uganda)	ix	-	185,992	182,876	(35)	3,081
Livelihoods projects (Uganda)	x	640	115,475	102,937	(163)	13,015
Livelihoods projects (Kenya)	x	13,402	71,957	29,677	-	55,682
Skills For Living	xi	-	286,637	286,637	-	-
Gifts in Kind	xii	-	33,367	33,367	-	-
		237,750	1,937,326	1,724,551	(326)	450,199

**Explanation of restricted funds**

- (i) **The Big Lottery Fund: The Washichana Project.** This project will improve the quality of education of 40 schools in Kwale, Kenya. The project is focusing on the needs of disadvantaged girls, ensuring good quality learning experiences and addressing barriers that stop girls attending, participating and attaining in primary school.

We received £155, 801 from Big Lottery Fund (under reference 0010093952) for this project in 2014 – this analysis shows how it has been accounted for:

<b>Total funds granted to Build Africa in 2014</b>	<b>155,801</b>
<b>2014 Expenditure</b>	<b>(78,260)</b>
<b>Restricted fund at 31 December 2014</b>	<b>77,541</b>

**BUILD AFRICA****NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

- (ii) **The Big Lottery Fund** awarded two grants totalling £12,841 to strengthen our organisational development, particularly in the area of Monitoring, Evaluation and Learning.
- (iii) **Comic Relief: Changing Futures for Girls.** This project will improve the quality of education of 40 schools in Kwale, Kenya. The project is focusing on a girl's right to education, ensuring good quality learning experiences and addressing barriers that stop girls attending, participating and attaining in primary school.

We received £394,041 from Comic Relief for this project in 2014 – this analysis shows how it has been accounted for:

<b>Total funds granted to Build Africa in 2014</b>	<b>394,041</b>
Income deferred to 2015	(197,020)
<b>Funds included as 2014 Restricted Income</b>	<b>197,021</b>
2014 Expenditure	(106,551)
<b>Restricted fund at 31 December 2014</b>	<b>90,470</b>

- (iv) 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:

<b>2014 Expenditure within the project</b>	<b>150,251</b>
Income received from DfID	86,445
Income yet to be included in a funding claim to DfID	26,243
Income from other funders	37,563
<b>Total 2014 income</b>	<b>150.251</b>

- (v) These funds represent projects that focus 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.
- (vi) This project, largely funded by the Vitol Foundation, will work with children in the early years of primary school in North Western Uganda. The project will ensure young children have the support they need to develop fundamental skills needed for future learning and achievement.
- (vii) Where a funder has specified the activity and/or location of the education work, their gift is included in these restricted funds. In most cases, these funds are restricted to activities an individual school.
- (viii) During 2014, we began working with communities in the Coastal region of Kenya with a strong focus on addressing the challenges and limited opportunities for girls.
- (ix) The Water project in Uganda is a partnership with Water Aid with funding coming to Build Africa Uganda from Water Aid as the lead implementation partner. The aim of the project is to improve access to clean water and to improve hygiene and sanitation in over 30 schools in rural communities
- (x) These funds represent donations restricted to aspects of our Livelihoods work which improves the opportunities for communities to generate income for themselves
- (xi) 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.
- (xii) During 2014, we received gifts in kind in the form of online advertising (from Google). We are very grateful indeed for this support.



**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014**

**14. Designated Funds**

<b>Charity</b>	<b>As at 1 January 2014</b>	<b>Income</b>	<b>Resources expended</b>	<b>Transfers between funds</b>	<b>As at 31 December 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital Assets	61,363	-	(32,556)	1,466	30,273
<b>Total reserves</b>	<b>61,363</b>	<b>-</b>	<b>(32,556)</b>	<b>1,466</b>	<b>30,273</b>

<b>Group</b>	<b>As at 1 January 2014</b>	<b>Income</b>	<b>Resources expended</b>	<b>Foreign exchange gain/(loss)</b>	<b>Transfers and revaluations</b>	<b>As at 31 December 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital Assets	157,437	-	(79,004)	(854)	47,754	125,333
<b>Total reserves</b>	<b>157,437</b>	<b>-</b>	<b>(79,004)</b>	<b>(854)</b>	<b>47,754</b>	<b>125,333</b>

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

<b>Charity</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Fund balances: 31 December 2014</u>				
Tangible fixed assets	-	30,273	-	30,273
Cash at bank and in hand	528,619	-	389,563	918,182
Current assets	213,619	-	33,489	247,108
Creditors falling due with one year	(387,988)	-	-	(387,988)
	<b>354,250</b>	<b>30,273</b>	<b>423,052</b>	<b>807,575</b>

<b>Group</b>	<b>Unrestricted funds</b>	<b>Designated funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>Fund balances at 31 December 2014:</u>				
Tangible fixed assets	-	116,715	8,618	125,333
Cash at bank and in hand	618,254	8,618	437,495	1,064,367
Current assets	234,795	-	33,489	268,284
Creditors falling due with one year	(472,708)	-	(29,403)	(502,111)
	<b>380,341</b>	<b>125,333</b>	<b>450,199</b>	<b>955,873</b>

**BUILD AFRICA**  
**NOTES TO THE ACCOUNTS: YEAR ENDED 31 DECEMBER 2014**

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**16 Commitments under operating leases**

	<b>Charity</b>		<b>Group</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Expiry date:	£	£	£	£
Between 1 and 5 years	48,000	-	66,072	17,316
Greater than 5 years	-	48,000	-	48,000
	<u>48,000</u>	<u>48,000</u>	<u>66,072</u>	<u>65,316</u>

The commitment is in respect of the charity's offices in Tunbridge Wells (UK), Machakos (Kenya) and Kampala (Uganda). In February 2015, Build Africa Kenya moved out of the Machakos office and terminated the lease. A new lease on an office in Nairobi was entered into in the same month which has the effect of increasing our annual commitments by around £15,000 per year.