

Link Community Development International

(a company limited by guarantee)

Report and financial statements

Year ended 31 March 2016

OSCR registration number: SC045011

Charities Commission registration number: 1048007

Company registration number: 3069329



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Report of the directors for the year ended 31 March 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of 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).

Objectives and activities

The objectives of Link Community Development International are as set out in its Memorandum of Association. The primary objective is:

To assist in the provision and /or improvement and /or advancement of education in Africa

At LCDI our vision is a world where every child has the right to quality education.

Our mission is to inspire sustainable innovations in national education policy using grassroots approaches to improve accountability and learner outcomes.

The overall objectives of LCDI are to:

- Improve schools and the quality of education they deliver so that children and their communities have better opportunities
- Build the capacity of district departments of education so that they can better meet the needs of their schools and communities
- Support government education policy by using lessons learnt at the grassroots level to inform national and regional strategies with sustainable and replicable models

Achievements and performance

The following is a summary of achievements and performance of our partner countries in Africa over the period:

Ethiopia

An outstanding achievement was the successful delivery of Year 1 of the 'Life skills and literacy for improved girls' learning in Rural Wolaita Zone from DfID's Girls' Education Challenge Fund (GEC project) which is being delivered in partnership with our sister organisation LCD Ethiopia. The GEC project aims to improve girls' enrolment, retention and performance in 123 rural elementary schools. Working in all schools in four marginalised, densely populated districts of Wolaita, the project is reaching 62,700 disadvantaged girls.

The Language and Literacy project funded by the Banyan Tree Foundation also commenced with the baseline taking place in April 2015. This project will support English language teachers and teachers of other subjects who must use English as the medium of instruction to improve their English competency and English teaching skills. As a result learners in 49 primary schools will receive better teaching leading to improved literacy levels.

Ghana

LCD Ghana continued the delivery of a Complementary Basic Education (CBE) project funded by DfID in three districts. CBE helps disadvantaged children attain basic numeracy and literacy skills so they can be integrated into mainstream school and complete a full cycle of primary education.

LCD Ghana is also working in partnership with VSO to deliver the second phase of 'Tackling Educational Needs Inclusively' which supports girls to stay in school and achieve.

Ghana also finalised the capacity building on School Report Cards funded by UNICEF.

Directors' Report (continued)

Malawi

LCD Malawi successfully began the Integrated School Performance Improvement Review and Engagement (INSPIRE) project funded by Scottish Government. This project will roll out Link's core work in a new district, Mchinji and will reach 217 schools. INSPIRE will also develop a database to enable the recording, collation, storage and dissemination of all school improvement data. A key output is a standard school report card.

A major success was the facilitation of Malawi's first National Education Standards as part of the Scottish Government funded SIAS project. The Permanent Secretary for Education, Science and Technology personally launched these at a media ceremony in Lilongwe in August 2015. This project also saw the completion of new Guidelines and a Handbook for all Malawi's inspectors and advisors.

Link was successful in a consortium bid with RTI to be technical lead on the Community Engagement component of the national USAID funded Malawi Early Grade Reading Improvement activity (MERIT). Link will use knowledge and experience gained from the completed Family Literacy Project to improve parents' involvement in reading activities of their children.

Uganda

In April 2015 we began the Katakwi School Improvement Project (KSIP) funded by The Waterloo Foundation which continued to support the resettled internally displaced children and communities in all 75 schools in Katakwi District. It improves access to quality education through capacity building of school administrators, district officials, teachers, school management committee members, and through the provision of lunch by establishing school gardens.

Trust Africa's Early Learning Education Project (ELEP) in Buliisa was completed successfully and evidenced an improvement in teachers' competence in teaching early grade learners in their mother tongue as well as an increase in Early Grade Reading Assessment (EGRA) scores for these learners. This success has led to a supplementary grant from Trust Africa to maintain some project activities such as SPR, and has led to an invitation to apply for a further grant to expand the project to another four schools in Buliisa.

Financial review

Financial position

The financial activities of the charitable company are set out in the attached financial statements.

The total incoming resources for the year to 31 March 2016 were £1.688m (2015: £1.622m for a 17 month period).

Resources expended for the year to 31 March 2016 were £1.681m (2015: £1.807m for 17 months). Of this £1.633m was spent on charitable objectives (2015: £1.586m for 17 months).

Reserves policy

The directors consider it prudent for LCDI to maintain a level of reserves equivalent to at least three months' of UK office expenditure and that a large proportion of these reserves should be in cash. The target for reserves is £60k. Unrestricted reserves at 31 March 2016 are negative and therefore fall significantly short of this target level. In the seventeen months to 31 March 2015 LCDI underwent a major restructuring exercise which saw the closure of the London office and the relocation to Edinburgh with some resulting staff changes. The restructuring has significantly reduced staffing and administration costs while increasing income levels.

We are confident that the organisational restructure will enable our reserves targets to be achieved within three to five years.

Directors' Report (continued)

Going Concern

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the next two years with plans to increase income and reduce costs where possible. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Reference and administrative details

Company number

3069329

Registered Charity number

SC045011

1048007

Registered office

HW Associates Limited
Portmill House
Portmill Lane
Hitchin
Herts SG5 1DJ

Trustees

Martyn Roebuck (Chair)
Alasdair Beaton
Mark Beaumont
Susan Dalgety (appointed 13 November 2015)
Gari Donn
Elaine Graham
Kenneth Greer (resigned 18 February 2016)
Linda Kirkwood (resigned 3 September 2015)
David Mansfield
Donald Sinclair (appointed 19 February 2016)
Judith Wilson

Senior management team

Acting Chief Executive Officer	Fiona Greig
Deputy Chief Executive Officer	Laura Garforth
International Programme Director	Samantha Ross

Auditors

Hardie Caldwell LLP
Citypoint 2
25 Tyndrum Street
Glasgow G4 0JY

Bankers

National Westminster Bank plc
23 Market Street
Cambridge CB2 3PA

Directors' Report (continued)

Structure, Governance and Management

Link Community Development International (LCDI) is a company limited by guarantee incorporated on 16 July 1995 and registered as a charity on 17 July 1995. It is exempt in terms of S30 (5) (a) of the Companies Act from the requirement to use the word 'limited'.

Recruitment and appointment of trustees

LCDI is governed by a board of trustees (directors) who are appointed at the Annual General Meeting. Trustee appointments are based on the possession of the skills and experience necessary to determine the policies of LCDI and to monitor the implementation of those policies. The trustees receive adequate induction, as well as suitable and sufficient help and guidance, to understand how the charity works and to be able to contribute positively towards its operation.

The LCDI board meets formally every quarter. The board receives project and financial reports at each meeting. There is also a separate finance committee and programme committee which also meets quarterly prior to board meetings. In addition, LCDI's partner organisations have independent local governance structures which ensure accountability for resources in their country. LCDI is managed by an Acting Chief Executive Officer who is responsible to the board of directors for the smooth and efficient operation of the company within terms of delegation approved by the board.

Key management remuneration

The directors consider the board of directors, who are the charity's 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 directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and key management remuneration are disclosed in note 11 to the accounts.

Risk Management

The major risks to which LCDI is exposed are reviewed regularly by the Board and procedures have been established to mitigate these risks. The major risk which the organisation faces is failing to secure the projected unrestricted income within the forthcoming financial year.

Directors' Report (continued)

Statement of trustees' responsibilities

The trustees (who are also the directors of Link Community Development International for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Hardie Caldwell LLP, Chartered Accountants, have indicated their willingness to continue in office.

Approved by order of the board of trustees on 2 September and signed on its behalf by:



Martyn Roebuck

Chair

**Report of the Independent Auditors
To the Trustees and Members of Link Community Development International**

We have audited the financial statements of Link Community Development International for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes numbered 1 to 21.

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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

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 and to the charitable company's directors, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's directors and 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 the company's directors and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Trustees' Responsibilities, set out on page 5, the Directors (who are also the Trustees of the charitable company for the purposes of charity 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 as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

Scope of the audit of the financial statements

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

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

**Report of the Independent Auditors
To the Trustees and Members of Link Community Development International (continued)**

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 March 2016 and of the charitable company's incoming resources and application of resources, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Marion Hopper
Senior Statutory Auditor
for and on behalf of
Hardie Caldwell LLP
Statutory Auditor
Citypoint 2
25 Tyndrum Street
Glasgow G4 0JY



Hardie Caldwell LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Dated: 6 September 2016

Statement of Financial Activities
 for the year ended 31 March 2016

	Note	Unrestricted funds	Restricted funds	Total funds 2016	Total funds 2015 (17 month period)
		£	£	£	£
Income					
Donations and legacies	3	91,915	200	92,115	165,496
Income from charitable activities: <i>Delivery of educational programmes in Sub-Saharan Africa</i>	4	1,620	1,541,005	1,542,625	1,299,304
Income from other trading activities	5	53,154	-	53,154	156,556
Investment income	6	22	113	135	369
Total income		146,711	1,541,318	1,688,029	1,621,725
Expenditure					
Costs of raising funds	7	48,547	-	48,547	221,258
Expenditure on charitable activities: <i>Delivery of educational programmes in Sub-Saharan Africa</i>	8	58,490	1,574,012	1,632,502	1,585,637
Total expenditure		107,037	1,574,012	1,681,049	1,806,895
Net (expenditure)/income		39,674	(32,694)	6,980	(185,170)
Transfers between funds		(32,444)	32,444	-	-
Net movement in funds		7,230	(250)	6,980	(185,170)
Reconciliation of funds:					
Total funds brought forward		(62,908)	250	(62,658)	122,512
Total funds carried forward		(55,678)	-	(55,678)	(62,658)

None of the charity's activities were acquired or discontinued during the above two financial periods.

Balance Sheet
as at 31 March 2016

	<i>Note</i>	2016 £	2015 £
Fixed assets			
Tangible assets	14	64,409	26,324
Total fixed assets		<u>64,409</u>	<u>26,324</u>
Current assets			
Stock	15	6,515	3,690
Debtors	16	36,880	84,266
Cash at bank and in hand		73,194	329,470
Total current assets		<u>116,589</u>	<u>417,426</u>
Liabilities			
Creditors falling due within one year	17	(236,676)	(506,408)
Net current (liabilities)		<u>(120,087)</u>	<u>(88,982)</u>
Net (liabilities)		<u>(55,678)</u>	<u>(62,658)</u>
The funds of the charity:			
Unrestricted income funds	18	(55,678)	(62,908)
Restricted income funds	18	-	250
Total charity funds		<u>(55,678)</u>	<u>(62,658)</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

Approved and authorised for issue by the Board of Directors and signed on their behalf by:


Martyn Roebuck
Chair

Date: 2 Sept 2016

Statement of Cash Flows
as at 31 March 2016

	2016 £	2015 £
Cash used in operating activities	(206,409)	179,243
Cash flows from investing activities		
Interest income	135	369
Proceeds from the sale of tangible fixed assets	-	24,486
Purchase of tangible fixed assets	(50,002)	(58,162)
Increase (decrease) in cash and cash equivalents in the year	(256,276)	145,936
Cash and cash equivalents at the beginning of the year	329,470	183,534
Total cash and cash equivalents at the end of the year	73,194	329,470

Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net movement in funds	6,980	(185,170)
Deduct investment income	(135)	(369)
Add depreciation charge net of profit on disposal of assets	11,917	14,495
Decrease (increase) in stock	(2,825)	(3,690)
Decrease (increase) in debtors	47,386	151,647
Increase (decrease) in creditors	(269,732)	202,330
Net cash used in operating activities	(206,409)	179,243

Notes

(forming part of the financial statements)

1. Legal status of the company

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(a) *Basis of preparation*

The accounts of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 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), the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) *Reserves/Funds*

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity which have not been designated for any other purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of restricted funds is set out in note 18 of the financial statements.

(c) *Incoming resources*

Donations are recognised as income when the cash is received or when the charity is legally entitled to the income and it can be quantified with reasonable accuracy. Investment income is recognised on a receivable basis. Gifts in kind and donated services/facilities are included in the Statement of Financial Activities at the commercial value agreed with the donor. The equivalent cost of the donated good/service is allocated to the appropriate expenditure line.

Grant income is credited to the statement of financial services when it is received or is receivable except for grant income that relates to the funding for future periods, which is deferred.

Notes (continued)

(d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category.

Costs of raising funds comprises those costs incurred by the charity in making grant applications to trusts and foundations, attending networking events, corresponding and meeting with company representatives etc. Costs include the salaries, expenses and administration of these fundraising activities. These costs are allocated based on an estimate of the proportion of time that personnel spend on generating income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. These costs are allocated based on an estimate of the proportion of time that personnel spend on charitable activities.

Support costs are those costs which are necessary to deliver an activity but do not themselves produce the output of the charitable activity. It includes the central office functions such as general management, finance, information technology and administration.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity

All project work and direct charitable expenses are allocated to restricted charitable expenditure and all other expenditure is apportioned on an item by item basis in line with activity.

(e) Capitalisation and depreciation

The company capitalises tangible fixed assets with a cost greater than £500. Assets are held at historic cost and depreciated on a straight line basis over 4 years.

(f) Operating leases

Rentals in relation to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

(g) Pension costs

The company contributes to employees' personal pension schemes. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting year.

(h) Taxation

The company is a registered charity and is recognised as such by HMRC for UK taxation purposes. As a result there is no liability to UK taxation on any of its income or capital gains.

Notes (continued)

(i) Going concern

The Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual accounts.

(j) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

(k) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short term of maturity from opening of the deposit or similar account.

(l) 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 a 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.

(m) Financial instruments

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

Notes (continued)

3	Income from donations and legacies	2016	2015
		£	£
		62,900	86,674
	Gifts	-	78,822
	Legacies	29,215	-
	Donated services		
		<u>92,115</u>	<u>165,496</u>
4	Income from charitable activities	2016	2015
		£	£
		1,351,350	889,329
	Government grants	191,275	409,975
	Trusts and foundations		
		<u>1,542,625</u>	<u>1,299,304</u>
5	Income earned from other trading activities	2016	2015
		£	£
		50,388	146,556
	Income arising from events	1,641	10,000
	Management fees	1,125	-
	Other		
		<u>53,154</u>	<u>156,556</u>
6	Investment income	2016	2015
		£	£
		135	369
	Bank interest		

Notes (continued)

7 Costs of raising funds

	2016	2015
	£	£
Event costs	25,228	70,974
Staff costs	21,467	101,212
Administrative costs	1,852	49,072
	<u>48,547</u>	<u>221,258</u>

8 Analysis of expenditure on charitable activity

The charity has one charitable activity, namely the design and delivery of educational programmes in Sub-Saharan Africa. Programmes are funded mainly by restricted income, restrictions being for specific projects which are accounted for by the charity by country. Costs per country are as follows, and more detail of restricted funds is given at note 18.

Year to 31 March 2016	Ethiopia	Malawi	Other	Total	Total
	£	£	countries	2016	2015
			£	£	£
Direct UK staff costs	102,782	123,040	5,000	230,822	185,765
Direct international staff costs	83,245	-	-	83,245	102,819
Monitoring and evaluation	81,425	40,219	-	121,644	24,293
Direct project costs	897,904	160,595	35,432	1,093,931	1,100,304
Depreciation	11,379	-	-	11,379	7,053
Support costs (see note 9)	25,543	31,348	1,160	58,051	137,586
	<u>1,202,278</u>	<u>355,202</u>	<u>41,592</u>	<u>1,599,072</u>	<u>1,557,820</u>
Governance costs (see note 9)				33,430	27,817
				<u>1,632,502</u>	<u>1,585,637</u>
17 months to 31 March 2015					
- Direct support	1,118,662	231,708	207,450	1,557,820	
- Governance				27,817	
				<u>1,585,637</u>	

Expenditure on charitable activities was £1,632,502 (17 months 2015: £1,585,637) of which £1,574,012 was restricted (17 months 2015: £1,540,767) and £58,490 was unrestricted (17 months 2015: £44,870).

Notes (continued)

9 Analysis of governance and support costs

Support costs have been allocated to geographical areas based on full time staff equivalents at note 8.

Year to 31 March 2016	General support £	Governance function £	Total £
Salaries, wages and related costs	19,054	10,460	29,514
General office	11,024	209	11,233
Premises	14,452	-	14,452
ICT	13,521	-	13,521
Audit fees	-	8,076	8,076
Legal and other professional fees	-	14,290	14,290
Cost of trustee meetings	-	395	395
	58,051	33,430	91,481
17 months to 31 March 2015	137,586	27,817	165,403

Notes (continued)

10 Net income/(expenditure) for the year

	2016 £	2015 £
This is stated after charging:		
Operating leases - equipment	1,829	2,279
Depreciation	11,917	17,835
Auditor's remuneration:		
Audit fees	<u>8,076</u>	<u>7,620</u>

11 Analysis of staff costs and the cost of key management personnel

	2016 £	2015 £
Salaries and wages	312,898	561,979
Social security costs	21,356	47,290
Pension costs	16,385	24,567
Redundancy and termination payments	17,084	-
	<u>367,723</u>	<u>633,836</u>

No employees had employee benefits in excess of £60,000 (2015: one).

The charity trustees were neither paid nor in receipt of any other benefits from employment with the charity (2015: £nil) neither were they reimbursed expenses during the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

The key management personnel of the charity comprise the trustees, the Acting Chief Executive Officer, the Deputy CEO and the International Programme Director. The total employee benefits of the key management personnel were £104,626 (17 months 2015: £219,068 in respect of the Chief Executive Officer, Chief Operating Officer and Finance Director).

Notes (continued)

12 Staff numbers

The average monthly head count was 9 staff (2015: 12 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2016 Number	2015 Number
Direct charitable UK staff	5	2
Direct charitable overseas staff	2	3
Administration	1	4
Fundraising and publicity	1	3
	<u>9</u>	<u>12</u>

13 Related party transactions

	Year to 31 March 2016 £	17 months to 31 March 2015 £
Amount transferred and expensed	873,462	679,991
LCD Ethiopia	122,713	137,862
LCD Malawi	-	2,334
LCD South Africa	22,062	109,585
LCD Uganda	(122,139)	168,891
LCD Scotland	-	6,722
LCD Ireland	13,337	22,690
LCD USA		
	<u>909,435</u>	<u>1,128,075</u>

At the balance sheet date the following amounts were outstanding:

	2016 £	2015 £
LCD USA	-	13,337
LCD Scotland	2,513	(119,626)
	<u>2,513</u>	<u>(106,289)</u>

A trustee of LCDI is Senior Associate with Freshfields Bruckhaus Deringer LLP who provide legal services to LCDI on a pro bono basis. The estimated value of those services for the year is £13,540 evaluated at their normal charge out rates. (17 months 2015: £50,632).

Notes (continued)

14 Tangible fixed assets

	Plant and machinery	Vehicles	2016 Total	2015
	£	£	£	£
Cost:				
At 1 April 2015	66,011	23,346	89,357	68,638
Additions at cost	1,212	48,790	50,002	58,162
Disposals	-	-	-	(37,443)
At 31 March 2016	67,223	72,136	139,359	89,357
Depreciation:				
At 1 April 2015	56,710	6,323	63,033	61,494
Charge for period	3,031	8,886	11,917	17,835
Depreciation on disposals	-	-	-	(16,296)
At 31 March 2016	59,741	15,209	74,950	63,033
Net book value:				
At 31 March 2016	7,482	56,927	64,409	26,324

15 Stock

	2016 £	2015 £
Merchandising and promotional materials	6,515	3,690

16 Debtors

	2016 £	2015 £
Accrued income	16,427	30,895
Other debtors	20,453	48,366
Taxation and social security	-	5,005
	36,880	84,266

17 Creditors: Amounts falling due within one year

	2016 £	2015 £
Deferred income	184,446	363,389
Other creditors	46,386	143,019
Taxation and social security	5,844	-
	236,676	506,408

Notes (continued)

17 Creditors: Amounts falling due within one year (continued)
 Deferred income analysis

Deferred income is project income where at the year end the performance criteria has not been met and will be met in future accounting periods.

	2016 £	2015 £
Opening deferred income	363,389	287,344
Element utilised in year	(363,389)	(287,344)
Project income received in year and deferred to future period	184,446	363,389
	<u>184,446</u>	<u>363,389</u>

18 Analysis of charitable funds

Analysis of movement in unrestricted funds

	Balance at 1 April 2015 £	Incoming Resources £	Resources Expended £	Transfers to/(from) reserves £	Fund at 31 March 2016 £
General reserves	(62,908)	146,711	(107,037)	(32,444)	(55,678)

Analysis of movement in restricted funds

	Balance at 1 April 2015 £	Incoming Resources £	Resources Expended £	Transfers to/(from) reserves £	Fund at 31 March 2016 £
Ethiopia programme	-	1,190,963	(1,190,898)	(65)	-
Malawi programme	-	323,527	(354,875)	31,348	-
Other programmes	250	26,828	(28,239)	1,161	-
Total	250	1,541,318	(1,574,012)	32,444	-

The major donors in Ethiopia are DfID and Banyan Tree Foundation. In Malawi programmes were funded by Scottish Government and USAID. Other programmes were funded by Waterloo Foundation and Trust Africa.

Notes (continued)

19 Commitments

	As at 31 March 2016 £	As at 31 March 2015 £
Commitments under non-cancellable operating leases which expire:		
More than 1 year and less than 5 years	<u>32,495</u>	<u>36,216</u>

20 Analysis of net assets between funds

	General £	Restricted reserves £	Funds at 31 March 2016 £
Fixed Assets	64,409	-	64,409
Current Assets	(67,857)	184,446	116,589
Current Liabilities	(52,230)	(184,446)	(236,676)
Total	<u>(55,678)</u>	<u>-</u>	<u>(55,678)</u>

Notes (continued)

21 Statement of Financial Activities
for the 17 months ended 31 March 2015

	Unrestricted funds	Restricted funds	Total funds 2015
	£	£	£
Income			
Donations and legacies	144,793	20,703	165,496
Income from charitable activities:			
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	2,905	1,296,399	1,299,304
Income from other trading activities	156,556	-	156,556
Investment income	132	237	369
Total income	304,386	1,317,339	1,621,725
Expenditure			
Costs of raising funds	221,258	-	221,258
Expenditure on charitable activities:			
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	44,870	1,540,767	1,585,637
Total expenditure	266,128	1,540,767	1,806,895
Net (expenditure)/income	38,258	(223,428)	(185,170)
Transfers between funds	(54,254)	54,254	-
Net movement in funds	(15,996)	(169,174)	(185,170)
Reconciliation of funds:			
Total funds brought forward	(46,912)	169,424	122,512
Total funds carried forward	(62,908)	250	(62,658)