



PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)

COMPANY LIMITED BY GUARANTEE

Charity Registration No. 1126550

Company Registration No. 06552715

GENERAL INFORMATION

Period ended 31st December 2018

Registered Address	7-14 Great Dover Street London SE1 4YR
Auditors	Haysmacintyre LLP 10 Queens Street Place London EC4R 1AG
Bankers	Barclays Bank 68 Lordship Lane London SE22 8HQ
Lawyers	Hogan Lovells 50 Holborn Viaduct London EC1A 2FG
Trustees and directors	Peter Colenso (appointed 1 April 2018) Catherine Brien Matthew Goldie-Scot Lee Robertson (appointed 25 January 2018) Dr Robin Horn Erica Claire Stuart Ronald Kansere
Company secretary	Jennifer Groot
Company number	6552715
Charity number	1126550

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STRATEGIC REPORT

Period ended 31st December 2018

The trustees, who are directors for the purposes of company law, present their strategic report for the period ended 31 December 2018, in compliance with S414C of the Companies Act 2006. This period is for 11 months due to a change in Financial Year End to align better with the academic year in both Uganda and Zambia. All prior period figures are for the full 12 months ending 31st January 2018, unless otherwise stated.

Fair review of the business

2018 was a very exciting year for PEAS, with continued growth to reach 16,709 students, 52% of whom were girls.

PEAS Kampinda, PEAS third school in Zambia and first under a new partnership with the government, celebrated its first year of operations. 75% of the students at PEAS Kampinda come from families living below the \$1.90/a day poverty line, demonstrating that offering zero fees to day students is broadening access to the most marginalised in the community.

Following the success of PEAS Kampinda, PEAS has built the second partnership school offering zero fees in the Mungwi District, in Zambia's Northern Province.

In Uganda, we have been focussed on increasing the quality of the education we provide in our schools; PEAS wants to become an exemplar network, with its schools performing amongst the best in Uganda. PEAS is expanding our schools and making sure each school continues to provide a quality education to those who need it most.

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
- procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Given the context within which PEAS works, the principal risks for PEAS are:

- The stability of the political environment: in 2018, the stability of the governments of Uganda and Zambia continued; however, the precedent of national turbulence in both countries means PEAS remains vigilant.
- Child protection: Child protection is paramount at PEAS, and all PEAS staff work tirelessly to reduce the risk of any incident which might harm our beneficiaries.
- Corruption: PEAS has clear anti-corruption policies and procedures, including whistle-blowing and an internal audit team focused on rooting out corruption at every level.

Beyond the above risks, PEAS continues to have unrestricted reserves which are below its target, which means the trustees are continually focused on protecting PEAS' financial stability until that target is reached.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. 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 July 2019 and signed on its behalf by:

REPORT OF THE TRUSTEES

Period ended 31st December 2018

The Trustees present below the Trustees' and Directors' report for the period ended 31st December 2018.

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 with quorum, or by unanimous agreement in writing.

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

Peter Colenso	Chair	Appointed as Chair, April 2018
Catherine Brien	Trustee	
Sharon Ring	Trustee	Resigned, May 2019
Lee Robertson	Trustee	
Matthew Goldie-Scot	Trustee	
Robin Horn	Trustee	
Erica Stuart	Trustee	
Ronald Kansere	Trustee	Appointed, May 2019

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 with the CEO and other senior management staff.

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.

REPORT OF THE TRUSTEES

Period ended 31st December 2018

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 and its subsidiaries on a day to day basis.

PEAS UK:

Laura Brown	Chief Executive Officer
Jenny Groot	Chief Operating Officer
Libby Hills	Chief Technical Officer
Richard Aung	Chief of Staff

PEAS Uganda:

Henry Senkasi	Country Director
Norah Asiimwe	Deputy Country Director

PEAS Zambia:

Dirk Phiri	Finance and Operations Manager
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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 the salary of the Chief Executive Officer and other key management personnel may be a multiple of up to three times the median average salary for UK employees. The remuneration is also benchmarked 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.

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 any ad-hoc meetings where required. The committee is made up of the following people:

Micky Sandall	Chair of the Committee
Erica Stuart	Started in January 2018
Lee Robertson	Started in January 2018
Mike Saxton	Started in April 2018
James Adams	Started in August 2018
Catherine Brien	Stood down in April 2018
Rhys Pullen	Stood down in April 2018
Ronald Kansere	Started in May 2019



REPORT OF THE TRUSTEES

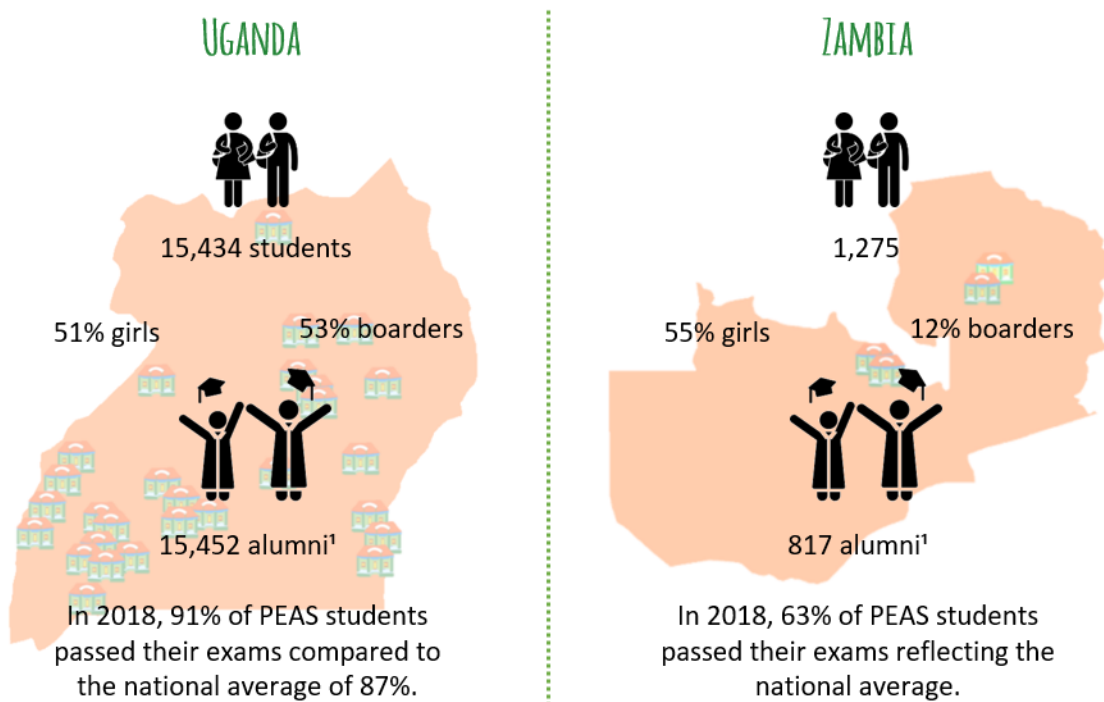
Period ended 31st December 2018

The PEAS Model

PEAS builds schools in areas where hundreds of children finish primary school each year without an affordable secondary school to go to. We want all students in our schools to be safe, happy and learning. We empower our school leaders and teachers to deliver great outcomes for students by providing them with ongoing support and mentorship. And we are proactively looking to collaborate with governments and other education providers to strengthen the broader education system.

PEAS' model is composed of the following four pillars:

- **Access:** We believe that all children should have equitable access to education, regardless of location, family income, gender or any other circumstance;
- **Quality:** Students are equipped with the skills they need to define and lead fulfilling and socially responsible lives;
- **Sustainability:** Schools are financially self-sustaining through low fees and government funding, ensuring quality education is secured for the long-term.
- **Co-impact:** We will extend our impact beyond our own school networks through partnering with others to increase access to quality education.



¹Alumni means a student who sat exams and left school – it does not include beneficiaries who did not sit exams.

REPORT OF THE TRUSTEES

Period ended 31st December 2018

In 2018, PEAS continued to expand quality education to vulnerable children in Uganda and Zambia continuing to follow its four pillars.

Access

In Uganda, we focused on ensuring compliance with boarding capacity limits across over-enrolled schools, slowing down enrolment across several schools. In 2018 our schools reached 88.4% enrolment. On retention, our annual retention of students grew from 79% to 81%. On equity, we launched bursary guidelines to schools aimed at the most vulnerable students, and protected day students wherever possible from fee increases that could have come from the government's announcement to phase out the USE subsidy they had been providing across Uganda.

In Zambia, 33.5% of PEAS students come from households that live below the international poverty line of \$1.90, and 52.2% come from households living below \$3.10 a day. As anticipated, the school with most students coming from disadvantaged families is PEAS Kampinda Secondary School.

PROJECTS IN THE SPOTLIGHT: PEAS KAMPINDA SECONDARY SCHOOL



In January 2018, PEAS opened its third school in Zambia – PEAS Kampinda. PEAS Kampinda was built in Kasama, Northern Province of Zambia - a rural area whose population suffered from a severe lack of secondary schools, and where schools did exist, the standard of education was rated as some of the worst in the country.

Thanks to the partnership with the Ministry of General Education in Zambia, PEAS Kampinda opened offering zero-fee for day students - which is unheard of for government secondary schools in Zambia. In its first year, the school offered Grade 8 and Grade 10 (entry grades into lower and upper secondary) and had 324 students enrolled - 52% of whom are girls and 20% boarders.

PEAS Kampinda's enrolment policy meant that the school accepted applications from all students who had achieved their Grade 7 or Grade 9 certificate – whereas government schools all set a higher cut-off point. This means the school has been educating students who would have been unable to continue their education otherwise.

From the demographic data, it has emerged that 75% of students at PEAS Kampinda are from families living below the \$1.90 per day poverty line, which is reflective of the surrounding community, suggesting the school is providing access to a representative cohort of the community. Even more interesting is the difference between the boarding and day students; 37% of boarding students, who pay boarding fees, are from families living below the \$1.90 per day poverty line, compared to 78% of day students who pay no fees. This shows that PEAS Kampinda has achieved a landmark level of equity for PEAS, and demonstrates that zero-fee for day students is broadening access to the most marginalised in the community.

By David Sitondo,
PEAS Zambia Education Manager





When Jennifer and her younger brother passed their final primary school exams with flying colours, their parents faced a difficult choice.

With six children in the family and both parents working in informal and low paid jobs, expensive school fees were out of the question. *“When we got our results, my mother said they couldn’t afford to pay for both me and my brother to go to secondary school,”* says Jennifer. *“She asked, ‘Which of you will go to secondary school?’”*

Fortunately for Jennifer’s family, there was a solution to the dilemma. News reached Jennifer’s father of a ground-breaking new partnership between PEAS and Zambia’s Ministry of General Education where day students pay zero fees.

Jennifer and her brother were both able to enrol at the first PEAS school in partnership with the government– PEAS Kampinda – when it opened its gates in January 2018.

“Many children in our community cannot afford to go to government or private secondary schools due to the high fees”, says Jennifer. *“Now they have the chance to attend a PEAS school like me.”*

REPORT OF THE TRUSTEES

Period ended 31st December 2018

Quality

We had a significant focus on school leadership and improving classroom practice over the period. Learning walks are now fully embedded and are accompanied by leader mentoring to encourage a more robust focus on classroom practice improvement. Teacher training focused on inclusive and gender responsive pedagogy, and a drive to reduce boarding numbers has addressed the major risk caused by over enrolment across the network. We have drafted a Careers Guidance manual which is ready to roll out, and will support students to see a clearer link between completing their studies and their future success.

In Uganda, we also supported schools through the exam strategy to address gaps in curriculum coverage, provide remedial support, and give students the practice they need to succeed in an exam situation. We saw an improvement in 4 of our 7 weakest schools, and continued to perform above national average as where the national figures indicated 46% achieving DIV I-III and 87% pass rate, our scores were 50% and 91% respectively.

In Zambia, the 2018 G12 results for PEAS Zambia Network were directly in line with the national 63% pass rate. Female students at PEAS schools outperformed the national figure for girls. The pass rate for boys at PEAS schools, however, was 5 percentage points below the national pass rate for male students.

Globally, PEAS has continued to focus on strengthening Child Protection systems across the organisation, working with the Charity Commission and DfID to ensure the safety and wellbeing of all PEAS students.

PROJECTS IN THE SPOTLIGHT: LIVELIHOODS

Due to the remote location of the communities in which PEAS learners live, opportunities for formal employment and post-secondary education are often limited. PEAS identified the need to equip students with practical entrepreneurship skills, to enable them to successfully transition into post-school life and become productive, financially independent, members of their communities.

The PEAS Livelihoods programme is an intervention designed to support the development of business and entrepreneurial skills in PEAS students. Through a combination of both classroom-based learning and practical activities, students are guided through the process of planning and setting up a small school-based enterprise, which could be feasible and sustainable within the communities in which they live. The programme is designed to facilitate active student participation and student leadership opportunities.

In 2018, over 1,000 students across 12 pilot schools were engaged with the implementation and management of school enterprises through Entrepreneurship Clubs. The programme supported students to develop invaluable skills, useful both within school and with post-school life. Students believed that participating in the Livelihoods programme had made them feel more prepared for their future when they leave school, and they recognised the importance of the skills they learnt.

Due to the success of the pilot, in 2019 the Livelihoods programme will be rolled out across all 28 schools in the PEAS Uganda network.

By Katherine Goodfellow,
PEAS Uganda Education Specialist



Edward Muyomba is a Geography and History teacher and a sports master at PEAS Sarah Ntiro High School. Edward started his teaching career in 2015 after graduating with a Bachelor's degree in Education. However, Edward was part of PEAS much longer before becoming a teacher. He was a student at another PEAS school in the Wakiso District. After completing his education with PEAS, and with the help of a scholarship that supports PEAS students who perform well, he joined university.

Edward is extremely grateful for the opportunities he's received: *"I was fortunate to have been one of the beneficiaries for this scheme which sponsored my entire University Education. As I talk right now, I am proud to be a teacher because my dream came true and now, it's my duty to give back to the community which makes me happy to stand in front of my learners and share my life story to give them courage and hope."*

"As a previous student at PEAS, I have experienced firsthand how warm and welcoming the teachers and administration staff are. I have never experienced the same in any of the schools I attended or taught in. Everyone in the school is genuinely happy to be there working with the students and the community. PEAS also promote equal talents for all students and all our programs are felt with positive results in the community."

"I am grateful to be working for a school with such strong and inclusive values because I know the huge benefits that this will bring to my students. Thanks to PEAS I have been able to create my own path and succeed, now I have the privilege of helping children who come from a similar background and may be experiencing similar challenges."



REPORT OF THE TRUSTEES

Period ended 31st December 2018

Sustainability

In Uganda, the aftermath of the announcement of the phase out of Uganda's USE Public Private Partnership (PPP) has seen PEAS focus on defining strategies to manage the impact on the sustainability of the network of schools. Starting in 2019, PEAS will conduct a rigorous assessment of cost and effectiveness throughout the network (including all country operations) to establish the optimal operational models that will deliver PEAS Uganda to full sustainability by 2025.

Part of this improvement project sees the adoption of digital payment for fees by parents and guardians.

PROJECTS IN THE SPOTLIGHT: SCHOOL PAY

PEAS recognizes the role of technology in transforming education in its three strategic areas of Access, Quality and Sustainability. Specifically, PEAS believes that the proliferation of mobile phones even in some of Uganda's poorest villages presents an opportunity for PEAS to use digital finance to address:

- Operational challenges in the management of payments and finances in schools and
- Hurdles experienced by parents, caregivers and other stakeholders in paying school fees.

In 2018, during our School Fees Digitization Project, PEAS introduced "School Pay"- a platform that offers the opportunity to pay school fees online instead of the conventional way where parents/guardians would have to come to the school and pay cash - in 15 schools in Uganda. School Pay uses Mobile Money to link the parent to the school's bank account. Each student is given a unique payment code that enables payments.

The project has had a positive impact for all our stakeholders:

- Parents save on time and transport costs, while also making sure that their children don't misuse or lose the money for the payment of fees;
- Learners don't have to bring fees from home and can now focus on their studies. Absenteeism and dropout rates are expected to reduce as well.
- School administrators now do not have to worry about moving large sums of money to the bank, reducing the risk of loss or theft.
- As a network, it is much easier to monitor fee collection and ensure school funds are not mismanaged.

PEAS is aiming to push for fees to be collected digitally as widely as possible, and we are hoping that one day many of schools will not handle cash fees at all. Technology will help us support parents to pay on time in a way they can afford and keep our students safely in school.

**By Robert Mugisa,
PEAS Uganda Finance Manager**



REPORT OF THE TRUSTEES

Period ended 31st December 2018

Co-Impact

Co-impact is a key part of our new strategy, focused on delivering equitable quality education at scale through working in collaboration with other organisations.

After ten years, PEAS has developed and improved a range of processes, systems, tools and approaches that are delivering positive impact in our own schools. We have built a foundation of strong evidence of PEAS impact, PEAS' reputation as a leader in its field, and multi-year funding partnerships in both Uganda and Zambia. This strategic period will see a pivot as we focus on co-impact in the following three ways:

- Collaboration with operators and governments: we will proactively collaborate with other international education actors to support more children outside the PEAS network;
- Research and evidence: We already have evidence of what is working within our own network, but want to develop more external facing research on the drivers of equitable quality; and
- Global advocacy and influence: we will refine our key messaging as we seek to influence the global debate on effective school management and partnering with government.

In 2018, we already had the opportunity to collaborate with some partners to deliver quality education to non-PEAS students. For example, we collaborated with a non-PEAS school to improve their internal audit system, and we are set to work alongside the Uganda government inspections department in government schools starting in 2019.

PROJECTS IN THE SPOTLIGHT: AUDIT CO-IMPACT PROJECT

In April 2018, PEAS supported a secondary school in the Soroti District of Eastern Uganda by providing the internal audit service that PEAS schools receive at least once each year. The objective of the project was to strengthen the school's internal control systems for efficient and effective operations.

At PEAS we aim to work to improve the broader education systems we work within, and consider our wider impact, not just the progress of our own schools. That is why when we found the opportunity to support another school provider, we took that chance to learn about how our own processes and systems could be put to use to drive wider impact outside of our network.

The support we gave to the school was highly valued by the school's management. Our team were able to identify areas of improvement and practical solutions, which allowed the school to optimise how it used the little resources at its disposal to best drive a quality, equitable education which could benefit learners and employees.

Where organisations are aligned to PEAS' values, PEAS can make a difference with relatively straightforward technical advice which can highlight areas to be more cost effective, reduce fraud risk, improve health and safety, and set up structures which create better support and accountability for school staff.

The success of this exercise confirmed PEAS' view that supporting other providers and government schools could be an effective way for PEAS to support other socially-responsible operators to increase their own impact, while also contributing to PEAS' core mission to expand access to equitable, quality education.

By Jimmy Muhindo,
PEAS Uganda Audit and Risk Manager





REPORT OF THE TRUSTEES

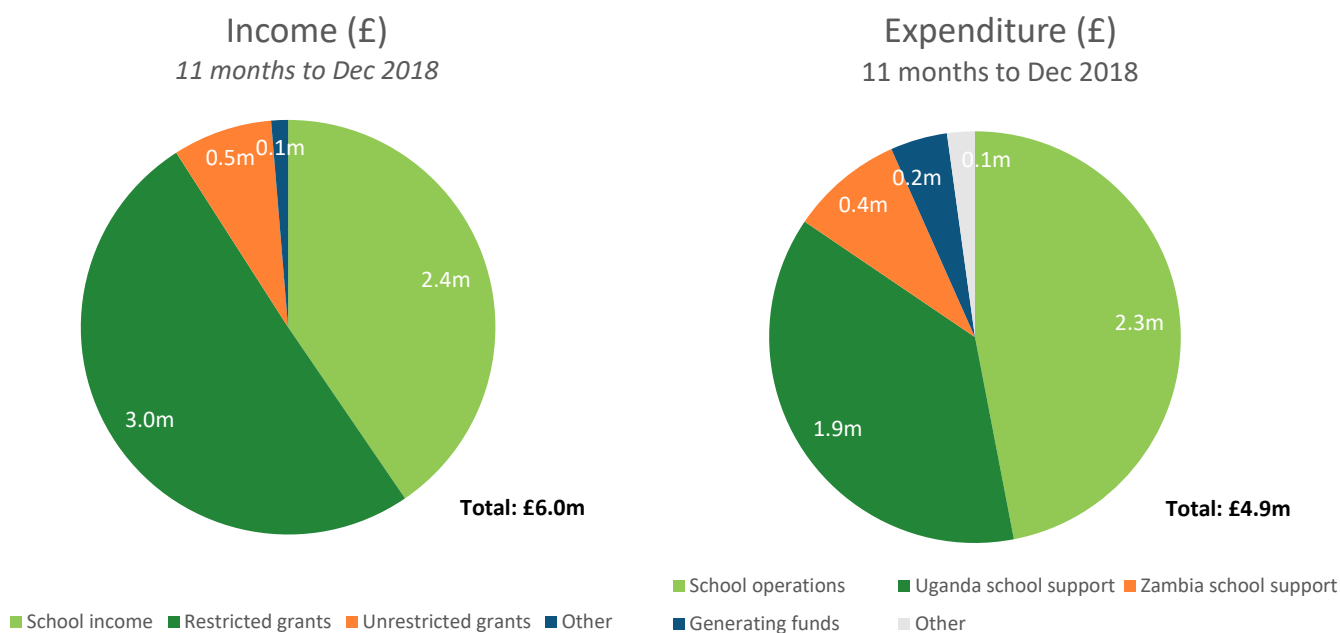
Period ended 31st December 2018

Financial review

PEAS total income for the period was £6.0m (11 months), 6% lower than the prior year of £6.3m (12 months). School income, unaffected by the financial year change, grew from £2.3m to £2.4m, as student numbers grew and the new government partnership in Zambia started, bringing in £56,421 in its first year. Total expenditure was £4.9m (11 months), 6% lower than the prior year £5.2m (12 months). There was underlying like-for-like growth in the programme of 3%, driven by a growth in student numbers and PEAS' new focus on supporting programmes outside its network.

Expenditure on generating funds came to £0.2m, which represents 4% of total expenditure.

Income and expenditure breakdown



School building and equipment

The expenditure on school construction is accounted for through PEAS' balance sheet. This is represented by the School building Fund of £7.3m (2017 —£6.4m) included in total Funds.

During the period PEAS spent £1.2m (prior year £1.3m) on new school construction, expanding schools and new equipment across the school network. Of that, £0.9m was in Uganda and £0.3m in Zambia.

In Uganda, there was a particular focus on upgrading the equipment across the network to allow for the growth in student numbers over the past few years. In total, PEAS purchased:

- 33,541 new textbooks;
- 432 new computers; and
- 10,345 pieces of lab equipment.

REPORT OF THE TRUSTEES

Period ended 31st December 2018

In 2018, PEAS has received generous donations from many organisations to whom we are very grateful. We would like to take this opportunity to thank the following organisations in particular for their continued and generous support:

AUGENTIUS
ENGINEERS OF DETAIL



COSTA
Foundation
CHANGE A CHILD'S LIFE STORY

SITA



Horace W. Goldsmith
Foundation

 **Vitol**
Foundation



COINS Foundation
Be a Force for Good



We would also like to thank a number of donors who wished to remain anonymous, and the hundreds of individual supporters who have given generously to our work who have 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.

REPORT OF THE TRUSTEES

Period ended 31st December 2018

Reserves and investment policy

PEAS has a Reserves and Investment policy in place. PEAS UK aims to have unrestricted reserves of £600,000 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.

Funds and reserve position

PEAS has total funds of £9.47m (Jan 2018- £8.17m). Of this, £7.42m (Jan 2018 - £6.44m) is physical school infrastructure in Uganda and Zambia and is distinct from usable cash funds. Of the remaining £2.05m of funds, restricted funds are £1.49m (Jan 2018 - £1.58mm) and unrestricted funds are £0.56m (Jan 2018 — £0.15m). Of the £0.56m unrestricted funds, £0.32m is part of a designated school reserve and £0.25m is usable unrestricted reserve.

PEAS group current unrestricted reserves position at £0.25m is below the target level set in the reserves policy. This shows an incremental improvement over the past three financial years due to a continued steady contribution to unrestricted funds in each year.

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. PEAS Finance, Audit and Risk Committee is tasked with monitoring the organisation's ongoing financial health and working closely with the senior management team to ensure decision-making is sufficiently prudent. This Committee also raises concerns if PEAS is consistently or significantly missing its financial KPIs at any point during the year. In this way, the board and senior management team continue to manage this risk by monitoring the cash flow and fund position carefully, intensifying efforts to raise unrestricted grants and donations and setting prudent budgets which will strengthen the financial position. PEAS is on track to meet its unrestricted reserve target by the end of financial year 2021.

UK Fundraising

PEAS fundraising over the period has continued to be done in a way which PEAS believes is best practice, learning from the guidance issued to the sector by the Fundraising Regulator.

All fundraising is carried out strictly in line with PEAS' values, in particular the value of Be Honest. PEAS believes that sticking to our principles of doing what is right for the broader NGO sector is vital to ensure we are having an overall positive impact as well as assuring the long term success of PEAS.

In 2018, the majority of funds have been raised from existing donors, which are a mix of institutions, trusts, foundations, and individuals. PEAS has strict policies and guidelines in place which govern our approach to fundraising, including compliance with GDPR. The fundraising team is a small team of 3 that is closely monitored for compliance with these policies and guidelines.

PEAS received no complaints related to fundraising in any way over the period. PEAS will not under any circumstances put pressure on any person to donate to PEAS, and takes all due care to ensure that any communication that is sent out from PEAS is wanted by the recipient.

REPORT OF THE TRUSTEES

Period ended 31st December 2018

Over this period, PEAS continued to only contact individuals who had expressed an interest in hearing from PEAS, and had a strict process to ensure that any requests to unsubscribe from PEAS' materials were acted on immediately.

Moreover, part of PEAS' focus on delivering lasting change in the development sector means that PEAS will also not use negative or shocking imagery or stories as part of its fundraising approach, but instead focuses on beneficiaries as empowered agents of change. PEAS uses data from our programmes and external studies wherever possible in its fundraising materials, and PEAS' Monitoring and Evaluation team play a critical role in supporting and overseeing fundraising materials produced. PEAS believes that it has an important role to play in setting an example on how to positively interact with the UK public and build their understanding of Zambia and Uganda.

Plans for future

In 2018, Laura Brown - one of PEAS' longest serving team members – was appointed as the new PEAS' CEO as PEAS' Founder, John Rendel, stepped down. Laura has played a critical role in the success of the organisation: she led the development of our technical team, launched our programme in Zambia and was already playing an increasingly important role with our strategic partnerships and overall strategy.

In 2019, PEAS will be focusing on:

- I. In Uganda, setting our sights on every PEAS school being one of the best in Uganda for high quality, equitable education, and delivering highly focused school support and supervision to achieve that
- II. In Zambia, setting PEAS' strategy to grow the network from 4 schools to a full scale network in partnership with the Zambian government
- III. Delivering our first collaborative projects which benefit students outside of the PEAS network of schools, including launching a major pilot with Uganda's school inspections team to deliver high quality school inspections in government schools;
- IV. Securing the income PEAS needs to deliver our strategic plan and reach greater long term financial security.

STATEMENT OF THE TRUSTEES

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 July 2019 and signed on its behalf by:

Robin Horn

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements Promoting Equality in African Schools (PEAS) for the period ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 December 2018 and of the group's and parent charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 20, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable 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. This description forms part of our auditor's report.

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 group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Strategic Report and the Report of the Trustees'. 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 Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Trustees' (which includes the directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report (included within the Report of the Trustees') have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees' (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Murtaza Jessa (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date:

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Period ended 31st December 2018

	Notes	Unrestricted Dec. 2018 £	Restricted Dec. 2018 £	Total Dec. 2018 £	Total Jan. 2018 £
Income from:					
Donations and legacies		464,709	3,020,965	3,485,674	4,119,871
Charitable activities		2,422,117	-	2,422,117	2,260,167
Investment income		3,163	-	3,163	6,058
Other income		<u>75,235</u>	<u>-</u>	<u>75,235</u>	<u>12,356</u>
Total income	7	<u>2,965,224</u>	<u>3,020,965</u>	<u>5,986,189</u>	<u>6,398,452</u>
Expenditure on:					
Raising funds		53,639	167,794	221,433	182,205
Charitable activities:					
School operations		2,177,878	153,464	2,331,342	2,654,787
School Management, support & construction		<u>243,881</u>	<u>2,151,623</u>	<u>2,395,504</u>	<u>2,395,690</u>
Total expenditure	8	<u>2,475,398</u>	<u>2,472,881</u>	<u>4,948,279</u>	<u>5,232,682</u>
Net movement in funds before exchange differences and transfers					
Exchange differences	10	489,825	548,085	1,037,910	1,165,770
		<u>(11,807)</u>	<u>276,361</u>	<u>264,554</u>	<u>(787,406)</u>
Net movement in funds		<u>478,018</u>	<u>824,446</u>	<u>1,302,464</u>	<u>378,364</u>
Reconciliation of funds					
<i>Transfer between funds</i>	20	-	-	-	-
<i>Total funds brought forward</i>		<u>149,900</u>	<u>8,021,399</u>	<u>8,171,299</u>	<u>7,792,935</u>
Total funds carried forward	20	<u>627,918</u>	<u>8,845,845</u>	<u>9,473,763</u>	<u>8,171,299</u>

All of the Charity's activities derive from continuing operations during the above period.
The notes on pages 26-44 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

Period ended 31st December 2018

	Notes	Dec. 2018 Group £	Dec. 2018 Charity £	Jan. 2018 Group £	Jan. 2018 Charity £
Fixed assets					
Tangible assets	15,16	7,883,025	4,260	6,716,756	4,050
Intangible assets	17	<u>16,867</u>	<u>-</u>	<u>15,392</u>	<u>-</u>
		<u>7,899,892</u>	<u>4,260</u>	<u>6,732,148</u>	<u>4,050</u>
Current assets					
Debtors	18	676,329	300,542	822,735	430,008
Cash at bank and in hand		<u>1,874,836</u>	<u>1,445,128</u>	<u>1,564,242</u>	<u>1,423,419</u>
		<u>2,551,165</u>	<u>1,745,670</u>	<u>2,386,977</u>	<u>1,853,427</u>
Creditors amounts falling due within one year	19	<u>(835,391)</u>	<u>(342,197)</u>	<u>(597,968)</u>	<u>(76,213)</u>
Net current assets		<u>1,715,774</u>	<u>1,403,473</u>	<u>1,789,009</u>	<u>1,777,214</u>
Creditors amounts falling due after one year	19	<u>(141,903)</u>	<u>(127,434)</u>	<u>(349,858)</u>	<u>(338,684)</u>
Net assets		<u>9,473,763</u>	<u>1,280,299</u>	<u>8,171,299</u>	<u>1,442,580</u>
Funds					
Unrestricted funds – designated		315,806	-	-	-
Unrestricted funds – general		312,112	347,000	149,900	209,934
Restricted funds – fixed assets		7,352,406	-	6,439,663	-
Restricted funds – general		<u>1,493,439</u>	<u>933,299</u>	<u>1,581,736</u>	<u>1,232,646</u>
Total funds	20	<u>9,473,763</u>	<u>1,280,299</u>	<u>8,171,299</u>	<u>1,442,580</u>

The financial statements on pages 23 to 44 were approved by the Board of Trustees on June 2019 and were signed on its behalf by:

Robin Horn
Trustee

CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 31st December 2018

	Notes	Group Dec 2018 £	Group Jan 2018 £
Net cash generated by operating activities	23	1,601,390	2,152,928
Cash flows from investing activities			
Investment income		3,163	6,058
Purchase of tangible fixed assets		(1,229,898)	(1,263,419)
Purchase of intangible fixed assets		(2,892)	-
Net cash used in investing activities		<u>(1,229,627)</u>	<u>(1,257,361)</u>
Cash flows from financing activities			
CAF loan		-	60,000
Less repayment		-	(151,959)
Net cash from financing activities		<u>-</u>	<u>(91,959)</u>
Increase in cash and cash equivalents in the period		371,763	803,608
Change in cash and cash equivalents due to exchange rate movements		(61,169)	29,399
Cash and cash equivalents at the beginning of the period		<u>1,564,242</u>	<u>731,235</u>
Total cash and cash equivalents at the end of the period		<u>1,874,836</u>	<u>1,564,242</u>

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31st December 2018

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 periods 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, including the 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. The financial performance of PEAS UK can be found in note 4.

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

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.

Expenditure

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

- I. Resources expended on charitable activities comprise 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. Land is not depreciated. Depreciation on all other assets 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)	4 years
Motor vehicles	4 years
Computer and office equipment (Uganda)	3 years
Computer and office equipment (UK)	4 years
Computers and office equipment (Zambia)	4 years
Machinery	5 years

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS) COMPANY LIMITED BY GUARANTEE

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.

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

The charity has a defined contribution 'money purchase' scheme for UK employees. The administration costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the charity.

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.

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

3. Group Financial performance in the prior period

	Unrestricted Jan 2018 £	Restricted Jan 2018 £	Total Jan 2018 £
Income from:			
Donations and legacies	790,849	3,329,022	4,119,871
Charitable activities	2,260,167	-	2,260,167
Investment income	6,058	-	6,058
Other income	<u>12,356</u>	<u>-</u>	<u>12,356</u>
Total income	<u>3,069,430</u>	<u>3,329,022</u>	<u>6,398,452</u>
Expenditure on:			
Raising funds	36,142	146,063	182,205
Charitable activities:			
School operations	2,469,549	185,238	2,654,787
School management, support & construction	<u>133,248</u>	<u>2,262,442</u>	<u>2,395,690</u>
Total expenditure	<u>2,638,939</u>	<u>2,593,743</u>	<u>5,232,682</u>
Net movement in funds before exchange differences and transfers	430,491	735,279	1,165,770
Exchange differences	<u>(28,956)</u>	<u>(758,450)</u>	<u>(787,406)</u>
Net movement in funds	<u>401,535</u>	<u>(23,171)</u>	<u>378,364</u>
Reconciliation of funds			
<i>Transfer between funds</i>	-	-	-
<i>Total funds brought forward</i>	<u>(251,635)</u>	<u>8,044,570</u>	<u>7,792,935</u>
Total funds carried forward	<u>149,900</u>	<u>8,021,399</u>	<u>8,171,299</u>

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

4. Financial performance of PEAS UK

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

	Dec 2018 £	Jan 2018 £
Income	3,270,728	3,968,983
Expenditure on:		
Raising funds	221,433	182,205
Charitable activities:		
School operations, management, support and		
Construction	<u>3,238,629</u>	<u>3,453,035</u>
Total expenditure	<u>3,460,062</u>	<u>3,635,240</u>
Net movement in funds before exchange		
differences and transfers	(189,334)	333,743
Exchange differences	<u>27,053</u>	<u>(7,526)</u>
Net movement in funds	(162,281)	326,217
Total funds brought forward	1,442,580	1,116,363
Total funds carried forward	<u>1,280,299</u>	<u>1,442,580</u>
Represented by:		
Unrestricted funds	347,000	209,934
Restricted funds	<u>933,299</u>	<u>1,232,646</u>
Net assets	<u>1,280,299</u>	<u>1,442,580</u>

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

5. Financial performance of PEAS Uganda Limited

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

	Dec 2018 £	Jan 2018 £
Income from:		
Grant income	2,005,595	2,091,253
School network income	2,287,868	2,211,148
Investment income	2,654	5,522
Other income	<u>59,463</u>	<u>5,340</u>
Total income	<u>4,355,580</u>	<u>4,313,263</u>
Expenditure on:		
Charitable activities:		
School operations	2,151,773	2,372,659
School management, support and construction	<u>1,394,125</u>	<u>1,459,194</u>
Total expenditure	<u>3,545,898</u>	<u>3,831,853</u>
Net movement in funds before exchange differences and transfers	809,682	481,410
Foreign exchange movement	<u>367,648</u>	<u>(757,020)</u>
Net movement in funds	1,177,330	(275,610)
Reserves brought forward	<u>5,648,767</u>	<u>5,924,377</u>
Reserves carried forward	<u>6,826,097</u>	<u>5,648,767</u>
The assets and liabilities of the subsidiary were:		
Fixed assets – school land and buildings	6,213,207	5,373,044
Fixed assets – plant and equipment	424,991	240,663
Current assets	656,943	488,355
Current liabilities	<u>(469,044)</u>	<u>(453,295)</u>
Net Assets	<u>6,826,097</u>	<u>5,648,767</u>

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

6. Financial performance of PEAS Zambia Limited

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

	Dec 2018	Jan 2018
	£	£
Income from:		
Grant income	767,907	749,573
School network income	134,249	49,019
Investment income	509	563
Other income	<u>13,178</u>	<u>6,988</u>
Total income	<u>915,843</u>	<u>806,143</u>
Expenditure on:		
Charitable activities:		
School operations	133,303	231,528
School management, support and construction	<u>350,452</u>	<u>145,094</u>
Total expenditure	<u>483,755</u>	<u>376,622</u>
Net movement in funds before exchange differences and transfers	432,088	429,521
Foreign exchange movement	<u>(144,672)</u>	<u>(101,765)</u>
Net movement in funds	287,416	327,756
Reserves brought forward	<u>1,079,951</u>	<u>752,195</u>
Reserves carried forward	<u>1,367,367</u>	<u>1,079,951</u>
The assets and liabilities of the subsidiary were:		
Fixed assets – school land and buildings	1,203,861	1,066,619
Fixed assets – plant and equipment	53,573	47,772
Current assets	148,551	45,196
Current liabilities	(24,148)	(68,462)
Long-term liabilities	<u>(14,469)</u>	<u>(11,174)</u>
Net Assets	<u>1,367,367</u>	<u>1,079,951</u>

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

7. Income received

	Unrestricted Funds Dec 2018	Restricted Funds Dec 2018	Total Dec 2018 £	<i>Total Jan 2018 £</i>
Donations and legacies				
Cash donations received	464,709	919,424	1,384,133	1,698,277
Donated assets	-	-	-	46,755
Services in kind	-	-	-	-
Government grants	-	<u>2,101,541</u>	<u>2,101,541</u>	<u>2,374,839</u>
	<u>464,709</u>	<u>3,020,965</u>	<u>3,485,674</u>	<u>4,119,871</u>
Charitable activities				
Tuition and boarding fees	2,178,304	-	2,178,304	1,960,431
Uganda and Zambia government grants	<u>243,813</u>	<u>-</u>	<u>243,813</u>	<u>299,736</u>
	<u>2,422,117</u>	<u>-</u>	<u>2,422,117</u>	<u>2,260,167</u>
Investment income				
Bank interest receivable	<u>3,163</u>	<u>-</u>	<u>3,163</u>	<u>6,058</u>
	<u>3,163</u>	<u>-</u>	<u>3,163</u>	<u>6,058</u>
Other income:				
Sundry income	<u>75,235</u>	<u>-</u>	<u>75,235</u>	<u>12,356</u>
	<u>75,235</u>	<u>-</u>	<u>75,235</u>	<u>12,356</u>
Total income	<u>2,965,224</u>	<u>3,020,965</u>	<u>5,986,189</u>	<u>6,398,452</u>

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

8. Expenditure

	Unrestricted Funds Dec 2018	Restricted Funds Dec 2018	Total Dec 2018 £	<i>Total Jan 2018 £</i>
Costs of generating funds				
Direct costs	40,589	134,578	175,167	<i>111,432</i>
Support costs	<u>13,050</u>	<u>33,216</u>	<u>46,266</u>	<i><u>70,773</u></i>
	<u>53,639</u>	<u>167,794</u>	<u>221,433</u>	<i><u>182,205</u></i>
Charitable activities:				
School operations	2,164,828	120,248	2,285,076	<i>2,604,186</i>
Support costs	<u>13,050</u>	<u>33,216</u>	<u>46,266</u>	<i><u>50,601</u></i>
	<u>2,177,878</u>	<u>153,464</u>	<u>2,331,342</u>	<i><u>2,654,787</u></i>
School network management, support, and construction	226,482	2,107,335	2,333,817	<i>2,281,155</i>
Support Costs	<u>17,399</u>	<u>44,288</u>	<u>61,687</u>	<i><u>114,535</u></i>
	<u>243,881</u>	<u>2,151,623</u>	<u>2,395,504</u>	<i><u>2,395,690</u></i>
Total expenditure	<u>2,475,398</u>	<u>2,472,881</u>	<u>4,948,279</u>	<i><u>5,232,682</u></i>

Analysis of support costs

Support costs	Fundraising £	Charitable activities:			Total Dec 2018 £	Basis of allocation
		School operations £	School management, support & construction £	Total		
Staff costs	28,132	28,132	37,510	93,774	Number of staff and time spent	
Rent, rates and utilities	2,305	2,305	3,073	7,683	Area occupied	
Consultancy	792	792	1,056	2,640	Resources used	
Finance	605	605	807	2,017	Resources used	
General administration costs	9,385	9,385	12,511	31,281	Resources used	
Governance	<u>5,047</u>	<u>5,047</u>	<u>6,730</u>	<u>16,824</u>	Resources used	
	<u>46,266</u>	<u>46,266</u>	<u>61,687</u>	<u>154,219</u>		

PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)
COMPANY LIMITED BY GUARANTEE

Analysis of support costs – prior period

Support costs	Fundraising £	Charitable activities:			Total Jan 2018 £	Basis of allocation
		School operations £	School management, support & construction £			
Staff costs	37,572	26,300	61,368	125,240	Number of staff and time spent	
Rent, rates and utilities	2,273	2,652	2,652	7,577	Area occupied	
Consultancy	12,494	8,746	20,407	41,647	Resources used	
Finance	3,741	2,619	6,111	12,471	Resources used	
General administration costs	9,456	6,618	15,445	31,519	Resources used	
Governance	<u>5,237</u>	<u>3,666</u>	<u>8,552</u>	<u>17,455</u>	Resources used	
	<u>70,773</u>	<u>50,601</u>	<u>114,535</u>	<u>235,909</u>		

9. Auditor remuneration

	Dec 2018 £	Jan 2018 £
Fees payable to the charity's auditor for the audit of the charity's financial statements	17,304	17,280
Fees payable to the auditors of the charity's subsidiaries	<u>17,038</u>	<u>25,066</u>
	<u>34,342</u>	<u>42,346</u>

10. Exchange differences

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 £7.4m (Jan 2018 - £6.4m) 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 in restricted funds rather than what might be considered a "real" exchange gain or loss on an investment or a saleable asset.

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11. Analysis of staff costs

	Dec 2018	Jan 2018
	£	£
Salaries and wages	1,741,247	1,849,920
Pension	22,664	20,049
Social security costs	<u>163,939</u>	<u>167,920</u>
	<u>1,927,851</u>	<u>2,037,889</u>

During the year termination payments were made totalling £32,438 (Jan 2018 – nil).

The number of staff receiving emoluments exceeding £60k were as follows:

	Dec 2018	Jan 2018
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1

PEAS received support from 6 volunteers over the course of 2018, two in each country office. These volunteers supported with business development and administration, delivering a series of projects to support the UK team.

The average monthly head count of employees (including casual and part-time staff) during the period were as follows:

	Dec 2018	Jan 2018
UK management and support	15	12
Uganda – management and support	46	52
Zambia – management and support	12	4
Schools – leadership, teachers and support	<u>977</u>	<u>940</u>
	<u>1,050</u>	<u>1,008</u>

12. Related party transactions

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

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (Jan 2018 - £nil).

No expenses were paid to the trustees in the period (Jan 2018 - £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 £310k (Jan 2018 - £268k).

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 £52k (Jan 2018 - £45k) and for PEAS Zambia, where the role was empty for part of the year, was £15k (Jan 2018 - £25k).

The employee benefits of key management personnel for the Group was therefore £377k (Jan 2018 - £338k).

13. Government Grants

The UK Government Department for International Development (DfID)

The UK Government supports PEAS through DfID Uganda, and Girls Education Challenge (GEC) through the Girls Education Challenge – Transition (GECT) Programmes. 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 period PEAS received a total of £693k (Jan 2018 - £412k) in grants towards the GECT 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 period were £1,329k (Jan 2018 - £1,848k) and expenditure was £1,387k (Jan 2018 - £1,629k). (See Note 20)

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 along with many other non-state schools across Uganda. Through this, schools receive a per-pupil capitation grant (Universal Secondary Education, or USE, grant), to subsidise students' education. Unfortunately in February 2018, the Government announced that the partnership would be phased out over a four year period.

PEAS has been working hard to minimise the impact of this phase-out for PEAS' students, by keeping fees low wherever possible, reducing costs to allow schools to remain sustainable, and implementing fee instalment programmes to keep fee payment manageable for the poorest families.

In 2018, PEAS received an equivalent of £187k (Jan 2018 - £292k) under the USE grant.

Ministry of General Education, Government of Zambia

In 2016, PEAS reached a ground-breaking partnership with the Zambian Ministry of General Education under which the government would pay for all the per-pupil expenses while PEAS only had to fundraise for the cost of building a school. Thanks to this partnership PEAS opened its first partnership school in January 2018, PEAS Kampinda, which has zero day fees. Through this partnership, in 2018 PEAS received an equivalent of £56k.

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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15. Tangible fixed assets – Group

	Buildings £	Freehold land £	Capital work in progress £	Motor Vehicles & cycles £	Computers & office equipment £	Total Dec 2018 £
Cost						
At 1 February 2018	6,884,362	274,909	82,155	56,446	418,930	7,716,802
Additions	-	17,593	908,223	-	304,082	1,229,898
Transfers/disposals	228,970	-	(228,970)	(9,250)	-	(9,250)
Exchange differences	370,725	18,865	(11,076)	3,497	18,980	400,991
At 31 December 2018	<u>7,484,057</u>	<u>311,367</u>	<u>750,332</u>	<u>50,693</u>	<u>741,991</u>	<u>9,338,441</u>
Depreciation						
At 1 February 2018	817,155	-	-	48,541	134,350	1,000,046
Released on disposal	-	-	-	(9,250)	-	(9,250)
Charge for the period	266,198	-	-	4,114	119,657	389,969
Exchange differences	62,203	-	-	3,493	8,955	74,651
At 31 December 2018	<u>1,145,556</u>	<u>-</u>	<u>-</u>	<u>46,898</u>	<u>262,962</u>	<u>1,455,416</u>
Net book value						
At 31 December 2018	<u>6,338,501</u>	<u>311,367</u>	<u>750,332</u>	<u>3,795</u>	<u>479,030</u>	<u>7,883,025</u>
At 1 February 2018	<u>6,067,207</u>	<u>274,909</u>	<u>82,155</u>	<u>7,905</u>	<u>284,580</u>	<u>6,716,756</u>

16. Tangible fixed assets - Charity

	Computers & office Equipment Dec 2018 £
Cost	
At 1 February 2018	11,457
Additions	2,057
Transfers/disposals	-
At 31 December 2018	<u>13,514</u>
Depreciation	
At 1 February 2018	7,407
Charge for the period	1,847
At 31 December 2018	<u>9,254</u>
Net book value	
At 31 December 2018	<u>4,260</u>
At 1 February 2018	<u>4,050</u>

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17. Intangible fixed assets – Group

	Prepaid operating Lease rentals Dec 2018 £
Cost	
At 1 February 2018	20,089
Additions	2,892
Transfers/disposals	-
Exchange differences	<u>(536)</u>
At 31 December 2018	<u>22,445</u>
Depreciation	
At 1 February 2018	4,697
Charge for the period	800
Exchange differences	<u>81</u>
At 31 December 2018	<u>5,578</u>
Net book value	
At 31 December 2018	<u>16,867</u>
At 1 February 2018	<u>15,392</u>

18. Debtors: amounts falling due within one year

	Group Dec 2018 £	Charity Dec 2018 £	Group Jan 2018 £	Charity Jan 2018 £
Donations receivable	337,442	265,951	381,615	381,615
Gift aid receivable	8,628	8,628	5,643	5,643
Prepayments	85,484	11,525	77,092	16,312
School debtors	196,468	-	312,873	-
Other debtors	<u>48,307</u>	<u>14,438</u>	<u>45,512</u>	<u>26,438</u>
	<u>676,329</u>	<u>300,542</u>	<u>822,735</u>	<u>430,008</u>

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19a. Creditors: amounts falling due within one year

	Group	Charity	Group	Charity
	Dec 2018	Dec 2018	Jan 2018	Jan 2018
	£	£	£	£
Trade creditors	390,877	3,872	142,073	1,373
Taxation and social security	75,051	16,594	43,208	15,119
School creditors	30,223	-	223,763	-
Accruals	21,677	19,704	76,289	48,600
Deferred income	91,238	85,000	-	-
Sundry creditors and provisions	15,075	5,777	112,635	11,121
Mobilisation funds payable to DfID GECT				
- current portion	<u>211,250</u>	<u>211,250</u>	<u>-</u>	<u>-</u>
	<u>835,391</u>	<u>342,197</u>	<u>597,968</u>	<u>76,213</u>

19b. Creditors: amounts falling due after one year

	Group	Charity	Group	Charity
	Dec 2018	Dec 2018	Jan 2018	Jan 2018
	£	£	£	£
Staff creditors	14,469	-	11,174	-
Mobilisation funds payable to DfID GECT	<u>127,434</u>	<u>127,434</u>	<u>338,684</u>	<u>338,684</u>
	<u>141,903</u>	<u>127,434</u>	<u>349,858</u>	<u>338,684</u>

The mobilisation funds represent working capital received in respect of the DfID GECT programme and is repayable in 4 quarterly instalments from April 2019.

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20. Analysis of movements in funds

Current period analysis	Balance at 31 Jan 2018	Income	Expenditure	Transfers Between funds	Exchange Differences	Balance at 31 Dec 2018
	£	£	£	£	£	£
Restricted funds						
UGANDA – General	1,968	-	-	-	-	1,968
UGANDA – Construction	643,927	519,868	(26,433)	(415,428)	(12,351)	709,583
UGANDA – GEC	-	-	-	-	-	-
UGANDA – GECT	-	693,201	(693,201)	-	-	-
UGANDA – SESIL	612,688	1,328,907	(1,386,458)	-	-	555,137
UGANDA – Programmes	29,637	93,855	(110,023)	-	-	13,469
ZAMBIA – Construction	105,724	380,134	(9,355)	(234,165)	(29,056)	213,282
ZAMBIA – Programmes	187,792	5,000	(182,767)	(10,025)	-	-
School fixed asset fund	6,439,663	-	(64,643)	659,618	317,768	7,352,406
	8,021,399	3,020,965	(2,472,880)	-	276,361	8,845,845
Unrestricted funds	149,900	2,965,224	(2,475,399)	-	(11,807)	627,918
Total funds	8,171,299	5,986,189	(4,948,279)	-	264,554	9,473,763

Prior period analysis	Balance at 31 Jan 2017	Income	Expenditure	Transfers Between funds	Exchange Differences	Balance at 31 Jan 2018
	£	£	£	£	£	£
Restricted funds						
UGANDA – General	3,750	-	(1,782)	-	-	1,968
UGANDA – Construction	552,785	491,640	(32,797)	(348,515)	(19,186)	643,927
UGANDA – GEC	155,829	62,286	(218,115)	-	-	-
UGANDA – GECT	-	412,245	(412,245)	-	-	-
UGANDA – SESIL	393,364	1,848,055	(1,628,731)	-	-	612,688
UGANDA – Programmes	60,138	60,299	(90,800)	-	-	29,637
ZAMBIA – Construction	66,574	452,597	(69,421)	(314,970)	(29,056)	105,724
ZAMBIA – Programmes	415,745	1,900	(139,853)	(90,000)	-	187,792
School fixed asset fund	6,396,385	-	-	753,485	(710,207)	6,439,663
	8,044,570	3,329,022	(2,593,744)	-	(758,449)	8,021,399
Unrestricted funds	(251,635)	3,069,430	(2,638,938)	-	(28,957)	149,900
Total funds	7,792,935	6,398,452	(5,232,682)	-	(787,406)	8,171,299

Continued

20. Analysis of movements in funds (continued)

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 – GEC & GECT	DfID funded programme aiming to reach marginalised girls in Uganda and improve their learning outcomes and successful transition to future education and employment. The project is taking place in all PEAS schools in Uganda and concludes in 2021.
Strengthen Education Systems to Improve Learning (SESIL).	DfID funded 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 of our schools and educational programmes in Uganda
ZAMBIA- Construction	Funds to cover the design and building of our schools in Zambia
ZAMBIA - Programmes	Funds to cover running of our schools and educational programmes in Zambia
School fixed asset fund	Funds representing the value of our Schools’ network infrastructure
Designated fund	Funds generated by Uganda schools and kept as surplus reserve in those schools, therefore not considered for flexible use across the Group

Transfers from restricted funds to school fixed asset fund represent the net additions to the schools’ network infrastructure in the period.

For the first time, the PEAS schools in Uganda have achieved a surplus balance sheet position. This is because they have increased their ability to run on a financially sustainable basis, independent of outside assistance, and have improved their financial management to clear historic liabilities within the financial period. This has led to a consolidated surplus of £315,806. Although these funds are unrestricted in nature, PEAS does not plan to use them as unrestricted across the group but instead leave them in the school accounts as reserves at a school level. As such, from this period, the fund analysis will split out the unrestricted reserve into a Designated Fund, to clarify what amount of unrestricted funds are flexible for use and what are instead held at a school level in Uganda. Over time PEAS will aim to do the same in Zambia once the schools reach scale and sustainability.

21. Analysis of net assets between funds

	Unrestricted funds £	Restricted Funds £	Total Dec 2018 £	Total Jan 2018 £
Fixed assets	1,936	7,897,956	7,899,892	6,732,148
Current assets	781,224	1,769,941	2,551,165	2,386,977
Current liabilities	(205,416)	(629,975)	(835,391)	(597,968)
Non-current liabilities	(14,469)	(127,434)	(141,903)	(349,858)
	563,275	8,910,488	9,473,763	8,171,299

22. Post balance sheet events

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There are no material events after the reporting date that would require disclosure or adjustment to these financial statements.

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

	Group Dec 2018 £	Group Jan 2018 £
Net movement in funds	1,302,464	378,364
Deduct donation in kind	-	(46,755)
Add back depreciation charge	389,968	378,041
Add back amortisation charge	800	456
Exchange differences	(264,554)	787,406
Deduct interest and other income shown in investing activities	(3,163)	(6,058)
Add interest on loans	-	8,921
Increase / (decrease) in debtors	146,407	314,040
Increase / (decrease) in creditors	<u>29,468</u>	<u>338,513</u>
Net cash generated by operating activities	<u>1,601,390</u>	<u>2,152,928</u>

24. Capital Commitments and contingent liabilities

Included in restricted funds at the year end is £Nil (Jan 2018 - £63k) received towards Uganda programmes and construction. Contracts for these were awarded after the year end.

There were no capital commitments and contingent liabilities as at 31 December 2018.

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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

	Group	Charity	Group	Charity
	Dec 2018	Dec 2018	Jan 2018	Jan 2018
	£	£	£	£
Cash	1,874,836	1,445,128	1,564,242	1,423,419
Donations receivable	337,442	265,951	381,615	381,615
Gift aid receivable	8,628	8,628	5,643	5,643
School debtors	196,468	-	312,873	-
Other debtors	<u>48,305</u>	<u>14,438</u>	<u>45,512</u>	<u>26,438</u>
	<u>2,465,679</u>	<u>1,734,145</u>	<u>2,309,885</u>	<u>1,837,115</u>

Financial liabilities

	Group	Charity	Group	Charity
	Dec 2018	Dec 2018	Jan 2018	Jan 2018
	£	£	£	£
Trade creditors	390,877	3,872	142,073	1,373
Taxation and social security	75,051	16,594	43,208	15,119
School creditors	30,223	-	223,763	-
Sundry creditors and provisions	15,075	5,777	112,635	11,121
GECT mobilisation fund	338,684	338,684	338,684	338,684
Staff creditors	<u>14,469</u>	<u>-</u>	<u>11,174</u>	<u>-</u>
	<u>864,379</u>	<u>364,927</u>	<u>871,537</u>	<u>366,297</u>



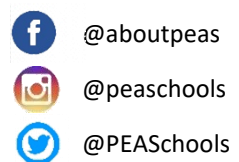
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