

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)**  
**(a Company Limited by Guarantee)**

**REPORT AND AUDITED ACCOUNTS**

**YEAR ENDED 31 JANUARY 2017**

**Company number: 06552715**

**Charity number: 1126550**

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**I N D E X**

**Year ended 31 January 2017**

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**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**G E N E R A L   I N F O R M A T I O N**

**Year ended 31 January 2017**

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<b>Registered address</b>	7-14 Great Dover Street London SE1 4YR
<b>Auditors</b>	Dixon Wilson 22 Chancery Lane London WC2A 1LS
<b>Bankers</b>	Barclays Bank 2 Victoria Street London SW1H 0ND
<b>Lawyers</b>	Hogan Lovells 50 Holborn Viaduct London EC1A 2FG
<b>Management consultants</b>	Oliver Wyman 55 Baker Street London W1U 8EW
<b>Accountants</b>	Accounting Solutions for Charities 22 Bramshill Gardens London NW5 1JH
<b>Trustees and directors</b>	Catherine Brien Rhys Pullen (resigned 24 March 2017) Sharon Ring Matthew Goldie-Scott Frederic Nze (resigned 9 March 2016) Dr Robin Horn (appointed 24 March 2017) Erica Claire Stuart (appointed 24 March 2017)
<b>Company secretary</b>	John Rendel (appointed 11 May 2016) Jennifer Groot (appointed 13 January 2017) Mike Paul Saxton (resigned 13 January 2017)
<b>Company number</b>	6552715
<b>Charity number</b>	1126550

## PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

### STRATEGIC REPORT

Year ended 31 January 2017

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The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 January 2017, in compliance with S414C of the Companies Act 2006.

#### Fair review of the business

2016/17 was an exceptional year for PEAS in which external evaluations of our work have provided strong evidence of our impact.

PEAS' growth through 2016 is being driven by our increasing ability to communicate just how much impact every donation to PEAS is generating.

Five key statistics that indicate PEAS' progress in 2016 are:

- PEAS students account for 1% of all secondary school students in Uganda.
- 60% of PEAS students are from families in the lowest two wealth quintiles in Uganda.
- PEAS schools benefitting from our full package of support and supervision are in the top 10% of secondary schools in Uganda.
- An increase in hourly wage of 158% on average for someone with a secondary education.
- 95% of Ugandan school network costs are funded by local secondary school revenues.

#### Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

- a quarterly review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems, and procedures to mitigate those risks identified in the reviews; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability, as evidenced in the unrestricted funds balance, is the major financial risk for both the charity and its subsidiaries. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital for the charity and its subsidiaries.

#### Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the charity's liquidity reserve based on expected cash flow.

The strategic report was approved by the trustees of the Charity on 6 Oct 2017 and signed on its behalf by:



Catherine Brien

## PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

### REPORT OF THE TRUSTEES

Year ended 31 January 2017

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The Trustees present below the Trustees' and Directors' report for the year ended 31 January 2017.

#### Structure, governance, and management

PEAS is a registered UK charity (no. 1126550) and a company limited by guarantee. (no. 6552715). The charitable company is governed by Memorandum and Articles of Association. Application of income of the charitable company is limited to the promotion of its objectives. Decisions are made by simple majority of votes cast at Trustees' meetings.

In the period covered by this report, the Board of Trustees comprised of:

Catherine Brien	Chair and member of the Finance, Audit & Risk Committee
Rhys Pullen	Trustee (resigned 24 March 2017)
Sharon Ring	Trustee
Mathew Goldie-Scott	Trustee
Frederic Nze	Trustee (resigned 9 March 2016)
Dr Robin Horn	Trustee (appointed 24 March 2017)
Erica Claire Stuart	Trustee (appointed 24 March 2017)

#### Recruitment, induction, and training of trustees

PEAS board members can serve for up-to two three-year terms. New trustees are recruited through the networks of existing trustees and are selected based on experience, personal/professional networks and their ability to support organisational governance.

Prior to joining the board, trustees are interviewed by the Chair and CEO before attending a trustees' meeting as a guest. Induction and training of trustees is carried out through a series of meetings with the CEO and other senior management staff.

#### Key management personnel remuneration

The Trustees consider the following as the key management personnel of the Charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis and in conjunction with the Country Directors for running and operating the subsidiaries of the Charity.

##### PEAS UK:

The Board of Trustees

John Rendel	Chief Executive Officer
Jennifer Groot	Chief Operating Officer
Richard Aung	Chief of Staff
Laura Brown	Chief Technical Officer
Mike Saxton	Director of Finance & Resources (resigned 11 May 2016)

##### PEAS Uganda:

Francis Shanty	Country Director
Edison Nsubuga	Deputy Country Director (Programmes)
Norah Asiimwe	Deputy Country Director (Finance & Operations)

##### PEAS Zambia:

Racheal Kalaba	Managing Director
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The pay of the charity's key management personnel, excluding the Board of Trustees, is reviewed annually and where necessary increased in accordance with average earnings. In view of the nature of the charity, its economy of operations, and the extensive use of professional advisers to the trust board, the trustees consider that a multiple of up to three times the median average salary for UK employees in line with that of the Chief Executive Officer and other key management personnel. The remuneration is also bench-marked with charities of a similar size and activity to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

## **PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

### **R E P O R T O F T H E T R U S T E E S**

**Year ended 31 January 2017**

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#### **Finance, Audit and Risk Committee (FARC)**

The Finance, Audit and Risk Committee is a sub-committee of the PEAS board and is tasked with reviewing PEAS' financial management, policies, risks and risk mitigation processes in greater detail.

The committee meets on a quarterly basis, usually shortly before board meetings, and holds other meetings if required on an ad-hoc basis. The committee is made up of the following people:

Micky Sandall, *Chair of the Committee*  
Gary Parekh (Resigned 23 February 2016)  
Catherine Brien  
John Rendel  
Jennifer Groot (Appointed 21 November 2016)  
Mike Saxton (Acting Secretary to the Committee) (resigned 11 May 2016)  
Rhys Pullen (Appointed 16 August 2016)

#### **Statement of public benefit**

The trustees, having regard to the Public benefit guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider the purpose and activities of the charity satisfy the requirements of the public benefit test as set out in section 4 of the same act.

#### **Objectives, purposes and activities**

PEAS is a not-for-profit social enterprise. Our mission is to expand access to low cost, high quality, sustainably delivered secondary education across Africa. We believe that all children should have equitable access to education, regardless of location, gender or any other circumstance.

Our objectives are to achieve:

- Access: All children have equitable access to education no matter their background or circumstance.
- Quality: School leavers are well prepared to define and lead fulfilling and socially responsible lives.
- Sustainability: Universal access to quality education is secured for the long-term.

We deliver affordable, quality and sustainable secondary education in Uganda and Zambia. PEAS has been operating since 2008 and is now one of the fastest growing secondary school networks addressing the unmet demand for secondary education in Africa. We are currently running a network of 28 schools in Uganda, and two in Zambia, and are educating over 15,000 students.

#### **Achievements and performance**

Among the major highlights of PEAS' achievement and performance in 2016-17 are:

- Continuing to grow our school capacity, expanding our schools in Uganda to accommodate over 1000 more students.
- Securing a ground-breaking partnership with the UK Government through the DfID Uganda SESIL programme, providing vital financial support to the PEAS Uganda programme until 2021.
- Driving education quality across both our networks through a focused school-led teacher development programme recognised as leading in its field in Sub-Saharan Africa, and evidenced by 2 PEAS schools ranked in the top 100 secondary schools in Uganda.
- Building the evidence base to prove the impact of our work, including the continued evaluation by the Economic Policy Research Centre of Makerere University, Uganda, which showed that PEAS continues to educate twice as many of the poorest students than government schools do, and that PEAS students start with weaker academic grades than other students, and catch up their peers to attain the same or better exam results.

## **PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

### **R E P O R T O F T H E T R U S T E E S**

**Year ended 31 January 2017**

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- A study showed that the better performance of PEAS schools is statistically linked to a better quality of leadership in PEAS schools.
- Substantially concluding the Girls Education Challenge Programme, supporting 6,760 girls at PEAS schools over the period, and demonstrating a statistically significant improvement in enrolment, retention, attendance, pass rates and numeracy.
- Continuing to build strong relationships with the government of Uganda to progress towards a full cost-recovery public-private partnership, engaging technical working groups and hosting the Minister of Education (the First Lady of Uganda) on a visit to PEAS Pioneer High School.
- Strengthened support from the Zambia government for the public-private partnership as agreed for PEAS' third school to be launched in the Northern Province in January 2018.

#### **Financial review**

##### **Income**

PEAS total income for 2016/17 was £5.8m (2015/16 £5.3m including one-off donated school buildings valued at £1.2m).

There was a 34% increase in school level income across PEAS' 30 Schools.

PEAS received a number of donations in excess of £10,000 from the following individuals and organisations to whom we are very grateful: DFID, Costa Foundation, SITA Foundation, Danson Foundation, MTN Uganda, The Horace W. Goldsmith Foundation, The Mulago Foundation, The Peter Cundill Foundation, The Waterloo Foundation and Olam. We would also like to thank a number of donors who wished to remain anonymous. Over 60% of the total income in the year was from Donations and legacies for construction of PEAS schools and running the Girls Education Challenge Programme.

PEAS would also like to thank the hundreds of individual supporters who have given generously to our work and the many people who have donated and organised their own fundraising events on behalf of PEAS. All these donors have been critical to the success of PEAS, helping us to move the organisation forward.

##### **Expenditure**

PEAS total expenditure was £4.2m, an increase of 12.2% over 2015/16. School level costs accounted for 47% of the total expenditure and an increase of 28% over the previous year. This reflects both the inclusion of additional schools and higher costs in the areas of operations.

In addition to school level costs, PEAS main area of expenditure is on the range of activities necessary to build and manage the network of schools including: education quality, training and curriculum development, school management and support (including specialist leadership, finance, and HR support to schools), construction management costs and school audit and inspection. This includes regional, country office and UK oversight costs.

## PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

### REPORT OF THE TRUSTEES

Year ended 31 January 2017

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#### Schools Construction

The expenditure on school construction is accounted for through PEAS' balance sheet. This is represented by the School Building Fund of £6.4m (2016 - £5.3m) included in total Funds.

During the year PEAS spent £0.7m (2016 - £1.1m) on new school construction and the expansion of existing schools network.

#### Fund and reserve position

PEAS has total funds of £7.8m (2016 - £5.5m). Of this, £6.4m is physical school infrastructure in Uganda and Zambia and is distinct from usable cash funds. Of the remaining £1.4m of funds, restricted funds are £1.6m (2016 - £0.5m) and unrestricted funds are £-0.2m (2016 - £-0.3m). Restricted funds include a £0.4m (2016 £Nil) of multi-year grants.

#### Reserves and investment policy

PEAS has a Reserves and Investment policy in place. PEAS UK aims to have unrestricted reserves of £599k to cover three months' running costs of the charity in the UK and PEAS Uganda and Zambia. PEAS also has an increasing amount of restricted reserves which are primarily made up of physical assets such as the school buildings.

#### Current position of PEAS reserves

PEAS current unrestricted reserves and cash position are below the target level set in the reserves policy at £-252k (2016 - £-361k). At the Balance Sheet date PEAS (UK)'s unrestricted fund balance was £-337k (2016 -£-407k). Whilst this represents a risk to the PEAS Group it shows a marked improvement over 2015/16.

The board and senior management team continue to manage this risk by monitoring the cash flow and fund position carefully, intensifying efforts at raising unrestricted grants and donations and by setting prudent budgets which will strengthen the financial position. As at the balance sheet date PEAS had secured enough unrestricted funding to cover all of its 2017/18 operating costs.

PEAS has set a range of safe financial parameters, which if breached will trigger a contingency plan discussion at the Board of Trustees level to reduce costs and therefore protect the reserves position.

The principal parameters are:

1. cash in bank greater than one month's group running costs
2. cash plus committed income greater than three months committed expenditure.
3. cash plus committed income plus pipeline income greater than 6 months committed expenditure.

In the Financial year under audit, PEAS responded to this financial risk through a combination of lowering costs, drawing down a total available unrestricted working capital loan of £180,000 from CAF bank and taking additional strategic action while we went about starting to rebuild our unrestricted reserves. While the unrestricted reserve remained in deficit at the year end, reserves are projected to rise quickly as the DfID Uganda and DfID GECT grants cover over 90% of PEAS Uganda core costs.



**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**R E P O R T O F T H E T R U S T E E S**

**Year ended 31 January 2017**

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**Plans for future periods**

The significant plans for 2017-18 are to:

- Develop and agree a new strategic plan for the next four years.
- Complete construction of one new school in Zambia under our ground-breaking new public private partnership.
- Develop a School Leader Framework to outline the leadership aspects that are critical for PEAS leaders and support a focused programme to develop leaders across all PEAS schools.
- Continue to improve learning progress, student retention and education quality across our 30 schools.
- Test whether our schools can operate a mobile money payments system through a staged pilot.
- Explore opportunities to improve the efficiency of our construction projects through a focus on frugal design.
- Return our unrestricted reserves position to above 3 months' running costs.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by Charity Commission for England and Wales.

The annual report was approved by the trustees of the Charity on *6 Oct 2017* and signed on its behalf by:

  
Catherine Brien

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**S T A T E M E N T   O F   T R U S T E E S '   R E S P O N S I B I L I T I E S**

**Year ended 31 January 2017**

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The trustees (who are also the directors of Promoting Equality in African Schools (PEAS) for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

As far as each Trustee is aware, there is no relevant audit information of which the company's auditors are unaware. Each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the trustees of the Charity on 6 Oct 2017 and signed on its behalf by:



Catherine Brien

## **PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

### **I N D E P E N D E N T   A U D I T O R ' S   R E P O R T**

**Year ended 31 January 2017**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)**

We have audited the financial statements of Promoting Equality in African Schools (PEAS) for the year ended 31 January 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Group Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent's affairs as at 31 January 2017 and of the group's incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 15 in the financial statements regarding the status of the subsidiary's application for processing the land titles for the land held in the books of accounts.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**I N D E P E N D E N T   A U D I T O R ' S   R E P O R T**

**Year ended 31 January 2017**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



Gregory Smye-Rumsby (Senior statutory auditor)  
For and on behalf of Dixon Wilson, Statutory Auditor  
22 Chancery Lane, London WC2A 1LS

6/10/ 2017

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL  
ACTIVITIES (INCLUDING INCOME AND EXPENDITURE  
ACCOUNT)**

**Year ended 31 January 2017**

	Note	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
<b>Income from:</b>					
Donations and legacies		632,098	3,168,206	3,800,304	3,815,031
Charitable activities		2,004,229	-	2,004,229	1,501,734
Investment income		2,939	-	2,939	1,833
Other income		16,241	-	16,241	13,057
<b>Total income</b>	7	<u>2,655,507</u>	<u>3,168,206</u>	<u>5,823,713</u>	<u>5,331,655</u>
<b>Expenditure on:</b>					
Cost of generating funds		228,614	1,437	230,051	274,031
Charitable activities: school operations		1,974,142	-	1,974,142	1,535,508
Charitable activities: school management, support & construction		<u>313,211</u>	<u>1,663,635</u>	<u>1,976,846</u>	<u>1,915,184</u>
<b>Total expenditure</b>	8	<u>2,515,967</u>	<u>1,665,072</u>	<u>4,181,039</u>	<u>3,724,723</u>
<b>Net movement in funds before exchange differences and transfers</b>		139,540	1,503,134	1,642,674	1,606,932
Exchange differences	10	<u>9,157</u>	<u>641,684</u>	<u>650,841</u>	<u>(810,545)</u>
<b>Net movement in funds</b>		<u>148,697</u>	<u>2,144,818</u>	<u>2,293,515</u>	<u>796,387</u>
<b>Reconciliation of funds</b>					
Transfer between funds	20	(39,475)	39,475	-	-
<b>Total funds brought forward</b>		<u>(360,857)</u>	<u>5,860,277</u>	<u>5,499,420</u>	<u>4,703,033</u>
<b>Total funds carried forward</b>	20	<u>(251,635)</u>	<u>8,044,570</u>	<u>7,792,935</u>	<u>5,499,420</u>

All of the Charity's activities derive from continuing operations during the above period.

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

C O N S O L I D A T E D B A L A N C E S H E E T

At 31 January 2017

Company number: 6552715

	Note	2017 Group £	2017 Charity £	2016 Group £	2016 Charity £
<b>Fixed assets</b>					
Tangible assets	15, 16	6,516,242	2,021	5,422,343	2,624
Intangible assets	17	17,996	-	8,950	-
		<u>6,534,238</u>	<u>2,021</u>	<u>5,431,293</u>	<u>2,624</u>
<b>Current assets</b>					
Debtors	18	1,136,775	740,551	543,508	212,890
Cash at bank and in hand		731,235	603,600	125,068	50,965
<b>Total current assets</b>		<u>1,868,010</u>	<u>1,344,151</u>	<u>668,576</u>	<u>263,855</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(522,295)</u>	<u>(146,772)</u>	<u>(600,449)</u>	<u>(88,637)</u>
<b>Net current assets</b>		<u>1,345,715</u>	<u>1,197,379</u>	<u>68,127</u>	<u>175,218</u>
<b>Total assets less current liabilities</b>		<u>7,879,953</u>	<u>1,199,400</u>	<u>5,499,420</u>	<u>177,842</u>
<b>Creditors: amounts falling due after one year</b>	19	<u>(87,018)</u>	<u>(83,037)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>7,792,935</u>	<u>1,116,363</u>	<u>5,499,420</u>	<u>177,842</u>
<b>Funds</b>					
Unrestricted funds		(251,635)	(337,277)	(360,857)	(407,126)
Restricted funds		1,648,185	1,453,640	486,122	584,968
School buildings fund		6,396,385	-	5,374,155	-
<b>Total funds</b>	20	<u>7,792,935</u>	<u>1,116,363</u>	<u>5,499,420</u>	<u>177,842</u>

The financial statements on pages 12 to 30 were approved by the Board of Trustees on 6 Oct 2017 and were signed on its behalf by:



Catherine Brien  
Trustee

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**C O N S O L I D A T E D   S T A T E M E N T   O F   C A S H   F L O W S**

**Year ended 31 January 2017**

	<b>Note</b>	<b>Group 2017 £</b>	<b>Group 2016 £</b>
<b>Net cash generated by operating activities</b>	23	1,160,053	738,495
<b>Cash flows from investing activities</b>			
Investment income		2,939	1,833
Purchase of tangible fixed assets		(730,413)	(1,168,917)
Purchase of intangible fixed assets		(8,867)	-
<b>Net cash used in investing activities</b>		<u>(736,341)</u>	<u>(1,167,084)</u>
<b>Cash flows from financing activities</b>			
CAF loan		180,000	-
Less repayment		(24,763)	-
<b>Net cash from financing activities</b>		<u>155,237</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents in the year		578,949	(428,589)
Change in cash and cash equivalents due to exchange rate movements		27,218	(51,595)
Cash and cash equivalents at the beginning of the year		<u>125,068</u>	<u>605,252</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>731,235</u></u>	<u><u>125,068</u></u>

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

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**1. Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

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

Promoting Equality in African Schools (PEAS) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Preparation of the accounts on a going concern basis**

The Charity's current and forecasted unrestricted reserves and cash position are below the target levels set out in the reserves policy. The Trustees are closely monitoring this position and have implemented prudent budgets designed to strengthen the financial position of the Charity. The Trustees have a reasonable expectation, and especially with a major grant from DfID Uganda, that the Charity has adequate resources to continue operating for the foreseeable future, thus they continue to adopt the going concern basis in preparing the financial statements.

**Presentational currency**

The consolidated financial statements are denominated in Pounds Sterling.

**Foreign currency transactions**

Transactions in foreign currencies are translated to Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the exchange rate ruling at that date.

The results of overseas operations are translated at the average annual rate of exchange and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising, including those on the translation of opening net assets of overseas subsidiary undertakings, are taken to the SOFA.

**Group financial statements**

The financial statements consolidate the results of the charity and its partner organisations PEAS Uganda and PEAS Zambia, which are under the common control of PEAS UK, on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the charity itself are not presented in accordance with the applicable exemptions afforded by section 408 of the Companies Act 2006.



**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

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**Income**

Income is recognised when the charity has entitlement to the funds, any conditions attached to the items have been met, it is probable that the income will be received and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- (i) Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when the charity is entitled to the income.
- (ii) Incoming resources from tax reclaims (Gift Aid) are recognised at the same time as the gift to which they relate.
- (iii) Donated services and facilities (gifts in kind) are included at the price the charity would pay in the open market where this can be quantified.
- (iv) The value of services provided by volunteers has not been included as income in these accounts.
- (v) Investment income is included when receivable.

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

---

**Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred, and includes any VAT which cannot be fully recovered.

- (i) Resources expended on charitable activities comprises expenditure related to the direct furtherance of the charity's objectives. Grants payable are included under charitable expenditure when a contract is signed with the grantee. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.
- (ii) Governance costs are those incurred in connection with the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.
- (iii) The value of services provided by volunteers has not been included as expenditure in these accounts.

**Tangible fixed assets and depreciation**

Tangible fixed assets costing over £500 (including any incidental expenses of acquisition) are capitalised. Provision for depreciation is made so as to write off the cost or valuation of tangible fixed assets, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	25 years
Furniture and fittings (Uganda)	4 years
Furniture and fittings (Zambia)	5 years
Motor vehicles	4 years
Computer and office equipment (Uganda)	3 years
Computer and office equipment (UK)	4 years
Computer and office equipment (Zambia)	5 years
Machinery	5 years

The effect of these different depreciation rates between the group entities is not considered to have a significant effect on the financial statements and so no adjustment has been made upon consolidation.

**Capital work in progress**

All assets that are under construction or assembling in a project nature are classified as work in progress. Assets in the course of construction (capital work in progress) are not depreciated. Upon completion, the accumulated cost is transferred to an appropriate asset category where it is depreciated according to the policy on property and equipment.

**Intangible Assets**

The charity has entered into land leasehold arrangements and has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the land and accounts for the contracts as operating leases.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

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

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

---

**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.

**Financial instruments**

The trust 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.

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for a particular area of the charity's work.

**Pensions**

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity.

The pension fund is converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

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**2. Legal status and registered address of the charity**

The Charity is a company limited by guarantee incorporated in the UK and has no share capital. The registered address of the Charity is 7-14 Great Dover Street, London SE1 4YR.

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**3. Financial performance in the prior year**

	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income:</b>			
Donations and legacies	522,691	3,292,340	3,815,031
<i>Income from charitable activities:</i>			
Earned income from charitable activities	1,501,734	-	1,501,734
Investment income	1,833	-	1,833
Other income	13,057	-	13,057
<b>Total income</b>	<b>2,039,315</b>	<b>3,292,340</b>	<b>5,331,655</b>
<b>Expenditure</b>			
<i>Expenditure on charitable activities:</i>			
Charitable activities: school operations	1,535,508	-	1,535,508
Charitable activities: school management, support & construction	692,858	1,222,326	1,915,184
<b>Total expenditure</b>	<b>2,502,397</b>	<b>1,222,326</b>	<b>3,724,723</b>

(continued)

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

<b>3. Financial performance in the prior year</b> (continued)	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net movement in funds before exchange difference and transfers</b>	(463,082)	2,070,014	1,606,932
Exchange differences	(5,793)	(804,752)	(810,545)
<b>Net movement in funds</b>	(468,875)	1,265,262	796,387
<b>Reconciliation of funds</b>			
<i>Total funds brought forward</i>	<u>108,018</u>	<u>4,595,015</u>	<u>4,703,033</u>
<b>Total funds carried forward</b>	<u>(360,857)</u>	<u>5,860,277</u>	<u>5,499,420</u>

**4. Financial performance of PEAS UK**

The consolidated Statement of Financial Activities includes the results of PEAS UK.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Incoming resources	3,724,931	2,608,996
Cost of generating funds:	(254,560)	(269,410)
Charitable activities	(2,531,850)	(2,889,005)
<b>Net incoming resources</b>	<b>938,521</b>	<b>(549,419)</b>
Total funds brought forward	<u>177,842</u>	<u>727,261</u>
<b>Total funds carried forward</b>	<b><u>1,116,363</u></b>	<b><u>177,842</u></b>
Represented by:		
Unrestricted funds	(337,277)	(407,126)
Restricted funds	1,453,640	584,968
	<b><u>1,116,363</u></b>	<b><u>177,842</u></b>

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**5. Financial performance of PEAS Uganda Limited**

The consolidated Statement of Financial Activities includes the results of PEAS Uganda Limited, a company incorporated in Uganda.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Grant income	1,664,118	3,067,577
School income	1,972,536	1,473,492
Other income	2,668	1,912
	<u>3,639,322</u>	<u>4,542,981</u>
<b>Expenditure</b>		
Construction and project expenses	(958,770)	(876,059)
Supplies and other costs	(1,941,915)	(1,503,701)
Consultancies and training	(47,665)	(126,691)
Foreign exchange movement	465,611	(397,250)
	<u>1,156,583</u>	<u>1,639,280</u>
<b>Net surplus</b>	4,767,794	3,128,514
Reserves brought forward	5,924,377	4,767,794
Reserves carried forward	<u>5,924,377</u>	<u>4,767,794</u>
<b>The assets and liabilities of the subsidiary were:</b>		
Fixed assets – including school land and buildings	5,793,730	4,869,440
Current assets	489,880	395,575
Current Liabilities	(359,233)	(497,221)
Net assets	<u>5,924,377</u>	<u>4,767,794</u>

Included in grant income is £Nil (2016 £1.2m) representing a one-off gift of schools to PEAS Uganda by ARK.

**6. Financial performance of PEAS Zambia**

The consolidated Statement of Financial Activities includes the results of PEAS Zambia Limited, a company incorporated in Zambia.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Grant income	204,695	178,927
School income	37,317	28,243
Other income	271	227
	<u>242,283</u>	<u>207,397</u>
<b>Expenditure</b>		
Operating expenses: supervision and construction	(41,756)	(126,111)
Operating expenses: school	(167,469)	(31,806)
Foreign exchange movement	165,380	(342,953)
	<u>198,438</u>	<u>(293,473)</u>
<b>Net (deficit)/surplus</b>	553,757	847,230
Reserves brought forward	752,195	553,757
Reserves carried forward	<u>752,195</u>	<u>553,757</u>

(continued)

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**6. Financial performance of PEAS Zambia (continued)**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>The assets and liabilities of the subsidiary were:</b>		
Fixed assets – including school land and buildings	738,486	559,230
Current assets	33,979	9,145
Current liabilities	(20,270)	(14,618)
Net assets	<u>752,195</u>	<u>553,757</u>

**7. Income received**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>2017</b>	<b>2016</b>
	<b>2017</b>	<b>2017</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>		
<b>Donations and legacies</b>				
Cash donations received	578,298	1,465,130	2,043,428	1,599,435
Donated assets	-	-	-	1,218,786
Services in kind	53,800	-	53,800	25,000
Government grants	-	1,703,076	1,703,076	971,810
	<u>632,098</u>	<u>3,168,206</u>	<u>3,800,304</u>	<u>3,815,031</u>
<b>Charitable activities</b>				
Tuition and boarding fees	1,691,753	-	1,691,753	1,185,465
Universal Secondary Education (USE) grant	312,476	-	312,476	316,269
	<u>2,004,229</u>	<u>-</u>	<u>2,004,229</u>	<u>1,501,734</u>
<b>Investment income</b>				
Bank interest receivable	2,939	-	2,939	1,833
	<u>2,939</u>	<u>-</u>	<u>2,939</u>	<u>1,833</u>
<b>Other income</b>				
Sundry income	16,241	-	16,241	13,057
	<u>16,241</u>	<u>-</u>	<u>16,241</u>	<u>13,057</u>
	<u><b>2,655,507</b></u>	<u><b>3,168,206</b></u>	<u><b>5,823,713</b></u>	<u><b>5,331,655</b></u>

Services in kind comprises £20k of the estimated value of the pro bono legal support provided to the charity by Hogan Lovells International LLP (2016 £20k), £17.5k (2016 – Nil) of pro-bono recruitment consultancy provided by Carfax Education Group, and £16.3k (2016 Nil) of pro-bono management consultancy services provided by Oliver Wyman.

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**8. Resources expended**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £	Total 2016 £
<b>Costs of generating funds</b>				
Direct costs	182,273	-	182,273	229,991
Support Costs	46,342	1,437	47,779	44,040
	<u>228,615</u>	<u>1,437</u>	<u>230,052</u>	<u>274,031</u>
<b>Charitable activities</b>				
School running costs (operations)	1,951,453	-	1,951,453	1,535,508
School network management, support and construction	103,751	1,079,258	1,183,009	1,128,860
Project management and oversight	63,618	562,662	626,280	619,228
Support Costs	124,131	4,023	128,154	123,314
Interest on loans	5,624	-	5,624	123,314
Governance costs (see below)	38,775	17,692	56,467	43,782
	<u>2,287,352</u>	<u>1,663,635</u>	<u>3,950,987</u>	<u>3,450,692</u>
<b>Total expenditure</b>	<u><b>2,515,967</b></u>	<u><b>1,665,072</b></u>	<u><b>4,181,039</b></u>	<u><b>3,724,723</b></u>
Governance costs comprise of the following:				
Professional fees	14,109	17,405	23,113	20,343
Audit fee	15,360	-	23,761	14,400
Board meetings	38	-	38	231
Support costs	9,268	287	9,555	8,808
	<u>38,775</u>	<u>17,692</u>	<u>56,467</u>	<u>43,782</u>

Support costs relate to the staff and running costs of the charity's London office and are allocated on a basis consistent with the use of resources. Included in support costs are £20,000 (2016 - £20,000) representing the estimated value of the pro bono legal support provided to the charity by Hogan Lovells International LLP., £17,500 (2016 - Nil) of pro-bono recruitment consultancy provided by Carfax Education Group, and £16,300 (2016 Nil) of pro-bono management consultancy services provided by Oliver Wyman.

**9. Auditor remuneration**

	2017 £	2016 £
Fees payable to the charity's auditor for the audit of the charity's financial statements	<u>15,360</u>	<u>14,400</u>
Fees payable to the charity's auditor for other services: Fees paid	<u>-</u>	<u>2,400</u>
Fees payable to the auditors of the charity's subsidiaries	<u>19,627</u>	<u>14,562</u>

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

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<b>10. Exchange differences</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Total exchange gain/(loss)	<u>650,841</u>	<u>(810,545)</u>

The consolidated accounts include the value of the school land and buildings owned by PEAS Uganda and PEAS Zambia.

The book value of these assets (and other assets and liabilities) in the accounts of PEAS Uganda is stated in Ugandan Shillings (UGX) & Zambia Kwacha (ZMW) and converted to GBP as part of the consolidation process. The combined value of this estate is approximately £6.5m (2016 - £5.4m) at the balance sheet date, and this large value means that a relatively small shift in the UGX:GBP or ZMW:GBP exchange rate over the course of a year can produce a significant exchange difference on consolidation. However as it relates to the GBP valuation of a category of fixed assets that the charity intends to hold beyond the 25 year depreciation period to the point when their book value will be zero, any exchange difference represents a book entry rather than what might be considered a "real" exchange gain or loss on an investment or a saleable asset.

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<b>11. Analysis of staff costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,665,409	955,793
Pension	12,189	17,738
Social security costs	<u>157,290</u>	<u>130,425</u>
	<b><u>1,834,888</u></b>	<b><u>1,103,956</u></b>

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
UK management and support	10	9
Uganda - management and support	49	49
Zambia - management and support	4	4
Schools - leadership, teachers and support	<u>926</u>	<u>860</u>
	<b><u>989</u></b>	<b><u>922</u></b>

The number of staff whose emoluments were in excess of £60,000 during the year were as follows:

£60,001 - £70,000	-	<u>1</u>
£80,001 - £90,001	1	-

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## PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2017

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#### 12. Related party transactions

There were no related party transactions during the year nor the prior year.

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2016 - £nil).

No expenses were paid to the trustees in the year (2016 - £nil).

The key management personnel of the parent charity, PEAS UK, comprise of the Board of Trustees, the Chief Executive Officer, the Chief Operating Officer, the Chief of Staff, the Chief Technical Officer. The total employee benefits of the key management personnel of PEAS UK were £238k (2016 - £293k).

The key management personnel of the group comprise of those of PEAS UK and the key management personnel of its wholly owned subsidiaries PEAS Uganda Limited and PEAS Zambia Limited. The total employee benefits of the key management personnel of PEAS Uganda was £47k (2016 - £33k) and for PEAS Zambia was £16k (2016 - £13k).

The employee benefits of key management personnel for the Group was therefore £290k (2016 - £339k).

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#### 13. Government Grants

##### The UK Government Department for International Development (DfID)

The UK Government supports PEAS through DfID Uganda and GEC. The GEC will help up to a million of the world's poorest girls improve their lives through education and provides restricted funds to projects which help achieve the overarching GEC objectives. During the year PEAS received a total of £712k (2016 - £851k) in grants towards the GEC programmes in Uganda.

DfID also supports PEAS via DfID Uganda, as part of the wider programme to strengthen education systems to improve learning (SESL). The partnership between DfID Uganda and PEAS will increase access to quality secondary education and improve the sustainability of PEAS and PEAS schools. The partnership will also enable PEAS to leverage the strengthened network of schools to have a system-level impact in Uganda. The proposed partnership will provide strategic funding for PEAS work in Uganda as opposed to discrete funding for specific projects delivered by PEAS

Donations received under the DfID Uganda and Peas partnership during the year was £752k.

##### Ministry of Education and Sports, Government of Uganda

PEAS signed a Memorandum of Understanding with the Government in 2010, entering into a secondary education public-private partnership.

Through this, PEAS receives a per-pupil per term capitation grant (Universal Secondary Education, or USE, grant), enabling PEAS to eliminate tuition fees for eligible students. During the year PEAS received an equivalent of £308k (2016 - £316k) under the USE grant.

##### Ministry of Education, Government of Zambia

Under a special agreement with the Zambia Ministry of Education, teacher salaries at the PEAS schools in Zambia are paid for by the Government. As teacher salaries are one of the biggest expenses for a school, this cost-saving allows PEAS to keep costs to students low. The teacher salary costs paid under the arrangements are not included in these financial statements.

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#### 14. Corporation Tax

Promoting Equality in African Schools is a registered charity and as such is exempt from tax on its income to the extent this is applied for charitable purposes.

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PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2017

15. Tangible fixed assets – Group

	Buildings £	Freehold land £	Work in progress £	Motor vehicles & cycles £	Computers & office equipment £	Total £
<b>Cost</b>						
At 1 February 2016	5,292,997	204,975	233,647	63,665	69,428	5,864,712
Additions	-	9,954	622,433	5,764	92,262	730,413
Transfers/disposals	490,979	-	(490,979)	-	-	-
Exchange differences	608,580	19,681	32,156	7,132	8,528	676,077
At 31 January 2017	<u>6,392,556</u>	<u>234,610</u>	<u>397,257</u>	<u>76,561</u>	<u>170,218</u>	<u>7,271,202</u>
<b>Depreciation</b>						
At 1 February 2016	357,465	-	-	40,919	43,985	442,369
Charge for year	230,702	-	-	11,666	20,897	263,265
Exchange differences	39,871	-	-	4,351	5,104	49,326
At 31 January 2017	<u>628,038</u>	<u>-</u>	<u>-</u>	<u>56,936</u>	<u>69,986</u>	<u>754,960</u>
<b>Net book value</b>						
At 31 January 2017	<u>5,764,518</u>	<u>234,610</u>	<u>397,257</u>	<u>19,625</u>	<u>100,230</u>	<u>6,516,242</u>
At 1 February 2016	<u>4,935,532</u>	<u>204,975</u>	<u>233,647</u>	<u>22,746</u>	<u>25,443</u>	<u>5,422,343</u>

As at the balance sheet date the title deeds to the freehold land had not been finalised with the relevant authorities. Management is of the opinion that this will be completed within one year.

16. Tangible fixed assets - Charity

	Computers & office equipment £
<b>Cost</b>	
At 1 February 2016	7,029
Additions	649
Transfers/disposals	-
At 31 January 2017	<u>7,678</u>
<b>Depreciation</b>	
At 1 February 2016	4,405
Charge for the year	1,252
At 31 January 2017	<u>5,657</u>
<b>Net book value</b>	
At 31 January 2017	<u>2,021</u>
At 1 February 2016	<u>2,624</u>

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**17. Intangible fixed assets - Group**

	<b>Prepaid operating lease rentals £</b>
<b>Cost</b>	
<b>At 1 February 2016</b>	12,775
Additions	8,867
Transfers/disposals	-
Exchange differences	1,227
<b>At 31 January 2017</b>	<u>22,869</u>
<b>Amortisation</b>	
<b>At 1 February 2016</b>	3,825
Charge for the year	673
Exchange differences	375
<b>At 31 January 2017</b>	<u>4,872</u>
<b>Net book value</b>	
<b>At 31 January 2017</b>	<u>17,996</u>
<b>At 1 February 2016</b>	<u>8,950</u>

**18. Debtors: amounts falling due within one year**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Donations receivable	715,294	715,294	157,588	157,588
Gift aid receivable	-	-	9,552	9,552
Prepayments	39,824	15,803	28,706	7,500
School debtors	369,035	-	289,788	-
Other debtors	12,622	9,454	57,874	38,250
	<u>1,136,775</u>	<u>740,551</u>	<u>543,508</u>	<u>212,890</u>

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2017

19. Creditors: amounts falling due within one year

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Trade creditors	77,681	3,916	144,129	34,792
Taxation and social security	48,041	18,889	113,905	17,574
School creditors	231,763	-	359	-
Accruals	61,153	38,125	159,431	15,619
Sundry creditors and provisions	25,834	8,015	182,625	20,652
CAF Venturesome loan -current portion	77,824	77,827	-	20,652
	<u>522,296</u>	<u>146,772</u>	<u>600,449</u>	<u>88,637</u>

Creditors: amounts falling due after one year

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Staff creditors	3,981	-	-	-
CAF Venturesome loan	83,037	83,037	-	-
<b>Total</b>	<u>87,018</u>	<u>83,037</u>	<u>-</u>	<u>-</u>

The CAF Venturesome loan payable by instalments. The total loan is due to be repaid within 2 years of the balance sheet date.

20. Analysis of movements in funds

Current year analysis	Balance at 31 January 2016 £	Incoming £	Outgoing £	Transfers between funds £	Exchange differences £	Balance at 31 January 2017 £
<b>Restricted Funds</b>						
UGANDA - General	3,750	-	-	-	-	3,750
UGANDA - Construction	328,929	739,470	(186,075)	(350,679)	21,140	552,785
UGANDA - Girls Education Campaign	142,580	950,633	(937,384)	-	-	155,829
DfID Uganda	-	752,444	(359,080)	-	-	393,364
UGANDA - Programmes	10,863	102,727	(53,452)	-	-	60,138
ZAMBIA - Construction	-	78,106	-	(11,532)	-	66,574
ZAMBIA - Programmes	-	544,826	(129,081)	-	-	415,745
	<u>486,122</u>	<u>3,168,206</u>	<u>(1,665,072)</u>	<u>(362,211)</u>	<u>21,140</u>	<u>1,648,185</u>
School fixed asset fund	5,374,155	-	-	401,686	620,544	6,396,385
<b>Unrestricted funds</b>	<u>(360,857)</u>	<u>2,655,507</u>	<u>(2,515,967)</u>	<u>(39,475)</u>	<u>9,157</u>	<u>(251,635)</u>
<b>Total funds</b>	<u>5,499,420</u>	<u>5,823,713</u>	<u>(4,181,039)</u>	<u>-</u>	<u>650,841</u>	<u>7,792,935</u>

(continued)

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**20. Analysis of movements in funds (continued)**

Prior year analysis	Balance at 31 January 2015 £	Incoming £	Outgoing £	Transfers between funds £	Exchange differences £	Balance at 31 January 2016 £
<b>Restricted Funds</b>						
UGANDA - General	44,934	-	(41,184)	-	-	3,750
UGANDA - Construction	364,849	1,211,804	(223,262)	(925,616)	(98,846)	328,929
UGANDA - Girls Education Campaign	222,000	850,887	(930,307)	-	-	142,580
DfID Uganda	-	-	-	-	-	-
UGANDA - Programmes	27,574	10,863	(27,574)	-	-	10,863
	<u>659,357</u>	<u>2,073,554</u>	<u>(1,222,327)</u>	<u>(925,616)</u>	<u>(98,846)</u>	<u>486,122</u>
School fixed asset fund	3,935,658	1,218,786	-	925,616	(705,905)	5,374,155
<b>Unrestricted funds</b>	<u>108,018</u>	<u>2,039,315</u>	<u>(2,502,397)</u>	<u>-</u>	<u>(5,793)</u>	<u>(360,857)</u>
<b>Total funds</b>	<b><u>4,703,033</u></b>	<b><u>5,331,655</u></b>	<b><u>(3,724,724)</u></b>	<b><u>-</u></b>	<b><u>(810,544)</u></b>	<b><u>5,499,420</u></b>

UGANDA - General	Funding received from donors for PEAS Uganda but not restricted to specific activity.
UGANDA - Construction	Funds to cover the design and building of our schools in Uganda
UGANDA - Girls Education Campaign	DfID funded programme aiming to reach about 10,000 marginalised girls in Uganda and improve their learning outcomes. The project will take place in all PEAS schools in Uganda between October 2013 and February 2017.
Strengthen Education Systems to Improve Learning (SESIL).	DfID fund programme through DfID Uganda to enable PEAS to leverage the strengthened network of schools to have a system-level impact in Uganda, and provide strategic funding for PEAS work in Uganda. The project is from Nov 2016 to March 2020
UGANDA - Programmes	Funds to cover running our schools and educational programmes in Uganda
ZAMBIA- Construction	Funds to cover the design and building of Peas 3 <sup>rd</sup> school in Zambia
ZAMBIA - Programmes	Funds to cover running our schools and educational programmes in Zambia

The transfer of £39,475 (2016 £Nil) from Unrestricted funds to Uganda Construction funds represents unfunded school building expenditure incurred on a construction project. The funds were subsequently received from the funder after the Balance Sheet date.

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**21. Analysis of net assets between funds**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2017</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	2,022	6,532,216	6,534,238	5,431,293
Current assets	234,547	1,633,463	1,868,010	668,576
Current liabilities	(401,186)	(121,109)	(522,295)	600,449
Non-current liabilities	(87,018)	-	(87,018)	-
<b>Net assets at 31 January 2017</b>	<b>(251,635)</b>	<b>8,044,570</b>	<b>7,792,935</b>	<b>5,499,420</b>

**22. Post balance sheet events**

In June 2017 Peas secured a further funding from DfID through its Girls Education Challenge -Transition (GECT) Programme. The total funding approved is £2.4m over 4 years to further support PEAS educational programme in Uganda.

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

	<b>Group 2017</b>	<b>Group 2016</b>
	<b>£</b>	<b>£</b>
Net movement in funds	2,293,515	796,387
Add back depreciation charge	263,265	197,804
Add back amortisation charge	673	450
Deduct non-cash grants received	-	(1,218,788)
Exchange differences	(650,841)	810,545
Deduct interest and other income shown in investing activities	(2,939)	(1,833)
Add interest on loans	5,624	-
Increase in debtors	(593,267)	(97,429)
(Decrease) / Increase in creditors	(155,977)	251,359
<b>Net cash generated by operating activities</b>	<b>1,160,053</b>	<b>738,495</b>

**24. Capital Commitments and contingent liabilities**

Included in restricted funds at the year-end is £344,453 (2016 £Nil) received towards Uganda programmes and construction. Contracts for these were awarded after the year end.  
There were no other capital commitments and contingent liabilities as at 31 January 2017.

**PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) (a Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 January 2017**

**25. Financial assets and liabilities**

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

**Financial assets**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Donations receivable	715,294	715,294	157,588	157,588
Gift aid receivable	-	-	9,552	9,552
School debtors	369,035	-	289,788	-
Other debtors	12,622	9,454	57,874	38,250
	<u>1,096,951</u>	<u>724,748</u>	<u>514,802</u>	<u>205,390</u>

**Financial liabilities**

	<b>Group 2017 £</b>	<b>Charity 2017 £</b>	<b>Group 2016 £</b>	<b>Charity 2016 £</b>
Trade creditors	77,681	3,916	144,129	34,792
Taxation and social security	48,041	18,889	113,905	17,574
School creditors	231,763	-	359	-
Sundry creditors and provisions	25,834	8,015	182,625	20,652
CAF Venturesome loan	160,861	160,861	-	-
	<u>544,180</u>	<u>191,681</u>	<u>441,018</u>	<u>73,018</u>

