

BUILD AFRICA

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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**

Patron	Dame Diana Rigg
Trustees	Keith Leslie (Chair) Mark Florman Phil Vernon Claire Gillingwater James Shaw-Hamilton Valerie Vaughan-Dick Julie Pörksen Karen Westley
Secretary	Adrian Stockman
Chief Executive	Susanne Niedrum
Charity number	298316
Company number	2200793
Registered office & principal address	27 Church Road Tunbridge Wells Kent TN1 1HT
Kenyan Branch Office	Partners for Progress Suna Road P O Box 10604, 00100 GPO Nairobi Kenya
Ugandan Branch Office	Build Africa – Uganda 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
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

The Trustees' report looks back over the year ended 31st December 2009 and reviews our aims for 2010.

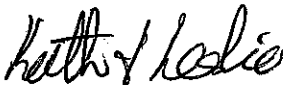
2009 was a very positive year for Build Africa; we continued to strengthen our programmes and we helped more people than ever before in rural Africa improve the quality of their lives.

The global economic downturn has made life difficult for the whole charity sector. Raising income is far from easy and Build Africa has done very well indeed to grow income in such a climate. However, the weakness in sterling's value means that each pound raised translates to less local currency in Kenya and Uganda.

We have had to make tough decisions in the year in order to make our supporters' money work harder. We have made savings in support costs and we have made our purchasing more efficient so we are getting more for our money. We have also been very realistic about how much we can afford to invest in raising funds. We have ensured that we managed to work with an increased number of rural communities and have also avoided any reduction in our staff numbers; the knowledge, experience and commitment of our staff form the backbone of our ability to make a difference.

Although 2010 is likely to see the UK climb out of recession, times are still likely to be hard for charities. Whilst recognising this reality, I believe Build Africa has good reasons for optimism: strong management able to take the right decisions; a determination to continually strengthen our programmes to have ever-greater impact on the lives of Africans trying to lift themselves out of poverty and a good understanding of supporters' needs. We are confident of expanding our work and confident that we will continue to inspire our supporters by showing them the impact of their support.

We are very grateful indeed to all our supporters who continue to help us make a real impact on poverty. This support, in concert with the strength of our programmes and the commitment of our staff, will ensure that young people in Kenya and Uganda will be able to transform their own lives and the lives of their families and communities.



Keith Leslie

Chairman

11 May 2010

**BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

The Trustees present their report and accounts for the year ended 31 December 2009. The Trustees also serve as the Charity's Directors.

In preparing the accounts, the Trustees 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)
Mark Florman
Phil Vernon
Claire Gillingwater
James Shaw-Hamilton
Valerie Vaughan-Dick
Julie Pörksen
Karen Westley

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

Hugh Morris (Resigned 31 March 2010)
Mel Oley (Resigned 1 December 2009)
Rose Nanfuka (Resigned 28 January 2010)
Hugh Allen (Resigned 11 May 2010)

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.

The Responsibilities of the Trustees

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its net income and expenditure for the year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 2006.

They also have overall responsibility for ensuring that the Charity has an appropriate system of controls, (financial and otherwise) and are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

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- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the Charity or for publication is reliable
- The charity complies with relevant laws and regulations

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, the Board undertakes 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 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 their responsibilities and the background to the current activities and key management issues of the organisation.

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, additional smaller committees are established 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 two such committees: the Finance and Operations Committee and the Programmes Committee. In addition, a Fundraising Committee has been formed and will begin meeting in 2010. Each committee meets at least four times per year.

Organisation and management

Build Africa is based in the United Kingdom in Tunbridge Wells, with branches in Kenya (Partners for Progress) and Uganda (Build Africa Uganda) where our projects are implemented. The charity is managed by its 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. Decisions of a strategic nature are discussed with the Trustees to agree actions. Operational plans and budgets are prepared jointly by the senior management team in Kenya, Uganda and the UK. We deliver our projects in Kenya and Uganda through Build Africa Uganda and Partners for Progress, organisations operated and managed by local staff. Build Africa Uganda and Partners for Progress are each registered in their own right with their governments' Bureau of NGO Registration. Additionally, Build Africa Uganda is formally registered in Uganda as a branch of Build Africa. Partners for Progress effectively functions as a branch of Build Africa and only the suspension of the NGO Registration Bureau within the Kenyan government has stood in the way of Partners for Progress also registering formally as a branch.

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Build Africa Uganda and Partners for Progress are each supported by an Advisory Board. The Advisory Boards review and provide technical guidance on programme quality, budget, policy and procedure, and reviews monitoring and evaluation reports. Appointment to the Advisory 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 Partners for Progress and Build Africa Uganda a common vision, mission and values as well as mutually agreed operating procedures. The close relationship with these local 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

Trustees 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 very full information about Build Africa's aims, activities and achievements. The Trustees consider that this information demonstrates the clear benefits to our beneficiaries (and through them to wide sections of the public in Africa) arising from our work.

3. OBJECTIVES, PLANNING & PERFORMANCE

Objectives and activities

Build Africa is a charity working exclusively in Kenya and Uganda to help young people escape poverty through education and income generation.

Education - Build a School

We believe that a quality education is every child's right and that it is critical to long term development. Our objective is to develop a sustainable model which addresses the chronic issues of under-resourcing and overcrowding in rural primary schools by empowering teachers, parents, pupils and government to manage and stand up for their schools. The model is based on four pillars:

- community involvement;
- transparent and accountable school management and governance;
- pupil centered teacher training;
- the development of child friendly infrastructure and resources.

In 2009 we worked with 49 school communities, helping them develop long term plans for their schools, training and mentoring school management committees and teachers, building classrooms, toilets and administration blocks. As a result, enrolment rates and exam passes continued to improve. Our commitment to a sustainable community driven education has been applauded by local education officials in both Kenya and Uganda and we were pleased to receive recognition for our Build a School campaign when it was highly commended at the 2009 Charity of the Year awards.

Income Generation - Build an Income

Through the Build an Income programme we aim to create sustainable community led models for helping people in disadvantaged rural areas increase their income and manage their money, improving job prospects and unlocking entrepreneurial potential. The Village Savings and Loans Association scheme and Bulisa Orphans project have proved enormously successful in 2009. During the year the village savings groups have gone from strength to strength as an increasing number of participants reap not only the material benefits of the scheme (such as using savings on healthcare, education opportunities and better nutrition) but also the improved social esteem and self respect.

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By the end of the year 268 Associations had been formed with a total of 6769 members (2490 male and 4279 female). Similarly, the Buliisa Orphan project has provided carers with the business and agricultural skills necessary to improve both their own standard of living and the livelihoods of the orphans they look after.

2009 also saw the end of our three year Build a Farm project. We leave the farming groups with improved farming, business and marketing skills which are turning their small holdings into commercial ventures. The strong market links that have been established with organisations such as the World Food Programme and Nalweyo Seed Company will ensure that the groups continue to serve their community well into the future.

HIV/AIDS awareness

In Africa HIV/AIDS continues to be a serious development crisis with visible social and economic effects on the entire community. We continued to develop our HIV/AIDS education model in 2009, developing health clubs in all our schools to inform children about healthy living. Elected pupils and parents (an equal number of males and females), have been trained as peer educators with the responsibility of influencing the health awareness of fellow pupils through drama, poetry, song and debate.

Subjects covered by the peer educator programme include the impact of HIV on young people, communication skills, understanding the stages of HIV infection and the counselling of people with HIV. In Kenya, an average of 67% of children at Build Africa supported schools could name 3 ways to prevent HIV/AIDS by the end of 2009; in Uganda it is 53%.

Supporting our Programmes

None of the great work carried out in 2009 would have been possible without the generosity of our donors. Over the course of the year, Build Africa managed to increase its income by 6%, from £2,137,000 to £2,268,000, a healthy growth given the context of financial insecurity felt by everyone amid the global recession.

Effective financial stewardship is essential if development organisations are to remain healthy in challenging times, and we are very proud of ours. As well as growing income in the recession, we have also had to manage the significant cost increases in Africa arising from the weakness of sterling. We have made difficult spending choices but have taken great care to protect our programme work and to retain our staff so that we are well placed to continue growing when economic conditions improve.

Building on an ever growing supporter base, we continued to forge new relationships with individual donors, corporations and trusts as well as foster our long-standing relationship with existing supporters, some of whom have supported the organisation for 30 years. This expanding supporter base has increased our income stability, leaving us with a solid reserves position at the end of 2009. This in turn offers protection and a degree of certainty to those who will benefit from our programmes in future years.

Showing you the difference you make...

To us it is critical that our supporters are able to follow how their money is being spent and in 2009 we completed a project to set up our website as a live window on our work. Supporters are able to follow exactly how much impact their money is having, as well as getting an understanding of the challenges faced by the schools and their communities. Video clips, figures and anecdotes for each of the schools are updated regularly.

In recognition for the significant website improvements carried out in 2009 Build Africa achieved a finalist place at the Third Sector Excellence Awards.

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Review of 2009 Activities and Performance

Our strategic plan emphasises our determination to expand the organisation so that we can work with an increasing number of young people in Africa and to ensure that our work has genuine impact on their efforts to climb out of poverty. This ambition drives us to: (i) continually strengthen our organisational capacity so that we are able to properly manage growth and (ii) continually develop our programme models so we can be sure they make a real impact as we deliver them to larger numbers of people.

Build a School

Key Issues

In Kenya and Uganda limited financial and human resources cause critical shortcomings in educational standards, a problem felt most severely in remote rural areas. In addition, the introduction of universal and free primary education in both countries has significantly increased enrolment, putting a further strain on resources with overcrowding in classrooms and rising pupil to teacher ratios.

The schools that Build Africa works with are in rural areas relatively isolated from mainstream government services. They face many common challenges to providing even the most basic educational needs. These include poor quality (or total lack of) buildings, poor school management, lack of learning materials, lack of toilets, water or teacher accommodation, lack of teachers, poor pupil participation and poverty in the surrounding communities. Critically there is also often a lack of participation of parents and communities in education as they often do not appreciate their rights and responsibilities to ensure their children get a decent education. Together, these challenges make it extremely difficult for pupils to work to the best of their abilities and fully engage in their education.

What We Do

Education is the key to a better life. Because government resources are insufficient in the rural areas of Kenya and Uganda, we believe it is critical that parents and communities get involved to support and stand up for the education of their children. Build Africa is small compared to the magnitude of the problem. We cannot reach all the schools that need help. Our objective is therefore to develop a model which can be adopted by any community to help increase enrolment, retention and achievement in their primary school.

This model is based on empowering school communities (teachers, parents, pupils and government) to manage their schools. It has four pillars:

- **Community involvement:** We work with parents, discussing the importance of education, the need for them to participate in the running of the school, their right to hold the school accountable and the roles they can play;
 - **Transparent and accountable school management and governance:** We train and mentor head teachers and School Management Committees in their roles and responsibilities, in leadership, financial management, child rights and much more.
 - **Development of child friendly infrastructure and resources:** we work with communities to build safe and secure classrooms that are conducive to learning and that promote child-friendly environments in which pupil well-being and development are central. We also partner the community to provide latrines and teacher accommodation as well as water supplies, books, desks, sports equipment, science kits and other resources.
 - **Teacher training that is pupil-centred:** We help schools send teachers for refresher training to upgrade their skills and to assimilate more sophisticated teaching methods.
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The School Development Planning (SDP) process is the cornerstone of Build Africa's model and the principal tool for engagement with the school community. It involves the formation of action groups comprised of pupils, parents, teachers and local officials who identify the schools' needs and discuss methods to introduce improvements and overcome problems. Agreements are developed into plans which document the responsibilities of everyone involved. As important as the planning document is, it is the process itself that gives the community members the confidence and authority to manage the school themselves.

With everyone working together the schools have seen a dramatic rise in attendance and in those going on to secondary school, increasing their chances of a brighter future.

Achievements for 2009:

- We supported 25,600 pupils in 2009, up from 19,586 in 2008 (a 30% increase);
- 54 classrooms were constructed and 27 classrooms were renovated;
- 95 toilets were built, providing sanitation facilities for 12,468 pupils;
- Desks were provided for nearly 5,000 pupils;
- 49 School Management Committees have been trained to identify the needs of their school and develop a three year school development plan;
- 173 teachers received training in English, Maths and Science;
- The Build Africa website now features data for every school we work with (e.g. enrolment levels, pupil to class ratios, HIV/AIDS awareness, drop-out rates and academic performance).

CASE STUDY:

'The eyes of the parents': an update from a School Management Committee Chairman

'My name is Mwangi Job. I am a farmer from Echariria in the Naivasha district of Kenya. As the Chairman of the School Management Committee at Echariria Primary School I am the eyes of other parents when it comes to education matters, representing the parents' interests in the management of school affairs. I am not paid, but volunteer to see that our children are learning well by working together with teachers and other friends who to support us.

The School Management Committee is made up of parents who support the running of the school and help the teachers realize their objectives. They are the 'engine' of the school that makes it function properly. We make decisions and plans, we manage the funds from government and from parents and we ask the rest of the parents to be involved. Such decisions include building extra classrooms and latrines, teacher training and looking for funds so that we develop the school to its full potential. All decisions must be passed by the school committee. The community is called upon to support in any manner they can, by supplying materials or by offering their skills.

The community wants better education because they know that through education their standards of living will improve. Also, community development relies on better educated people. Education brings about self development and independent thinking: people think of how to improve their lives and the environment around them. That is why we need better education for our children.'

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Build an Income

Key Issues

More than 70 per cent of Africa's poor people live in rural areas and depend for their food and livelihood on a precarious relationship with the land. In the rural areas of Kenya and Uganda employment opportunities are few. A quality education must be complemented by income generation opportunities if these young people are to escape poverty, to help set them up with a job or give them the resources necessary to start their own enterprise.

What We Do

Our aim is to create sustainable models for increasing incomes, giving young people (be they parents, the carers of orphans or individuals in general) the chance to save, to work their way out of poverty and to improve the prosperity of their community. In turn this income provides them with adequate nutrition and better access to education and healthcare. We achieve this in a number of ways, by:

- Tackling people's ability to save and to access credit through the setting up of savings and loans groups and working with banks to gain access to credit;
- Training farmers in modern agricultural practices;
- Supplying start-up materials and resources like seedlings, seeds and oxen;
- Increasing people's knowledge of and access to good markets, linking suppliers to producers;
- Supporting individual producers to work together to jointly purchase materials and equipment, bulk sell produce and gain peer support; and
- Raise awareness of policies, opportunities and support available to entrepreneurs and those seeking work;

In 2009 we were able to fund two projects, the Village Savings and Loans Association scheme and the Buliisa Orphans project, both aimed at increasing incomes and empowering communities.

The Village Savings and Loans Association

Village Savings and Loans Associations are an ingenious solution to the financial needs of rural communities in the developing world. Currently operating in the Kumi and Bukedea Districts of Uganda the project is comprised of self-managed groups that do not receive any external capital and work by pooling the savings of group members. The sums saved and borrowed are not large but are on a scale that makes a real difference to the lives of the group members. The loans taken out may be used to help fledgling businesses or help families meet sudden cash needs. The interest paid on the loans is shared out amongst all the group members as interest on their savings.

Democratic, empowering and flexible: the scheme has social implications that are felt throughout the community. The savings groups provide cash that greatly improves access to healthcare and provide families with better nutrition. Members can also borrow from the welfare fund interest free if they need to pay for something unexpectedly (a funeral, for example). It also has far reaching educational implications as participants are able to pay school fees, buy school uniforms and keep their children off the farm and in the classroom. Significantly, the scheme is raising the self esteem and skill base of a predominantly female membership.

The Buliisa Orphans Project

At present, there are nearly 2 million HIV/AIDS orphans in Uganda. The poverty, emotional devastation, and other hardships brought about by losing one's parents means that the care and protection of orphans in Uganda, as elsewhere in Africa, is of paramount importance. Buliisa District has been particularly hit, with 26% of its population currently infected with the HIV/AIDS virus (in comparison with a national average of 6.4%).

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The Buliisa Orphans Project is improving the lives of orphans and vulnerable children by encouraging income generation through Village Savings and Loans Associations and better diet by donating seeds and training farmers in more modern agricultural practices. Back yard gardens are supplying families who care for orphans with the nutrition they need. In addition, the project promotes child protection awareness by educating the carers and their children about children's rights.

Build a Farm

2009 saw the successful completion of Build Africa's three year Build a Farm programme. Based in the Masindi District of Uganda, the project has seen a significant improvement in farming skills, in the access farmers have to profitable maize markets and in the size of their crop yields. The institutions set up by Build Africa – The Pakanyi Young farmers Enterprise (PUYFE) and the savings and loans cooperative (SACCO) – are now taking complete charge of operations themselves. The farmers group is now registered as a commercial cooperative and representatives from the SACCO have been trained by Build Africa in the basic operations required to run a successful credit and loans cooperative.

The Build a Farm legacy looks promising: the group has both won a contract to supply grain to the World Food Programme at a price of 24p/kilo (compared with 10p/kilo at the farm gate) and secured a further deal to sell seed through a seed company, NASECO. The World Food Programme has also given the group an industrial warehouse through the 'Purchases for Progress' initiative that will help them bulk their maize and get a good price for it as a result. In addition Build Africa staff in Masindi will continue to provide simple technical assistance when required. This should ensure that the institutions set up and nurtured by Build Africa will continue to serve their community for the foreseeable future, bringing benefits of increased income and food security to the families and neighbours of the 250 farmers of Pakanyi parish and their families.

Achievements for 2009: VSLA

- 268 VSLA groups with 6,769 members have been set up and are operating in 40 parishes of Kumi and Bukedea;
- The total amount saved is £45,430;
- On average each saver makes £20 profit per year on their savings. When your annual earnings are less than £150 per year, that extra £20 can make an enormous difference;
- 33,845 children and family members have benefited from the scheme;

Achievement for 2009: Buliisa Orphans Project

- The Buliisa Orphans project has supported 2,914 pupils in five schools;
- It has assisted 100 households caring for orphans (700 family members in total);
- 24 Village Savings and Loans groups comprising 480 members have been set up to help carers access the resources needed to take care of the orphans in their charge.

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CASE STUDY:

'A woman's thing': Otuna John and the Village Savings and Loans Association

Otuna John lives in Aminit Village, Kolir County, Uganda. A 42 year old with a family of six and a wife, he struggled to make ends meet until he decided to join Aminit Parish's Apolona Angor Village Savings and Loans Association. Some of his friends had labelled the scheme 'a woman's thing', but John was ready to give it a go.

After saving for just eight weeks, he qualified for a loan of 150,000 Ugandan Shillings (£46), which he used to buy a bicycle. He could never have dreamed of buying one until then. With his new means of transport he decided to expand his tomato business by selling in the nearby weekly markets of Sironko District, an area where tomato demand was particularly high. In this way he was quickly able to pay back the loan. "On a good day I make 50,000 Ugandan Shillings (£16)", says John. His bicycle is known around the village as the *Build Africa Baja* ('Baja' meaning taxi) because some villagers have also used it to travel to the health centre eight kilometres away in cases of emergency. John doesn't charge for the use of the bicycle; it is his way of putting something back into the community.

Having seen the benefits of being in a Village Savings and Loans Association, John advised his wife to join a group as well. In the meantime he will support her with the proceeds from the tomato business. With the prospect of their combined capital growing, the future looks very bright for John and his wife. In fact John hopes to achieve a lot more from his continued participation with the scheme by starting a cattle business in the near future.

His family can now buy sugar, a real luxury item for rural Ugandans. But he is especially proud of his ability to pay the school fees for two of his children as they begin secondary school this year.

John's status in the village has been greatly enhanced. One thing is for sure: none of his friends are calling the savings group 'a woman's thing' any more.

HIV/AIDS

Key Issues

In East Africa HIV/AIDS is perhaps the single biggest threat to the health and prosperity of its population. In many cases it has destroyed the traditional structure of the family unit as widowed women, children and grandmothers become the heads of households. When a family member becomes sick with AIDS, it is often young girls who have to stay at home from school to help the mother with the other children. The family may exhaust its savings to pay for drugs and funeral expenses, resulting in their worsening poverty. Children's education may be an early casualty and the standards of living of the entire family declines. The HIV/AIDS epidemic has created large numbers of orphans who are particularly vulnerable to missing out on school and the economic opportunities that result from a good education.

What We Do

HIV/AIDS education is an essential part of our programme in East Africa. Because young people are particularly at risk, Build Africa is targeting primary school children. Our aim is to establish health clubs in primary schools and to work through trained peer educators.

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Managed by the pupils themselves, health clubs tackle issues such as HIV/AIDS, drugs, teenage pregnancy and personal hygiene in open discussions and debates. An essential part of the School Development Plan process, Build Africa's long-term goal is to establish a health club in every school it works with.

Peer educators are elected by their fellow students. They are responsible for communicating messages about sexual health to both their peers at school and to the wider community. In an intensive one week training course run by the Ministry of Health in Kenya and the 'Mainstreaming HIV/AIDS into Education' initiative in Uganda they are taught communication skills and cover the health issues described above.

Achievements for 2009

- 287 peer educators received training and the establishment of health clubs has increased awareness of HIV/AIDS prevention at Build Africa schools;
- Over 25,000 individuals in 49 schools have been reached with HIV prevention messages;
- In Kenya, an average of 67% of children at Build Africa supported schools can name 3 ways to prevent HIV/AIDS; in Uganda it is 53%. These figures represent a significant improvement in remote rural areas that are hard to reach.

CASE STUDY:

Kiratu Jane and the role of the peer educator

'Peer educators are pupils that are members of a health club formed within the school. We have been trained and equipped with information on HIV/AIDS and reproductive health.

Through the club, pupils have learnt about personal hygiene and are aware of the dangers of HIV/AIDS and other sexually transmitted diseases. The club members pass the same information to other pupils. Pupils are given information concerning changes to their bodies as they become older and how we behave when changes come by. We also learn how to care and protect ourselves against being infected by abstaining from sexual behaviour at an early age. I think I have learnt as many things through the health club as I have in subject lessons.

The discipline of pupils has improved because they now respect teachers and want to make the best of their school time and out-of-class activities. Pupils are not missing school like they were before. They have become concerned about their own life. Girls have become more open with their teachers and they ask them questions on reproductive health freely, unlike before when they were shy.

I became a peer educator because I wanted to learn about health issues and to share them with my friends. I personally was interested to learn more about HIV/AIDS because I had heard how dangerous the disease is especially to us young girls and boys. I hope that Kenyans will one day be completely free of HIV/AIDS because they will have learnt ways of protecting themselves from infection and nobody will lose their life to the disease again.'

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Operational problems and challenges

The main operational difficulty that we faced this year was the impact of the global economic situation. We made plans and set a budget for the year based on conservative assumptions but recognising the uncertainties ahead, brought in a monthly review of potential deviations from budget. Very early in the year, income patterns and the fall in sterling showed that we needed to revise the budget and make some difficult decisions about expenditure and activities. We streamlined purchasing, deferred some fundraising investment and deferred the relocation of the UK offices and as a result, were able to reduce expenditure without impacting on programme activities. Above all, we minimised any long-term impact on Build Africa's ability to grow in future when conditions improve.

Looking Ahead to 2010

Build a School in 2010

We continue to develop our education model so that all the schools we work with succeed as independent and successful academic institutions and that the programme has the biggest impact possible in 2010. Our legacy will be one of empowered and interested communities that strive for excellence in their local school.

We will monitor which interventions have the most impact on enrolment, retention and achievement and revise the model accordingly.

We will be working with 62 schools in Kenya and Uganda allowing 30,000 children to get a decent education. We will be working with 62 school communities, training and mentoring 488 School Management Committee members, 268 teachers and 448 HIV peer educators. We will be building 86 classrooms, 92 toilets and providing 1,899 desks.

Build an Income in 2010

We will expand the Village Savings and Loans Associations work to reach 17,500 people, targeting vulnerable groups in particular.

Work with the Buliisa Orphans Project will continue, focusing on helping carers manage their incomes through the Village Savings and Loans groups and by improving farming techniques. Schools with a high proportion of children orphaned or with single parents will also be the focus of our attention, as we help them to organise school gardens to supply a school lunch programme for these vulnerable children.

HIV/AIDS and gender in 2010

We will continue to develop and support health clubs in all our schools with specific focus on HIV/AIDS and its prevention, promoting community awareness and understanding about the disease. Beyond the immediate benefit of teaching youth how to live safely and healthily, the clubs will develop other life skills for pupils including leadership, public speaking and debating. In Kenya we will train 60 pupil peer educators and 40 health club patrons from the teaching staff; in Uganda we will train 145 pupil peer educators, 145 club patrons and 58 parent peer educators.

We will ensure girls have access to separate latrine facilities, supply over 13,000 sanitary pads and support local radio broadcasts to discuss issues which contribute to high drop-out rates amongst girls.

Supporting our programmes in 2010

We plan to grow income to £2.52 million in 2010, an 11% rise on our income in 2009. At the same time we will continue to negotiate the current recession by continuing to review income projections and expenditure plans, making changes whenever necessary. We will also broaden our income base by raising £70,000 in statutory funding, giving us greater financial security.

We will also continue to focus on building the capacity of our field staff, working particularly on their skills of project review, information gathering, analysis and learning.

BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

4. OTHER INFORMATION

Review of 2009 financial position and fundraising activities

As we start a year which will undoubtedly be challenging for the entire not-for-profit sector, Build Africa is in a strong financial position. Our income is growing, our expenditure is commensurate with our income, we have a good balance of spending between charitable activities and investment in future income and our reserves are healthy.

During the year Build Africa raised £2.27 million (2008 - £2.14 million) of income and spent £2.36 million (2008 - £2.20 million).

In accordance with SORP 2005, support costs have been allocated between charitable activities and fundraising. The Statement of Financial Activities shows that after allocating support costs, Build Africa spent 80.1% of its total expenditure on charitable activities, 19.1% on fundraising and 0.8% on governance. Allocated within these percentages are UK support costs of around 10% of total expenditure. However, support costs across all parts of Build Africa are higher than we would like, reflecting the fact that we have invested in recent years in readiness for expansion. As we grow, support costs will account for a smaller proportion of our expenditure.

Our income grew in 2009 by around £130K (6%). Against the background of the global recession and the difficulties faced by the whole of the UK charity sector, this is a performance of which we are proud. We have a number of 'early warning' systems in place to alert us at the earliest possible stage to any risk that budgets and financial plans might not be achieved. These systems led us to revise our income expectations downwards early in 2009 and make compensatory cost savings. Overall, our income performance was broadly in line with these revised expectations.

Build Africa has a diverse range of income streams, including individual givers making regular gifts, high net worth donors, charitable trusts, corporates, fundraising events, alternative gift catalogues and legacies. Build Africa's 'Build a School' focus has been especially effective, with donors responding positively to the "it does what it says on the tin" approach.

We have been successful in raising funds from statutory sources in Uganda, with around £155K being received in 2009. Our plans for 2010 and beyond include increasing statutory income from a broader range of sources and we are confident that the work we continually do to ensure and demonstrate the impact of our programmes will make future bids ever stronger.

Our charitable expenditure has increased by around £106K over 2008 levels. Part of this increase had to cover cost increases caused by sterling's weakness and by local inflation in our countries of operation. Despite these challenges, careful management and efficiency savings meant that we were able to expand our programme activities.

An emphasis in previous years on maintaining low costs of generating voluntary income had blunted income growth in recent years. To counteract this trend and serve the interests of future beneficiaries, Trustees and management have decided to increase investment in generating future income streams. This strategy began in 2008 and is proving successful; for example, through our donor recruitment programme we have attracted over 1,000 new supporters who make monthly direct debit donations. Although this investment strategy has increased fundraising costs to 19% of income (including allocated support costs), it will lead to increased funds being devoted to future charitable activities and will result in a greater number of young Africans being reached. Increased income will also bring greater certainty and sustainability to our programmes.

For a description of how our expenditure supported our key objectives, please refer to pages 8 – 14 of this report and Note 5 to the accounts.

BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

The deficit before foreign exchange movements of £96K was very close to the budgeted deficit set for the year and still left the charity with a very solid reserves and liquidity position. In particular, the deficit reflected the Trustees' decision to invest some of the reserves held at the previous year end in excess of our target in fundraising activities. The restricted, unrestricted and designated funds held at the year end were approximately £1,014K (2008: £1,130K), of which the unrestricted, undesignated reserves were £824K (2007: £827K). Further details of the reserves position are given in notes 12 -15 to the accounts and in the Reserves Policy section of this report.

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. 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.

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
- 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

The most significant risks faced at present by the charity are potential shortfalls in voluntary income. Charitable trusts and foundations are reining in grants in response to falling investment incomes and values. Some of our supporters will undoubtedly find that personal circumstances require them to reduce gifts to charities. Legacies are also falling across the sector as house prices and investment values decline. Our response is twofold. Firstly, we are doing all we can to bolster income. We have a programme of carefully targeted supporter recruitment. We will be increasingly ambitious in approaching statutory funders, confident in the strength of our project work. We will also focus very intently on supporter care so that we retain as many of our current supporters as we can. Secondly, we have budgeted cautiously for 2010 and have a detailed contingency expenditure plan which we will implement if income does not reach budgeted levels.

BUILD AFRICA
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

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 2009 the unrestricted, undesignated reserves were £824K (2008: £827K) compared to our risk-based reserves policy target of £700K. This represents 3.9 months (2008: 4.0 months) of the approved 2010 expenditure budget.

The charity's UK offices are no longer fit for purpose and cannot accommodate our planned expansion over the coming years. The Trustees have approved the use of up to £70K of surplus reserves to fund this move, including potential liability for dilapidations and other costs of leaving the current office. The Trustees consider it prudent to review the impact of the recession before making concrete decisions to commit further reserves.

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.

BUILD AFRICA
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

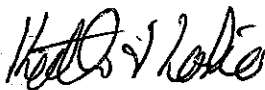
Voluntary help

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: helping with our website 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 without the contributions of these talented and enthusiastic people.

During 2009, the total time given by volunteers was the approximate equivalent of 3.5 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: 11 May 2010

**BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BUILD AFRICA**

We have audited the accounts of Build Africa for the year ended 31 December 2009 set out on pages 22 to 36. These accounts have been prepared in accordance with the accounting policies set out on pages 25 to 26.

This report is made solely to the charitable company's members, as a body, in accordance with sections 495 and 496 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described on page 5, the Trustees, who are also the directors of Build Africa for the purposes of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the accounts give a true and fair view.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with Companies Act 2006. We also report to you whether, in our opinion, the information shown in the Trustees' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's accounts are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BUILD AFRICA**

Opinion

In our opinion;

- The accounts give a true and fair view of the state of the charity's affairs as at 31 December 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- The accounts have been prepared in accordance with the Companies Act 2006; and
- The information given in the Trustees' Report is consistent with the accounts.



S 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

18 May
Dated: 2010

BUILD AFRICA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2009 £	Total 2008 £
Incoming Resources						
<u>Incoming resources from generated funds</u>						
Voluntary income:						
Donations and gifts	2	912,859	-	828,683	1,741,542	1,615,242
Legacies	2	44,479	-	10,000	54,479	44,160
Grants	2	53,748	-	257,277	311,025	332,631
Total Voluntary Income		1,011,086	-	1,095,960	2,107,046	1,992,033
Activities for generating funds	3	102,653	-	39,277	141,930	87,100
Investment income	4	17,378	-	-	17,378	57,946
<u>Total Incoming resources from generated funds</u>		1,131,117	-	1,135,237	2,266,354	2,137,079
Income from charitable activities		-	-	-	-	-
Total Incoming Resources		1,131,117	-	1,135,237	2,266,354	2,137,079
Resources Expended						
Costs of generating funds	5	436,430	-	12,736	449,166	400,068
Expenditure on charitable activities	5	693,324	13,601	1,186,853	1,893,778	1,787,418
Governance costs	6	19,508	-	-	19,508	14,994
Total Resources Expended		1,149,262	13,601	1,199,589	2,362,452	2,202,480
Net outgoing resources before transfers		(18,145)	(13,601)	(64,352)	(96,098)	(65,401)
Foreign exchange loss		(7,319)	(11,427)	(1,348)	(20,094)	(12,639)
Net deficit for the year		(25,464)	(25,028)	(65,700)	(116,192)	(78,040)
Transfers between funds		22,358	(5,641)	(16,717)	-	-
Fund balances at 1 January 2009		826,888	209,942	93,119	1,129,949	685,524
Funds of branches introduced		-	-	-	-	522,465
Fund balances at 31 December 2009	12,13, 14	823,782	179,273	10,702	1,013,757	1,129,949

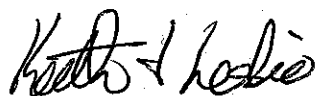
The notes on pages 25 to 36 form part of these accounts.

BUILD AFRICA

BALANCE SHEET AS AT 31 DECEMBER 2009 - CHARITY

		2009		2008	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		19,037		7,223
Current assets					
Debtors	10	210,315		148,485	
Cash at bank and in hand		611,892		742,320	
			822,207		890,805
Creditors: amounts falling due within one year	11	(123,221)		(102,702)	
Net current assets			698,986		788,103
Total assets less current liabilities			718,023		795,326
Income funds					
Restricted funds	13		4,958		64,578
Designated Funds	14		19,037		7,223
Unrestricted funds			694,028		723,525
	12,15		718,023		795,326

The accounts were approved by the Board on 11 May 2010



Keith Leslie, Chair

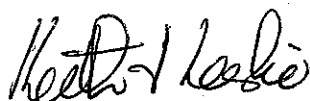
The notes on pages 25 to 36 form part of these accounts.

BUILD AFRICA

BALANCE SHEET AS AT 31 DECEMBER 2009 - GROUP

		2009		2008	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		159,273		159,238
Current assets					
Debtors	10	226,476		129,363	
Cash at bank and in hand		804,267		1,118,640	
		<u>1,030,742</u>		<u>1,248,003</u>	
Creditors: amounts falling due within one year	11	<u>(176,259)</u>		<u>(277,292)</u>	
Net current assets			<u>854,483</u>		<u>970,711</u>
Total assets less current liabilities			<u>1,013,757</u>		<u>1,129,949</u>
Income funds					
Restricted funds	13		10,702		93,119
Designated Funds	14		179,273		209,943
Unrestricted funds			823,782		826,887
	12,15		<u>1,013,757</u>		<u>1,129,949</u>

The accounts were approved by the Board on 11 May 2010



Keith Leslie, Chair

The notes on pages 25 to 36 form part of these accounts.

BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 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.

1.2 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 have been included as income from activities in furtherance of the Charity's objects where these amount to a contract for services, but as donations where the money is given in response to an appeal with greater freedom of use.

Legacies are included when the Charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount can be quantified.

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

1.3 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. Certain costs are apportioned to activities in furtherance of the objects of the charity. Staff costs and office costs are allocated in the same proportion as directly attributed staff costs.

Fundraising costs

These include the salaries, direct expenditure and overhead costs of the staff in the UK who carry out 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 represent costs incurred in administering the Charity and complying with constitutional and statutory requirements.

BUILD AFRICA
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

1.4 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

The cost of tangible fixed assets is written-off by 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

1.5 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.

1.6 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.

1.7 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.

1.8 Accumulated funds

Funds held by the Charity are:

Unrestricted general 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.

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.

1.9 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 no business income (as defined for VAT purposes) and could therefore not recover any VAT on expenditure. VAT on expenses is included in the same line of Statement of Financial Activities as the associated expense.

BUILD AFRICA

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

2 Voluntary income

	Unrestricted funds £	Restricted funds £	2009 £	2008 £
Donations and gifts	912,859	828,683	1,741,542	1,813,926
Legacies receivable	44,479	10,000	54,479	44,160
Grants receivable	53,748	257,277	311,025	133,947
	<u>1,011,086</u>	<u>1,095,960</u>	<u>2,107,046</u>	<u>1,992,033</u>

In 2009 Build Africa was awarded a grant of £45,000 from the Vodafone Foundation "World of Difference" programme. (This funds work up to November 2010; £11,564 of this grant is included in 2009 income). We also received a grant of £35,840 from the Clifford Chance Foundation and £7,500 from the Equitable Charitable Trust during the year.

Build Africa is very grateful to the Vodafone Foundation, to the Clifford Chance Foundation and to the Equitable Charitable Trust and indeed to everyone who supported the Charity during the year.

3 Activities for generating funds

	Income generated	Associated costs	Net funds generated 2009 £	Net income 2008 £
Turnover from trading activities	3,536	(904)	2,632	(2,593)
Fundraising events	138,394	(44,382)	94,012	62,068
Total	<u>141,930</u>	<u>(45,286)</u>	<u>96,644</u>	<u>59,475</u>

During 2009, a very successful fundraising dinner and auction was held in London. In addition to generating funds, the event also created relationships with several new supporters of the charity.

4 Investment income

	2009 £	2008 £
Interest receivable	17,378	57,946
Interest receivable during the year arose as follows:	2009 £	2008 £
Short-term deposits held with UK financial institutions	6,559	38,035
Short-term deposits held with Ugandan branches of UK financial institutions	10,490	13,942
Short-term deposits held with Kenyan branches of UK financial institutions	329	5,969
	<u>17,378</u>	<u>57,946</u>

BUILD AFRICA

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

5. Resources expended

	Uganda	Kenya	UK	Total 2009	Total 2008
	£	£	£	£	£
Costs of generating funds:					
Costs of generating voluntary income			371,692	371,692	312,679
Costs of activities to generate funds			45,286	45,286	27,626
Support Costs			32,188	32,188	59,763
Total cost of generating funds	-	-	449,166	449,166	400,068
Cost of charitable activities:					
Education					
Direct Project Costs	429,583	363,219	225,808	1,018,610	987,353
Support Costs	71,662	72,427	105,433	249,522	329,883
Total Education costs	501,245	435,646	331,241	1,268,132	1,317,236
Income					
Direct Project Costs	258,643		245,556	504,199	357,492
Support Costs	38,588		82,859	121,447	112,691
Total Income costs	297,231	-	328,415	625,646	470,183
Total cost of charitable activities	798,476	435,646	659,656	1,893,778	1,787,418
Governance costs	8,838	5,320	5,350	19,508	14,994
Total resources expended	807,314	440,966	1,114,172	2,362,452	2,202,480

The charity has decided to invest a greater proportion of its income in generating future income streams. This increase in fundraising costs over previous years is within sector norms and will help fuel a period of expansion over the next 3 to 5 years that will in turn allow a significant expansion in charitable activities. Making this investment in future income is already increasing the number of people our work will benefit and will result in a higher proportion of future years' income being spent on charitable activities.

BUILD AFRICA

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

6. Support and governance costs

Support costs	2009	2008
	£	£
Support costs during the year comprised:		
Staff costs	177,039	140,695
Premises costs	62,686	65,005
Postage/office costs	34,267	67,396
Human Resources costs	14,299	72,418
Depreciation	57,073	42,534
IT costs	23,343	18,623
Finance costs	16,957	9,649
Travel costs	10,215	12,669
Legal costs	2,072	9,558
Other costs	5,206	4,026
	<u>403,158</u>	<u>442,573</u>

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

Governance costs	2009	2008
	£	£
Costs relating to Governance comprise:		
Audit fees	18,004	14,994
Other costs	1,504	0
	<u>18,291</u>	<u>14,994</u>

Audit fees includes 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. One Director/Trustee was reimbursed £227 for expenses incurred in attending Board meetings (2008 - £Nil).

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

8. Staff Costs

Number of employees

The average monthly number of employees during the year was:

	2009	2008
Fundraising and communications	8	8
Programmes	39	34
Support	11	12
	58	54

Employment costs

	2009	2008
	£	£
Wages and salaries	843,601	751,142
National Insurance	70,429	67,316
Pensions	70,371	52,483
	984,401	870,942

Employment Costs and number of employees by activity

	2009	2009
	No of staff	£
Education: Uganda	16	115,489
Kenya	14	166,618
UK	3	129,665
Total Education	33	411,772
Enterprise: Uganda	5	103,893
Kenya	0	0
UK	1	38,443
Total Enterprise	6	142,336
Fundraising: UK	8	253,254
Total Fundraising	8	253,254
Support: Uganda	3	26,488
Kenya	4	32,395
UK	4	118,156
Total Support	11	177,039
Total Employment costs and number of employees	58	984,401

The number of employees whose total emoluments during the year exceeded £60,000 is analysed as follows:

£70,000 - £79,999	1 (2008 - 0)
£60,000 - £69,999	1 (2008 - 1)

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

9. Tangible fixed assets

Charity	Fixtures, fittings & computer equipment	Total
Cost	£	£
At 1 January 2009	96,036	96,036
Additions	18,949	18,949
At 31 December 2009	114,985	114,985
Depreciation		
At 1 January 2009	88,813	88,813
Charge for the year	7,135	7,135
At 31 December 2009	95,948	95,948
Net book value		
At 31 December 2009	19,037	19,037
At 31 December 2008	7,223	7,223

Group	Motor Vehicles	Fixtures, fittings & computer equipment	Total
Cost		£	£
At 1 January 2009	178,517	260,150	438,667
Foreign exchange loss on opening balances	(11,279)	(9,946)	(21,225)
Additions	46,714	36,858	83,572
Disposals	(35,820)	(21,045)	(56,865)
At 31 December 2009	178,132	266,017	444,149
Depreciation			
At 1 January 2009	110,983	168,446	279,429
Foreign exchange loss on opening balances	(6,960)	(4,872)	(11,832)
Charge for the year	32,441	26,976	59,417
Disposals	(27,271)	(14,867)	(42,138)
At 31 December 2009	109,193	175,683	284,876
Net book value			
At 31 December 2009	68,939	90,334	159,273
At 31 December 2008	67,534	91,704	159,238

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

10. Debtors

	Charity		Group	
	2009	2008	2009	2008
	£	£	£	£
Accrued income	182,010	98,485	182,010	98,485
Prepayments and other debtors	28,305	49,999	44,466	30,878
	210,315	148,484	226,476	129,363

11. Creditors: amounts falling due within one year

	Charity		Group	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	10,976	13,922	30,355	92,937
Deferred income	13,436	0	13,436	0
Taxes and social security costs	27,863	22,052	27,863	22,052
Accruals & other creditors	70,946	66,728	104,606	162,303
	123,221	102,702	176,259	277,292

12 Summary of all reserves

Charity Reserves

	Balance at 1 January 2009	Movement in funds			Balance at 31 December 2009
		Income	Resources expended	Transfers between funds	
	£	£	£	£	£
Unrestricted Reserves	723,525	1,120,429	(1,130,977)	(18,949)	694,028
Designated Reserves (Note 14)	7,223	0	(7,135)	18,949	19,037
Restricted reserves (Note 13)	64,578	980,662	(1,040,282)	0	4,958
Total reserves	795,326	2,101,091	(2,178,394)	0	718,023

Group Reserves

	Balance at 1 January 2009	Movement in funds				Balance at 31 December 2009
		Income	Resources expended	Foreign exchange gain/(loss)	Transfers between funds	
	£	£	£	£	£	£
Unrestricted	826,888	1,131,117	(1,149,262)	(7,319)	22,358	823,782
Designated (Note 14)	209,942	0	(13,601)	(11,427)	(5,641)	179,273
Restricted (Note 13)	93,119	1,135,237	(1,199,589)	(1,348)	(16,717)	10,702
Total reserves	1,129,949	2,266,354	(2,362,452)	(20,094)	(0)	1,013,757

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

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	Movement in funds				
	Balance at	Income	Resources	Transfers	Balance at 31
	1 January		expended	between	December
	2009			funds	2009
	£	£	£	£	£
Education projects, Uganda	64,578	404,136	(463,756)	0	4,958
Income projects, Uganda	0	37,628	(37,628)	0	0
Education projects, Kenya	0	214,107	(214,107)	0	0
Uganda, Skills For Living	0	217,888	(217,888)	0	0
Kenya, Skills For Living	0	86,566	(86,566)	0	0
World of Difference	0	7,601	(7,601)	0	0
UK Fundraising contribution	0	12,736	(12,736)	0	0
	64,578	980,662	(1,040,282)	0	4,958

Group	Movement in funds					
	Balance at	Income	Resources	Transfers	Foreign	Balance at 31
	1 January		expended	and asset	exchange	December
	2009			revaluations	gain/(loss)	2009
	£	£	£	£	£	£
Education projects, Uganda	64,578	404,136	(463,756)	0	0	4,958
Income projects, Uganda	0	37,628	(37,628)	0	0	0
Education projects, Kenya	0	214,107	(214,107)	0	0	0
Uganda, Skills For Living	0	217,888	(217,888)	0	0	0
Kenya, Skills For Living	0	86,566	(86,566)	0	0	0
World of Difference	0	7,601	(7,601)	0	0	0
UK Fundraising contribution	0	12,736	(12,736)	0	0	0
Ugandan Civil Society Fund	28,452	42,730	(60,011)	(10,019)	(1,152)	0
Orphans & Vulnerable Children, Uganda	0	67,807	(62,202)	(2,320)	(108)	3,177
Village Savings & Loans Associations, Uganda	0	44,038	(37,005)	(4,379)	(87)	2,567
Kenyan HIV project	89	0	(89)	0	0	0
	93,119	1,135,238	(1,199,589)	(16,718)	(1,348)	10,702

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

13 Restricted funds

Restricted funds with a balance at 31 December 2009 are detailed below:

	£	£
	Charity	Group
Fund for 2010 work with Ugandan schools (Masindi region);	4,800	4,800
Fund for 2010 work with Ugandan schools (Kumi region);	1,158	1,158
Farmers' income project in Masindi, Uganda	(1,000)	(1,000)
Orphans & Vulnerable Children, Uganda	0	3,177
Village Savings & Loans Associations, Uganda	0	2,567
	4,958	10,702

The funds for Ugandan schools in Kumi and Masindi represent income received from supporters for schools where our work will not begin until 2010

The negative balance on the fund for farmers' income represents income being raised by a supporter early in 2010 for 2009 work on the YAFE agri-business project described in the Trustees' report. This project came to an end at the end of 2009 but there is a small balance of expenditure incurred in the year that will be met from funds raised in 2010.

The Orphans and Vulnerable Children project is funded in Uganda by the Ugandan Civil Society Fund. The project works with children in the region of Buliisa and addresses the issues of food security and of future income security. It is particularly targeted at children made vulnerable by the effects of HIV/AIDS. More details are given in the Trustees' Report. The restricted fund at the 2009 year end represents money received from the funder that will be spent in 2010.

The Village Savings and Loans project is funded in Uganda by the Gates Foundation via Care International. The project helps poor rural communities with no realistic access to mainstream financial institutions to form local savings associations. Members earn interest on the amount saved and have the ability to take loans to help with school fees, healthcare costs or to help start new businesses or to invest in existing subsistence farming activities. More details are given in the Trustees' Report. The restricted fund at the 2009 year end represents money received from the funder that will be spent in 2010.

All balances on the above funds are expected to be spent during 2010.

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

14 Designated Funds

Charity

	Movement in funds				
	Balance at	Income	Resources	Transfers	Balance at 31
	1 January		expended	between	December
	2009			funds	2009
	£	£	£	£	£
Capital Assets	7,223	0	(7,135)	18,949	19,037
Total reserves	7,223	0	(7,135)	18,949	19,037

Group

	Movement in funds					
	Balance at	Income	Resources	Foreign	Transfers	Balance at 31
	1 January		expended	exchange	between	December
	2009			gain/(loss)	funds	2009
	£	£	£	£	£	£
Capital Assets (i)	159,236	0	(7,135)	(9,371)	16,543	159,273
Vehicle purchase in 2010 (ii)	0	0	0	0	20,000	20,000
Loans to farmers (iii)	50,706	0	(6,466)	(2,056)	(42,184)	0
Total reserves	209,942	0	(13,601)	(11,427)	(5,641)	179,273

(i) The designated fund for capital assets represents the net book value of these assets. The rationale for designation is that these assets are not readily convertible into cash; they do not represent liquid reserves that the charity can use for its activities.

(ii) Funds have been designated for the replacement of a vehicle used for transport to and from projects in Uganda.

(iii) The other designated fund concerns our agri-business project. It 'ring-fenced' funds required to make loans to farmers in Masindi province in Uganda. This project has now come to an end; the designation is no longer required.

BUILD AFRICA
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

15 Analysis of net assets between funds

Charity	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2009 are represented by:				
Tangible fixed assets	-	19,037	-	19,037
Cash at bank and in hand	606,934	-	4,958	611,892
Current assets	210,315	-	-	210,315
Creditors: amounts falling due with one year	(123,221)	-	-	(123,221)
	<u>694,028</u>	<u>19,037</u>	<u>4,958</u>	<u>718,023</u>

15 Analysis of net assets between funds (continued)

Group	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2009 are represented by:				
Tangible fixed assets	0	159,273	-	159,273
Cash at bank and in hand	773,565	20,000	10,702	804,267
Current assets	226,476	0	-	226,476
Creditors: amounts falling due with one year	(176,259)	-	-	(176,259)
	<u>823,782</u>	<u>179,273</u>	<u>10,702</u>	<u>1,013,757</u>

16 Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	Charity		Group	
	2009 £	2008 £	2009 £	2008 £
Expiry date:				
Greater than five years	0	26,500	0	26,500
	<u>0</u>	<u>26,500</u>	<u>0</u>	<u>26,500</u>

The commitment in 2008 represented the annual rent of its UK offices in Tunbridge Wells. Early in 2010 the charity served notice to terminate the lease with a view to moving to different offices during 2010.