



LINK
EDUCATION

Report and financial statements

Year ended 31 March 2022

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Report of the directors for the year ended 31 March 2022

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.

Link's primary objective is:

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

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.

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.

ACHIEVEMENTS AND PERFORMANCE

Link's theory of change focuses on enhancing teaching and learning in schools, as well as building up life skills and promoting inclusion for the most marginalised.

We take both a top-down and bottom-up approach to transform education, supporting broad system and school-wide improvements while recognising the need for more tailored, localised support to overcome specific challenges.

Link's Theory of Change:



2021/22 at a glance:



28,629

Teachers trained



155,786

Learners supported



309

Schools and learning centres reached



57,740

Community members engaged

Operating in:



Ethiopia



Malawi



Uganda

During the year to 31st March 2022, Link's activities continued to be disrupted by the COVID-19 pandemic. In Ethiopia we broadcast safe health messaging to communities via local radio; in Malawi Link supported learning centres to reopen through provision of water and soap; and in Uganda, which globally experienced the longest school closures, we delivered government home-learning packages.

During the year, the Link board undertook a strategic review to explore options for how Link might structure itself to ensure we are in the strongest possible position to achieve success in face of the challenging global context. The board committed to invest in targeted and proactive business development including raising Link's profile and building relationships to unlock new and diversified funding sources. Key activities include:

- Curating a high quality 'profile package' including strategy paper, approach papers, principles of working and evaluation reports
- Increasing Link's visibility via conferences, networking and communications and supporting partners to do same
- Developing preferred partner group and explore consortia/ coalition viability

We also introduced a three-year integrated business planning approach across the Link family. The plan outlines our key priorities and the activities we will undertake in the period 2022-2025. We have prioritised activities which will prepare Link to achieve success within our areas of focus by ensuring we have the correct resources, infrastructure, systems and policies in place.

Following is a breakdown of some key activities:



Teacher training and leadership

Link trained teachers and learning facilitators in different country programmes on:

- Gender and inclusion responsive teaching practices
- Social Emotional Learning
- In-service training for teachers and school leaders
- School self-evaluation
- School improvement planning

"Behaviour changed after getting training from STAGES [...] the director [now] spends more time following up with teachers."

- Cluster Supervisor, Ethiopia



Learners directly supported through more equitable and inclusive access to education

In terms of direct support, cohort 1 learners in Malawi have graduated into primary school, vocational education and small business start-up. In Ethiopia Link has supported vulnerable girls with scholastic materials, bursaries, and sanitary packs.

"I have learnt a lot of new teaching techniques which has made me able to handle the disabled at last."

- Learning centre facilitator, Malawi



Improved Teaching and Learning Environments

Through our safeguarding work, all of our schools and surrounding communities are safer places to support our learners. This has been further supported through the installation of latrines and sanitation facilities in schools that reduce barriers to attendance and support learners to feel safer within the school environment. In addition, school staff and trusted adults within communities have a better awareness of child protection and the wider safeguarding mechanisms and reporting processes.



Community engagement

Our work with communities strengthens community-based structures such as School Management Committees (SMCs) and mothers' and fathers' groups, and mobilises community engagement in safeguarding, reviews of school performance, and specific campaigns aimed at gender and inclusion.

"Before the training on SMC roles and responsibilities and school performance appraisal meetings with parents, the chairperson used to just come and check on the school without a clear focus. When the term began, the chairperson SMC would come to find out how the school had started, attendance of learners and teachers, challenges of the school as they open after a long lockdown of schools and finding out about the planning and strategy for improving the school this term."

- Headteacher, Uganda



Ethiopia

The Supporting Transition of Adolescent Girls through Enhancing Systems (STAGES) project (2017-2024) is delivered by Link in partnership with the government in the Wolaita Zone of the Southern Nations Nationalities and Peoples' Region (SNNPR) in Ethiopia.

STAGES forms part of the UK's Foreign and Commonwealth Development Office (FCDO) Girls' Education Challenge Transition (GEC-T) programme – a global programme which is helping 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.

STAGES supports over 61,345 marginalised girls in 127 primary schools and 17 secondary schools in four districts. Through Link's 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. 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.

The year to 31st March 2022 was the fifth year of project delivery. Key activities included training 23,632 teachers on gender and inclusion responsive teaching practice, and leadership training for school directors and local government staff. We provide bursaries to 1,503 girls, sanitary packs to 30,925 girls and stationery items to 11,229 girls. We also reached different learners with COVID awareness messaging across our schools. Our community campaign focused on gender and inclusion reaching 46,905 community members.

"Before we received training, our way of supervision was simply criticism. But [since] we got trained, we have been involved in follow-up, evaluation and coaching and mentoring activities. That makes for good communication with school directors and teachers."

- Cluster Supervisor, Ethiopia

Since November 2020, Link has been working with Educational Development Trust to provide a technical assistance package to the 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.

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 enables 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.

"I didn't even know how to hold a pen but the teacher who was teaching us taught us everything including how to hold the pen and even how the letters are supposed to look."

- Girl, Malawi

Through our Team Girl Malawi and Comic Relief and Scottish Government funded Reaching our Goals projects, we reached up to 12,438 learners with a range of activities including literacy, numeracy and life skills classes, social emotional learning, and netball tournaments. With partners, we have conducted disability assessments and provided assistive devices to learners who need them. Our work with community members has enabled us to engage with 4,637 community members where we have supported community reflection meetings on how to support these learners. We have trained 845 learning facilitators on inclusive education practices and setting individual education plans, and supported a variety of transition pathways.

"It is good to have the teachers have the lessons so that all the disabled children should also be reached out."

- Learning centre facilitator, Malawi



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 supported:

- 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 were 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 enabled leaders to demand the resources they need.

Our interventions under STEAR II reached 6,200 community members and other stakeholders, including local leaders, parents and learners. 152 headteachers were guided on how to conduct strong school self-evaluations and mobilize resources. Communities were trained on how to monitor school improvement plans.

"It is true that the department used to do inspection but this was very comprehensive and culminated into a process that has led to the development of school improvement plans. Schools did not have school improvement plans with clear priorities and an implementation plan, but to date, every school has a plan and the issue of planning to teach, assessment of learners and teacher attendance is a cross cutting issue in many schools."

- Headteacher, Uganda

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 2022 were £3,949m (2021: £3,724m).

Resources expended for the year to 31 March 2022 were £3,805m (2021: £3,700m). Of this, £3,743m was spent on charitable objectives (2021: £3,635m).

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 £161k and £322k based on current activity levels. Our free available reserves at the end of the year were £347k which is at the upper end of our target range. We are working towards maintaining 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. International travel is beginning to return and staff are returning to the office on a hybrid

basis. Project delivery has resumed 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

Jorge Sequeira (Chair from 10/12/2021)
Alasdair Beaton (Chair until 10/12/2021)
Emma Cowan (appointed 10/12/2021)
Scott Craig
Seonaid Crosby
Elaine Graham
Susan Grant (resigned 10 Dec 2021)
Richard Santandreu
Iffat Shahnaz
Anita Wiseman
Caroline Wylie

Senior management team

Fiona Greig, Chief Executive Officer
Samantha Ross, International Programme Director

Auditors

Anderson Anderson & Brown Audit 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 17th 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 key management personnel of the charity to be the trustees, the Chief Executive Officer and the International Programme Director. The key management personnel of the charity are 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, Anderson Anderson & Brown Audit LLP, Chartered Accountants, have indicated their willingness to continue in office.

Approved by order of the board of trustees on 10th June 2022 and signed on its behalf by:



Jorge Sequeira

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 2022 on pages 17 to 33. 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 2022 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 11, 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.

Anderson Anderson & Brown Audit LLP

Natalie Boyle (Senior Statutory Auditor)
for and on behalf of Anderson Anderson & Brown Audit LLP
Statutory Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date: 1 July 2022

Statement of Financial Activities

for the year ended 31 March 2022

	<i>Note</i>	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income					
Donations and legacies	3	50,009	-	50,009	41,730
Income from charitable activities:					
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	4	30,795	3,868,422	3,899,217	3,681,586
Income from other trading activities	5	110	-	110	130
Investment income	6	36	26	62	736
Total income		80,950	3,868,448	3,949,398	3,724,182
Expenditure					
Costs of raising funds	7	47,581	14,376	61,957	64,839
Expenditure on charitable activities:					
<i>Delivery of educational programmes in Sub-Saharan Africa</i>	8	46,656	3,696,164	3,742,820	3,635,284
Total expenditure		94,237	3,710,540	3,804,777	3,700,123
Net (expenditure) / income		(13,287)	157,908	144,621	24,059
Transfers between funds		111,992	(111,992)	-	-
Net movement in funds		98,705	45,916	144,621	24,059
Reconciliation of funds:					
Total funds brought forward		248,141	74,859	323,000	298,941
Total funds carried forward		346,846	120,775	467,621	323,000

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

Balance Sheet

as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	1,553	1,553
Total fixed assets		<u>1,553</u>	<u>1,553</u>
Current assets			
Stock	15	-	251
Debtors	16	1,413,105	1,193,156
Cash at bank and in hand		1,646,314	1,549,522
Total current assets		<u>3,059,419</u>	<u>2,742,929</u>
Liabilities			
Creditors falling due within one year	17	(2,593,351)	(2,421,482)
Net current assets		<u>466,068</u>	<u>321,447</u>
Net assets		<u>467,621</u>	<u>323,000</u>
Unrestricted income funds			
Unrestricted income funds	18	346,846	248,141
Restricted income funds	18	120,775	74,859
Total charity funds		<u>467,621</u>	<u>323,000</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:



Jorge Sequeira
Chair of Board of Directors



Seonaid Crosby
Trustee

Date: 10th June 2022

Statement of Cash Flows

as at 31 March 2022

	2022	2021
	£	£
Cash generated by / (used in) operating activities	97,341	(805,285)
Cash flows from investing activities		
Interest income	62	736
Purchase of tangible fixed assets	(611)	(683)
Change in cash and cash equivalents in the year	96,792	(805,232)
Cash and cash equivalents at the beginning of the year	1,549,522	2,354,754
Total cash and cash equivalents at the end of the year	1,646,314	1,549,522
Reconciliation of net movement in funds to net cash flow from operating activities		
	2022	2021
	£	£
Net movement in funds	144,621	24,059
Investment income	(62)	(736)
Depreciation charge	611	826
Decrease in stock	251	-
Increase in debtors	(219,949)	409,939
Decrease in creditors	171,869	(1,239,373)
Net cash generated by / (used in) operating activities	97,341	(805,285)

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. Three members of staff have opted out of the workplace pension scheme and the company contributes to personal pension schemes for two of these employees. 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 9 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

	2022	2021
	£	£
Gifts	33,184	39,022
Donated services	16,825	2,708
	<u>50,009</u>	<u>41,730</u>

4 Income from charitable activities

	2022	2021
	£	£
Government grants	3,599,364	3,312,065
Trusts and foundations	299,853	369,521
	<u>3,899,217</u>	<u>3,681,586</u>

5 Income earned from other trading activities

	2022	2021
	£	£
Other	109	130
	<u>109</u>	<u>130</u>

6 Investment income

	2022	2021
	£	£
Bank interest	62	736
	<u>62</u>	<u>736</u>

7 Costs of raising funds

	2022	2021
	£	£
Staff costs	61,857	64,597
Administrative costs	100	242
	<u>61,957</u>	<u>64,839</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 £	Other countries £	Total 2022 £	Total 2021 £
Direct UK staff costs	178,153	42,289	99,632	52,943	373,017	380,419
Direct international staff costs	64,782	21,561	-	-	86,343	63,885
Monitoring and evaluation	42,174	-	120,000	-	162,174	112,000
Direct project costs	1,281,877	224,196	1,368,114	118,108	2,992,295	2,980,548
Support costs (see note 9)	35,700	6,562	36,179	3,894	82,335	72,827
Direct support	<u>1,602,686</u>	<u>294,608</u>	<u>1,623,925</u>	<u>174,945</u>	3,696,164	3,609,679
Governance costs (see note 9)					46,656	25,605
					<u>3,742,820</u>	<u>3,635,284</u>
Year to 31 March 2021						
Direct support	<u>1,567,797</u>	<u>362,353</u>	<u>1,463,286</u>	<u>216,243</u>		3,609,679
Governance						<u>25,605</u>
						<u>3,635,284</u>

Expenditure on charitable activities was £3,742,820 (year to 31 March 2021: £3,635,284) of which £3,686,164 was restricted (year to 31 March 2021: £3,609,679) and £46,656 was unrestricted (year to 31 March 2021: £25,605).

Notes (continued)

9 Analysis of general support and governance costs

Year to 31 March 2022	General support £	Governance £	Total £
Salaries, wages and related costs	30,907	13,218	44,125
General office	19,332	-	19,332
Premises	23,643	-	23,643
ICT	8,453	-	8,453
Audit fees	-	12,000	12,033
Legal and other professional fees	-	21,438	21,405
	<u>82,335</u>	<u>46,656</u>	<u>128,991</u>
Year to 31 March 2021	<u>72,827</u>	<u>25,605</u>	<u>98,432</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:	2022 £	2021 £
Operating leases – equipment	1,003	1,003
Depreciation	611	826
Auditor’s remuneration: Audit fees (net of VAT)	<u>10,000</u>	<u>8,500</u>

Notes (continued)**11 Analysis of staff costs and the cost of key management personnel**

	2022	2021
	£	£
Salaries and wages	460,734	475,310
Social security costs	35,858	37,846
Pension costs	36,628	39,241
	<u>533,220</u>	<u>552,397</u>

No employees had employee benefits in excess of £60,000 (2021: none).

The charity trustees were neither paid nor in receipt of any other benefits from employment with the charity (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £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 2021: £116,193).

12 Staff numbers

The average monthly head count was 11 staff (2021: 12 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2022	2021
	Number	Number
Direct charitable UK staff	7	7
Direct charitable overseas staff	1	1
Administration	1	2
Fundraising and publicity	2	2
	<u>11</u>	<u>12</u>

Notes (continued)

13 Related party transactions

	Year to 31 March 2022	Year to 31 March 2021
Amount transferred and expensed	£	£
LCD Ethiopia	1,476,504	1,457,537
LCD Malawi	635,455	719,797
LCD Uganda	98,938	83,409
LCD Rwanda	107,626	16,550
	<u>2,318,523</u>	<u>2,277,293</u>
At the balance sheet date the following amounts were from related parties:		
	2022	2021
	£	£
LCD Scotland	1,075	526
LCD Malawi	29,458	-
	<u> </u>	<u> </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 £16,825 evaluated at their normal charge out rates (year to 31 March 2021: £2,708).

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 £5,333 (year to 31 March 2021: £2,718). There was £nil due to Momentum Ltd at 31 March 2022 (2021: £nil)

Notes (continued)

14 Tangible fixed assets

	Plant and machinery	Vehicles	2022 Total
	£	£	£
Cost:			
At 1 April 2021	42,529	72,136	114,665
Additions at cost	611	-	611
Disposals	(28,087)	-	(28,087)
At 31 March 2022	<u>15,053</u>	<u>72,136</u>	<u>87,189</u>
Depreciation:			
At 1 April 2021	40,976	72,136	113,112
Charge for period	611	-	611
Depreciation on disposals	(28,087)	-	(28,087)
At 31 March 2022	<u>13,500</u>	<u>72,136</u>	<u>85,636</u>
Net book value:			
At 31 March 2022	<u>1,553</u>	-	<u>1,553</u>
At 31 March 2021	<u>1,553</u>	-	<u>1,553</u>

15 Stock

	2022 £	2021 £
Merchandising and promotional materials	<u>-</u>	<u>251</u>

16 Debtors

	2022 £	2021 £
Accrued income	713,665	619,576
Other debtors	699,440	573,580
	<u>1,413,105</u>	<u>1,193,156</u>

Notes (continued)**17 Creditors: Amounts falling due within one year**

	2022	2021
	£	£
Deferred income	95,010	187,261
Other creditors	2,498,341	2,223,225
Taxation and social security	-	10,996
	<u>2,593,351</u>	<u>2,421,482</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.

	2022	2021
	£	£
Opening deferred income	187,261	207,940
Project income received during year	172,377	161,311
Element spent during year	(205,950)	(181,990)
Transferred to unrestricted reserves	(14,034)	-
Transferred to restricted reserves	(45,916)	-
Exchange gain	1,272	-
	<u>95,010</u>	<u>187,261</u>

Notes (continued)

18 Analysis of charitable funds

Analysis of movement in unrestricted funds

	Balance at 1 April 2021	Incoming Resources	Resources Expended	Transfers to/(from) reserves	Fund at 31 March 2022
	£	£	£	£	£
General reserves	248,141	80,950	(94,237)	111,992	346,846

Analysis of movement in restricted funds

	Balance at 1 April 2021	Incoming Resources	Resources Expended	Transfers to/(from) Reserves	Fund at 31 March 2022
	£	£	£	£	£
Ethiopia programme					
- FCDO	-	1,653,639	(1,602,686)	(50,953)	-
- Other	74,859	329,145	(294,608)	(34,537)	74,859
Malawi programme					
- FCDO	-	1,614,154	(1,623,925)	9,771	-
Other programmes	-	257,134	(174,945)	(36,273)	45,916
Fundraising costs					
- Hewlett Foundation	-	14,376	(14,376)	-	-
Total	74,859	3,868,448	(3,710,540)	(111,992)	120,775

The major donors in Ethiopia are FCDO and Boeing Foundation. In Malawi programmes were funded by FCDO. Other programmes were funded by Hewlett Foundation.

Notes (continued)

18 Analysis of charitable funds (continued)

Analysis of movement in unrestricted funds in prior year

	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 in prior year

	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 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 2022 £	As at 31 March 2021 £
Commitments under non-cancellable operating leases which expire:		
Within 1 year	23,803	23,803
More than 1 year and less than 5 years	29,754	53,557
	<u>53,557</u>	<u>77,360</u>

Notes (continued)

20 Analysis of net assets between funds

	General	Restricted reserves	Funds at 31 March 2022
	£	£	£
Fixed Assets	1,553	-	1,553
Current Assets	398,248	2,661,171	3,059,419
Current Liabilities	(52,955)	(2,540,396)	(2,593,351)
Total	<u>346,846</u>	<u>120,775</u>	<u>467,621</u>

Analysis of net assets between funds in prior year

	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>

Notes (continued)

21 Statement of Financial Activities for the year ended 31 March 2021

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