

BUILD AFRICA
(A company limited by guarantee)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Charity Registration No. 298316

Company Registration No. 2200793 (England and Wales)

BUILD AFRICA
(A company limited by guarantee)

TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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BUILD AFRICA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The Trustees present our report and accounts for the year ended 31 December 2015. 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 22 the accounts and the requirements of the Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Northern Ireland (FRS 102) (Effective 1 January 2015)

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 and therefore meet the charities SORP definition of branches of Build Africa UK. 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 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.

ORGANISATION

Organisation and management

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.

The trustees comprise the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All trustees give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 7 to the accounts.

Key Management remuneration

The pay of the International Senior Management Team and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the trustees benchmark against pay levels in other charities. The trustees consider the current pay scales and annual cost of living awards, comparable to charities or non-governmental organisations of similar size and structure.

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 more than 150,000 children and adults. 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 2015 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.

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. The project is half way through its 3 year project cycle.

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.

In 2015 we also launched our Supporting Transition and Early Preparation to School' (STEPS) Project, supporting a further 5,192 children in the first three years of primary, as well as a further 500 older children from 10 schools. As with EQUAL, STEPS will ensure that younger boys and girls receive support for their learning, both in and out of school; so that they acquire the fundamental skills they need to achieve a good level of educational attainment.

Build Africa's early learning projects are addressing an emerging need in the early year's field, that in order to provide effective services for children and families, early year's learners must be attached to peer buddies who have the capacity and flexibility to be fully involved.

Case Study: Buddy Clubs

Joy Atuhairwe is six years old and recently started primary school at one of the schools benefitting from the EQUAL project. When Joy joined started her first term, she was paired with a 5th year student called Rachel through the new Buddy Club system. The Buddy Club was established to ensure the youngest and more vulnerable children have a peer support structure in place from their very first day.

Rachel is someone that Joy can always turn to, and Rachel always looks out for Joy within the school, particularly out in the playground. This has helped Joy grow in confidence and develop further friendships with her peers. During buddy activities conducted, every Tuesday, Joy and Rachel spend some time together reading story books/ building planes and moulding animals out of clay. Joy often runs back to her friends and compares her mouldings with theirs!

Joy has developed self confidence in understanding how to express her own opinions and feelings in relation to matters affecting her social and education rights. With the support from her buddy, she is interacting and collaborating positively with others in play.

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 in five schools in 2015. 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 2015.

Giving school communities a voice

Through our Community Empowerment for Education improvement Project, we continued working with 30 schools in North West Uganda to develop the capacity of the communities to hold teachers, school management committees (SMCs) and local government accountable, resulting in improved governance and quality of schools. Reaching over 2,330 parents, BA has developed the capacity of schools to establish school advocacy plans and petitions to local governments. As a result, over 54 actions have been taken by the local governments and SMCs and teachers to improve the quality of education. Examples include increased support given by Sub County and District officials; the number of visits conducted has risen, reaching 175 visits across the 30 schools in the last nine months alone.

Ensuring better teaching

Our own research suggests that 35% of teachers in Uganda are regularly absent in schools in rural areas we are currently targeting. Our Teacher Empowerment Project in Uganda (TEP), for example, is working to ensure teachers are motivated and have sufficient knowledge to provide quality teaching to pupils at each of the supported schools, ultimately resulting in improved student learning outcomes.

Over two years, TEP will directly benefit at least 70 teachers from approximately 15 Build Africa supported schools in Kumi district, eastern Uganda. At the end of the first year, we are already starting to see promising results. For example, during recent school support visits, 90% of supported teachers were found to be in school and teaching, even though often such visits happened without prior warning.

Improving water and sanitation facilities

We worked in 30 schools to improve the water and sanitation facilities across two Ugandan districts. This included provision of 8 boreholes and establishment of water committees to manage the water resource, as well as instalment of 12 water tanks and building of 19 latrines. We also worked with the children and teachers at these schools to improve hygiene practices.

3. Including girls

African girls face specific challenges that prevent them going to school. 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. The coastal region of Kwale in Kenya is particularly badly affected. The proportion of out-of-school girls is consistently higher in Kwale County than the national average, with nearly half missing school daily. Only 10% of girls reach the final year of primary school and pass their leaving exams.

In Kwale we are working across 72 schools focussing on the educational needs of more than 26,000 disadvantaged girls. By employing an inclusive approach that includes establishing girls clubs to ensure girls stay in, or return to primary education; providing gender sensitive training and toolkits for teachers; parent-teacher-pupil open days and performance tracking systems for parents and the initiation of empowerment campaigns and the training of Key Community Activists.

This holistic methodology is already seeing some encouraging changes with 92% of girls feeling better protected from violence and abuse by parents and communities and 60% of parents demonstrating that they understand and are beginning to prioritise their girl's education. A further success has been through the girls clubs with 91% of the girls attending perceiving themselves as a positive role model to other girls. By then end of the project we expect to see more girls and

boys attending school regularly, more girls passing their school leaving exams and girls demonstrating more control and participation in decisions that affect their lives and more aspirations for their own futures.

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 2015, we successfully concluded work in 18 schools that targeted improvements in transition. The focus of this work had been to increase incomes and abilities for parents to invest in their children's education, increase awareness of child's rights, and improve planning and effectiveness within schools on syllabus coverage, and address absenteeism.

The impact was significant with a near 50% increase in the percentage of children achieving grades required for secondary school and 10% increase in the percentage of children progressing to secondary at the 18 supported schools. Additionally, the work had significant other benefits. For example, in the end of project, evaluation both teachers and parents recognised that the implementation of guidance and counselling activities at the schools has contributed towards increased retention of pupils. A total of 84% of teachers noted a reduction in drug abuse, early pregnancy, and chronic absenteeism whilst 92% of parents linked the guidance and counselling activities with improved retention and transition.

"This year we had visitors to our school who talked to us about career choice. This made me know how I can prepare to achieve my dream of becoming a pilot. They encouraged us to have a personal time table and to manage time effectively. I now know what I am aiming at and how to achieve it."

Ian, Kwandoo Primary School

2015 also witnessed the continued piloting of different interventions in Uganda to improve transition rates. This work will conclude in early 2016 with results reported in the 2016 Trustees Report.

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 (SLGs), 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.

In Kenya, we have been able to add value to previously established SLGs by enabling members to develop their businesses and reliably provide for their families through the Farmer's Network Project (FNP). Through the project we have enabled the alignment of training activities to meet the specific needs of 1300 farmers, this has included training on the agro-value chain to help them boost production and ultimately their incomes; and has included poultry, bee-keeping and dairy farming.

For example, in Elburgon we now have established 31 Savings and Loans Groups with over 500 members. The groups have cumulative savings of 1,903,710 KES (approx. £12,282), and 255 loans with a value of £1,686,460 (approx. £10,880). There are 40 Savings and Loans Groups in Gilgil that have been clustered into 11 Farmers Networks that have benefitted from FNP trainings, with farmers now collaborating together within their networks.

Case Study: Regina, Co-ordinator

“Having been in the group since inception, I am happy that I will soon be able to buy my family a cow. We were unable to afford a cow but if things go on like this, buying a cow will soon be possible. I have been able to see my saving grow and been able to get money for buying chicken feed for my chicken which I keep for selling. The demonstration plot will be very helpful in helping us practice and learn skills on how to improve our harvest. We have been learning on conservation agriculture and we have already started practicing it on our farm, we are hopeful that this will help more members in the community. The network will also help us avoid the middlemen who have been buying our produce cheaply, by selling us a group we shall grow together and this will help the whole community to improve.”

The harnessing of the collective power of FNP groups has enabled farmers from the networks to come together to mitigate some of the challenges faced in the dry season with regard to limited access to water. This has led to an exploration into harvesting and storing rainwater with communities proactively digging water ponds.

This positive action has demonstrated real unity between members of the groups, whereby one day per week is set aside for pond digging with all farmers coming together to work on one site. The sites are then rotated ensuring each farmer now has their own water harvesting pond for crop watering. This collective working has enormous potential for the continued increase in quality and productivity for farmers.

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. The North West Region Livelihoods Support Project (NWELIS) enabled the establishment of 289 demonstration growing plots and sites that enabled farmers to see the benefits of employing good agronomic practices. The practical nature of the demo plots were complemented by specific gender equality in farming training as well as access to financial services and effective SLG management.

In the Bukedea district of Uganda we established 18 demonstration gardens that have enabled over 1700 farmers to see different crop choices such as sunflowers, maize and beans and how best to grow them helping to diversify their income.

We have helped farmers to become more ‘market savvy’ by providing training sessions helping them to prepare and manage their harvests better. We’ve also increased their access to market information and weather reports through their mobile phones. As a result, farmers have experienced fewer crops losses and a better quality of grain and cereals resulting in 22 tonnes of beans and maize sold at the proper market rate. This increased financial security benefits the whole family.

Many of the farmers that have participated in the NWELIS project have increased their ability to pay school fees, buy household necessities such as soap, sugar and salt, pay medical expenses and buy clothing.

Case Study: Jane, NWELIS farmer:

‘Before the project the family would eat once a day but as there is increase in production the family now eats three meals a day.’

For every £1 invested into the NWELIS project, £2.68 has been generated in financial returns for the participating farmers in Western Uganda, with the average yield per acre increasing by 2.3% during the lifetime of the project. More than these farming successes, it is the wider impact the project has had on other aspects of the farmers’ lives.

Many farmers both male and female feel more confident having participated in the NWELIS project, as a result of having gained new skills and knowledge. Those female farmers who reported improvements in their confidence levels attributed the changes to the training related to farming that they received. Many of the farmers reflected on changes in the way

that decisions were made at home and on a 'warmer atmosphere' and a 'peaceful' home since they had undergone gender training.

Case Study: Peruce, female NWELIS farmer

'I am [more confident] because I am able to teach my fellow farmers according to what I have experienced and benefited from. It has helped me to become bold and brought more people around my garden to give them advice and explain to them since I believe in myself.'

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.

Our Education and Livelihoods programmes therefore considers resilience to shocks and stresses as a cross cutting theme, to ensure sustainability. We have and will continue to prioritise livelihoods work to overlap geographically with our education work to ensure that are building resilience within communities that benefit from improved access to quality education. This maximises returns on investments in education through ensuring that communities can afford to support children's education even during times of greater hardship. For example, the Farmer Network Project in Kenya targets communities that have previously benefitted from Build Africa interventions that improved education quality at 18 schools throughout Gilgil.

LOOKING FORWARD: 2016 AND BEYOND

We have made good progress in 2015 towards the aims of our five year strategic plan. All of our plans for 2016 and beyond have the central aim of making our strategy a reality. Specifically, Build Africa aims to make progress against the following priorities:

- Conduct a mid-term review of the strategy, to ensure learning is recognised and integrated within our operations. This may lead to refinement of the strategy to ensure we are focussing on areas where we can maximise impact.
- Strengthen our education outcomes by ensuring that future livelihoods work is adding value to communities and schools benefitting from our education programme.
- Following on from the completion of development planning of a Monitoring, Evaluation and Learning (MEL) framework the organisational role out of the framework will take place ensuring we can demonstrate change in beneficiaries' lives and identify ways to increase our positive impact
- A full framework for Child Safeguarding was developed 2015. The framework considers policy, procedures, capacity and governance. The organisation will use the framework to continue strengthening our child safeguarding throughout the strategy period. In 2016, we will particularly focus on ensuring policies and procedures are optimised and standardised throughout operations.
- Developing detailed plans to expand Build Africa into a new country, providing opportunities to expand our programmatic impact.
- In addition to continuing to undertake beneficiary needs assessments to inform future work, we will explore and pilot technology within our programmes to further improve impact.

FINANCES

Review of 2015 financial position and fundraising activities

The financial position at the end of 2015 is in line with expectations following a year of considerable change within the leadership. Income and spending on our programmes remains steady, liquidity is stable and we made further small steps towards replenishing the charity's reserves that were dented in the global economic downturn.

Although the organisation experienced considerable change, 2015 was a year of re-structuring and realignment on its strategy in order to position Build Africa for future growth in the years to come. Further multi-year funding was secured through the Big Lottery Fund, supporting early years education in Uganda and a US partner: Supporting Transition and Early Preparation to School (STEPS) Project, supporting a further 5,692 children in Uganda.

The year also saw us building ever stronger partnerships; in Kwale for example, the Girls Project has been able to better influence change by harnessing the skills that BAK, COVAW and Kwea bring together, the results that we are achieving are being realised through effective coordination and a common goal.

We also encountered some challenges throughout the year, with donors changing focus and constraints on funds available, leading to projects designed being much smaller scale than originally anticipated.

This however, provides a valuable learning process for the organisation, with a strengthened focus on in-country fundraising tabled for 2016.

During the year Build Africa raised £3,307,939 (2014: £3,129,485) of income and spent £3,561,248 (2014: £2,927,603). This resulted in a year end excess of expenditure over income of £253,309 before consideration of foreign exchange gains of £281,642. Consequently, the year resulted in a modest overall surplus of £28,333.

In accordance with the SORP, support costs have been allocated between charitable activities and fundraising. Build Africa spent 80.5% (2014: 75.9%) of its total expenditure on charitable activities and 19.5% (2014: 24.1%) on fundraising.

Expansion remains a primary objective for Build Africa, our goal being to reach more people and achieve a greater sustainable impact. For that expansion to be both effective and durable, the functions that support growth must be securely underpinned. We will need to continue to invest in staff development across the organisation, in improving and updating our financial and MIS, thereby providing the platform for growth.

Our income in 2015 was about 5.7% higher than in 2014. 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 2016 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 2017 as some of our current projects come to an end. We are taking steps to establish a consistent pipeline of multi-year 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.

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. Previously the risk register was reviewed via its three sub-committees; during 2015 the board reviewed its operating model to ensure greater effectiveness and cohesive oversight, in particular on risk. Consequently the risk-register is reviewed in full by

the finance committee which meets quarterly and at every board meeting (also quarterly), thereby ensuring that all Trustees are fully abreast of risks across the organisation.

In addition to the organisational risk register, each country programme holds a register as well as all large projects, which 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 accessible to all staff.
- Financial Reporting: the Board approves and monitors the annual budget and income projections. 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. Regular 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.
- Consideration of risk by the senior management team at regular meetings and during the annual planning process
- Segregation of duties as far as is possible in an organisation of this size
- External auditors in Kenya and Uganda being formally required to report to the UK on adherence to financial controls
- External forensic audits being commissioned in response to whistle-blowing and/or after any change in senior financial personnel.

The principal risks and uncertainties facing the charity and its subsidiary undertakings, as identified by the charity's trustees include the following:

- Funding: There are presently funding constraints in Kenya and Uganda partly due to the changing priorities of donors. In response to this risk and under the leadership of the trustees, the Senior Management Team is exploring diversified sources of income for the organisation. We are also exploring the possibility of expanding our work to countries in Africa where there is a need but also where we are likely to attract increased funding.

Build Africa is also considering moving into new related areas of work to ensure that our work in education is holistic. We will also use this as an opportunity to attract more funding for our cause.

- Security: Build Africa like most international NGOs, continue to face security risks in the countries that we work. This is mainly as a result of the increasing global threat of terrorism which puts staff and assets of international NGOs at risk. The trustees are mitigating this risk by ensuring that we have a comprehensive risk assessment and plan not only for the countries that we work but also as part of the due diligence in the new countries that we will be working in. The organisation encourages staff in all locations continue to be vigilant and also ensures that adequate insurance in place to cover any unforeseen security related eventualities

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 (i.e. ignoring assets not readily convertible to liquid funds) sufficient to meet the quantification of risks on the risk register.

As at December 2015, the total reserves held by the organisation were £984,206, of which £588,199 were restricted and not available for general purposes. Out of the total reserves, £111,202 (which is the equivalent of the net book value of the organisation's fixed assets) had been designated towards future assets replacement. The amount of unrestricted reserves that the organisation holds after making allowances for any restricted and designated funds is £284,805

The Trustees have a 5 year strategy to achieve its targeted unrestricted reserves level of £700,000. They believe this level to be appropriate given Build Africa's future plans. The trustees continue to ensure that year on year, and as part of its annual budgeting process, it sets aside a modest amount of surplus towards achieving its planned reserves target. During the recently completed budgeting process, the trustees set aside unrestricted surpluses of approximately £60,000 for this purpose. In future years we will continue to diversify our income base and control costs to ensure that we make notable strides towards achieving our long term unrestricted reserves target.

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2015

Trustees	Andrew White (Chair) Tom Lindsay Rupal Mistry Michael Noyes Katie Spencer-Smith Apoorva Chandra (Appointed July 2016) Jeff Van Der Eems (Appointed July 2016) Richard Germond (Resigned April 2016) Susanne Niedrum (Resigned April 2016) Simon Wong (Resigned April 2016) Dominic Tutt (Resigned 19 June 2015) Keith Leslie (Resigned 30 June 2015) Siobhan Sheridan (Resigned 16 July 2015)
Secretary	Adrian Stockman (Resigned March 2016) Michael Baah (Appointed April 2016)
Chief Executive	Linda Edwards
Charity number	298316
Company number	2200793
Registered office & principal address	Vale House, Clarence Road Tunbridge Wells Kent TN1 1HE
Kenyan Office	Build Africa Kenya P. O Box 1259 -90100, Machakos, Kenya.
Ugandan Office	Build Africa Uganda Block 245, Plot 431 & 424 Kabalagala, Central Zone, Off Gaba Road, P. O Box 7224, Kampala, Uganda.
Auditors	haysmacintyre 26 Red Lion Square London, WC1R 4AG
Bankers	National Westminster Bank plc 19 Mount Ephraim Road Tunbridge Wells Kent TN1 1EN
	CAF Bank 25 Kings Hill West Malling Kent ME1 54J

GENERAL INFORMATION

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 the Board of Trustee' responsibilities for the financial statements

The Trustees, who are also directors of Build Africa for the purpose 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).

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

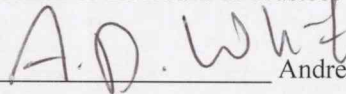
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, 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 assume that the charitable company will continue on that basis

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the directors, who held office at the date of approval of this Trustees' Report, 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 made aware of such information.

On behalf of the Board of Trustees



Andrew White Chair of Trustees

Dated: 9 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BUILD AFRICA

We have audited the financial statements of Build Africa for the year ended 31 December 2015 which comprise the Group Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 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 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 trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2016 and of the charitable company's income and expenditure 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.

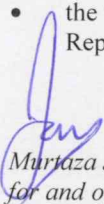
Opinion on other matter prescribed by the Companies Act 2006

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

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:

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.


Muraza Jessa (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

Date: 9 September 2016

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

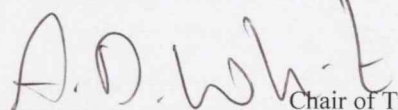
BUILD AFRICA

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2015 £	Total 2014 £
Income & Endowments from:						
Donations and Legacies	2	555,118	-	2,330,401	2,885,519	2,668,912
Other Trading Activities	3	407,544	-	-	407,544	447,194
Investment	4	14,876	-	-	14,876	13,379
Charitable Activities						
Total Income		<u>977,538</u>	<u>-</u>	<u>2,330,401</u>	<u>3,307,939</u>	<u>3,129,485</u>
Expenditure on:						
Raising funds	5	696,080	-	-	696,080	680,239
Charitable activities	5	528,378	60,468	2,276,322	2,865,168	2,247,365
Total Resources Expended		<u>1,224,458</u>	<u>60,468</u>	<u>2,276,322</u>	<u>3,561,248</u>	<u>2,927,604</u>
Net income/(expenditure) before gains/(losses) on foreign exchange						
		(246,920)	(60,468)	54,079	(253,309)	201,881
Foreign exchange loss		295,364	(9,369)	(4,353)	281,642	(566)
Net income for the year		48,444	(69,837)	49,726	28,333	201,315
Transfers between funds		(143,980)	55,706	88,274	-	-
Asset revaluation			-		-	(7,879)
Net movement in funds		(95,536)	(14,131)	138,000	28,333	193,436
Fund balances at 1 January 2015						
		<u>380,341</u>	<u>125,333</u>	<u>450,199</u>	<u>955,873</u>	<u>762,437</u>
Fund balances at 31 December 2015						
	12,13,14	<u>284,805</u>	<u>111,202</u>	<u>588,199</u>	<u>984,206</u>	<u>955,873</u>

The accounts were approved by the board on 9th September 2016.


Chair of Trustees

BUILD AFRICA

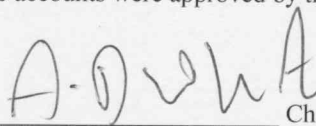
BALANCE SHEET

AS AT 31 DECEMBER 2015

Company number: 2200793

	Notes	£	2015	£	2014	£
FIXED ASSETS						
Tangible assets	9		111,202		125,333	
CURRENT ASSETS						
Debtors	11	317,049		268,284		
Cash at bank and in hand		798,124		1,064,367		
		<u>1,115,173</u>		<u>1,332,651</u>		
CREDITORS: amounts falling due within one year	12	<u>(242,169)</u>		<u>(502,111)</u>		
NET CURRENT ASSETS			<u>873,004</u>		<u>830,540</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>984,206</u>		<u>955,873</u>	
INCOME FUNDS						
Restricted funds	15		588,199		450,199	
Designated funds	16		111,202		125,333	
Unrestricted funds			284,805		380,341	
	15,18		<u>984,206</u>		<u>955,873</u>	

The accounts were approved by the board on 9th September 2016.


Chair of Trustees

The notes on pages 18 to 32 form part of these accounts.

BUILD AFRICA**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Cash used in operating activities	20	<u>40,501</u>	<u>454,237</u>
Cash flows from investing activities			
Interest income		14,876	13,379
Purchase of tangible fixed assets		(59,701)	(57,234)
Proceeds from the sale of tangible fixed assets		3,786	1,601
Foreign exchange gain /(loss) on revaluation of fixed assets		15,937	854
Revaluation		-	7,878
Cash provided by (used in) investing activities		<u>(25,102)</u>	<u>(33,522)</u>
Increase (decrease) in cash and cash equivalents in the year		15,399	420,715
Cash and cash equivalents at the beginning of the year		1,064,367	644,217
Change in cash due to ex rate movements		(281,642)	(565)
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END		<u>798,124</u>	<u>1,064,367</u>

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Build Africa meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

This is the entity's first period of accounts prepared under FRS 102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatement has been required in making the transition to FRS 102 and the Charities SORP FRS 102.

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

Overseas organisations

The financial statements incorporate the results of the charity and its overseas activities, Build Africa Kenya and Build Africa Uganda on a line-by-line basis. Build Africa Kenya and Build Africa Uganda meet the SORP definition of branches of Build Africa UK.

Incoming resources

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. 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.

Donations, legacies and gifts and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

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

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

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.

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 subsidiaries are included in the 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 subsidiaries 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.

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Critical accounting judgements and estimation uncertainty

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Those areas subject to judgement and uncertainty are as follows:

- Foreign exchange rate translation

As noted above, the assets and liabilities of Build Africa Kenya and Build Africa Uganda are included in the 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 charity have exercised judgement when assessing the exchange rates at each date.

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

2. DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	2015 Funds £	2014 Funds	
Donations and gifts	554,673	1,757,845	2,312,518	1,334,107	
Legacies receivable	15,500	-	15,500	104,874	
Grants receivable	(15,055)	572,556	557,501	1,229,931	
	<u>555,118</u>	<u>2,330,401</u>	<u>2,885,519</u>	<u>2,668,912</u>	
3. OTHER TRADING ACTIVITIES	Income Generated £	Associated Costs £	Net funds Generated 2015 £	Net Income 2014 £	
Fundraising events	<u>407,544</u>	<u>167,901</u>	<u>239,643</u>	<u>228,777</u>	
4. INCOME FROM INVESTMENTS			2015 £	2014 £	
Interest receivable			2,542	2,630	
Other income including profit on disposals of assets			12,334	10,749	
			<u>14,876</u>	<u>13,379</u>	
Interest receivable during the year arose as follows:					
Short term deposits held with UK financial institutions			707	657	
Short-term deposits held with Ugandan branches of UK financial institutions			848	-	
Short-term deposits held with Kenyan branches of UK financial institutions			987	1,973	
			<u>2,542</u>	<u>2,630</u>	
5. EXPENDITURE	Uganda £	Kenya £	UK £	Total 2015 £	Total 2014 £
Raising funds					
Costs of generating voluntary Income	-	-	414,891	414,891	364,216
Costs of activities to generate Funds	-	-	167,901	167,901	218,417
Support costs	-	-	113,288	113,288	97,606
Total costs of raising funds	<u>-</u>	<u>-</u>	<u>696,080</u>	<u>696,080</u>	<u>680,239</u>
Costs of charitable activities					
Education					
Direct project costs	454,814	502,623	1,188,865	2,146,302	1,624,189
Support costs	49,017	25,620	170,650	245,287	210,662
Total education costs	<u>503,831</u>	<u>528,243</u>	<u>1,359,515</u>	<u>2,391,589</u>	<u>1,834,851</u>

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

5. EXPENDITURE (continued)

	Uganda £	Kenya £	UK £	Total 2015 £	Total 2014 £
Livelihoods					
Direct Project costs	48,414	71,770	144,226	264,410	284,434
Support costs	5,021	-	19,998	25,019	31,781
Total livelihood costs	<u>53,435</u>	<u>71,770</u>	<u>164,224</u>	<u>289,429</u>	<u>316,215</u>
Water and Food					
Direct Project Costs	166,845	-	-	166,845	96,299
Support Costs	17,305	-	-	17,305	
	<u>184,150</u>			<u>184,150</u>	<u>96,299</u>
Total cost of charitable Activities	741,416	600,013	1,523,739	2,865,168	2,247,365
Total resources expended	<u><u>741,416</u></u>	<u><u>600,013</u></u>	<u><u>2,219,819</u></u>	<u><u>3,561,248</u></u>	<u><u>2,927,604</u></u>

6. SUPPORT AND GOVERNANCE COSTS

	2015 £	2014 £
Support costs		
Support costs during the year comprised:		
Staff costs	121,503	140,258
Premises costs	88,233	80,571
Postage/office costs	15,601	17,618
Human resources costs	25,293	21,051
Depreciation of non-programme costs	41,302	43,925
IT costs	29,125	25,201
Finance costs	15,077	18,546
Travel costs	15,779	1,214
Legal costs	2,472	4,015
Governance costs	40,492	25,117
Other costs	6,023	-
Total support costs	<u><u>400,900</u></u>	<u><u>377,516</u></u>

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

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Governance costs		
Costs relating to Governance comprise:		
Audit fees	31,050	21,787
Other costs	9,442	3,330
	<u>40,492</u>	<u>25,117</u>

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

Net income/(expenditure)

This is stated after charging:

	2015	2014
	£	£
Auditors' remuneration	31,050	21,787
Depreciation	54,109	79,005
Charges under operating leases	90,471	66,072
	<u>175,630</u>	<u>166,864</u>

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

7. DIRECTORS

None of the Directors/Trustees (or any persons connected with them) received any remuneration during the year (2014: Nil). No Director/Trustee was reimbursed for expenses incurred in attending Board meetings (2014: Nil). Aggregate donations of £0 (2014: £0) were received from Trustees during the year.

8. STAFF COSTS

	2015	2014
	Number	Number
Number of employees		
The average monthly number of employees during the year was:		
Fundraising and communications	10	8
Programmes	49	52
Support	11	8
	<u>70</u>	<u>68</u>
	£	£
Employment costs		
Wages and salaries	1,309,795	1,179,129
National Insurance	104,089	93,823
Pensions	80,269	85,326
Redundancy and termination payments	48,058	-
	<u>1,542,211</u>	<u>1,358,278</u>
Analysis by activity		2015
	Staff	£
Education:		
Uganda	19	227,014
Kenya	16	218,444
UK	4	342,858
Total education	<u>39</u>	<u>788,316</u>
Livelihoods		
Uganda	1	10,912
Kenya	6	81,917
UK	1	146,939
Total livelihoods	<u>8</u>	<u>239,768</u>
Water		
Uganda	2	34,109
Total Water	<u>2</u>	<u>34,109</u>
Fundraising		
UK	10	346,690
Total Fundraising	<u>10</u>	<u>346,690</u>

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

8. STAFF COSTS (continued)

	Staff	2015 £
Uganda	4	5,077
Kenya	2	27,306
UK	5	100,945
Total support	<u>11</u>	<u>133,328</u>
Total employment costs and number of employees	<u>70</u>	<u>1,542,211</u>

The total employee benefits of the key management personnel of the charity were £356,613 (2014: £363,617). Of this, £245,372 (2014: £248,529) relates to the key management personnel of Build Africa UK.

9. TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer Equipment £	Fixtures & leasehold Improvements £	Total
Cost				
At 1 January 2015	213,659	180,900	135,716	530,275
Additions	24,215	20,514	14,972	59,701
Revaluation	-	-	-	-
Disposals and scrapped assets	(30,815)	(5,724)	(4,904)	(41,443)
Foreign exchange gain/(loss)	(23,687)	(5,787)	(7,701)	(37,175)
At 31 December 2015	<u>183,372</u>	<u>189,903</u>	<u>138,083</u>	<u>511,358</u>
Depreciation				
At 1 January 2015	163,369	153,182	88,392	404,943
Charge for the year	19,167	27,596	7,346	54,109
Revaluation	-	-	-	-
Disposals and scrapped assets	(29,514)	(5,621)	(2,523)	(37,658)
Foreign exchange gain/(loss)	(18,537)	(4,586)	1,885	(21,238)
At 31 December 2015	<u>134,485</u>	<u>170,571</u>	<u>95,100</u>	<u>400,156</u>
Net Book Value				
At 31 December 2015	<u>48,887</u>	<u>19,332</u>	<u>42,983</u>	<u>111,202</u>
At 31 December 2014	<u>50,290</u>	<u>27,718</u>	<u>47,324</u>	<u>125,332</u>

BUILD AFRICA**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2015****10. OVERSEAS ORGANISATIONS**

In order to operate in Kenya and Uganda Build Africa is required by local legislation to establish 100% controlled locally registered organisations. These organisations are treated as branches of Build Africa and their accounts are included within the accounts of Build Africa.

The financial results of Build Africa Kenya and Build Africa Uganda are detailed below:

	Build Africa Kenya		Build Africa Uganda	
	2015	2014	2015	2014
	£	£	£	£
Income and endowments from:				
Donations and legacies	683,173	689,759	735,683	689,759
Other trading activities				
Investments	13,320	3,950	848	7,678
Charitable activities				
Total income	<u>696,493</u>	<u>693,709</u>	<u>736,531</u>	<u>697,437</u>
Expenditure on				
Raising funds				
Charitable activities	600,013	694,578	741,416	697,525
Total expenditure	<u>600,013</u>	<u>694,578</u>	<u>741,416</u>	<u>697,525</u>
Net income/(expenditure)	96,480	(869)	(4,885)	(88)
Foreign Exchange Gain/Loss	(4,568)	1,293	(5,534)	
Transfers between funds				
Asset Revaluation	-	(7,879)	-	(775)
Fund balances at 1 January 2015	<u>94,821</u>	<u>63,921</u>	<u>53,472</u>	<u>54,335</u>
Fund balances at 31 December 2015	<u>186,733</u>	<u>56,466</u>	<u>43,053</u>	<u>53,472</u>

BUILD AFRICA**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2015****10. OVERSEAS ORGANISATIONS (continued)**

The assets and liabilities of the entities were:

	Build Africa Kenya		Build Africa Uganda	
	2015	2014	2015	2014
	£	£	£	£
Assets	238,090	114,675	126,900	129,014
Liabilities	51,357	58,209	83,847	75,542
Total net assets	<u>186,733</u>	<u>56,466</u>	<u>43,053</u>	<u>53,472</u>
Restricted funds	131,907	20,987	27,396	35,512
Unrestricted funds	54,826	35,479	15,657	17,960
Aggregate reserves	<u>186,733</u>	<u>56,466</u>	<u>43,053</u>	<u>53,472</u>

11. DEBTORS

	2015	2014
	£	
Accrued income	224,532	182,318
Prepayments, other debtors	92,517	85,966
	<u>317,049</u>	<u>268,284</u>

12. CREDITORS: amounts falling due within one year

	2015	2014
	£	
Trade creditors	22,343	43,257
Deferred income	3,055	248,299
Taxes and social security	40,539	48,301
Accruals and other creditors	176,232	162,254
	<u>242,169</u>	<u>502,111</u>

13. ANALYSIS OF DEFERRED INCOME

	2015	2014
	£	£
Deferred income at 1 January	248,299	90,243
Applied during the year	122,067	416,770
Released during the year	(367,311)	(258,714)
Deferred income at 31 December	<u>3,055</u>	<u>248,299</u>

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

14. RESERVES SUMMARY

	As at 1 January 2015 £	Income £	Resources Expended £	Foreign Exchange Gain/(loss) £	Transfers and Revaluations £	As at 31 December 2015 £
Unrestricted	380,341	977,538	(1,224,458)	295,364	(143,980)	284,805
Designated	125,333	-	(60,468)	(9,369)	55,706	111,202
Restricted	450,199	2,330,401	(2,276,322)	(4,353)	88,274	588,199
Total reserves	955,873	3,307,939	(3,561,248)	281,642	-	984,206

15. RESTRICTED FUNDS -

	Note	As at 1 January 2015 £	Income £	Resources expended £	Transfers £	Foreign exchange Movement £	As at 31 December 2015 £
Education, specific projects (Uganda)	i	94,338	327,250	(306,647)		(1,533)	113,408
Livelihoods (Uganda)	ii	13,015	35,777	(44,321)		(1,804)	2,667
Education, specific projects (Kenya)	ii	115,438	29,484	(128,108)	88,274	(589)	104,499
The Washichana Project, Big Lottery Fund (Kenya)	iii	77,948	304,598	(285,059)		-	97,487
Challenge for Girls, Comic Relief (Kenya)	iii	90,825	531,912	(483,612)		-	139,125
FNP Income generation, specific projects (Kenya)	ii	51,117	110,035	(147,954)		-	13,198
ILEAP (Uganda)	iv	-	12,007	(7,507)		-	4,500
CEEP (Uganda)	v	-	16,204	(18,311)		-	(2,107)
Water Project (Uganda) WATSAN	vi	3,081	164,076	(160,274)		(427)	6,456
Transition from primary to secondary school (Uganda) RESTAR	vii	3,430	103,783	(72,440)		-	34,773
Education Project (Uganda) STEPS	viii	-	101,534	(78,884)		-	22,650
Education Project (Uganda) EQUAL	ix	-	234,352	(183,816)		-	50,536
Beneficiaries Consultants (Kenya)	x	1007	-	-		-	1007
Skills for Living (Kenya)	xi	-	54,833	(54,833)		-	-
Staff & Office (Kenya)	xii	-	76,555	(76,555)		-	-
Staff & Office (Uganda)	xii	-	119,722	(119,722)		-	-
BA UK	xii	-	65,807	(65,807)		-	-
Gifts in Kind	xiii	-	42,472	(42,472)		-	-
		450,199	2,330,401	(2,276,322)	88,274	(4,353)	588,199

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

Explanation of restricted funds

- (i) Education, specific projects. Where a funder has specified the activity and/or location of the education work their gift is intended to fund, it is included in these restricted funds. In most cases, these funds are restricted to activities at specific schools.
- (ii) These funds represent donations specifically restricted to aspects of our Livelihoods work which improves the opportunities for communities to generate income for themselves.
- (iii) This project will improve the quality of education in 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.
- (iv) ILEAP The Improved Learning and Education Attainment in Primary project (ILEAP) is a new project that will ensure that boys and girls in P1 to P3 receive support for their learning, both in and out of school ensuring that they acquire the fundamental skills they need in order to achieve a good level of educational attainment. Over three years ILEAP will work directly with more than 23,000 of the most disadvantaged pupils, including those with disabilities, orphaned children and those from elderly-headed or child-headed households. The project start-up was conducted in 2015 and we also received a grant to progress organisational child safeguarding in preparation for the project.
- (v) CEEP The Community Empowerment for Education improvement Project (CEEP) works with 30 schools in North West Uganda to develop the capacity of the communities to hold teachers, school management committees (SMCs) and local government accountable, resulting in improved governance and quality of schools.
- (vi) The Water and Food Security project has two main elements. Firstly, communities are provided with a reliable supply of water, the nature of the supply depends on the local geology but is usually either a borehole or well. Secondly, schools in those communities are trained to set up and maintain gardens that provide a reliable food supply. This not only helps feed the children at the school but also adds to the communities' food-growing skills.
- (vii) These funds represent projects and funding whose emphasis is on improving the opportunities in rural areas for children who complete primary school to move on to secondary education. The activities in these projects look to improve the attitudes of pupils and families to secondary education, the quality of primary education and the incomes of families so that they can afford to send their children to secondary school.
- (viii) Our Supporting Transition and Early Preparation to School project provides 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.
- (ix) The Early Years Education Quality in Uganda: Advancing Learning project started in 2015 and is supporting 5,192 children in the first three years of primary school, as well as a further 500 older children from 10 schools
- (x) Each year Build Africa undertakes consultations with beneficiaries in order to design new work that addresses challenges that are priorities for children, teachers and communities.
- (xi) Skills for Living Kenya: These are restricted donations made towards Build Africa's child sponsorship projects in Kenya and Uganda.
- (xii) Staff & Office UK, Kenya and Uganda: These are restricted donations or grant contributions to staff and office costs at Build Africa's offices in the UK, Kenya or Uganda

(xiii) Gifts in Kind: This relates to Gift in Kind from Whistlejacket regarding Probono work on Build Africa's branding project.

Transfers to Restricted Funds:

Where restricted funds received are insufficient to meet the commitments in the areas concerned, a transfer is made from unrestricted funds to cover the shortfall. During the year, transfers totalling £143,980 were made as follows: £88,274 was transferred to cover a shortfall for Education Specific Projects in Kenya and a further £55,706 transferred to make up a shortfall on designated funds (Capital fund) to ensure that the fund has the equivalent book value of the organisation's fixed assets.

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

16. DESIGNATED FUNDS

	As at 1 January 2015 £	Income £	Resources Expended £	Foreign Exchange Gain/(loss) £	Transfers and Revaluations £	At at 31 December 2015 £
Capital assets	125,333	-	(60,468)	(9,369)	55,706	111,202
Total reserves	<u>125,333</u>	<u>-</u>	<u>(60,468)</u>	<u>(9,369)</u>	<u>55,706</u>	<u>111,202</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances: 31 December 2015				
Tangible fixed assets	-	111,202	-	111,202
Cash at bank and in hand	360,020	-	438,104	798,124
Current assets	166,954	-	150,095	317,049
Creditors falling due within one year	(242,169)	-	-	(242,169)
	<u>284,805</u>	<u>111,202</u>	<u>588,199</u>	<u>984,206</u>

BUILD AFRICA**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2015****18. COMMITMENTS UNDER OPERATING LEASES**

	2015	2014
	£	
Within one year	90,471	80,014
Between 1 and 5 years	164,530	231,354
Greater than 5 years	-	11,963
	<u>255,001</u>	<u>323,331</u>

The commitment is in respect of the charity's offices in Tunbridge Wells (UK), Nairobi and Kwale (Kenya) and Kampala (Uganda). In February 2015, Build Africa Kenya moved out of the Machakos office and terminated the lease.

19. TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purpose. The charity is not exempt from VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net movement in funds	28,333	193,436
Add back depreciation charge	54,109	79,005
Investment income	(14,876)	(13,379)
(Gains)/losses on foreign exchange	281,642	565
Decrease (increase) in debtors	(48,765)	86,124
Increase (decrease) in creditors	(259,942)	108,486
Net cash used in operating activities	<u>40,501</u>	<u>454,237</u>

21. RELATED PARTY TRANSACTIONS

In 2015 no transactions took place between the Charity and its wholly owned subsidiaries.

There were no other outstanding balances with related parties as at 31 December 2015 (2014: £nil).

BUILD AFRICA

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2014 £
Income and endowments from:				
Donations and legacies	731,586	-	1,937,326	2,668,912
Other trading activities	447,194	-	-	447,194
Investments	13,379	-	-	13,379
Charitable activities	-	-	-	-
	<u>1,192,159</u>	<u>-</u>	<u>1,937,326</u>	<u>3,129,485</u>
Total income				
Expenditure on				
Raising funds	680,239	-	-	680,239
Charitable activities	443,810	79,004	1,724,551	2,247,365
	<u>1,124,049</u>	<u>79,004</u>	<u>1,724,551</u>	<u>2,927,604</u>
Total Resources Expended				
Net income/(expenditure) before gains / losses on foreign exchange	68,110	(79,004)	212,775	201,881
Foreign exchange gain/(loss)	614	(854)	(326)	(566)
	<u>68,724</u>	<u>(79,858)</u>	<u>212,449</u>	<u>201,315</u>
Net income				
Transfers between funds	(55,633)	55,633	-	-
Asset Revaluation	-	(7,879)	-	(7,879)
	<u>367,250</u>	<u>157,437</u>	<u>237,750</u>	<u>762,437</u>
Fund balances at 1 January 2014				
Fund balances at 31 December 2014	<u>380,341</u>	<u>125,333</u>	<u>450,199</u>	<u>955,873</u>