

Charity registration number 1109840

Company registration number 05189185 (England and Wales)

**EVIDENCE FOR DEVELOPMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

EVIDENCE FOR DEVELOPMENT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Little M Hansen FCCA Dr D Potts Dr M Haile M Harper W Shields
Secretary	Dr J Seaman OBE
Charity number	1109840
Company number	05189185
Principal address	Room R1L24 Walker Institute, Agriculture Building University of Reading Earley Gate Reading RG6 6AR
Registered office	3 East Point High Street Seal Sevenoaks Kent TN15 0EG
Auditor	Lee, Dicketts & Co 3 East Point High Street Seal Sevenoaks Kent TN15 0EG
Bankers	Co-Operative Bank Delf House Skelmersdale WN8 6WT
Solicitors	Covington & Burling LLP 265 Strand London WC2R 1BH

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2022

The trustees present their annual report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Our core objectives

Evidence for Development (EfD) works to make quantitative understanding of livelihoods more accessible globally, working with colleagues across disciplines and institutions in field research, technology and methodological innovation.

The outcome we pursue is to strengthen economic resilience and improve living standards among the poorest populations. After more than 15 years of sustained effort, EfD remains committed to making high quality livelihood information accessible at every level, supporting evidence-based policy making in the increasingly complex context of the climate emergency and continuing problems of inequitable development .

Our approach is to work with partners in the UK and internationally. We develop the tools needed to collect and analyse high quality livelihood information, and work with our partners to integrate this with data from other disciplines, so that policy and decision makers have the information and models they need to better cope with problems of climate change, poverty and livelihood adaptation.

We therefore promote and continue to develop techniques for quantitative household economy measurement and modelling which are widely used in sub-Saharan Africa by governments, UN agencies, academic researchers and non-government organisations. At the same time, we work closely with colleagues from other academic disciplines, notably meteorology, agronomy and hydrology to develop climate-livelihoods impact models, that respond to the challenges of communities facing rapid climatic, environmental and economic change. The urgency of these collaborations cannot be over emphasised, as authorities at every level attempt to respond to the multiple hazards that impact on food security, health, well-being and security. The methodological basis for our work is the Household Economy Approach (HEA) and the Individual Household Method (IHM). Details of these approaches can be found in Seaman et al (2014)¹ and Petty et al (2022)² and on our web site (www.efd.org).

EfD is hosted at the Walker Institute, an interdisciplinary research institute at the University of Reading, which supports the development of climate resilient societies. Through our presence within the Institute, we are able to collaborate with colleagues working across the natural, physical and social sciences in response to these challenges, and to enhance our impact across the three core pillars of our work: research, capacity building and technology development. This is reflected in the programmes of work described in this report.

¹Seaman, J, A et al (2014) *The Household Economy Approach. Managing the impact of climate change on poverty and food security in developing countries* Climate Risk Management <http://dx.doi.org/10.1016/j.crm.2014.10.001>

²Petty, C et al (2022) *Adaptation Planning: An Integrated Approach to Understanding Vulnerability in the Lake Victoria Basin* Front. Clim., 24 January 2022 <https://doi.org/10.3389/fclim.2021.782534>

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

Gathering evidence

Without reliable information, it is not possible to anticipate or respond effectively to humanitarian emergencies or plan for challenging climate futures. Over many years, we have worked with overseas colleagues to refine field research techniques, so that data collected at household level is of the highest quality. This information is used to measure current levels of food security and living standards and to model the impact of economic shocks or changes (for example droughts, floods, disease) on people's food access and a basic standard of living. Information is also collected on the means that are available to local communities, to protect their livelihoods in the face of emergencies. This is essential in understanding the 'coping capacity', resilience and potential adaptive capability of study populations.

To analyse this data, we have developed cloud-based software, '**OHEA**' and '**OIHM**', enabling users to assess levels of livelihood resilience and to model the economic impact of different hazards. A micronutrient analysis function has also been developed in response to requests from both the research and NGO communities.

Complementing this work, we are developing an **Integrated Database and Applications for Policy Makers (IDAPS)**. The project is jointly led by EfD and the Walker Institute and will, for example, link changes in a crop-climate model to the HEA livelihoods database, providing a quantitative measure of the impact on households of a defined climate change scenario. By bringing together models and data sets from across disciplines (currently agronomy, meteorology, hydrology, livelihoods) and providing visual outcome analysis, we are able to show non-specialist stakeholders the consequences of different 'climate storylines' (ie plausible, science based future climate scenarios) on household income. Data is presented in a meaningful and understandable way that allows users to interact with the scientific data, and to create their own scenarios— for example, 'if rainfall increased in this area as predicted under x carbon emission scenario how would the increased precipitation impact on flooding, waterlogging and sweet potato yields in this district'. What measures might therefore be needed to protect sweet potato crops? What would the likely cost be?

IDAPS was initially piloted for work in sub-Saharan Africa, but the geographical scope is now extending to South Asia. More information on the methodologies used by EfD can be found at www.efd.org.

Partnerships and Activities

Since 2016, when EfD relocated to the Walker Institute, we have developed wider research links with universities and research institutes in the UK and overseas, complementing and extending our connections with academia, NGOs and government institutions. The current focus of our **research and technical development** work is on modelling the potential impact of climate change on rural livelihoods in Africa and S Asia. In addition to field-based household economy research, our partnership with the Walker Institute has enabled us to extend the reach of our **training activities** by co-developing a series of remote and 'in person' capacity building courses. These are delivered through the Walker Academy, which has a growing portfolio of on-line courses and to date, has reached academics, students, members of government agencies, research institutes and NGO staff across sub Saharan Africa as well as in the UK.

Evidence for Development's core activities are:

Research: EfD was established to extend the boundaries of livelihoods research, by increasing the rigour, relevance and availability of information on which many lives depend. As noted, this increasingly involves work with inter-disciplinary research teams. Recent innovative methodological work involves the integration of livelihoods analysis in causal inference networks and storylines.

Training and institutional capacity building: the ultimate goal of EfD's work is to embed training and research capability at national level. For this reason, we work in partnership with local and international agencies and universities in the UK and Africa to build relevant skills. This includes training with the Walker Academy covering, for example, methodology and the use of OHEA and OIHM software; inter-disciplinary courses, where concepts of livelihood measurement and modelling are introduced to students from different academic and professional backgrounds, and more specialised field-based courses involving household economy data collection and analysis. Where training is delivered in the field, this is often combined with project related research and led by EfD Associates based overseas.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

Technological development: EfD's OHEA and OIHM software is now on a stable, cloud-based platform. The software has been successfully piloted in field studies, and training in the use of the software is incorporated in our on-line and in-person training. Further potential enhancements to the software have been identified by users and will be implemented when needed and funding is available, for example when the functionality is required to progress a specific research question.

Achievements and performance

What we achieved in 2021-2

Project work

Field based research

Our main field-based work this year has involved two studies in Uganda, both undertaken in partnership with the Walker Institute. The first took place in Katakwi District and was possible through an extension of the FCDO/NERC funded SHEAR / NIMFRU food forecasting project. EfD Senior Associate James Acidri and Dr Duncan Ongeng, an EfD trained HEA expert from Gulu University, returned to one of the livelihood zones studied in the NIMFRU project, described our previous Annual Report. Through a series of village level interviews they were able, with community members representing different wealth groups, to generate a four year HEA time series. This is the first time such a time series has been recorded and has the additional interest of including 2 years of Covid 19 restrictions on travel and trade, as well as flood events and periods of drought and dry spells. We have created new analytical spreadsheets to handle these and other multi-year HEA or IHM data sets and will be carrying out additional analysis, linking livelihood outcomes with hydrology and climate-crop models as funding becomes available.

The second field-based study was carried out in Masindi District, and was also funded by NERC, with an additional contribution from EfD to support HEA capacity building of local partners from Makerere University and the Ugandan environmental NGO, Ecotrust. The project (Treetops) focused on an area where Forest Landscape Restoration (FLR) and Nature based Solutions (NbS) projects had been undertaken over the past decade. Our interest was to explore the impact of these projects, a number of which involved carbon capture, on local populations. HEA livelihoods data was collected from six communities across the study area, which fell within the 'Budongo sugar cane, timber and maize' sub- livelihood zone . This was complemented by summaries of interviews on policy and environmental issues carried out by project partners from Makerere University and Ecotrust. Headline findings are that long standing policy objectives for forest landscape restoration are not being implemented and that, although there have been many projects in the area, these are generally short lived, uncoordinated and have had little impact. Moreover, benefits from international initiatives such as carbon capture are confined to wealthier households that do not require quick returns on forestry investments. The HEA study found that sugar cane production, which has dominated the agricultural economy for over 50 years, is becoming less profitable. Whilst income from smallholder sugar cane production was falling as a consequence, there were significant opportunities for farmers to diversity into forest products including vanilla, coffee and cocoa . With our partners at the Walker Institute, we have had discussions with a local climate and environmental advocacy (CAN-U) to raise awareness of the study and the relevance of findings for Uganda's bio-diversity policy and programmes.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

Software and methodology

Reducing the costs and extending the coverage of Livelihood Zoning using Machine Learning (ML) techniques:

Work with the data science NGO, [Datakind](#) led by EfD Trustee William Shields, has progressed well over the past year. After a rigorous selection process, EfD's project, involving the use of Earth Observation and other geo-physical data sets to automate part of the HEA Livelihood Zoning process, was accepted by Datakind and was launched in September 2021. Volunteer data scientists from across the UK and Europe contributed to the initial seven month 'Discovery Phase', which produced promising results. At the end of the discovery phase, we held a series of user consultations with experienced HEA practitioners, presenting the project and listening to their responses and questions. All welcomed this initiative and volunteered their support in verifying the accuracy of maps generated by ML on the ground. We are currently working with Datakind to identify potential funders to cover the management costs of the next phase, that will involve more extensive exploration and verification of output.

Software OHEA OIHM

We can report that the OHEA and OIHM software is now in place and was used over the past year in both training and field research exercises. We would like to extend our thanks to David Brown who undertook the programming work at a discounted professional rate and to Dai Clegg for directing and overseeing the project on a pro bono basis

University of Reading, Walker Institute

Our collaboration with colleagues from across the physical and natural sciences at the Walker Institute has resulted in **on-going research, training and development opportunities**. We have contributed to a number of research proposals, focusing on health, food security and disaster preparedness and to a new initiative with the Heritage sector, using 'Dynamic Adaptive Policy Pathways' (DAPP).

Capacity building

Over the past year we have implemented two major capacity building exercises in partnership with the Walker Academy; ALiVE I is an introduction to Household Economy Methodology, covering the theory of IHM and HEA livelihood analysis. This course includes preliminary training in the use of OHEA and OIHM software, supported by high quality videos. The focus of ALiVE II is on interview techniques with more detailed training in the use of OHEA and OIHM software, covering data input (ie quantitative information collected from household interviews in the field) and data analysis. The training was conducted with participants based in Uganda, Kenya and the UK.

We have also supported remote initial training in HEA data collection methods for a Walker Institute project in Bangladesh.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

Ongoing projects

EfD is a Walker Institute partner in the UNEP project, led by Wood Consulting 'Producing Climate Change scenarios and risk assessment for Asia-Pacific Region'. Our role is to provide a livelihood impact perspective in various Task Orders.

King's College, London MSc intern programme

This year we have welcomed two interns from the King's College Environment and Development MSc course. Both students undertook work that was relevant to their academic and career development and at the same time, provided EfD with useful inputs. One student's main task was to test an Application Programme Interface (API) that will be used to export of data from OHEA and OIHM for use in climate – livelihoods impact modelling. The other uploaded an IHM data set from an earlier study in Ghana, which she subsequently used as part of her MSc dissertation. EfD's Chair and Treasurer kindly provided the students with an introduction to EfD, its governance structure and status as a UK charity. As part of our wider educational objective, we also provided basic training in HEA and IHM methodology and discussed with the students, the various contexts in which these methods are used.

Objectives for 2022-23

Research, capacity building and technical innovation.

Activities will include:

Collaboration with Walker Institute partners on the **longitudinal data set** collected in Katakwi District, Uganda. The purpose is to gain a better understanding of the livelihood impacts of the multiple hazards experienced by households over the 4 year period, in order to a) identify more effective approaches to adaptation and resilience building, particularly among poorer households and b) create plausible future climate and livelihoods storylines and tools to support local and national government in planning adaptation pathways.

We will also be working with Walker Institute colleagues to build on findings of the **Masindi Forest landscapes (Treetops) project**. Depending on funding, this is likely to involve work on a) the potential livelihood impact of agro-forestry, including the development of cocoa, vanilla and coffee production by smallholder farmers over the short-medium term and b) the viability of these crops under a range of future climate scenarios. The purpose is to support local and national climate adaptation and resilience planning.

We will continue to support UNEP projects as required in specific tasks orders. The focus of current work is in the Tigris-Euphrates transboundary area and in Pakistan.

Datakind/Livelihood Zoning

We aim to complete the exploratory phase of this work in the coming year, including review and verification of maps generated by machine learning techniques for 3 pilot countries in sub-Saharan Africa. This will be carried out by expert volunteers at national level, who have already participated in our user consultations.

Measuring income poverty: Are the poorest overlooked in mainstream statistics?

We are currently exploring ways in which individual data sets collected in IHM studies might be used to compare levels of poverty with World Bank Purchasing Power Parity (PPP) rates. How well do these compare with statistics generated by the World Bank and others using the PPP metric? Work on this issue is being guided by a subgroup, including Board members with relevant communications and technical skills.

GDPR compliance

GDPR compliance policies are now in place and is reviewed regularly.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

PhD Supervision

Wolf Ellis successfully completed his PhD at King's College London, on the topic 'Measuring and Understanding Impacts of Food Aid on Living Standards, Food Insecurity and Poverty in London'. The PhD was part sponsored by EfD under a CASE studentship. The study has shown that techniques used for poverty assessment in the global South can be applied in the UK and other developed countries. We will continue to follow Wolf's work, and its uptake in the context of developed economies.

Future activities

We will continue to explore new ways of making quantitative livelihood assessment more accessible globally, working with colleagues across disciplines and institutions in field research, technology and methodological innovation. This will include the development of bids and proposals with academic and NGO partners in line with EfD's charitable objectives.

Web site and social media

News updates and reports are published on EfD's website, and other social media are maintained with occasional support from Wallace Research Communications.

Financial review

Whilst project income for the year of £27.6k is some 60% higher than the previous year, this is still very low by historic standards. This is a continuing consequence of COVID 19 both through the great difficulty in running international projects and the reduction of available governmental funds from both development and scientific research funding streams.

This situation is a concern not least as a significant part of the charitable activities in the year had been prefunded and therefore reduced the charity's cash resources over the period. Such advance funds have now been exhausted and as explained in last year's Annual Report much of the UK based work is now being achieved through the significant pro bono time contributions of our staff, associates and trustees.

Risk management

The Trustees review the major risks facing the organisation on a regular basis, including GDPR compliance and potential reputational issues.

Following last year's review of the Reserves Policy, the charity will ensure it retains a cash buffer equivalent of at least twelve months of non-discretionary expenditure. Our financial procedures, with the close attention to cost control is the operational support of this Policy.

The EfD Personal Security Policy provides guidance for staff and contractors, particularly when working overseas.

Pro bono support

Project grants, development work, and contracts over the past year continue to raise a range of legal and accounting questions. We are extremely grateful to both our legal advisers, Covington and Burling, and to our accountants, Lee, Dicketts and Co., for their unfailing support and considerable pro bono contributions. Tom Nurse continues to give invaluable assistance with web site development, maintenance and graphic design.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2022

EfD's Board

The Board met regularly throughout the period. There have been no changes in Board membership.

Structure, governance and management

The charity is a company limited by guarantee (Registration Number 05189185) and as a charity (Registration Number 1109840), formed on 26 July 2004.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

L Little
M Hansen FCCA
Dr D Potts
Dr M Haile
M Harper
W Shields

In accordance with the charity's Articles of Association, potential new trustees are identified by the existing trustees, and where appropriate proposed to the charity by formal notice not less than fourteen days and not more than thirty-five clear days before the date of any general meeting, following which their appointment is undertaken by way of ordinary resolution of the charity's members.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Auditor

In accordance with the company's articles, a resolution proposing that Lee, Dicketts & Co be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

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M Hansen FCCA

Trustee

Dated:

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2022

The trustees, who are also the directors of Evidence for Development for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF EVIDENCE FOR DEVELOPMENT

Opinion

We have audited the financial statements of Evidence for Development (the 'charity') for the year ended 31 July 2022 which comprise the statement of financial activities, the statement of financial position and notes to the financial statements, including 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 charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF EVIDENCE FOR DEVELOPMENT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the nature of the sector, the control environment and the entity's financial performance, including the design of the company's remuneration policies, and what opportunities and incentives may exist within the organisation for fraud.

We also considered the charity's policies and procedures for identifying, evaluating and complying with laws and regulations, detecting and responding to the risks of fraud, and whether they were aware of any instances of non-compliance.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF EVIDENCE FOR DEVELOPMENT

As a result of these procedures we obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011, along with payroll and PAYE regulations.

Our procedures to respond to risks of material misstatement included the following:

- agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with applicable laws and regulations;

- enquiries of the trustees and management regarding known or suspected instances of non-compliance with laws and regulations;

- review of minutes of meeting of those charged with governance;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Bushell (Senior Statutory Auditor)
for and on behalf of Lee, Dicketts & Co

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Chartered Certified Accountants
Statutory Auditor

3 East Point
High Street
Seal
Sevenoaks
Kent
TN15 0EG

Lee, Dicketts & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

EVIDENCE FOR DEVELOPMENT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	2	940	-	940	14,205	-	14,205
Charitable activities	3	27,564	-	27,564	17,254	-	17,254
Total income		<u>28,504</u>	<u>-</u>	<u>28,504</u>	<u>31,459</u>	<u>-</u>	<u>31,459</u>
Expenditure on:							
Raising funds	4	605	-	605	305	-	305
Charitable activities	5	37,957	-	37,957	53,836	-	53,836
Total expenditure		<u>38,562</u>	<u>-</u>	<u>38,562</u>	<u>54,141</u>	<u>-</u>	<u>54,141</u>
Net outgoing resources before transfers		(10,058)	-	(10,058)	(22,682)	-	(22,682)
Gross transfers between funds		527	(527)	-	-	-	-
Net expenditure for the year/ Net movement in funds		<u>(9,531)</u>	<u>(527)</u>	<u>(10,058)</u>	<u>(22,682)</u>	<u>-</u>	<u>(22,682)</u>
Fund balances at 1 August 2021		57,403	527	57,930	80,085	527	80,612
Fund balances at 31 July 2022		<u><u>47,872</u></u>	<u><u>-</u></u>	<u><u>47,872</u></u>	<u><u>57,403</u></u>	<u><u>527</u></u>	<u><u>57,930</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	9		1		1
Current assets					
Debtors	10	34,737		36,226	
Cash at bank and in hand		15,318		23,812	
		<u>50,055</u>		<u>60,038</u>	
Creditors: amounts falling due within one year	11	<u>(2,184)</u>		<u>(2,109)</u>	
Net current assets			47,871		57,929
Total assets less current liabilities			<u>47,872</u>		<u>57,930</u>
Income funds					
Restricted funds	12		-		527
Unrestricted funds			47,872		57,403
			<u>47,872</u>		<u>57,930</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

.....
M Hansen FCCA
Trustee

.....
Dr D Potts
Trustee

Company registration number 05189185

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Evidence for Development is a private company limited by guarantee incorporated in England and Wales. The registered office is 3 East Point, High Street, Seal, Sevenoaks, Kent, TN15 0EG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated facilities and services that are consumed immediately are recognised as income, with an equivalent amount recognised as an expense under the appropriate heading in the statement of financial activities (SoFA).

Donated facilities and services are measured and included in accounts on the basis of the value of the gift to the charity, that being what the charity would pay in the open market for an alternative item that would provide a benefit to the charity equivalent to the donated item.

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

The accruals basis is applied to all expenditure.

Expenditure has been allocated according to the Statement of Recommended Practice "Accounting and Reporting by Charities" and is shown under the appropriate sub-heading. Items of expenditure which involve more than one charitable activity are allocated appropriately between the charitable activities involved on the basis of estimates made by the charity's management.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Basic financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any loss arising from impairment is recognised in the Statement of Financial Activities.

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	290	280
Donated goods and services	650	13,925
	<u>940</u>	<u>14,205</u>

Donated goods and services

Donated legal services from Covington & Burling LLP have been included on a commercial valuation basis at £nil (2021 - £13,025), and donated accountancy services from Lee, Dicketts & Co have been included on the same basis at £650 (2021 - £900) as incoming resources for the year. The same amounts have been included within resources expended, as required by the Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with FRS 102.

3 Charitable activities

	Grant income	Grant income
	2022	2021
	£	£
Research, development, training and mentoring fees	<u>27,564</u>	<u>17,254</u>

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
<u>Fundraising and publicity</u>		
Other fundraising costs	605	305
	605	305

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

5 Charitable activities

	Research	Training and capacity building	Developing tools	Total 2022	Research	Training and capacity building	Developing tools	Total 2021
	2022	2022	2022		2021	2021	2021	
	£	£	£	£	£	£	£	£
Staff costs	16,465	1,331	1,877	19,673	670	7,218	4,004	11,892
Rent	1,506	122	172	1,800	100	1,093	606	1,799
Computer costs	609	49	69	727	21	216	120	357
Consultancy fees	2,523	2,780	8,259	13,562	4,452	5,124	13,594	23,170
Insurance	326	23	33	382	69	740	410	1,219
Sundry expenses	5	3	5	13	1	16	9	26
Bank charges	265	21	30	316	14	154	86	254
	<u>21,699</u>	<u>4,329</u>	<u>10,445</u>	<u>36,473</u>	<u>5,327</u>	<u>14,561</u>	<u>18,829</u>	<u>38,717</u>
Share of governance costs (see note 6)	1,242	100	142	1,484	851	9,177	5,091	15,119
	<u>22,941</u>	<u>4,429</u>	<u>10,587</u>	<u>37,957</u>	<u>6,178</u>	<u>23,738</u>	<u>23,920</u>	<u>53,836</u>

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

6 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Audit fees	-	834	834	-	1,194	1,194
Accountancy	-	650	650	-	900	900
Legal and professional	-	-	-	-	13,025	13,025
	-	1,484	1,484	-	15,119	15,119
Analysed between Charitable activities	-	1,484	1,484	-	15,119	15,119

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	2	2
Employment costs	2022 £	2021 £
Wages and salaries	19,467	11,819
Social security costs	-	(133)
Other pension costs	206	206
	19,673	11,892

There were no employees whose annual remuneration was more than £60,000.

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

9 Fixed asset investments

		Other investments
Cost or valuation		
At 1 August 2021 & 31 July 2022		1
		<u> </u>
Carrying amount		
At 31 July 2022		1
		<u> </u>
At 31 July 2021		1
		<u> </u>

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	15	1	1
		<u> </u>	<u> </u>

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Gross amounts owed by contract customers	-	1,124
Amounts owed by subsidiary undertakings	34,104	34,104
Other debtors	633	633
Prepayments and accrued income	-	365
	<u>34,737</u>	<u>36,226</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	2,184	2,109
	<u> </u>	<u> </u>

EVIDENCE FOR DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Total funds				
	Balance at 1 August 2020	Incoming resources	Balance at 1 August 2021	Transfers	Balance at 31 July 2022
	£	£	£	£	£
African Union Development Agency	527	-	527	(527)	-

In March 2020 funds were received to facilitate a planning workshop for the AUDA Climate Resilience Centre. The Centre will focus on an integrated, cross disciplinary approach to policy and interventions to reduce the negative impact of climate change and will provide a hub for interdisciplinary curriculum development and training.

In March 2022 the trustees agreed to transfer the residual balance of the fund to unrestricted funds, the project having been completed and with no settlement of the funds being required.

13 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 July 2022 are represented by:						
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	47,871	-	47,871	57,402	527	57,929
	47,872	-	47,872	57,403	527	57,930

14 Related party transactions

There were no disclosable related party transactions during the financial year or in the previous year.

At the year-end Evidence for Development (Trading) Limited owed the charity £34,104 (2020 - £34,104).

15 Subsidiaries

These financial statements are separate charity financial statements for Evidence for Development.

Details of the charity's subsidiaries at 31 July 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Evidence for Development (Trading) Limited	England & Wales	Trading subsidiary	Ordinary shares	100.00	