

Link Education International
(a company limited by guarantee)

Report and financial statements
Year ended 31 March 2021

OSCR registration number: SC045011

Charities Commission registration number: 1048007

Company registration number: 03069329

Contents

Report of the directors	3
Statement of trustees' responsibilities	11
Report of the Independent Auditors	12
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the accounts	19

Report of the directors for the year ended 31 March 2021

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 2021. 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 2019).

Objectives and activities

The objectives of Link Education International (LEI) 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 LEI 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 LEI 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.

Strategy

Our strategy to achieve our mission centres around five key goals:

1 Strengthening education systems

We build capacity to deliver quality education at all levels from communities and school leaders to local and national government.

Key strands of our work include:

- Sharing real time data to embed ownership and accountability
- Engaging communities to support improvement and hold education systems accountable
- Enabling inclusive and safe education for all, with a particular focus on girls and the most vulnerable
- Supporting safeguarding processes from school to national policy level
- Building leadership within communities, schools and government
- Strengthening professional development for teachers
- Increasing opportunities for life-long learning

We partner with ministries of education to support their national education sector plans and the African Agenda 2063 targets.

2 Maximising impact

Through maintaining robust monitoring, evaluation and learning systems we contribute to evidence-based education advocacy, policy and planning.

We raise the profile of education, particularly for the marginalised, by community engagement and better resource allocation.

Directors' report (continued)

Engaging in strategic partnerships helps us achieve holistic and lasting change, and we actively participate in national education coalitions.

Sharing learning allows us to scale up our successful models and we leverage government resources to make these successes sustainable.

3 Promoting education in emergencies

We design and share safe, inclusive, rights-based protocols to respond to crises. We advocate for the prioritisation of education in emergency responses and are active members of education emergency cluster response hubs.

4 Building resilience to climate change challenges

To prepare for climate change challenges, we work with communities and schools to improve learning and plan for eventualities like drought, floods and food insecurity.

We partner with climate change thought leaders and embed education for sustainable development within activities like teacher training, governance guidelines and curricula review.

To minimise our environmental impact, we modify and review the way we work to reduce our carbon footprint.

5 Advocating for education to be a global priority

Education builds resilience and helps individuals, communities and countries adapt, survive and thrive in times of challenge. This is why we promote education for all.

We share data and learning at regional, national and international levels to strengthen political will, contribute to global evidence-based policy and planning, and campaign to make the right to quality education a reality for every child across the world.

Name change

With the effective date of 6th July 2020 Link Community Development International changed its name to Link Education International which the trustees consider better and more clearly reflects the company's charitable work in the international education sector. The name change was registered with Companies House, the Charity Commission and with the Scottish Charity Regulator (OSCR).

Safeguarding

Link Education International believes that a child, vulnerable adult or person at risk should never experience abuse of any kind. We have a responsibility to work in a way that promotes the welfare of all and protects them from harm. We have a zero-tolerance approach to any harm to or exploitation of a child or vulnerable adult by any of our staff, representatives or partners.

Our safeguarding policies and procedures demonstrate accountability to beneficiaries, including staff, volunteers and trustees; an organisational culture that tackles power imbalances and gender inequality; and rigorous, anonymous and safe reporting and complaints mechanisms.

We do all that we can to ensure that the experience of the children and vulnerable adults (and their families) who Link Education International reaches is one that is free from any form of abuse or exploitation.

Directors' report (continued)

Achievements and performance

During the year to 31st March 2021 Link commissioned an independent, external review of the governance, risk management and operational planning frameworks across Link and its partners. Funded by the William and Flora Hewlett Foundation the review led to a number of recommendations which have been shared with our partners' Boards of Trustees and will be prioritised and progressed with support from Link Education International with a view to harmonising and strengthening governance and business planning across the Link family.

Funded by Open Society Foundations Link also embarked on a programme to enhance IT infrastructure across Link to widen access and support better collaboration; and to strengthen diversity and inclusion policies and practices across Link.

Along with the rest of the world Link's activities were severely interrupted by the COVID-19 pandemic. With school closures and restrictions on gatherings in the countries where we work we were unable to implement many school-based activities, however, our work continued as normal where possible. We undertook rapid needs assessments in Ethiopia and Malawi to ensure that our emergency response plans addressed not only learning needs but also considered specific gender and social inclusion barriers and importantly, safeguarding.

To assist with immediate needs, we added information on life-saving COVID-19 protection measures to our usual radio programmes on inclusion, safeguarding and education rights, and supported food and soap distribution to rural communities.

Across our COVID-19 response, we co-ordinated with partners, the wider sector and government at local and national levels to ensure efficient, appropriate and timely support was provided. The following is a summary of the specific achievements and performance of LEI together with our partner organisations in sub-Saharan Africa over the period:

Ethiopia

The Supporting Transition of Adolescent Girls through Enhancing Systems (STAGES) project is delivered by Link Education International in partnership with government in the Wolaita Zone of the Southern Nations Nationalities and Peoples Region (SNNPR) in Ethiopia.

It forms part of the UK's Foreign and Commonwealth Development Office (FCDO) Girls' Education Challenge Transition (GEC-T) programme – a global programme which will help up to 1.5 million of the world's poorest girls improve their lives through education and find better ways of getting girls in school and ensuring they receive a quality education to transform their future.

Running from 2017-2024, STAGES supports over 61,345 marginalised girls in 127 primary schools and 17 secondary schools in four districts. Through our holistic approach, girls will gain strong literacy and numeracy skills as they attend school and progress through the education system supported by gender responsive government, school and community structures. All students will benefit from the programme, including those living with disabilities, orphans, pregnant girls and young mothers, and boys, as education systems and teaching are strengthened, and communities mobilised.

Directors' report (continued)

As part of the STAGES project Link has constructed four new secondary schools to address unmet need in deep rural areas. The first school was completed in November 2019. Restrictions on internal travel and the requirement for social distancing caused slight delays in the completion of the remaining three secondary schools but in June 2021 Link was proud to handover ownership of the completed schools to the government who have assumed responsibility for their management and resourcing.

STAGES is developing the capacity of government staff, teachers, school leaders and school governing bodies to overcome the barriers that girls face in attending, learning and staying in school. Activities include teacher training in literacy, numeracy and inclusive child-centred methodologies; teacher mentoring; leadership training; and embedding gender initiatives within government structures. We are mobilising communities to become more gender aware via community conversations, radio broadcasts and giving them the tools to hold their schools accountable to provide a quality education for all children.

STAGES ensures girls are ready to learn by improving their self-esteem and self-confidence; providing classes in life skills, sexual and reproductive health and financial literacy; and providing reusable sanitary packs and basic needs.

As described above, many programme activities were interrupted or disrupted by COVID-19 but we continued to develop and improve training materials for teachers and community partners; we liaised remotely with government partners to support and develop inspection and management tools; and we distributed bursaries to the vulnerable girls most at risk of abuse, early marriage, or dropping out of school.

Additional activities undertaken in response to our rapid needs assessment included the provision of hygiene information, safeguarding advice and learning encouragement via radio, and strengthening community structures in child protection and safeguarding support. We engaged with education emergency clusters to ensure that our activities were fully aligned with government priorities.

Working with our partners we are ensuring that schools are safe spaces where all girls can learn, protected from harm, by delivering training in safeguarding and school related gender-based violence and embedding mechanisms to report abuse; upgrading toilets so they are accessible and safe; and ensuring teachers are prepared to respond to the needs of all girls and boys in their classrooms.

Since November 2020 LEI has been sub-contracted by Educational Development Trust to provide a technical assistance package to World Bank's General Education Quality Improvement Program for Equity (GEQIP-E) which runs from 2019-22.

The overall mission of the programme is to reach 9,000 schools and provide support to GEQIP-E and the general education sector more broadly, with the aim of improving student learning together with enhancing equity and efficiency.

Directors' report (continued)

Link's role is supporting the development of continuous professional development modules for school leaders and model interventions for scale-up with a focus on inclusion, teachers' professional development and community engagement.

Malawi

TEAM Girl Malawi (Transformational Empowerment of Adolescent Marginalised Girls in Malawi) (2018-2023) aims to transform the life chances of some of the most vulnerable girls in the country by building their basic literacy and numeracy skills and helping them to transition into further education, training, or employment.

Funded by FCDO under its *Leave No Girl Behind* portfolio, Link is working with five partners in Lilongwe Urban, Dedza and Mchinji districts, to reach some of the most marginalised adolescent girls in Malawi who have never been to school due to disability, poverty or lack of opportunity, or who dropped out of school without learning to read, write and count. Community-based classes allow the girls to acquire basic literacy, numeracy, and life skills. Girls' clubs and peer-to-peer buddying impart sexual and reproductive health knowledge and develop resilience and self-esteem. Vocational training for the girls and their carers enable the development of livelihoods and offers the girls a viable option once their literacy and numeracy skills have increased. Improved school leadership makes schools safer, more inclusive spaces, and community engagement raises aspirations for these marginalised girls.

In response to COVID-19 Link undertook a needs assessment and worked to comply with government health and safety guidelines and mitigate the impact of the pandemic by adapting programme activities including establishing socially distanced study circles and working with families to support learners to continue studying at home during school closures. We also continued girls' club activities with a focus on protection and wellbeing and to build resilience by providing a safe space for girls to reflect on how they were affected by COVID-19.

Uganda

Funded by the William and Flora Hewlett Foundation STEAR II (School Transformation Through Enriching Accountability and Resilience, phase two) aims to create a nationally-replicable model to improve every level of the education system in Uganda.

Working with 100 primary schools in Buliisa, Kikuube and Hoima districts, as well as policy makers and stakeholders at national level, we are undertaking:

- Finance management training for community members to monitor school spend of their government grant
- School management training for school and community leaders
- Advocacy training for community members
- Sharing best practice from grassroots to ministry level
- Strengthening local government support to schools

These activities are designed to help school managers and community members develop a better managed and resourced school that can enhance learning in classrooms. Increased awareness surrounding education policies and rights, alongside advocacy training will enable leaders to demand the resources they need.

Directors' report (continued)

At a national level, there will be increased accountability leading to improved schools and children getting the very best education in their local area.

Rwanda

In Rwanda, Link Education International was a sub-partner in a project led by Health Poverty Action within the FCDO-funded *Girls' Education Challenge* portfolio. The project, which ran until April 2020, saw a 100% improvement in the number of schools achieving more than half of their school improvement objectives, demonstrating increased engagement to improve students' learning outcomes.

Link Community Development Rwanda has no current projects.

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 2021 were £3,724m (2020: £5,328m).

Resources expended for the year to 31 March 2021 were £3,700m (2020: £5,187m). Of this, £3,635m was spent on charitable objectives (2020: £5,138m).

Reserves policy

LEI's reserves policy is to hold general charitable funds or unrestricted reserves for four principal reasons:

- i. To supply working capital, enabling LEI to manage fluctuations in its cash flow;
- ii. To provide protection against the contractual and operating risks that LEI faces in its work, including meeting unforeseen costs;
- iii. To enable LEI to provide additional support and capacity-building to its Link partners in sub-Saharan Africa;
- iv. To invest in new initiatives designed to improve the efficiency and quality of services.

The reserves policy is kept under review and reserves levels will be adjusted as perceptions of risk and other factors change. Our target range, as adopted by the Trustees, has established that the appropriate target for unrestricted reserves is between three and six months of running costs which is equivalent to £156k and £310k based on current activity levels. Our free available reserves at the end of the year were £248k which is within our target range. We are working towards increasing our free reserves by expanding our programme activity, growing and diversifying our core income and continuing to carefully manage our core costs.

Going Concern

In their assessment of going concern the Trustees continue to consider the impact on the charity as a result of the COVID-19 virus. The COVID-19 pandemic has had some impact on the charity's operations.

Directors' report (continued)

Government restrictions continue to impact on international travel and staff continue to work from home as a default position. Our projects continue to be delivered with some interventions being adapted to take into account local restrictions, and the charity continues to fulfil its charitable activities.

Having regard to the above, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. There are no known material uncertainties and it is therefore appropriate to prepare the financial statements on a going concern basis.

Reference and administrative details

Company number

03069329

Registered Charity numbers

SC045011

1048007

Principal office

Dolphin House
4 Hunter Square
Edinburgh
EH1 1QW

Registered office

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

Trustees

Alasdair Beaton (Chair)
Scott Craig
Seonaid Crosby
Elaine Graham
Susan Grant
Richard Santandreu
Jorge Sequeira
Iffat Shahnaz
Anita Wiseman
Caroline Wylie
Fergus Mackintosh (resigned December 2020)

Senior management team

Chief Executive Officer	Fiona Greig
International Programme Director	Samantha Ross

Directors' report (continued)

Auditors

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

Bankers

National Westminster Bank plc
23 Market Street
Cambridge CB2 3PA

Structure, governance and management

LEI 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

LEI 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 LEI 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. Safeguarding training is mandatory for all Trustees.

The LEI board meets formally every quarter. The board receives project and financial reports at each meeting. There are also separate finance and risk, and programme committees which also meet quarterly prior to board meetings. An annual Board Strategy day is held to review the strategic direction of the organisation. In addition, LEI's partner organisations have independent local governance structures which ensure accountability for resources in their country. LEI is managed by a 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 LEI is exposed are reviewed regularly by the Board and procedures have been established to mitigate these risks. The major risks which the organisation faces are: the, as yet unquantified, impact of the FCDO cuts; over-reliance on a small number of major donors; the impact of COVID 19 on our ability to raise unrestricted income as traditional sources of revenue are impacted.

Statement of trustees' responsibilities

The trustees (who are also the directors of Link Education 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.
- there is no material uncertainty.

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 10th September 2021 and signed on its behalf by:



Alasdair Beaton

Chair

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

Opinion

We have audited the financial statements of Link Education International for the year ended 31 March 2021 on pages 16 to 32. 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Report of the Independent Auditors (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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:

- adequate and proper accounting records have not been kept; 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
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees

Responsibilities of Directors

As explained more fully in the Statement of trustees' responsibilities statement set out on page 9, 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 which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Trustees.

Based on our understanding of the Company and industry, discussions with management and Trustees we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of the Board of Trustees' minutes;
- enquiry of management about litigations and claims and inspection of relevant correspondence;
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including debtors, creditors and revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions outside the normal course of business.

Report of the Independent Auditors (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Angus McCuaig (Senior Statutory Auditor)
for and on behalf of Hardie Caldwell LLP
Statutory Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

13 September 2021

Statement of Financial Activities
for the year ended 31 March 2021

	<i>Note</i>	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income					
Donations and legacies	3	40,237	1,493	41,730	103,698
Income from charitable activities:					
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	4	23,288	3,658,298	3,681,586	5,221,108
Income from other trading activities	5	130	-	130	2,230
Investment income	6	(324)	1,060	736	714
Total income		63,331	3,660,851	3,724,182	5,327,750
Expenditure					
Costs of raising funds	7	50,813	14,026	64,839	49,057
Expenditure on charitable activities:					
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	8	25,605	3,609,679	3,635,284	5,138,225
Total expenditure		76,418	3,623,705	3,700,123	5,187,282
Net (expenditure) / income		(13,087)	37,146	24,059	140,468
Transfers between funds		63,096	(63,096)	-	-
Net movement in funds		50,009	(25,950)	24,059	140,468
Reconciliation of funds:					
Total funds brought forward		198,132	100,809	298,941	158,473
Total funds carried forward		248,141	74,859	323,000	298,941

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

Balance Sheet
as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	1,553	1,696
Total fixed assets		1,553	1,696
Current assets			
Stock	15	251	251
Debtors	16	1,193,156	1,603,095
Cash at bank and in hand		1,549,522	2,354,754
Total current assets		2,742,929	3,958,100
Liabilities			
Creditors falling due within one year	17	(2,421,482)	(3,660,855)
Net current assets		321,447	297,245
Net assets		323,000	298,941
Unrestricted income funds	18	248,141	198,132
Restricted income funds	18	74,859	100,809
Total charity funds		323,000	298,941

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:



Alasdair Beaton
Chair of Board of Directors



Caroline Wylie
Trustee

Date: 10th September 2021

Statement of Cash Flows
as at 31 March 2021

	2021	2020
	£	£
Cash (used in) / generated by operating activities	(805,285)	679,593
 Cash flows from investing activities		
Interest income	736	714
Purchase of tangible fixed assets	(683)	(862)
(Decrease) / increase in cash and cash equivalents in the year	(805,232)	679,445
Cash and cash equivalents at the beginning of the year	2,354,754	1,675,309
Total cash and cash equivalents at the end of the year	1,549,522	2,354,754

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

	2021	2020
	£	£
Net movement in funds	24,059	140,468
Deduct investment income	(736)	(714)
Add depreciation charge net of profit on disposal of assets	826	9,107
Decrease in stock	-	1,849
Decrease / (increase) in debtors	409,939	(1,265,062)
(Decrease) / increase in creditors	(1,239,373)	1,793,945
Net cash (used in) / generated by operating activities	(805,285)	679,593

Notes

(forming part of the financial statements)

1 General Information

The charity is a company limited by guarantee, incorporated and registered in England, under company number 03069329 and has no share capital. The liability of each member is limited to £1 in the event of winding up. The charity's registered numbers are 1048007 and SC045011. The registered office is Portmill House, Portmill Lane, Hitchin, Herts, SG5 1DJ. The principal office is Dolphin House, 4 Hunter Square, Edinburgh, EH1 1QW.

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 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 2019), 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)

2 Accounting policies (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, a category within support 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 automatically enrolls all staff into a workplace pension scheme and makes contributions on their behalf. Two members of staff are not enrolled in the workplace pension scheme and 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.

Notes (continued)

2 Accounting policies (continued)

(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.

(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. However please refer to page 8 for further details about the impact of COVID-19 on the charity.

(j) 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.

(k) Debtors

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

(l) Cash and cash equivalents

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

(m) 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.

Notes (continued)

3 Income from donations and legacies

	2021	2020
	£	£
Gifts	39,022	48,065
Donated services	2,708	55,633
	<u>41,730</u>	<u>103,698</u>

4 Income from charitable activities

	2021	2020
	£	£
Government grants	3,312,065	4,281,186
Trusts and foundations	369,521	939,922
	<u>3,681,586</u>	<u>5,221,108</u>

5 Income earned from other trading activities

	2021	2020
	£	£
Other	130	2,230
	<u>130</u>	<u>2,230</u>

6 Investment income

	2021	2020
	£	£
Bank interest	736	714
	<u>736</u>	<u>714</u>

7 Costs of raising funds

	2021	2020
	£	£
Staff costs	64,597	48,780
Administrative costs	242	277
	<u>64,839</u>	<u>49,057</u>

Notes (continued)

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 2021	Ethiopia FCDO £	Ethiopia Other £	Malawi FCDO £	Malawi Other £	Other countries £	Total 2021 £	Total 2020 £
Direct UK staff costs	163,494	53,367	101,859	-	61,699	380,419	344,519
Direct international staff costs	52,382	11,503	-	-	-	63,885	-
Monitoring and evaluation	112,000	-	-	-	-	112,000	60,686
Direct project costs	1,208,606	290,200	1,331,568	-	150,174	2,980,548	4,567,273
Depreciation	-	-	-	-	-	-	8,662
Support costs (see note 9)	31,315	7,283	29,859	-	4,370	72,827	74,385
Direct support	1,567,797	362,353	1,463,286	-	216,243	3,609,679	5,055,525
Governance costs (see note 9)						25,605	82,700
						<u>3,635,284</u>	<u>5,138,225</u>
Year to 31 March 2020							
Direct support	2,324,259	458,925	1,713,377	31,085	527,879		5,055,525
Governance							82,700
							<u>5,138,225</u>

Expenditure on charitable activities was £3,635,284 (year to 31 March 2020: £5,138,225) of which £3,609,679 was restricted (year to 31 March 2020: £5,046,863) and £25,605 was unrestricted (year to 31 March 2020: £91,362).

Notes (continued)**9 Analysis of general support and governance costs**

Year to 31 March 2021	General support	Governance	Total
	£	£	£
Salaries, wages and related costs	30,915	8,886	39,801
General office	15,256	-	15,256
Premises	21,734	-	21,734
ICT	4,922	-	4,922
Audit fees	-	7,770	7,770
Legal and other professional fees	-	8,949	8,949
	<u>72,827</u>	<u>25,605</u>	<u>98,432</u>
Year to 31 March 2020	<u>74,385</u>	<u>82,700</u>	<u>157,085</u>

General support costs have been allocated to geographical areas based on direct costs incurred (see note 8).

10 Net income for the year

This is stated after charging:	2021	2020
	£	£
Operating leases – equipment	1,003	1,416
Depreciation	826	9,107
Auditor’s remuneration: Audit fees (net of VAT)	8,500	6,475
	<u> </u>	<u> </u>

Notes (continued)

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

	2021	2020
	£	£
Salaries and wages	475,310	359,315
Social security costs	37,846	31,720
Pension costs	39,241	33,631
	552,397	424,666

Two employees had employee benefits in excess of £60,000 (2020: none).

The charity trustees were neither paid nor in receipt of any other benefits from employment with the charity (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the International Programme Director. The total employee benefits of the key management personnel, including employer pension contributions, were £116,193 (year to 31 March 2020: £110,620).

12 Staff numbers

The average monthly head count was 12 staff (2020: 9 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2021	2020
	Number	Number
Direct charitable UK staff	7	6
Direct charitable overseas staff	1	-
Administration	2	2
Fundraising and publicity	2	1
	12	9

Notes (continued)

13 Related party transactions

	Year to 31 March 2021	Year to 31 March 2020
Amount transferred and expensed	£	£
LCD Ethiopia	1,457,537	2,459,208
LCD Malawi	719,797	890,763
LCD Uganda	83,409	282,243
LCD Rwanda	16,550	44,633
	<u>2,277,293</u>	<u>3,676,847</u>

At the balance sheet date the following amounts were from related parties:

	2021	2020
	£	£
LCD Scotland	526	7,314
	<u>526</u>	<u>7,314</u>

Elaine Graham, a trustee of LEI, is Senior Associate with Freshfields Bruckhaus Deringer LLP who provide legal services to LEI on a pro bono basis. The estimated value of those services for the year is £2,708 evaluated at their normal charge out rates (year to 31 March 2020: £55,633).

Richard Santandreu, a trustee of LEI, is a director of Momentum Ltd who provide IT support services. The value of those services for the year is £2,718 (year to 31 March 2020: £2,419). There was £nil due to Momentum Ltd at 31 March 2021 (2020: £nil)

Notes (continued)

14 Tangible fixed assets

	Plant and machinery	Vehicles	2021 Total
	£	£	£
Cost:			
At 1 April 2020	70,529	72,136	142,665
Additions at cost	683	-	683
Disposals	(28,683)	-	(28,683)
At 31 March 2021	42,529	72,136	114,665
Depreciation:			
At 1 April 2020	68,833	72,136	140,969
Charge for period	826	-	826
Depreciation on disposals	(28,683)	-	(28,683)
At 31 March 2021	40,976	72,136	113,112
Net book value:			
At 31 March 2021	1,553	-	1,553
At 31 March 2020	1,696	-	1,696

15 Stock

	2021 £	2020 £
Merchandising and promotional materials	251	251

16 Debtors

	2021 £	2020 £
Other debtors	1,193,156	1,603,095
	1,193,156	1,603,095

Notes (continued)

17 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Deferred income	187,261	207,940
Other creditors	2,223,225	3,444,581
Taxation and social security	10,996	8,334
	<u>2,421,482</u>	<u>3,660,855</u>

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.

	2021	2020
	£	£
Opening deferred income	207,940	1,838,983
Reallocated to other creditors	-	(1,152,593)
Element utilised in year	(181,990)	(539,764)
Project income received in year and deferred to future period	161,311	61,314
	<u>187,261</u>	<u>207,940</u>

Notes (continued)

18 Analysis of charitable funds

Analysis of movement in unrestricted funds

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers to/(from) reserves	Fund at 31 March 2021
	£	£	£	£	£
General reserves	198,132	63,331	(76,418)	63,096	248,141

Analysis of movement in restricted funds

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers to/(from) Reserves	Fund at 31 March 2021
	£	£	£	£	£
Ethiopia programme					
- FCDO	-	1,620,926	(1,567,797)	(53,129)	-
- Other	100,809	372,292	(362,353)	(35,889)	74,859
Malawi programme					
- FCDO	-	1,459,445	(1,463,286)	3,841	-
Other programmes	-	194,162	(216,243)	22,081	-
Fundraising costs					
- Hewlett Foundation	-	14,026	(14,026)	-	-
Total	100,809	3,660,851	(3,623,705)	(63,096)	74,859

The major donors in Ethiopia are FCDO, Boeing Foundation and Banyan Tree Foundation in respect of girls' education projects. In Malawi programmes were funded by FCDO. Other programmes were funded by FCDO, Hewlett Foundation and UNICEF.

Notes (continued)

18 Analysis of charitable funds (continued)

Analysis of movement in unrestricted funds in prior year

	Balance at 1 April 2019	Incoming Resources	Resources Expended	Transfers to/(from) reserves	Fund at 31 March 2020
	£	£	£	£	£
General reserves	57,664	227,449	(140,419)	53,438	198,132

Analysis of movement in restricted funds in prior year

	Balance at 1 April 2019	Incoming Resources	Resources Expended	Transfers to/(from) Reserves	Fund at 31 March 2020
	£	£	£	£	£
Ethiopia programme					
- FCDO	-	2,347,755	(2,315,597)	(32,158)	-
- Other	100,809	462,109	(458,925)	(3,184)	100,809
Malawi programme					
- FCDO	-	1,722,855	(1,713,377)	(9,478)	-
- Other	-	32,210	(31,085)	(1,125)	-
Other programmes	-	535,372	(527,879)	(7,493)	-
Total	100,809	5,100,301	(5,046,863)	(53,438)	100,809

The major donors in Ethiopia are FCDO and Boeing Foundation in respect of girls' education projects. In Malawi programmes were funded by FCDO. Other programmes were funded by FCDO and Hewlett foundation.

19 Commitments

	As at 31 March 2021 £	As at 31 March 2020 £
Commitments under non-cancellable operating leases which expire:		
Within 1 year	23,803	23,803
More than 1 year and less than 5 years	53,557	81,158
	<u>77,360</u>	<u>104,961</u>

Notes (continued)

20 Analysis of net assets between funds

	General	Restricted reserves	Funds at 31 March 2021
	£	£	£
Fixed Assets	1,553	-	1,553
Current Assets	257,584	2,485,345	2,742,929
Current Liabilities	(10,996)	(2,410,486)	(2,421,482)
Total	<u>248,141</u>	<u>74,859</u>	<u>323,000</u>

Analysis of net assets between funds in prior year

	General	Restricted reserves	Funds at 31 March 2020
	£	£	£
Fixed Assets	1,696	-	1,696
Current Assets	224,248	3,733,852	3,958,100
Current Liabilities	(27,812)	(3,633,043)	(3,660,855)
Total	<u>198,132</u>	<u>100,809</u>	<u>298,941</u>

Notes (continued)

21 Statement of Financial Activities for the year ended 31 March 2020

	Unrestricted funds	Restricted funds	Total funds 2020
	£	£	£
Income			
Donations and legacies	88,217	15,481	103,698
Income from charitable activities:			
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	136,188	5,084,820	5,221,108
Income from other trading activities	2,230	-	2,230
Investment income	714	-	714
Total income	227,449	5,100,301	5,327,750
Expenditure			
Costs of raising funds	49,057	-	49,057
Expenditure on charitable activities:			
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	91,362	5,046,863	5,138,225
Total expenditure	140,419	5,046,863	5,138,226
Net income	87,303	53,438	140,468
Transfers between funds	53,438	(53,438)	-
Net movement in funds	140,468	-	140,468
Reconciliation of funds:			
Total funds brought forward	57,664	100,809	158,473
Total funds carried forward	198,132	100,809	298,941