

**EDUCAID SIERRA LEONE**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE PERIOD ENDED 31ST AUGUST 2016**

**Charity No: 1163161**

# **EDUCAID SIERRA LEONE**

## **CONTENTS**

	<b>Page</b>
<b>Trustees' Report</b>	<b>2 – 9</b>
<b>Independent Auditor's Report</b>	<b>10 – 11</b>
<b>Statement of Financial Activities</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Statement of Cash Flows</b>	<b>14</b>
<b>Notes to the Accounts</b>	<b>15 – 22</b>

# **EDUCAID SIERRA LEONE**

## **TRUSTEES' REPORT (Cont/d)**

### **FOR THE PERIOD ENDED 31ST AUGUST 2016**

The trustees present their annual report and financial statements of the charity for the period ended 31st August 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2015).

EducAid Sierra Leone was incorporated as a charitable Incorporated organisation (CIO) on 17 August 2015 and commenced operations on 1 January 2016 by means of a transfer of net assets and reserves from its predecessor charity (1048012) which operated with the same name but as a company limited by guarantee and a registered charity. The trustees of the previous entity took up appointment as trustees of the new entity (1163161).

As an educational institution, EducAid historically had a 31 August year end. In order to allow for an orderly transfer of assets and liabilities to the new entity the accounting period of the old entity was extended to 31 December 2015. Following transfer the trustees elected to continue with a 31 August year end and so the first period of account comprises operations for the 8 months from 1 January to 31 August 2016. From 1 September 2016 the annual accounts will again report for periods of account of 12 months to 31 August the following year.

#### **OUR PURPOSE AND ACTIVITIES**

The objects of the charity are to advance the education of persons living and studying in Sierra Leone.

Our mission is to provide high quality, holistic education among underprivileged young people. We believe that the education of young men and women is essential to unlocking human potential, overcoming poverty, improving wellbeing and building democracy – in other words education is the cornerstone of stable development.

Our vision is of a democratic, dignified and prosperous Sierra Leone where poverty is eliminated by educated citizens who are able to develop their personal, social and economic wellbeing.

We advance this vision by means of four main strategies:

#### **1. Running schools offering free education to students**

In the period under review the charity operated 10 schools in Sierra Leone offering education at junior, junior secondary and senior secondary levels to over 3,000 pupils who otherwise would almost certainly receive no formal education, being unable to afford the fees demanded by other schools. Our fee is non-monetary: students must pay excellent attention, excellent attendance and excellent effort and in return we will support them to the highest level of attainment they can achieve.

EducAid's innovative learning system gives students a framework within which to undertake the management of their own learning. Our classes provide course outlines, topic fundamentals, and core learning materials. With these, students are armed with the information needed to learn the course independently. This system forces students to engage critically in course subjects rather than regurgitating facts written on a blackboard.

#### **2. Post-secondary support**

For students achieving the highest levels of attainment we offer continued support through university, including the payment of course and accommodation fees and also food, transport and other living costs, enabling them to continue their education up to and including entry to professions. We also offer tertiary-level courses in Development Studies & Leadership, partnered with the University of Makeni. Finally, we have developed an alumni network to help us deliver better programmes and provide increased support to our school leavers following them into the world of tertiary education or work. The first meeting of the network took place at the beginning of 2016 and continues to grow as we reach out to our former students.

#### **3. Training teachers: the Quality Enhancement Programme (QEP)**

In Sierra Leone it is not only access to education that poses a problem. Only around 40% of the teachers are trained and qualified and the prevailing culture amongst all teachers – qualified and unqualified – is essentially to deliver education by rote learning. The QEP programme seeks to address these issues by offering teacher training courses to raise the quality of teaching in government and community schools and we are currently working with more than 70 schools in total. Our target is to reach 7,500 teachers directly and through them 250,000 students indirectly ie up to 15% of the school population of Sierra Leone.

# EDUCAID SIERRA LEONE

## TRUSTEES' REPORT (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

#### 4. Women's programmes

Like many other African countries, Sierra Leone is still a deeply conservative and largely patriarchal society where female education beyond a basic level is unusual as girls fall out of education to help out in the home and ultimately to marry male breadwinners, often while still in their mid-teens. As an example of the problems faced, Sierra Leone has one of the highest – if not the highest – level of FGM (female genital mutilation) in Africa and therefore the world.

Within the women's programme we offer a project offering accelerated learning targeting girls who may have previously missed out on schooling in order to integrate them into regular school classes. We also offer a girls' safe house which provides a safe place for girls to live and study.

#### Our volunteers

EducAid Sierra Leone accepts 2-3 volunteers per annum to assist the programmes in Sierra Leone, usually with educational activities or advice. Typically, volunteers travel to Sierra Leone for 4-12 week periods. UK-based volunteers, which usually number 1-2 per annum part-time, are involved in some executive roles but in general are engaged in fundraising activities. Volunteers are run through a vetting, assessment, approval and educational process before travelling to Sierra Leone. In 2016 the CEO, Mr Adrian Carr, was a volunteer, and all the Trustees offer their time on a voluntary basis.

#### Achievements and Performance

EducAid Sierra Leone provided free education, food and shelter (when needed) to over 3,000 under-privileged young Sierra Leoneans through the period to 31<sup>st</sup> August 2016. We expanded a teacher training programme into 70 schools. Tertiary education provision flourished, with a cohort of students gaining a Development and Leadership qualification, which was delivered in partnership with, and awarded by, the University of Makeni.

**Table 1. Progress against 2015 objectives**

Objective	Delivered	Notes
<i>Equality Program</i>	In progress	<p>In 2016 we intended to:</p> <ol style="list-style-type: none"><li>1. Recruit 10 strong new women from Restless Development's list of former volunteers</li><li>2. Undertake termly whole school pro-equality days on each site</li><li>3. Restart women's weekends and newsletters which stopped during the Ebola crisis due to bans on gatherings</li><li>4. Conduct resilience activities with female students and staff</li></ol> <p>Sustainable solutions for addressing gender inequality in education have proven challenging and we have not found a suitably qualified group of women to teach at secondary level, with one exception. New female staff were recruited at junior level, and a team in Maronka have started a working group to address equality issues across the programme. They have restarted the newsletter and meetings, and are working with female staff on other sites to redesign an Equality programme.</p>
<i>Tertiary education</i>	✓	The first cohort of students completed the two-year course in leadership, run in partnership with and certified by the University of Makeni.
<i>Enterprise project</i>	In progress	Implementation is expected in the academic year 2017-18.
<i>Staff &amp; student literacy</i>	In progress	A new Literacy Coordinator has been appointed and all literacy and English language materials are being reviewed and renewed. Staff have undertaken an English Language exam to identify those needing additional support.
<i>After Ebola programs</i>	✓	Orphan Care and Quarantine Centre closed and Remote Learning Materials completed.

# EDUCAID SIERRA LEONE

## TRUSTEES' REPORT (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

Objective	Delivered	Notes
<i>Restructure staff and pay</i>	✓	Staff handbook for all administrative and teaching staff, includes roles, responsibilities and job descriptions. Employment contracts in place in country.
<i>Implementation of Quality Enhancement Programme</i>	✓	The programme, which is 55% funded by the EU, was launched in April 2015 and now operates in 70 schools. The programme supports the professional development of teachers focussing on: girl-friendly strategies, positive behaviour management, thinking and active teaching methods, independent learning strategies, accurate subject content, and values-led teaching. Successes over 2016 have been the abolition of corporal punishment and the promotion of girls to positions of leadership within the schools.
<i>Governance</i>	✓	Engagement of Bates Wells Braithwaite LLP to advise on optimal governance structures in UK and SL and to implement a new governance structure that better serves the needs and charitable purpose of the organisation.
<i>Improve opportunities at tertiary level</i>	✓	A strategy document for supporting tertiary students was developed and in 2015 the first students enrolled in the tertiary programme of leadership that we deliver in partnership with the University of Makeni. Despite the profound disruption to the academic year due to the Ebola crisis during the first year of study, the first cohort of 40 participants, which included EducAid staff, members of the Sierra Leone Police, and other NGO workers, completed their first year of study.
<i>To develop an environmental policy that is green and promotes efficient use of resources</i>	In progress	In an initial scoping exercise, we anticipate working with Engineers Without Borders to assess use of energy, sanitation, and water across the programme. This work-stream was delayed by the Ebola crisis.
<i>Recruit patron(s)</i>	In progress	Roles and responsibilities of patrons agreed.

There have been a number of other notable achievements in 2016 including:

- Make it Happen (MIH) built schools in the Tene Chiefdom, Tonkolili District, Northern Province and with the support of EducAid, recruited 27 teachers to start working in them. In 2014 MIH gifted the schools to EducAid. The schools - Mathele Bana Primary, Mafoimba Primary, Masorie Kargo Primary, and Makaragube Primary are collectively known as the "4Ms." In partnership with MIH we extended the programme to two new schools in 2015: Pate Bana Marank and Mathele Bana Junior Secondary. MIH remains one of our major partners and supporters and contributes £100,000 in unrestricted grants annually.
- Internal and external communications were transformed over 2016. A weekly operations call is central to communications. With the principle of "if it's not mentioned and in the minutes of the call, it doesn't exist", the number of miscommunications has rapidly reduced. The call has also fostered higher levels of respect for each other and each other's work. The Google Drive is now the central repository of all EducAid information, our website has been re-launched, and our communications with donors made less *ad hoc*.
- In 2016 we focussed on implementing monitoring and evaluation (M&E) processes to help drive improvements in performance and results, and facilitating evaluation of outcomes and impact. Specifically, we established better systems for supporting operational intelligence about **management** (stock and cash management, HR performance, SL compliance, administrative functions, and student and staff numbers) and **M&E** (student enrolment and attendance, academic performance, behavioral records, site reports and community meetings).

**EDUCAID SIERRA LEONE**  
**TRUSTEES' REPORT (Cont/d)**  
**FOR THE PERIOD ENDED 31ST AUGUST 2016**

### **Fundraising**

EducAid Sierra Leone has steadily diversified its funding base to 28% trusts and foundations, 35% individuals and 35% supra-nationals (namely the EU). There was a like-for-like fundraising increase of 45% in 2016, compared with 2014-15. Major initiatives were:

- A fundraising strategy was developed
- New relationships have been built (Stanton House, Marr-Munning Trust)
- A showcase event was held, with several attendees new to EducAid.

EducAid spends 5% of income on fund-raising.

There were some challenges: a committed volunteer left; the #GivingTuesday campaign raised £1.5k against a forecast of £12k, and we were under target in attracting new community donors.

### **Public benefit statement**

In shaping our objectives for the period and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2). The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

### **FINANCIAL REVIEW**

The Statement of Financial Activities shows a net surplus of £346,376 for the period resulting in reserves standing at £346,376 at 31st August 2016. This surplus / reserves figure includes £134,133 of donated reserves from the old entity to the new CIO.

EducAid has operated for many years with funding from a diverse range of income sources including grants from trusts & foundations and donations from private individuals, community groups, churches and corporate entities.

The bulk of the grant income received is restricted and aimed at supporting the activities of the charity in Sierra Leone. Accordingly, it is allocated to those activities. The bulk of the donations received are unrestricted and are used both in support of the activities covered by the restricted funding but also to fund a small team based in London whose job is to manage the UK-facing back-office function and also the UK fundraising effort.

In April 2015, the charity was successful in obtaining a grant from the European Union of €720,000 over 4 years to fund:

- new buildings in Maronka and Rolal
- solar installations in Maronka, Rolal and Lumley
- an expansion of the QEP programme to enable us to increase the level and quality of our outreach work
- infrastructure support to enable us to recruit our first ever qualified accountant in-country and also provide much-needed investment in IT and vehicle upgrades.

Construction work on the new buildings and solar installations was commenced in September 2015 and was largely completed by the end of the period under review.

### **Principal Funding Sources**

The income sources during the period under review were:

	£
European Union	264,801
Donations	258,025
Transfer of net assets from old entity	134,133
Make it Happen	100,000
Other Trusts, Foundations & Institutions	107,687
Other Income	17,141
 Totals	 <u><u>881,787</u></u>

# EDUCAID SIERRA LEONE

## TRUSTEES' REPORT (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

Income for the period, including the purpose for which received, is further analysed in notes 2 and 3 of the accounts.

#### Investment powers and policy

Under the terms of the Constitution, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that cash deposits meet their requirements to hold monies for future expenditure.

#### Reserves policy

The trustees consider it prudent to maintain an adequate balance of unrestricted funds to cover the Charity's contractual commitments and ideally would like these to be at a minimum level of between 3 and 6 months' average unrestricted expenditure.

The Directors consider that the Charity's reserves will enhance the services provided and provide financial security for the future. The reserves held in unrestricted funds, which have not been designated or invested in fixed assets, at the 31st August 2016 were £116,653.

#### FUTURE ACTIVITIES

The Trustees and executive team have agreed the following aims and objectives for the future, aligned to the 4 strategies listed page 2-3:

1. **Running schools.** Identify a citizenship index for students; strengthen focus on Vision, Values, Every Voice Counts (EVC) and Shared Leadership approaches; road map of how to get to a 95% pass rate in public exams; standardised staff training and requirement to produce teaching portfolios; explore partnerships with Rising Academies and Teach First; renewal and re-intensification of student orientation at each stage; design new primary materials; review secondary learning materials; reinforce all strategies for operational intelligence.
2. **Quality Enhancement Programme (QEP)/Teacher Training.** Collect impact data from 2016-17 QEP participants and programmes; certification of all schools and teachers compliant with agreed targets; leverage current programme with new opportunities; extend range of and current QEP relationships; EducAid recognition in QEP-related results and partnerships; collate Impact metrics.
3. **Post Secondary (PSS).** A second EducAid Alumni Conference (October 2016); linking actively for further guidance with Future First Global; enhanced sponsorship opportunities/tertiary funds; explore relationships to support students (L'Appel, University of Makeni, etc.); establish guidelines for sponsorship arrangements; develop EducAid's Leadership & Management course into an official degree course; begin development of a new enterprise initiative to launch sustainable businesses ("EducEnt").
4. **Equality.** Establish Staff and Student Equality Representatives in each site; train QEP teachers and our own teachers on Girls Power Group (GPG) and White Ribbon Campaign work; site visits to monitor equality content of the programme; design Women's Project materials; train all staff on gender-friendly education strategies and engage all students in learning activities that promote gender equality; organise a thematic workshop with 5 girls and 2 staff members from each site; establish a calendar of key events to focus awareness: Female Genital Mutilation Zero Tolerance Day, International Women's Day.
5. **Monitoring and Evaluation.** In 2016 we focussed on implementing monitoring and evaluation (M&E) processes to help drive improvements in performance and results, and to facilitate evaluation of outcomes and impact. Specifically, we established robust systems for supporting operational intelligence about **management** (stock and cash management, HR performance, SL compliance, administrative functions, and student and staff numbers) and the **education programme** (student enrolment and attendance, academic performance, behavioral records, site reports and community meetings). We intend to use this data to build longitudinal models of performance indicators.

# **EDUCAID SIERRA LEONE**

## **TRUSTEES' REPORT (Cont/d)**

### **FOR THE PERIOD ENDED 31ST AUGUST 2016**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity was registered with the Charity Commissioners on 17 August 2015 under charity number 1163161 as a charitable incorporated organisation.

The Governing document sets out the objects and powers of the Charity and governs the actions of the Trustees.

##### **Appointment of Trustees**

The Constitution permits the Board of Trustees to appoint additional Trustees as it considers fit to do so.

##### **Trustee Induction and training**

The Trustees aspire to maintaining a good working knowledge of charity law and best practice by regular reading of charity press articles and scrutiny of Charity Commission, other Government and voluntary organisation advisory websites. New Trustees are given copies of the Governing Document and copies of previous year's minutes and attend an induction session given by an experienced Trustee.

##### **Organisation**

The Trustees of the charity meet quarterly as a Board and in addition attend an annual strategy day together with the UK staff and the Country Director for Sierra Leone in order to develop the charity's business and financial plans for the coming year.

##### **Related parties**

The Charity works closely with other similar organisations as detailed in the achievements and performance section of the Trustees Report. None of the Charity's Trustees are directors or trustees of these other organisations.

##### **Pay policy for senior staff**

As an organisation with important responsibilities towards our beneficiaries, donors, supporters, staff and the public, we recognise the importance of raising accountability and transparency in all aspects of our work.

That's why, in line with recommendations from the National Council for Voluntary Organisations' 2014 inquiry into executive pay, we are detailing our approach to pay.

To achieve our mission successfully the Board must balance two different needs: the need to ensure value for money in everything we do, including how we pay our staff; and the need to attract and retain people with the leadership, experience, knowledge and skills required to lead the transformation we are undergoing and oversee the complex, high-risk work being done in a challenging environment.

Having a competitive reward offering is one of the many ways in which we secure the very best people to deliver unprecedented levels of meaningful change to the lives of children in Sierra Leone. Aiming to maximise our impact through fair salaries for talented people is what defines our approach to pay.

##### **How pay is governed at EducAid Sierra Leone**

The Board of Trustees is responsible for defining EducAid's pay policy, and deciding on the salaries of the Chief Executive and his or her executive team, and the Country Director.

##### **Our approach to pay**

Our principles are to pay our staff a fair salary that is competitive within the charity sector, proportionate to the complexity of each role, and responsible in line with our charitable objectives. From these principles, we have defined our pay policy:

1. Ensure that pay reflects performance by rewarding strong performers the most and weaker performers the least, while supportively managing performance improvement.
2. Meet all national pay standards, and provide all paid staff with a living wage.

# EDUCAID SIERRA LEONE

## TRUSTEES' REPORT (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

EducAid adopts a number of practices through which this policy is implemented:

1. Provide larger salary increases for strong performers than for weaker performers.
2. Provide all paid staff with a salary at least in line with guidance from the Campaign for a Living Wage.

#### Risk Management

The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

In addition to the risk management strategy an operational working group meets weekly and operating risk is a key part of the weekly agenda.

#### REFERENCE AND ADMINISTRATIVE DETAILS

**Charity Number:** 1163161

#### Trustees

James Boardman – Chair  
Swithun Mason – Treasurer  
Matthew Claxton  
Rupert Eastell  
Stefan Cassar  
Wendy Tabuteau

**Senior Management Team:** Adrian Carr – Chief Executive Officer  
Miriam Mason – Country Director

**Principal Address:** Unit 6.06B, The Gridiron Building, 1 Pancras Square, London N1C 4AG

**Auditors:** Ramon Lee & Partners, Kemp House, 152/160 City Road, London EC1V 2DW

**Bankers:** Barclays Bank plc, 53, Bedford Row, Leicestershire, LE87 2BB

#### TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) observe the methods and principles in the applicable Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- (e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **EDUCAID SIERRA LEONE**

## **TRUSTEES' REPORT (Cont/d)**

### **FOR THE PERIOD ENDED 31ST AUGUST 2016**

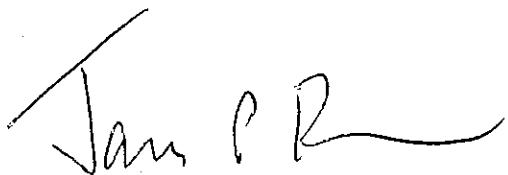
The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

#### **AUDITORS**

A resolution was proposed and agreed at the Annual General Meeting that Ramon Lee & Partners be re-appointed as auditors of the Charity for the ensuing period.

#### **APPROVAL**

This report was approved by the Board of Trustees 12<sup>th</sup> June 2017 and signed on its behalf:

A handwritten signature in black ink, appearing to read "James P R".

**James Boardman - Chair**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
EDUCAID SIERRA LEONE**

**Opinion**

We have audited the financial statements of EducAid Sierra Leone for the period ended 31<sup>st</sup> August 2016, which comprise the Statement of Financial Activities (Summary Income and Expenditure Account), the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31<sup>st</sup> August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Charities Act 2011**

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

- The information given in the trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF  
EDUCAID SIERRA LEONE**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity 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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

As explained more fully in the directors' responsibilities statements set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

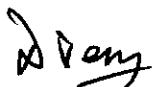
In preparing the financial statements, the trustees are responsible for assessing the charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

**Auditor's 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 an auditor's report 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

This report, including the opinions, has been prepared for and only for the Charity's Trustees as a body in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of the Charities (Accounts and Reports) Regulations 2008) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



DAVID TERRY (Senior Statutory Auditor)  
for and on behalf of RAMON LEE & PARTNERS  
CHARTERED ACCOUNTANTS  
STATUTORY AUDITOR

KEMP HOUSE  
152/160 CITY ROAD  
LONDON, EC1V 2DW

31<sup>st</sup> May 2017

# EDUCAID SIERRA LEONE

## STATEMENT OF FINANCIAL ACTIVITIES

**FOR THE PERIOD ENDED 31ST AUGUST 2016**

### **SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b>Income</b>				
Donations and legacies	2	381,658	10,500	392,158
Income from charitable activities	3	104,544	367,944	472,488
Income from other activities	4	17,141	-	17,141
<b>Total incoming resources</b>		<b>503,343</b>	<b>378,444</b>	<b>881,787</b>
<b>Expenditure</b>				
Cost of raising funds	5	18,247	18,704	36,951
Expenditure on charitable activities	5	226,902	271,558	498,460
<b>Total Expenditure</b>		<b>245,149</b>	<b>290,262</b>	<b>535,411</b>
<b>Net income/(expenditure) &amp; net movement in funds for the year</b>		<b>258,194</b>	<b>88,182</b>	<b>346,376</b>
Transfers between funds	13	(7,130)	7,130	-
<b>Total funds, carried forward</b>		<b>251,064</b>	<b>95,312</b>	<b>346,376</b>

### **CONTINUING OPERATIONS**

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

### **TOTAL RECOGNISED GAINS AND LOSSES**

The charity has no recognised gains or losses other than the above movement in funds for the above financial period.

The notes on pages 15 to 22 form part of these accounts.

**EDUCAID SIERRA LEONE**

**BALANCE SHEET AS AT 31<sup>ST</sup> AUGUST 2016**

	Notes	<u>2016</u>
		£
<b>Fixed assets</b>		
Tangible assets	10	134,410
<b>Total Fixed Assets</b>		<u>134,410</u>
<b>Current assets</b>		
Stock		529
Debtors	11	72,688
Cash at bank and in hand		197,693
<b>Total Current Assets</b>		<u>270,910</u>
<b>Liabilities</b>		
Creditors falling due within one year	12	(58,944)
<b>Net Current Liabilities</b>		<u>211,966</u>
<b>Net assets</b>		<u>346,376</u>
<b>The funds of the charity:</b>		
Unrestricted funds	13	251,064
Restricted funds	13	95,312
<b>Total charity funds</b>		<u>346,376</u>

These accounts were approved by the Board of Trustees on 31<sup>st</sup> May 2017 and were signed on its behalf by:

..... James Boardman - Chair

..... Swithun Mason - Treasurer

**Charity Registration No 1163161**

The notes on pages 15 to 22 form part of these accounts.

**EDUCAID SIERRA LEONE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31ST AUGUST 2016**

	Notes	2016 £
<b>Cash used in operating activities</b>	<b>17</b>	<b><u>332,103</u></b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(134,410)
<b>Cash provided by / (used in) investing activities</b>		<b><u>(134,410)</u></b>
Increase / (decrease) in cash & cash equivalents in the period		<b><u>197,693</u></b>
Cash & cash equivalents at the beginning of the period		-
<b>Total cash &amp; cash equivalents at the end of the period</b>		<b><u>197,693</u></b>

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 31ST AUGUST 2016

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015 – Charity SORP (FRS 102). The Charity has opted to early adapt the Charity SORP (FRS 102).

EducAid Sierra Leone meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

##### 1.2 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net income of £346,376 for the period and free reserves of £116,653. The trustees are of the view that these results have secured the future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

##### 1.3 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- (a) Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (c) Grants and donations of general nature which are not conditional on delivering certain levels of service are included as part of Grants, Donations and Legacies as shown under note 2. Performance related grants and donations which have conditions for a specific outcome are include as Income from Charitable Activities as shown in Note 3.
- (d) Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Deprecation on the related fixed assets is charged against the relevant fund.
- (e) Investment income is included when receivable.

##### 1.4 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of ambassadors is not.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No such donations were received during the period.

##### 1.5 Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, It is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Cost of raising funds comprises the cost of seeking donations and legacies by holding fundraising events, creating marketing materials and maintaining a website and social media presence to ensure our supporters are kept abreast of our work, and other fundraising activities and their associated support costs.
- (b) Expenditure on charitable activities includes the costs directly associated with furthering the purposes of the Charity and associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

#### 1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 6.

#### 1.7 Funds structure

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the Charity at the discretion of the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

#### 1.8 Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £5,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	not depreciated.
Freehold buildings	-	Over 15 years on a straight-line basis.
Solar installations	-	Over 5 years on a straight-line basis.

#### 1.9 Stock

Stock is shown at the lower of cost and net realisable value. Stock consists of food.

#### 1.10 Cash at bank and In hand

Cash at bank and in hand includes cash and short term cash deposits.

#### 1.11 Creditors and provisions

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

#### 1.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### 1.13 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

#### 1.14 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### 1.15 Judgement and key sources of estimation uncertainty

In the application of the company's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

#### **2. DONATIONS AND LEGACIES**

	<b>Unrestricted Funds</b> £	<b>Restricted Funds</b> £	<b>2016</b> £
Donations	247,525	10,500	258,025
Transfer from predecessor	134,133	-	134,133
	<b>381,658</b>	<b>10,500</b>	<b>392,158</b>

The transfer from predecessor represents the reserves and net assets of the previous charity with the same name transferred on 1<sup>st</sup> January 2016.

#### **3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds</b> £	<b>Restricted Funds</b> £	<b>2016</b> £
Grants and Contract Income			
European Union	-	264,801	264,801
Make it Happen	100,000	-	100,000
Trusthouse	-	30,000	30,000
A Call to Business	-	17,500	17,500
World of Children	-	17,431	17,431
Souter Charitable Trust	-	12,000	12,000
Steve Sinnott Foundation	-	9,214	9,214
Cambridge University	-	8,375	8,375
Fonde for Uddin	-	5,206	5,206
Advocaid	4,544	-	4,544
Other	-	1,842	1,842
The Cook Foundation	-	1,575	1,575
	<b>104,544</b>	<b>367,944</b>	<b>472,488</b>

#### **4. INCOME FROM OTHER ACTIVITIES**

	<b>Unrestricted Funds</b> £	<b>Restricted Funds</b> £	<b>2016</b> £
Fundraising events	950	-	950
Gain on Exchange	16,191	-	16,191
	<b>17,141</b>	<b>-</b>	<b>17,141</b>

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

#### 5. ANALYSIS OF EXPENDITURE

	Running Schools £	QEP £	Post Secondary Strategy £	Women's & Other Projects £	2016 £
<b>Restricted Funds</b>					
Staff salaries & other costs	38,283	136,357	7,816	5,868	188,324
Other direct costs	29,598	17,240	6,043	4,537	57,418
Costs of raising funds (Note 6)	3,802	13,543	776	583	18,704
Support costs (Note 6)	2,737	9,749	559	419	13,464
Govenance costs (Note 6)	2,511	8,944	512	385	12,352
	<b>76,931</b>	<b>185,833</b>	<b>15,706</b>	<b>11,792</b>	<b>290,262</b>
<b>Unrestricted Funds</b>					
Staff salaries & other costs	-	-	-	-	-
Other direct costs	176,089	-	25,627	-	201,716
Costs of raising funds (Note 6)	15,929	-	2,318	-	18,247
Support costs (Note 6)	11,466	-	1,669	-	13,135
Govenance costs (Note 6)	10,520	-	1,531	-	12,051
	<b>214,004</b>	<b>-</b>	<b>31,145</b>	<b>-</b>	<b>245,149</b>
<b>Total costs</b>	<b>290,935</b>	<b>185,833</b>	<b>46,851</b>	<b>11,792</b>	<b>535,411</b>

#### 6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

Total costs of raising funds are included with general support and governance costs for the purposes of allocating costs to projects. Fundraising, support and governance costs are allocated on the basis of usage by programme / fund.

	Fundraising £	General support £	Governance Function £	2016 £
Staff costs	22,261	20,004	-	42,265
Other support costs	340	6,595	-	6,935
Fundraising expenditure	14,350	-	-	14,350
Legal & professional fees	-	-	18,403	18,403
Audit fees	-	-	6,000	6,000
	<b>36,951</b>	<b>26,599</b>	<b>24,403</b>	<b>87,953</b>

#### 7. NET INCOME / (EXPENDITURE) FOR THE PERIOD

Net movement in funds is stated after charging:

	2016 £
Audit fees	<u>6,000</u>

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

**8. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL**

	2016 £
Wages and salaries	177,413
Social security costs	2,795
	<u>180,208</u>

No employee received remuneration in excess of £60,000 during the period. None of the Trustees received any remuneration during the period and no expenses were reimbursed to trustees.

The key management personnel of the charity comprise the UK Chief Executive and the Country Director, Sierra Leone. The total employee remuneration of the key management personnel in the 8 months was £26,665.

**9. STAFF NUMBERS**

The average monthly number of staff employed by the charity during the period was as follows:

	2016 Number
Executive	2
Teaching Staff	147
Administration and support	26
Total	<u>175</u>

**10. TANGIBLE FIXED ASSETS**

GROUP	2016 £
<b>NET BOOK VALUES</b>	
Freehold buildings	94,809
Fixtures, fittings & Equipment	39,601
<u>134,410</u>	

**MOVEMENTS IN YEAR**

<u>Cost or valuation</u>	Opening Balances	Additions	Disposals	Closing Balances
	£	£	£	£
Freehold buildings	-	94,809	-	94,809
Fixtures, fittings & Equipment	-	39,601	-	39,601
	<u>-</u>	<u>134,410</u>	<u>-</u>	<u>134,410</u>

<u>Depreciation</u>	Opening Balances	Charge For Year	Disposals	Closing Balances
	£	£	£	£
Freehold buildings	-	-	-	-
Fixtures, fittings & Equipment	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

New buildings in Maronka and Rolal and solar installations in Maronka, Rolal and Lumley, were constructed during the year and brought into use at the year end. There is, therefore, no depreciation charge in the period of account and depreciation commenced being charged from 1st September 2016.

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

#### 11. DEBTORS

	2016 £
Accrued income	43,843
Other debtors and prepayments	28,845
	<u>72,688</u>

#### 12. CREDITORS FALLING DUE WITHIN ONE YEAR

	2016 £
Other creditors	24,153
Deferred Income (Note 15)	28,791
Accruals	6,000
	<u>58,944</u>

#### 13. ANALYSIS OF CHARITABLE FUNDS

	Balance as at 01.01.16 £	Income £	Expenditure £	Transfers between funds £	Balance as at 31.08.16 £
<b>Restricted funds:</b>					
European Union	-	264,801	(176,619)	-	88,182
Trusthouse	-	30,000	(30,000)	-	-
A Call to Business	-	17,500	(17,500)	-	-
World of Children	-	17,431	(17,431)	-	-
Souter Charitable Trust	-	12,000	(12,000)	-	-
Restricted donations	-	10,500	(10,500)	-	-
Steve Sinnott Foundation	-	9,214	(9,214)	-	-
University of Cambridge	-	8,375	(8,375)	-	-
Fonden for Uddin	-	5,206	(5,206)	-	-
Other	-	1,842	(1,842)	-	-
Band Aid	-	-	-	7,130	7,130
The Cook Foundation	-	1,575	(1,575)	-	-
	<u>-</u>	<u>378,444</u>	<u>(290,262)</u>	<u>7,130</u>	<u>95,312</u>
<b>Unrestricted funds:</b>					
General funds	134,133	369,210	(245,149)	(7,130)	251,064
	<u>134,133</u>	<u>747,654</u>	<u>(535,411)</u>	<u>-</u>	<u>346,376</u>

A Band Aid grant treated as income in 2015 had expenditure still to be incurred against it as at 31st August 2016 and accordingly a transfer from unrestricted to restricted reserves was carried out at the year end to cover the shortfall.

#### Description, nature and purpose of funds:

##### Restricted Funds:

**European Union** – This is a grant of EUR 720,000 over 4 years commencing April 2015 to assist the QEP programme by means capital expenditure on buildings and solar installations, infrastructure support to increase programme and back office personnel, investment in IT and vehicles and an increase in teacher training support and interventions.

# EDUCAID SIERRA LEONE

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE PERIOD ENDED 31ST AUGUST 2016

**Trusthouse** – The Trusthouse grant was made with the specific purpose of funding the education of 130 children at the Mathele Bana School over a one year period. This includes all activities and costs relating to the provision of the children's education including, but not limited to, teacher's salaries and food costs.

**A Call to Business** – This grant was designed to fund the running of Rogbere School.

**World of Children** – World of Children monies were advanced in support of the running costs of Pate Bana Marank school in the wake of the Ebola epidemic when this specific area was devastated. The World of Children covers all costs associated with this school.

**Souter Charitable Trust** – This grant was made to fund the running of the Maronka School which specifically included the integration of 57 new children into the school and the costs associated with this.

**Restricted Donations** – Donations were made by a number of individuals towards the higher education of a number of EducAid alumni:

**Steve Sinnott Foundation** – This grant was made in support of the QEP programme, which included costs associated with 12 Sierra Leonean teachers visiting the UK for training and development both in a professional and a personal capacity, with the follow up training to take place in Sierra Leone.

**University of Cambridge** – EducAid partnered with the University of Cambridge on a project for the Wellcome Trust with Ian Goodfellow and Lucy Thorne. The University provided funds to cover the costs of science activities undertaken by EducAid students in addition to doing essential work during and after the Ebola outbreak. Two EducAid science staff from Pate Bana Marank worked on an outreach programme based out of the lab at the University of Makeni.

**Fonden for Uddin** – This was a donation made specifically for the purposes of assisting with the university education of our post-secondary alumni.

**The Cook Foundation** – This grant paid for mobile and MIFI equipment in country to facilitate better communications and data transfer between what are often otherwise isolated communities.

#### General funds:

General fund represents funds available to spend at the discretion of the Trustees after allowing for any the designated funds.

#### 14. ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	134,410	-	134,410
Net current assets	175,597	95,313	270,910
Net current liabilities	(58,944)	-	(58,944)
	<hr/> <hr/> 251,063	<hr/> <hr/> 95,313	<hr/> <hr/> 346,376

# **EDUCAID SIERRA LEONE**

## **NOTES TO THE ACCOUNTS (Cont/d)**

### **FOR THE PERIOD ENDED 31ST AUGUST 2016**

#### **15. DEFERRED INCOME**

	<b>2016</b>
	£
Balance as at 1st January 2016	
Amount deferred in the year	28,791
 Balance as at 31st August 2016	 <hr/> <b>28,791</b>

The deferred income relates to income received from the Funding Network (£19,541) and the British & Foreign Schools Society (£9,250) before the year end for programmes to be undertaken after the year end.

#### **16. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period.

#### **17. RECONCILIATION ON NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2016</b>
	£
Net movement in funds	346,376
Decrease / (increase) in stock	(529)
Decrease / (increase) in debtors	(72,688)
Increase / (decrease) in creditors	58,944
 <b>Net cash used in operating activities</b>	 <hr/> <b>332,103</b>

