

Annual Report and Accounts

For the period ended 31st December 2021

Peas

PROMOTING EQUALITY IN AFRICAN SCHOOLS



General Information

Registered Address	7-14 Great Dover Street, London, England, SE1 4YR
Auditors	Haysmacintyre LLP 10 Queens Street Place London EC4R 1AG
Bankers	Barclays Bank 68 Lordship Lane London SE22 8HQ
Legal Advisers	Hogan Lovells 50 Holborn Viaduct London EC1A 2FG
Trustees & Directors	Peter Colenso Apollo Gabazira Matthew Goldie-Scot (Stepped down as Board Member in September 2021 after serving maximum tenure) Dr Robin Horn Erica Claire Stuart Ronald Kansere Andrew Jurczynski Ally Arnall
Company Secretary	Jenny Groot
Company Number	6552715
Charity Number	1126550

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CEO message from Laura Brown & Jenny Groot

(Laura & Jenny shared CEO responsibilities during the year to allow for maternity leave)



2021 was another turbulent year. Repeated waves of the COVID pandemic swept across Uganda and Zambia. School closures continued. At PEAS, we kept our focus: supporting the world's most marginalised young people through one of the toughest periods they have ever faced.

Globally, evidence has shown that school closures have unfairly disadvantaged the most marginalised, and nowhere is this more apparent than in Uganda, which has now seen the longest school closures in the world. Learning loss and dropout are highest for the poorest students, and girls from poor households have faced a much higher risk of sexual abuse, early marriage, and early pregnancy.

So in 2021, when once again schools closed in both Uganda and Zambia, PEAS' response was wide-ranging, and focused on both short-term support and enabling long term recovery.

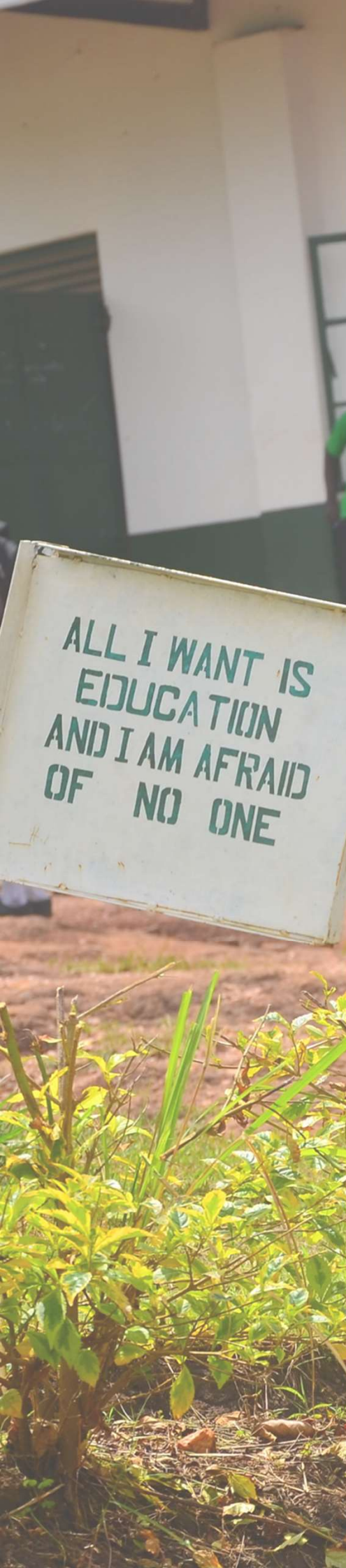
In Zambia, PEAS schools provided radio programmes, learning packs, cluster learning groups and phone calls during school closures. Once schools reopened, they doubled down to support students to catch up through additional classes and extended term times. As a result, no PEAS students dropped out solely due to closures, and they went on to achieve PEAS Zambia's best ever results at Grade 9 and Grade 12 in 2021.

In Uganda school closures proved to be the longest in the world, with some classes having less than a week of learning in the whole of 2021. Most students had very little opportunity for learning, and private teachers across the country announced their plans to leave the profession.

PEAS kept up our, now well-proven, approach to remote learning: a multi-pronged approach of phone support, learning packs and radio, reaching 95% of our students (and over 40,000 non-PEAS students) through at least one channel. We also invested in a new virtual school leader support programme to equip PEAS and non-PEAS leaders for school reopening.

Looking forward, we see huge challenges facing the communities we serve. To support students as they return, PEAS has developed specific psychosocial and learning catch-up programmes. We have also increased investment in growing our school networks to serve the huge number of students who might otherwise fall behind or drop out. In 2021, we built 2,070 classroom spaces and 1,080 boarding spaces, and a new school in Zambia. We also secured a new partnership with FCDO in Zambia and consolidated our partnerships with the Governments of Uganda and Zambia, to ensure that our systems strengthening work could grow rapidly once schools were fully reopened.

We are proud that despite the continued disruption and fatigue with the unpredictability of the pandemic, PEAS has continued to diversify, strengthen and expand, and we look forward to building on this strong foundation in 2022.



A message from Dr. Peter Colenso, Chair of the Board



PEAS has continued to work, like others, under the shadow of COVID through 2021. School closures in 180 countries have kept nearly 1.6 billion children out of school, and the World Bank estimates a COVID-related 'learning loss' worldwide of up to \$10 trillion of future earnings for today's students over the course of their working lives. Nowhere is this more keenly felt than the low-income communities in sub-Saharan Africa where PEAS works.

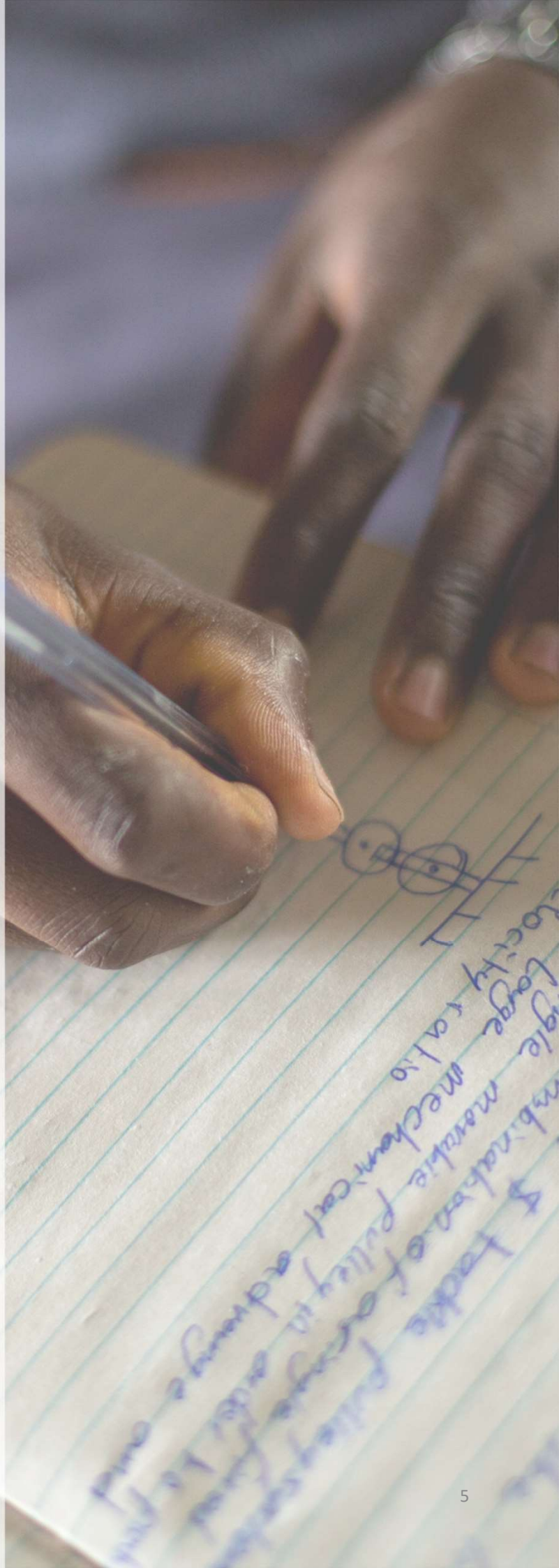
The compounding pressures of school closures, economic contractions and heightened social and health-related risks to children have made the work of PEAS more important than ever. This is the case both as PEAS responds to risk and pressures today, but also as we work with our students, communities and Government partners to build foundations for the future.

Through a combination of remote learning and re-establishing schooling, PEAS has continued to innovate in our support to our students through 2021; and they in turn have shown extraordinary resilience and commitment, with no diminished appetite for learning. Through 2021, we have expanded our school networks and our support to the Governments of Uganda and Zambia to strengthen government schools in the countries in which we are privileged to operate.

We have completed an exciting and ambitious new strategy for the coming five years, with a focus on growing PEAS school networks, strengthening education systems and strengthening our own organisational foundations, including ensuring that we are a sector leader in diversity, equity and inclusion.

We enter this new strategy period with a solid financial base, thanks in large part to the generosity of our funders, a set of strong partnerships – particularly with the Governments of Uganda and Zambia – and an extraordinary cadre of teachers and of staff.

As Trustees, we look back on 2021 as a year where PEAS not only survived, but also thrived and began to expand our partnerships and extend our successful approaches. We look forward to 2022, confident that PEAS has strong foundations for future growth and impact.





Responding to prolonged COVID-19 School Closures

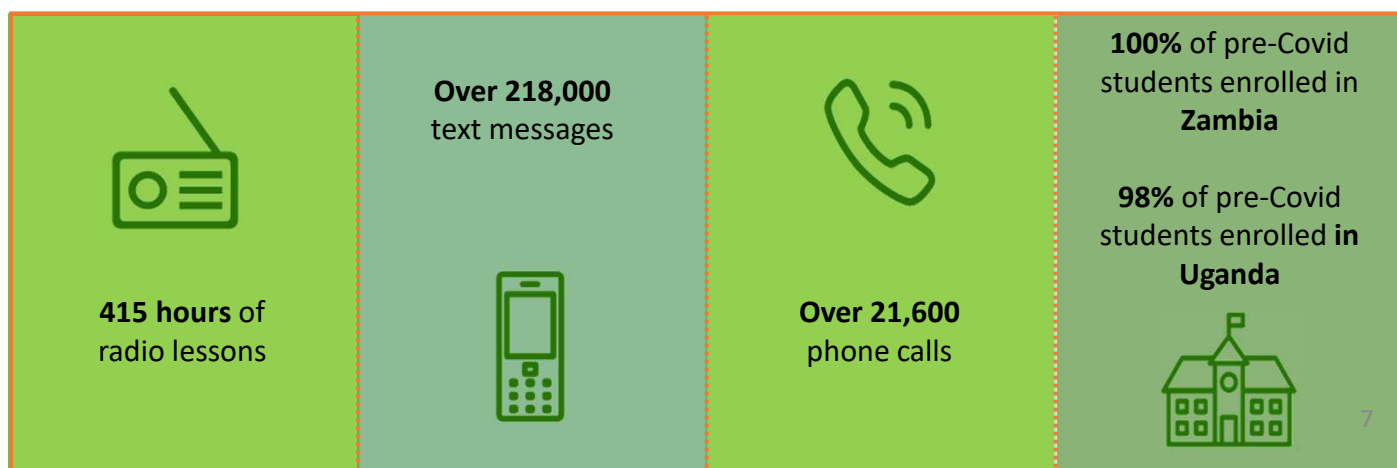
The COVID-19 pandemic and school closures that continued throughout 2021 saw PEAS continuing to strengthen our remote response. Schools in both Uganda and Zambia closed for a second time in June 2021, and in Uganda remained closed for the remainder of the year. Throughout this time, we strengthened our learning and wellbeing channels for students and put fresh emphasis on staff support, ensuring school leaders and teachers felt prepared and confident about school reopening. We have continued to take an active role in the national response in both countries.

PEAS was in a strong position this year to respond with a ready-made and evaluated remote education programme. In Zambia, during the second phase of school closures, PEAS broadcasted 50 radio shows in partnership with the Provincial Education Office. Teachers made over 700 calls to students, and 800 learning packs were distributed to schools for student collection. In the second phase of closures in Zambia, PEAS set up learning groups for exam classes and distributed phones to enable each group to receive learning support and feedback from their teachers through WhatsApp. On average, 86 students across the network were meeting each day in Grade 9, and 34 in Grade 12. 54% of these students were female. 93% of students said they found the groups helpful, and students who said they had attended a cluster learning group were 19 percentage points more likely to pass their lower school exams than those who said they had not. The Northern Province was highlighted by the Ministry of Education as exemplar in its approach to providing education during closures, thanks to its delivery of radio.

In Uganda's second phase of closures, PEAS broadcasted 123 curriculum-aligned radio lessons, as well as 242 shows focused on wellbeing and re-enrolment. Over 200,000 SMS were sent and over 20,000 calls were made by teachers to provide guidance on learning, wellbeing and preventing the spread of Covid-19. Findings in our Girls Education Challenge Transition Grant endline report suggest that 95% of PEAS students in Uganda had accessed at least one mode of PEAS remote provision, while on average PEAS student accessed three Covid-19 activities.

In response to Covid-19 disruptions to ongoing professional development for school staff, PEAS adapted our approach to combine in-person support, where possible, with virtual training. From August 2021, PEAS delivered 15 ICT training sessions to teachers through virtual and in-person support, on topics including identifying computer hardware, typing, searching on the internet, and using MS Office Applications. A virtual training programme was also developed for all PEAS school leaders and Inspect & Improve school leaders and shared with external leaders from the wider education system. Topics included psychosocial support, people management, monitoring school progress and preparing for reopening. Thirty Government school leaders supported through PEAS' Insect & Improve programme were regularly joining live training sessions, 107 non-PEAS school leaders and school staff joined the PEAS WhatsApp group and 40 non-PEAS school leaders have registered for PEAS Open Learn. PEAS also worked with the Gender Unit in the Ministry of Education and Sports (MoES) to strengthen safeguarding in the Inspect & Improve schools. During school closure, this included jointly-delivered radio sessions and a launch event led by PEAS and MoES officials. Going forward, PEAS is exploring new system strengthening partnerships with MoES, including working with the Teacher Education and Training Department to develop an instructional leadership programme that enables effective in-school CPD based on "PEAS' Top 10 Practices for Teachers".

PEAS 2021 Covid Response:



The PEAS Model

PEAS works to strengthen education systems in collaboration with ministries of education and other key partners. We do this by using the experience, expertise, evidence, and know-how we gain from running our own exemplar, low-cost, quality and highly equitable school networks to work hand-in-hand with government partners on system strengthening projects aligned to their own education priorities.

PEAS locates our 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. To ensure our impact reaches far beyond our own school gates, we proactively seek opportunities 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.
- **System Strengthening:** We extend our impact beyond our own school networks through partnering with others to share 'what works' in our schools and benefit millions of children outside of PEAS networks.

PEAS strategy 2018-2021

PEAS vision is a world where all children enjoy an education that unlocks their full potential. To achieve that, our mission is to get more children in Africa through quality secondary education. Between 2018-2021 our 'From Thousands to Millions' strategy laid out the first steps along a path for PEAS to move from impacting thousands of children's lives to impacting millions of children's lives.

2021 marked the final year of this strategy. During this strategic period, we continued to expand our school network, establish the PEAS schools as exemplar schools and, for the first time, partnered with others – including the Zambian and Ugandan governments – to reach beyond the PEAS schools. In the latter stages of the period, the prolonged school closures caused by the global Covid-19 pandemic also led PEAS to completely re-design most of our education programming to ensure that our students stayed safe and engaged with their education whilst out of school.

PEAS Strategic Goals 2018-2021: What was achieved?

Strategic Goal	What's been achieved?
Goal 1: PEAS school networks are exemplars for achieving Access, Quality, and Sustainability at scale	The PEAS school networks grew to be educating over 15,000 students per year. External evaluations found that PEAS's schools served students from poorer backgrounds, enabled them to learn more and achieved this at a lower and more sustainable cost-per-child than comparison schools ¹ .

¹ EPRC 2018: [Evaluation of the PEAS network under the Uganda Universal Secondary Education \(USE\) programme](#)⁸

Strategic Goal	What's been achieved?
Goal 2: PEAS uses its expertise to increase access to equitable quality education outside the PEAS school network	PEAS expanded our partnerships with the Ugandan and Zambian government to provide technical assistance to non-PEAS schools for the first time. This support benefitted 45,000 students in 70 government schools and was proved to dramatically improve school leadership in all key areas ² . PEAS' radio programming during Covid school closures also benefitted a further 40,000 students.
Goal 3: PEAS has the right people, systems, and culture to deliver its strategy efficiently	PEAS Zambia team has doubled in size to support our ambitious growth plans there. PEAS Uganda kicked-off a multi-year business transformation programme to support delivery of our high-quality education at full sustainability. A UK Government review of PEAS' work in Uganda concluded that PEAS' programmes represented excellent value for money ³ .
Goal 4: PEAS has the financing, unrestricted reserve, and pipeline for financial security for the next 10 years	Prior to the pandemic, PEAS worked hard to increase the value of our unrestricted reserve to an appropriate level that enabled us to weather the financial challenges presented by two years of unprecedented school closures. Despite these huge challenges, PEAS is emerging from the worst of the pandemic with a stable financial position and a healthy pipeline of support to fuel our impact over the next strategic period.
Covid Response: PEAS' students, and students across Uganda and Zambia, remain safe, learning and engaged in their education	PEAS completely re-designed our programmes to meet the need of our students and schools during school closures. We reached over 95% PEAS students and over 40,000 non-PEAS students through phone calls, SMS, radio lessons, and learning packs. We were proud to continue paying our teachers throughout the pandemic, meaning they were ready to reopen schools as soon as possible. We registered more than 100% gross re-enrolment.

PEAS has developed an exciting new strategy, which came into effect from the start of 2022 and will run until the end of 2026. This strategy is focused on major growth, including doubling the size of our existing school networks, massively scaling our system strengthening work and establishing operations in at least one new country. See the 'Plans for the Future' section below for more details.

EGO

² NFER: [Evaluation of the PEAS-DES Inspect and Improve Project](#)

³ GEC: [GEARR-ing Up for Success After School Project, Uganda](#)



Meet Miremba, an 18-year-old student from Uganda who has been attending a PEAS school since February 2019. Miremba lives with her parents and five siblings in a temporary house made from mud.

Here is Miremba's experience since attending a PEAS school:

"Compared to my primary school, where the buildings were poorly constructed, this school is a huge change. I used to walk at least one hour to get to my primary school, but now it is very close to my home. Since this school was built, many more children in the community have been able to attend because parents are willing to bring their children to school every day.

Unlike other schools, lunch is provided here, which is a huge help to many families. The school fees are low compared to other schools in the area. I might not have been able to attend secondary school if it hadn't been for this school, as my parents would have struggled to pay the fees.

The lockdown in Uganda was exceptionally long, lasting nearly two years. During the lockdown, PEAS distributed learning packs to students and sent regular text messages to our parents' phones. They also broadcast classes on the radio three times a week. When the school reopened, I was excited to reconnect with friends and teachers who I hadn't seen in a long time, and I was also excited to continue my studies.

I love the academic performance at my school, at the end of Senior Four, most students pass with very few failures. I want to be a nurse or a teacher when I finish school so that I can make a difference in the lives of the Ugandan population."

PEAS Highlights from 2021

In 2021, PEAS continued to expand quality education to vulnerable children in Uganda and Zambia through a remote learning approach. Whilst supporting our students during school closures, we continued to develop our organisation guided by our four pillars of Access, Quality, Sustainability and System Strengthening.

Access

As schools prepared to re-open in Uganda and Zambia, PEAS focused on preparing the school networks to drive re-enrolment and invested in network expansions which would support long-term growth and provide access for more students than ever before beyond 2021.

In the Spotlight: New schools and network expansion

EGO

PEAS is committed to expanding access to quality secondary education for the most marginalised students in Uganda and Zambia. Despite continued disruptions from school closures in 2021, PEAS continued to expand our networks so that PEAS schools could serve even more students from 2022 onwards.

- **Two new PEAS schools in Uganda** – During the longest COVID-19 school closures in the world, private schools across Uganda suffered substantial loss of income. As a result, many faced permanent closure. PEAS was in a unique position to provide support and maintain access for students in some of those communities, whilst also growing the PEAS network, through the acquisition of struggling non-PEAS schools. Following a thorough process of advertisement and review, PEAS identified two schools to be acquired and brought into the PEAS network; newly named as Town View PEAS High School and PEAS Horizons High School. From 2022, these schools will operate as PEAS schools, increasing the size of the Uganda network from 28 to 30 schools. It is expected that by the close of the next strategic period, the two new schools could be serving over 1,500 students between them.
- **PEAS' fifth school in Zambia** – In September, PEAS commenced construction of its fifth secondary school in Zambia, PEAS Kafula Musungu Secondary School, in Chinsali District of Muchinga Province. The school is located in a highly underserved community surrounded by 10 low-income villages, with a severe lack of secondary provision. The school opened with four classrooms, a science laboratory, girls' dormitory and accompanying sanitary block, day sanitary blocks, a kitchen and an administration block. Thanks to community engagement activities, PEAS Kafula Musungu opened with strong enrolment and quickly reached capacity, with 305 students enrolled, 158 (52%) of whom are girls.
- **Investing in infrastructure expansion** – PEAS continued to seek funding for investment in CAPEX expansion across the network to prepare schools for growth over the coming strategic period. The building works started in 2021 across the Uganda network will deliver 1,920 classroom spaces and 840 new boarding spaces. As well as the new school in Zambia, PEAS also invested in infrastructure across PEAS' four existing school, including 150 additional learning spaces, 240 boarding spaces, science laboratories, teacher houses, sanitary blocks, a sick bay, boreholes and dining shades. PEAS also implemented a number of projects piloting innovative climate friendly approaches to reduce the environmental impact of building and running PEAS schools, including an innovative bio-digester latrine and use of earth-stabilised interlocking bricks.

Dirk Phiri,
PEAS Zambia Programme Manager



Henry Senkasi,
PEAS Uganda Country Director



PEAS Highlights from 2021

Quality

In the latest exam results in Uganda, PEAS' schools achieved better examination results than ever before, even surpassing our already ambitious quality targets. Across the network in Uganda, students achieving top three grades rose to 63%, compared to a national average of 58%. This is particularly impressive because PEAS' inclusive policies mean PEAS students arrive at secondary school with lower-than-average attainment.

We were extremely impressed by how well our students performed and decided to further explore what made that possible. This generated a "PEAS Top 10 Practices for Teachers" to adopt in the classroom, which was also used as a basis to develop our COVID-19 response and keep our student engaged and learning during school closure. Once schools started to re-open, we began to provide extensive training to teachers to enable them to further build their capacity to implement these proven practices in each of their classrooms.

In the Spotlight: PEAS Zambia Grade 9 results: What the schools did to achieve it and how they'll build from here

In 2021, the PEAS Zambia network achieved its highest set of Grade 9 and Grade 12 results on record. At Grade 9, the average pass rate was 69%; 14% above the national average pass rate of 55%. MoE-PEAS Kabuta Secondary School and PEAS George Secondary School had particularly impressive results, with an average pass rate at Grade 9 of over 90%. Results for both boys and girls have markedly improved in the last year. However, for the first time, boys in PEAS Zambia's network have slightly outperformed girls at Grade 9 (2% difference across the network). This may be linked to feedback suggesting girls were less likely to access remote support during school closures.

PEAS Zambia has been working hard to improve student learning outcomes for all students. Feedback from staff suggests the roll out of "PEAS Top 10 Practices for Teachers" throughout 2020 and 2021 has enabled teachers to better support students. PEAS' approach to teacher development involves termly in-school training sessions followed by observations and feedback focused on a Top 10 practice; learner-centred strategies which evidence shows support student learning. In addition, PEAS Zambia schools provided additional support for exam classes, using weekends and evenings to provide remedial support and utilising school computer labs to provide exam classes with access to additional learning materials and past exam papers. There were also focused sessions on literacy and numeracy for students struggling in these areas. Finally, PEAS Zambia's remote response programme during school closures provided ongoing support to learners, encouraging them to remain engaged in their education during challenging periods.

Moving forward, we aim to build on these successes and learnings to continue to strengthen quality education across the PEAS network. PEAS Zambia is rolling out several initiatives to ensure we close the gender gap at both Grade 9 and Grade 12. This includes developing a girls' day scholars' strategy, through which we'll trial innovative approaches to supporting female students to access quality learning. PEAS Zambia will make sure that our hardworking teachers are equipped with the data and skills to target support to students. PEAS Zambia also wants to make sure schools can support those students who start the furthest behind; PEAS will be rolling out literacy and numeracy assessments for all new students, which will ensure staff are able to provide targeted support to help them catch up within their first year and access the wider curriculum.



PEAS Highlights from 2021

Sustainability

Sustainability has always been core to PEAS' Approach since inception 14 years ago. Every project that we implement is designed to spark a change in our communities that will continue to progress for generations to come without the need of ongoing, long term philanthropic funding.

Despite the challenges that COVID-19 school closures posed to our networks in 2020-21, we continued to work towards our goal of becoming the first fully sustainable, high-quality, low-cost school networks in the countries we work in.

In the Spotlight: PEAS NextGen Key Initiatives

The PEAS NextGen transformation programme is the core focus of our sustainability efforts in Uganda. NextGen projects are geared towards achieving full network sustainability through three key avenues, 1) network growth 2) income growth 3) expenditure control and reduction. Despite the ongoing school closures, PEAS Uganda continued to focus on designing initiatives that will support schools to achieve sustainability in the long-term.

As schools in Uganda remained closed, network growth efforts focused on preparing schools for growth. Boarding infrastructure expansions were prioritised because maximising boarding enrolment will be a critical driver of sustainability. The investments in expansion made in 2021 are a critical pre-cursor to network growth within the 2022-26 strategic period.

Supporting PEAS schools to maximise their income through fee collection was going to be even more critical as schools recover from the impact of the pandemic. To support every PEAS school to achieve their fee collection targets from 2022 onwards, a PEAS Fee Collection Handbook was developed and rolled-out to provide schools with tangible strategies, known to be effective at improving fee collection. Management of school income, which has also previously been noted as a key challenge in some schools, was also reviewed, and a revised, more centralised system for managing and monitoring school income was designed, ready for piloting in 2022.

Management and optimisation of school expenditure moving forward will be achieved through a combination of revised controls on school expenditure and strengthened procurement practices. The long-term expectation of the newly designed initiatives is that they will support every school to avoid common challenges such as overspends, high liabilities and poor prioritization of expenditure.

To make strides towards sustainability over the next few years, PEAS is doubling down on ensuring sustainability is central to everything we do. Beyond the NextGen initiatives and operational changes, creating a culture of sustainability in every PEAS school and across the organisation is crucial to success. Building the capacity of school leaders and school support teams to understand, analyse and monitor school sustainability, and providing them with the tools to do so, will support ownership over sustainability efforts in every school.

The investments made and strategic thinking undertaken over the past year, has prepared the network to enter a new strategic period focused on sustainability and growth. They will support the Uganda network to recover from the impact of the COVID-19 school closures and return to the path of achieving full network sustainability by 2026.

Katherine Goodfellow,
PEAS Uganda Transformation Manager



PEAS Highlights from 2021

System Strengthening

PEAS is known for building and running exemplar low-cost secondary schools. However, we recognise that expanding our own network will not be enough to achieve our ultimate vision alone. To significantly increase PEAS impact, we are leveraging our extensive expertise of running effective school networks to support other non-state school operators and governments to adopt the practices we have found to work best to improve access to quality secondary education across national education systems. This approach to system strengthening is helping us to grow PEAS' impact from thousands to millions of children across Sub-Saharan Africa.

We do this by developing and packaging up effective practice from the PEAS school networks and using this to help others run great schools. Our scaling approach tests the theory that it's possible for non-state operators to have a positive spill-over effect on education systems and help governments and the international community to better understand what role non-state operators can play in the delivery of Sustainable Development Goal 4.

In the Spotlight: Inspect & Improve Evaluation & Launch of TIEEZ

PEAS and the Directorate of Education Standards (DES) in Uganda co-designed and piloted the 'Inspect & Improve' programme in 2019, bringing together DES' inspection framework and PEAS approach to school improvement in 10 selected government secondary schools. An independent, rigorous evaluation of the pilot was carried out by the National Foundation for Education Research (NFER) to understand the impact of the Inspect & Improve programme on leadership, teaching and learning, as well as identifying the key drivers of observed improvements to inform future scaling of the programme.

The evaluation of the pilot found promising evidence that Inspect & Improve was successful in improving the quality of leadership and management in all 10 participating schools. Findings suggest that Inspect & Improve helped school leaders understand the scope of their role and develop their skills to successfully monitor teaching and learning. The report also highlighted the perception that strengthened school management in pilot schools had led to improvements in student and teacher attendance, teaching practices, and student safety and well-being. Finally, project stakeholders agreed that the Inspect & Improve pilot demonstrated value for money and supported school leaders to better manage school finances. One DES official shared that "Inspect & Improve added value to the missing link in DES inspection practice from the time of inspection to putting into practice; translating inspection and results to improve performance". During 2021, PEAS scaled the Inspect & Improve programme to 50 schools and has continued to work with NFER in a learning partnership to understand the impact of the programme.

In September 2021, PEAS Zambia launched the Targeted Improvement for Equitable Education in Zambia (TIEEZ) primary programme in 20 primary schools in Northern Province in collaboration with local government to support primary school leaders to create a school environment that enables high quality learning. TIEEZ primary builds on successes from Inspect & Improve in Uganda and includes an initial needs assessment followed by training and coaching to develop and implement School Improvement Plans, focusing on leaders' support to teacher training and safeguarding. Internal evidence suggests that leadership and management practices improved in these schools, along with teaching practices and attendance. In 2022, PEAS Zambia will be building on this success to design and launch a secondary-focused system strengthening programme. In Uganda, PEAS is working with Government to roll out the Inspect & Improve programme to an additional 150 government secondary schools in 2022.

Amos Chipasi,
PEAS Zambia School Network Senior Manger



Daniel Kyasanga,
PEAS Uganda Head of Quality Assurance





Educating the women of tomorrow

For PEAS, a quality education is an equitable education – it must address the specific barriers that girls’ face to support them to fulfil their potential.

Ensuring female students enrol and remain in secondary school is important, but this must be accompanied by an education that promotes girls’ participation, challenges mindsets and gender stereotypes and delivers equal outcomes for girls and boys. This is crucial for breaking the poverty cycle at community, country, and global level. PEAS takes a holistic approach to delivering high quality education for girls. International evidence indicates that interventions which bring added value to boys are just as effective at delivering high impact for girls as girl-focused interventions and as such, PEAS’ focus is quality, inclusive co-educational provision. This means embedding and building on our successes across school access, infrastructure, safeguarding, pedagogy, and life skills.

Across Uganda and Zambia, there is also a focus on some key girls-focused activities to drive the closure of the gender attainment gap over the course of the new strategic period. In Uganda, this includes a focus on strengthening gender transformative teaching and the application of gender policies within schools, raising awareness of, and creating an inclusive environment for menstrual hygiene and supporting senior women teacher development. In Zambia, this includes creation of a girl's day scholar strategy, provision of girls' extra-curricular support and development of a role model programme.



Dorcas is an 18-year-old student from Zambia who has been attending and boarding at a PEAS school since early 2020. Below, Dorcas shares what she enjoys most about attending a PEAS school:

"I used to attend a day school, which was very strict. Since attending a PEAS school, my grades are much better. I love the way the teachers here teach us, and my favourite teacher always encourages me to work hard to achieve my goals. I love living in the dorm because it allows me to study without disturbances. I am on a sponsorship for the boarding school, so the school does not cost my family. PEAS has supported many boarding students in paying school fees because some of our parents are unable to do so.

At school, I play football and netball, which I really enjoy. I also assist in the upkeep of the school's vegetable garden, which we sell to the teachers. The vegetables are also used in the meals at the boarding school. We also visit the community and do charity work."

PEAS schools empower girls like Dorcas to take charge of her own future. Dorcas's dream career is to become an accountant, and she is working hard to ensure this dream becomes a reality.

"Mathematics is my favourite subject; I enjoy counting and want to be an accountant. As well as being an accountant, I want to be a peacemaker."

Strategic Report

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2021, in compliance with S414C of the Companies Act 2006.

Fair review of the business

The ongoing impact of the global pandemic meant that 2021 continued to be a challenging year for PEAS, as it was for students, schools and education providers around the world. Although schools tentatively reopened in the first half of the year, they were forced to reclose in June. In response, PEAS quickly reactivated an enhanced COVID-19 response plan to provide remote support to keep our students (and many others) engaged and educated.

We also continued to support our teachers and other school staff through the prolonged period of disruption and upheaval. This allowed us to successfully remobilise our schools as soon as they were permitted to re-open and enabled us to achieve more than 100% gross re-enrolment across the network despite all the challenges faced during lockdown. What's more, in Zambia (where exams were able to be held) PEAS' students achieved our best exam results through hard work and determination of students and teachers across the network.

It's inevitable that the COVID-19 school closures will have an enduring impact on learning loss, enrolment, and sustainability within our schools. Therefore, we used the time when our schools were closed not only to provide remote support, but also to plan how to bounce back as quickly as possible so that our schools and teachers can support our students and communities to recover and then thrive in the post-COVID world.

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:

- Rising inflation & cost of doing business: Global geopolitical and macroeconomic factors are resulting in rising inflation of PEAS' costs, e.g. fuel, food and construction. PEAS has contingency plans and budget in place.
- COVID-19 recovery: The long-term impact of COVID-19 will continue to be significant and as such PEAS continues to monitor the situation in both countries. PEAS has a robust COVID-19 response and recovery plan in place that covers both the programmatic and operational aspects of our response.
- 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 a Whistle-Blowing policy and an Internal Audit team focused on rooting out corruption at every level.

Beyond the above risks, despite challenging operating environment due to the pandemic, PEAS is pleased to have achieved unrestricted free reserves equivalent to 95% of its target, and the trustees will continue to focus on protecting PEAS' financial stability.

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 14th June 2022 and signed on its behalf by Dr Peter Colenso.



Report of the Trustees

In the following pages present the Trustees' and Directors' report for the year ended 31st December 2021.

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, which are to expand provision of high-quality equitable education, with a focus on countries in Africa.

PEAS has established subsidiary offices in Uganda and Zambia, which are legally registered as International Non-Profit entities in those countries. A control relationship exists between the PEAS' global and country offices and as such PEAS produces consolidated, audited group accounts as well as accounts for each of its country offices.

Decisions are made by simple majority of votes cast at Trustees' meetings with quorum, or by unanimous agreement in writing.

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

Peter Colenso	Chair
Matthew Goldie-Scot	Trustee (board term ended in September 2021)
Robin Horn	Trustee
Erica Stuart	Trustee
Ronald Kansere	Trustee
Andrew Jurczynski	Trustee (joined in June 2021)
Apollo Gabazira	Trustee (joined in June 2021)
Alley Arnall	Trustee (joined in June 2021)
Janice Matwi	Trustee (joined in June 2021)

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.

Third party indemnity provision

PEAS has purchased insurance to protect it for any loss arising from the neglect or defaults of its trustees, employees, and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £1,584 (2021-22) and provides cover of up to a maximum of £5,000,000 (2021-22)

Report of the Trustees

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 (Maternity leave June 2021 – May 2022)
Jenny Groot	Acting Chief Executive Officer (Maternity leave cover)
Richard Aung	Acting Chief Operating Officer (Maternity leave cover)
Libby Hills	Chief Technical Officer (Left PEAS in September 2021)
Emily Goulborn	Head of Partnerships

PEAS Uganda

Henry Senkasi	Country Director
Daniel Omayo	Head of School Network
Daniel Kyasanga	Head of Quality Assurance
Kenneth Tuliraba	Head of Operations

PEAS Zambia

Dirk Phiri	Programme Manager
Amos Chipasi	Senior School Network Manager
Bonaventure Mulenga	Senior Partnerships Manager

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:

Erica Stuart (Chair)	Started in Jan 2018
Mike Saxton	Started in Jan 2018
James Adams	Started in Oct 2018
Ronald Kansere	Started in May 2019
Kate Butler	Started in Feb 2020

Report of the Trustees

Diversity, Equity & Inclusion

PEAS commits to creating a safe and physically comfortable working environment with a positive values driven, meritocratic and open culture across all levels. We aspire to create a culture that promotes excellence and innovation where our team can deliver to the best of their performance. PEAS is committed to providing equality, fairness and respect for everyone in the team whether in temporary, part-time or full-time employment. AS an equal-opportunities employer, we do not discriminate on the grounds of gender, sexual orientation, marital or civil partner status, pregnancy or maternity, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age (protected characteristics)

PEAS will oppose and avoid all forms of unlawful discrimination. It applies to all aspects of employment with us, including pay and benefits, terms and conditions of employment, deadline with grievances and discipline, termination and dismissal, redundancy, leave for parents, requests for flexible working, and selection for employment, promotion, training or other development opportunities. This applies in the workplace, outside the workplace (when dealing with beneficiaries, suppliers or other work-related contact), and on work related trips or events including social events.

PEAS aims to challenge and overcome all forms of marginalisation in our workplace and schools. We are working to ensure the balance of leadership and governance is moving closer to the beneficiaries and communities we serve by ensuring more African leadership on our global senior team and board. We also empower and champion female leadership, which we see as critical to reaching gender equality in our schools. Our diversity, equity and inclusion agenda is not driven by quotas, but by bottom-up investment in our people and building equitable systems throughout our organisation.

To ensure we have a safe, engaging and motivating workplace, PEAS' People and Culture team carries out pulse surveys three times per year, and the senior leadership team ensures clear actions plans laid out to get back to teams for their welfare and motivation.

Internal Communication and Engagement

The Chief Executive and senior staff have weekly meetings to discuss any business and operations matter. The CEO shares monthly update emails to communicate progress with all staff and encourages any feedback. Quarterly "Ask Us Anything" calls hosted by the Global Senior Team also provide a channel to listen, answer staff queries, and gain their input and feedback. The CEO and other senior management also have regular one-to-one check-ins with staff across all levels of the organisation.

The regular pulse surveys above also provide valuable feedback to the senior team and Trustees. Several of the organisation's strategic goal indicators are taken from the pulse survey results and are therefore discussed at each quarterly Trustee meeting.

PEAS consults with its beneficiaries through several channels. Each year, all PEAS students and teachers are invited to participate in student and teacher perception surveys, where they are asked for their feedback on a wide range of matters relating to PEAS programming. School Leaders are also invited to participate in the regular Pulse Surveys. Students are often invited to participate in small group discussions as part of key stakeholder consultations for Internal and external monitoring and evaluation processes. Beneficiary feedback from all these channels is used to further improve PEAS' programming.



PEAS FRONTIERS

HIGH SCHOOL

SCHOOL VISION SCHOOL MISSION
To develop all-rounders who are academically, physically, and socially well-rounded.
Education with Practical Skills at Affordable Fees

Report of the Trustees

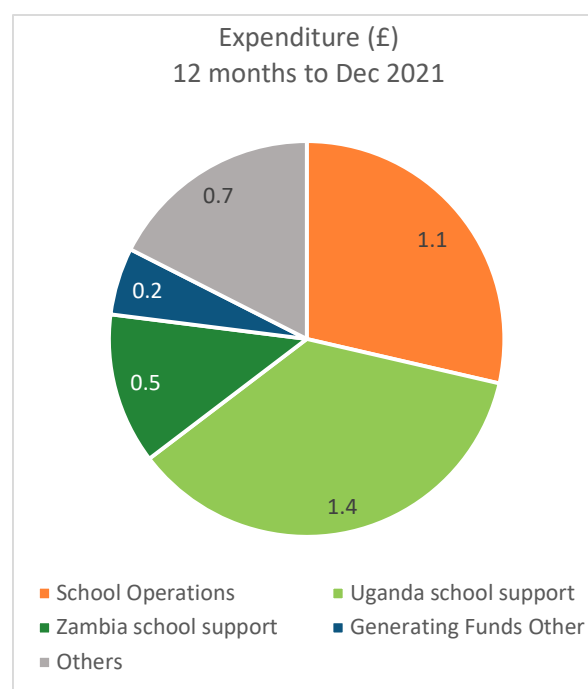
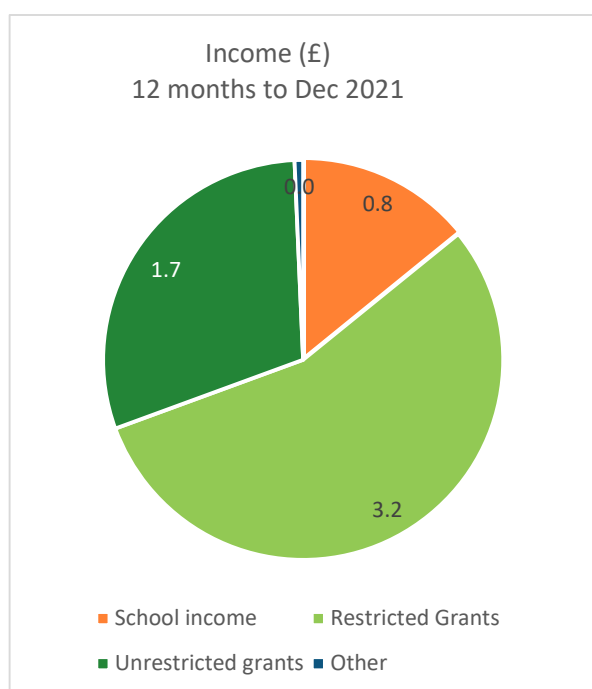
Financial review

PEAS total income for the year was £5.8m (12 months), 42% higher than the prior period of £4.1m (12 months). This was largely driven by bringing on board new institutional partners in Zambia (including USAID and FCDO) and securing new or increasing income from existing strategic and construction partners. School income for the year was £0.8m, 31% lower due to schools in both Uganda and Zambia remaining largely closed due to the COVID pandemic.

PEAS total expenditure for the year was £4.0m (12 months), 2% higher than the prior period of £3.9m (12 months). School expenditure was £1.1m, 33% lower than prior period, again due to schools being closed for even longer periods than in 2020. Expenditure on PEAS' COVID response plan, school expansion, school reopening, and system strengthening work was £2.6m, up 31% from prior period due to PEAS using learning and experience from 2020 to be well prepared to implement a comprehensive response and reopening plan for the full year. Expenditure on generating funds came to £0.2m, which represents 5.5% of total expenditure.

As well as a contribution to PEAS' unrestricted free reserves to sure-up the organisations financial sustainability, £1.34m of income from the period has been designated to support implementation of PEAS' new 2022-26 growth strategy. This includes scaling up of our education system strengthening work in Uganda & Zambia, expanding PEAS' work to new countries, and continued transformation and expansion of the PEAS Uganda and Zambia school networks to reach financial sustainability.

Income and expenditure breakdown



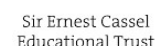
School building and equipment

The expenditure on school construction is accounted for through PEAS' balance sheet. This is represented by the School Building Fund of £8.1m (2020 — £7.1m) included in Total Funds.

During the year PEAS spent £1.1m (2020 — £0.4m) on new school construction, expanding schools and new equipment across the school network. Of that, £0.6m was in Uganda and £0.5m in Zambia.

Report of the Trustees

In 2021, PEAS has received generous donations from many organisations and individuals to whom we are very grateful. We would like to take this opportunity to thank the following organisations for their continued and generous support:



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 and 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 and continue to serve a growing number of students in Uganda and Zambia.



Report of the Trustees

Reserves and investment policy

PEAS has a Reserves and Investment policy in place. PEAS UK aims to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted expenditure for the UK and overseas subsidiaries. The trustees consider that this level will provide sufficient funds to ensure that support and governance costs are covered. PEAS also has an increasing number 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 £11.20m (Dec 2020 - £9.02m). Of this, £8.12m (Dec 2020 - £7.14m) is physical school infrastructure in Uganda and Zambia and is distinct from usable cash funds. Of the remaining £3.08m of funds, restricted funds are £0.82m (Dec 2020 - £0.99m) and unrestricted funds are £2.22m (Dec 2020 — £0.88m). Of the £2.22m unrestricted funds, £1.27m is part of a designated reserve and £0.95m is usable unrestricted reserve.

PEAS group current unrestricted reserves position is about 3 months equivalent of the target level set in the reserves policy. This shows an incremental improvement over the past financial years due to a continued steady contribution to unrestricted funds in each year.

UK Fundraising

PEAS fundraising over the year 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 and adheres to PEAS Ethical fundraising Policy.

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 2021, most of funds have been raised from existing donors, which are a mix of institutions, trusts, foundations, corporates 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 year. 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.

Over this year, 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.

Report of the Trustees

Plans for future

2022 sees the launch of PEAS new 5-year strategy described below.

PEAS 2022-2026: a strategy for growth – we will grow our school networks to double their size, launch in a third country and expand our wider impact by strengthening education systems.

GOAL 1

Growing PEAS school networks

By 2026, PEAS will have doubled the number of students in our school networks, including in a 3rd country, and closed the gender attainment gap.

GOAL 2

Strengthening education systems

By 2026, we will have improved secondary provision at a national level in two of PEAS' three countries of operation.

GOAL 3

Strengthening the organisation

PEAS will be sector leading in diversity, equity and inclusion. And, our operations and fundraising will drive growth and school improvement.

PEAS will enrol twice as many students, protect our focus on access and raise our girls learning outcomes' to match our boys'. PEAS schools provide access to quality, sustainable education to over 15,000 students each year. The majority of PEAS students are from the poorest households and over half are girls. We are proud of this achievement and now want to ensure PEAS schools are amongst the best in each country in terms of student outcomes and safety. We are excited to build a new school network in a 3rd country and become fully financially sustainable in Uganda. We remain committed to PEAS' 3 Pillars of Impact: Access, Quality and Sustainability. We will continue to serve the most marginalised young people and become a leading global player in girls' secondary education.

PEAS will share 'what works' in our schools to benefit millions of children outside of PEAS networks. Since 2018, we have partnered with others to improve non-PEAS schools, shared our evidence, and contributed to national policy discussions. To date we have taken a "test and learn" approach to system strengthening. We are now ready to focus and accelerate our impact in this area to improve all schools' accessibility, quality and efficiency. We will achieve this by partnering with governments in countries where we work to transform national approaches to school leadership and management. We will implement PEAS' practices reaching 10% of all secondary-age young people and use this as the basis for changing policies and practices at the national level.

Diversity, equity and inclusion will be a key driver of organisational strength. We have successfully built the systems, culture and financial reserve to transition from a start-up to a mature and resilient organisation. To reach the next level of organisational strength and sustainability we are now focused on diversity, equity and inclusion. PEAS already has exceptional African leaders within our organisation and by 2026 our global senior team and board will be majority African. We will match our commitment to empowering girls in our schools by empowering African, female leadership and management at all levels of our organisation. We will continue to work towards sustainability at all levels and will raise funding for ambitious growth while maintaining financial stability.



**BOYS & GIRLS HAVE EQUAL
OPPORTUNITIES FOR STUDIES**

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 year. 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 14th June 2022 and signed on its behalf by:



Peter Colenso
Trustee

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 of Promoting Equality in African Schools (PEAS) for the year ended 31 December 2021, 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 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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 group'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 trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees' and the Strategic Report. 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 during the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report 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 during the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and 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 returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 29, 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 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 basis on these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures can detect irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to those standard to UK charitable companies, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, corporation tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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)
10 Queen Street Place
For and on behalf of HaysMacintyre LLP, Statutory Auditor
London
EC4R 1AG

Date: 24 June 2022





Consolidated statement of financial activities

Year ended 31st December 2021 (vs. prior year 31st December 2020)

	Notes	Unrestricted Dec. 2021 £	Restricted Dec. 2021 £	Total Dec. 2021 £	Total Dec. 2020
Income from:					
Donations and legacies		1,735,437	3,211,428	4,946,865	2,889,541
Charitable activities (i.e. School income)		821,412	-	821,412	1,196,028
Investment income		8,446	-	8,446	5,649
Other income		31,622	-	31,622	5,029
Total Incoming	7	2,596,917	3,211,428	5,808,345	4,096,247
Expenditure on:					
Raising funds		90,985	128,577	219,562	216,360
Charitable activities:					
School operations		697,736	446,398	1,144,134	1,712,959
School management, support & construction		574,786	2,061,768	2,636,554	2,010,801
Total expenditure	8	1,363,507	2,636,743	4,000,250	3,940,120
Net movement in funds before exchange differences and transfers		1,233,410	574,685	1,808,095	156,127
Exchange Differences	10	102,285	232,044	334,329	(912,597)
Net movement in funds		1,335,695	806,729	2,142,424	(756,470)
Reconciliation of funds					
Total funds brought forward		884,968	8,138,627	9,023,595	9,780,065
Total funds carried forward	20	2,220,663	8,945,356	11,166,019	9,023,595

All of the Charity's activities derive from continuing operations during the above period.
The notes on pages 38-56 form part of these financial statements.

Consolidated balance sheet

As at 31st December 2021

	Notes	Dec.2021 Group £	Dec.2021 Charity £	Dec.2020 Group £	Dec.2020 Charity £
Fixed assets					
Tangible assets	15,16	8,508,122	6,886	7,287,217	6,324
Intangible assets	17	2,359	-	19,292	0
		8,510,481	6,886	7,306,509	6,324
Current assets					
Debtors	18	864,208	487,466	466,948	203,868
		-		0	
Cash at bank and in hand		5,704,964	5,515,296	4,041,098	3,837,953
		6,569,172	6,002,762	4,508,046	4,041,821
			-		
Creditors: amounts falling due within one year	19	(3,770,258)	(3,006,905)	(2,659,291)	(2,274,680)
Net current assets		2,798,914	2,995,857	1,848,755	1,767,141
			-		
Creditors: amounts falling due after one year	19	(143,376)	(105,000)	(131,669)	(100,000)
Net assets		11,166,019	2,897,743	9,023,595	1,673,465
Funds					
Unrestricted Funds - General		945,663	1,555,295	884,968	774,187
Unrestricted Funds - Designated		1,275,000			
Restricted Funds - General		824,930	1,342,448	992,170	899,278
Restricted Funds - Fixed Assets		8,120,426		7,146,457	
			-		
Total funds	20	11,166,019	2,897,742	9,023,595	1,673,465

The financial statements were approved and authorized for issue by the Board of Trustees on 14th June 2022 and were signed on its behalf by:

Peter Colenso

Peter Colenso
Trustee

The notes on pages 38-56 form part of these financial statements.

Consolidated statement of cash flows

Year ended 31st December 2021 (vs. year period ended 31st December 2020)

		Group 2021	Group 2020
	Note	£	£
Net Cash Generated by operating activities	23	3,020,624	2,613,983
Cash flows from investing activities			
Investment income		8,446	5,649
Purchase of tangible fixed assets		(1,382,955)	(277,134)
Purchase of intangible fixed assets		-	(3,965)
Net cash used in investing activities		(1,374,509)	(275,450)
Cash flows from financing activities			
CAF loan		-	-
Repayment		-	-
Net Cash from financing activities		-	-
Increase/(decrease) in cash and cash equivalents in the year		1,646,115	2,338,533
Change in cash and cash equivalents due to exchange rate movements		17,750	(336,796)
Cash and cash equivalents at the beginning of the year		4,041,099	2,039,362
Total cash and cash equivalents at the end of the year		<u>5,704,964</u>	<u>4,041,099</u>

Analysis of change in net debts

	1st Jan 2021	Cash flows	31st Dec 2021
	£	£	£
Cash at bank and in hand	4,041,098	1,663,866	5,704,964
Loan	(105,000)	-	(105,000)
Total	<u>3,936,098</u>	<u>1,663,866</u>	<u>5,599,964</u>

Notes to the financial statements

Year ended 31st December 2020 (vs. year period ended 31st December 2021)

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 on the consolidated basis 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) (second edition effective 1 January 2019) - (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.

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

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

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the account where these judgements and estimates have been made include:

- Estimating the impact of Covid-19 on the charity's income and expenditure flows for the purpose of preparing cash flow forecast and budgets to assist in the assessment of going concern; and
- Allocating supporting cost across charitable activities

Preparation of the accounts on a going concern basis

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of this account.

In making their assessment, the trustees of the charity have considered the impact of the global environment. However, the Charity's current and forecasted unrestricted reserves and cash position is above the target levels set out in the reserves policy and has secured multi-year grants.

The Trustees have therefore concluded that there are no material uncertainties that may cast significant doubt on the ability of the charity to continue as a going concern

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.

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 recognised according to the agreement.
- 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.
- VI. Income will be deferred or recognition of a grant/ donation in future if the resources are received in advance of the expenditure on the activity funded by the grant or donation.

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 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 (UK)	4 years
Computers and office equipment (Zambia)	4 years
Machinery	5 years

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

Capital work in progress

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

Intangible Assets

The charity has entered 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.

3. Group financial performance in the prior period

	Unrestricted Dec 2020 £	Restricted Dec 2020 £	Total Dec 2020 £
Income from:			
Donations and legacies	518,168	2,371,373	2,889,541
Charitable activities	1,196,028	-	1,196,028
Investment income	5,649	-	5,649
Other income	5,029	-	5,029
	1,724,874	2,371,373	4,096,247
Total income			
Expenditure on:			
Raising funds	64,599	151,761	216,912
Charitable activities:			
School operations	1,171,363	541,596	1,712,959
School management, support & construction	279,919	1,730,882	2,010,801
	1,515,881	2,424,239	3,940,120
Total expenditure			
Net movement in funds before exchange differences and transfers	208,993	(52,866)	156,127
Exchange differences	(239,166)	(673,431)	(912,597)
	(30,173)	(726,297)	(756,470)
Net movement in funds			
Reconciliation of funds			
<i>Total funds brought forward</i>	915,140	8,864,925	9,780,065
Total funds carried forward	884,967	8,138,628	9,023,595

4. Financial performance of PEAS UK

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

	Dec 2021 £	Dec 2020 £
Income	4,905,593	2,578,794
Expenditure on:		
Raising funds	219,562	216,360
Charitable activities:		
School operations, management, support and		
Construction	3,491,504	2,175,262
Total expenditure	3,711,066	2,391,622
Net movement in funds before exchange		
differences and transfers	1,194,527	187,172
Exchange differences	29,751	(156,130)
Net movement in funds	1,224,278	31,042
Total funds brought forward	1,673,465	1,642,423
Total funds carried forward	2,897,743	1,673,465
Represented by:		
Unrestricted funds	1,555,295	774,187
Restricted funds	1,342,448	899,278
Net assets	2,897,743	1,673,465

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 (Liliesleaf Chambers 1st & 2nd floor, Plot 2B Kyambogo Drive, Ministers' Village Ntinda, P.O. Box 23308, Kampala)

	Dec 2021 £	Dec 2020 £
Income from:		
Grant income	1,827,427	1,606,251
School network income	660,634	1,055,333
Investment income	6,919	4,784
Other income	25,194	34,868
Total income	2,520,174	2,701,236
Expenditure on:		
Charitable activities:		
School operations	965,498	1,548,230
School management, support and construction	1,442,058	1,086,073
Total expenditure	2,407,556	2,634,303
Net movement in funds before exchange differences and transfers	112,638	66,933
Foreign exchange movement	192,910	(528,778)
Net movement in funds	305,528	(461,845)
Reserves brought forward	6,368,819	6,830,664
Reserves carried forward	6,674,347	6,368,819
The assets and liabilities of the subsidiary were:		
Fixed assets – school land and buildings	6,649,805	6,067,134
Fixed assets – plant and equipment	219,997	221,910
Current assets	495,369	439,299
Current liabilities	(693,184)	(359,524)
Net Assets	6,374,347	6,368,819

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 (35 Sheila Dare, PO Box 71192, Ndola).

	Dec 2021 £	Dec 2020 £
Income from:		
Grant income	886,788	362,459
School network income	160,778	140,695
Investment income	1,527	865
Other income	6,428	3,355
Total income	1,055,521	507,374
Expenditure on:		
Charitable activities:		
School operations	122,724	119,212
School management, support and construction	494,051	367,647
Total expenditure	616,775	486,859
Net movement in funds before exchange differences and transfers	438,746	20,515
Foreign exchange movement	173,874	(346,182)
Net movement in funds	612,620	(325,667)
Reserves brought forward	981,310	1,306,977
Reserves carried forward	1,593,930	981,310
The assets and liabilities of the subsidiary were:		
Fixed assets – school land and buildings	1,468,262	921,414
Fixed assets – plant and equipment	163,172	89,726
Current assets	71,041	26,926
Current liabilities	(70,169)	(25,087)
Long-term liabilities	(38,376)	(31,669)
Net Assets	1,593,930	981,310

7. Income received

	Total Dec 2021	Total Dec 2020
Donations and legacies		
Cash donations received	4,021,350	1,638,904
Donated assets	-	-
Services in kind	-	-
Government grants	925,515	1,250,637
	4,946,865	2,889,541
Charitable Activities		
Tuition and boarding fees	706,997	1,075,586
Universal Secondary Education (USE) grant	114,415	120,442
	821,412	1,196,028
Investment income	8,446	5,649
Other income	31,622	5,029
Total Income	5,808,345	4,096,247

Cash donations received increased in 2021 compared to the prior period as PEAS continued to build support for its strategic pivot to an innovative programme for teachers and students during COVID-19 closures. PEAS also secured additional funding in support of the new growth strategy due to start in 2022.

Tuition and boarding fees decreased in 2021 compared to the prior period due to even longer school closures.

Other income includes selling used vehicles and recovering bad debts on fees and USE.

8. Expenditure

	Total Dec 2021 £	Total Dec 2020 £
Cost of generating funds:		
Direct costs	163,649	170,843
Support costs	55,913	45,517
	<u>219,562</u>	<u>216,360</u>
Charitable activities		
School operations	1,088,222	1,667,442
Support costs	55,913	45,517
	<u>1,144,135</u>	<u>1,712,959</u>
School network management, support and construction	2,562,003	1,950,112
Support costs	74,551	60,689
	<u>2,636,554</u>	<u>2,010,801</u>
Total expenditure	<u>4,000,251</u>	<u>3,940,120</u>

Analysis of support costs

Support costs	Fundraising £	School operations £	Charitable activities:		Total Dec 2021 £	Basis of allocation
			School management, support & construction £			
Staff costs	42,592	42,592	56,789		141,973	Number of staff and time spent
Rent, rates and utilities	260	260	347		867	Area occupied
Consultancy	1,595	1,595	2,126		5,316	Resources used
Finance	272	272	362		906	Resources used
General administration costs	3,958	3,958	5,278		13,194	Resources used
Governance	7,236	7,236	9,648		24,120	Resources used
	<u>55,913</u>	<u>55,913</u>	<u>74,550</u>		<u>186,376</u>	

Analysis of support costs – prior period

Support costs	Fundraising £	School operations £	Charitable activities:	
			School management, support & construction £	Total Dec 2020 £
Staff costs	34,592	34,592	46,122	115,306
Rent, rates and utilities	648	648	864	2,160
Consultancy	1,494	1,494	1,992	4,980
Finance	302	302	402	1,006
General administration cost	2,900	2,900	3,867	9,667
Governance	5,581	5,481	7,441	18,603
	45,517	45,517	60,688	151,722

9. Auditor remuneration

	Dec 2021 £	Dec 2020 £
Fees payable to the charity's auditor for the audit of the charity's financial Statements (including VAT)	21,720	19,800
Fees payable to the auditors of the charity's subsidiaries	21,149	17,382
	42,869	37,182

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 £8.5m (Dec 2020 - £7.3m) 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.

11. Analysis of staff costs

	Dec 2021 £	Dec 2020 £
Salaries and wages	1,776,629	1,741,079
Pension	66,373	52,977
Social security costs	82,784	70,465
	1,925,786	1,864,521

During the year termination payments were made totalling £nil (Dec 2020 – £3k).

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

	Dec 2021	Dec 2020
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-

PEAS received support from one volunteer over the course of 2021 in the Uganda country office. The volunteer supported with business development and administration, delivering a series of projects to support the team.

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

	Dec 2021	Dec 2020
UK management and support	13	15
Uganda – management and support	35	35
Zambia – management and support	14	11
Schools – leadership, teachers, and support	967	969
	1,029	1,030

12. Related party transactions

There were no related party transactions during the year 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 (Dec 2020 - £nil).

No expenses were paid to the trustees in the period (Dec 2020 - £nil).

The key management personnel of the charity, PEAS UK, comprise of the Board of Trustees, the Chief Executive Officer (maternity leave from June 2021 – May 2022), the Chief Operating Officer (Acting CEO in 2021 to cover maternity leave), the Chief of Staff (Acting COO in 2021 to cover maternity leave), the Chief Technical Officer (left PEAS in Sept 2021), and Head of Partnerships.

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, Country Director and PEAS Zambia Limited, Programmes Manager in 2020. In this Financial year, key management personnel has been expended. This year included Head of School Network, Head of Quality Assurance and Head of Operations in Uganda, as well as Senior School Network, and Senior Partnership Manager in Zambia.

The employee benefits of key management personnel for the Group was therefore £498k (Dec 2020 - £331k).

13. Government Grants

The UK Government Foreign, Commonwealth & Development Office (FCDO)

In 2021, The UK Government supported PEAS through FCDO Uganda, FCDO Zambia and Girls Education Challenge (GEC) Programmes. The GEC is helping millions of the world's poorest girls improve their lives through education by providing restricted funds to projects which help achieve the overarching GEC objectives. During the year, PEAS concluded its GEC grant and received a final £132k (Dec 2020 - £551k) to support girls across Uganda.

FCDO also supports PEAS via FCDO Uganda and FCDO Zambia, as part of the wider FCDO programmes to strengthen education systems to improve learning. These bilateral partnerships between FCDO and PEAS are increasing access to quality secondary education and improving the sustainability of PEAS and PEAS schools. The partnerships also enable PEAS to leverage the strengthened network of schools to have a system-level impact in Uganda and Zambia.

Donations received under the FCDO Uganda and Zambia partnerships during the year were £794k (Dec 2020 - £700k) and expenditure was £1,124k (Dec 2020 - £800k). (See Note 20)

U.S. Agency for International Development (USAID)

In 2021, PEAS secured a Fixed Amount Award grant from USAID as part of the Catalyze EduFinance development Programme. Over the course of the grant, PEAS will receive £580k to i) grow PEAS Zambia's network of PPP secondary schools to scale, ii) deliver a quality secondary education to each of our communities, and iii) provide technical assistance to equity-focused primary schools in low-income communities around PEAS Zambia schools.

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 2021, PEAS received an equivalent of £14k (Dec 2020 - £31k) under the USE grant.

PEAS' partnership with the Ministry has now evolved to develop the earlier described Inspect & Improve programme, through which PEAS and the Government of Uganda are both investing to improve the quality of government schools through the use of the PEAS inspection and school improvement programme.

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, since 2018 PEAS has opened two partnership schools, which both have zero-day fees. Through this partnership, in 2021 PEAS received an equivalent of £100k (Dec 2020 - £90k).

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.

15. Tangible fixed assets – Group

	Buildings	Freehold land	Work in progress	Motor vehicles & cycles	Computers, Furniture, fittings & office equipment	Total Dec 2021
	£	£	£	£	£	£
Cost						
At 1 January 2021	8,296,810	327,361	111,269	71,473	905,615	9,712,528
Additions	18,267	208,992	894,881	28,201	256,173	1,406,514
Less: Transfers/disposals	18,111	-	(18,111)	(16,060)	-	(16,060)
Exchange differences	446,370	8,668	(98,669)	(1,364)	(10,447)	344,558
At 31 December 2021	<u>8,779,558</u>	<u>545,021</u>	<u>889,370</u>	<u>82,250</u>	<u>1,151,341</u>	<u>11,447,540</u>
Depreciation						
At 1 January 2021	1,746,892	-	-	56,949	621,469	2,425,310
Charge for year	332,710	-	-	(1,120)	156,778	488,368
Less: Transfers/disposals	-	-	-	-	-	-
Exchange differences	16,280	-	-	(25,722)	35,182	25,740
At 31 December 2021	<u>2,095,882</u>	<u>-</u>	<u>-</u>	<u>30,107</u>	<u>813,429</u>	<u>2,939,418</u>
Net carrying amount						
At 31 December 2021	<u>6,683,676</u>	<u>545,021</u>	<u>889,370</u>	<u>52,143</u>	<u>337,912</u>	<u>8,508,122</u>
At 31 December 2020	<u>6,549,918</u>	<u>327,361</u>	<u>111,269</u>	<u>14,524</u>	<u>284,146</u>	<u>7,287,218</u>

16. Tangible fixed assets – Charity

	Computers, Furniture, fittings & office equipment	Total Dec 2021
	£	£
Cost		
At 1 January 2021	19,329	19,329
Additions	3,524	3,524
At 31 December 2021	<u>22,853</u>	<u>22,853</u>
Depreciation		
At 1 January 2021	13,005	13,005
Charge for year	2,962	2,962
At 31 December 2021	<u>15,967</u>	<u>15,967</u>
Net carrying amount		
At 31 December 2021	<u>6,886</u>	<u>6,886</u>
At 31 January 2021	<u>6,324</u>	<u>6,323</u>

17. Intangible fixed assets – Group

Cost	£
At 1 January	27,232
Additions/ (Transfer)	(23,559)
Exchange Difference	(813)
At 31 December	2,860
Amortization	
At 1 January	7,940
Charge for the year	143
Transfer	(7,336)
Exchange Difference	(246)
At 31 December	501
Net book value	
Carry Value at 31 Dec 2021	2,359
Carry Value at 31 Dec 2020	19,292

18. Debtors: amounts falling due within one year

	Group Dec-21 £	Charity Dec-21 £	Group Dec-20 £	Charity Dec-20 £
Donations receivable	486,925	484,248	200,158	198,477
Gift Aid receivable	2,351	2,351	5,391	5,391
Prepayments	31,294	0	38,686	0
School debtors	256,308	0	161,405	0
Other debtors	87,330	867	61,308	0
Total	864,208	487,466	466,948	203,868

19a. Creditors: amounts falling due within one year

	Group Dec-21 £	Charity Dec-21 £	Group Dec-20 £	Charity Dec-20 £
Trade creditors	510,933	8,753	167,697	364
Taxation and social security	55,361	14,934	47,657	11,069
School creditors	132,436	0	120,006	0
Accruals	81,115	21,720	24,078	20,164
Deferred income	2,962,078	2,955,101	2,239,813	2,210,813
Sundry creditors and provisions	28,335	6,397	29,636	1,867
Current portion of CAF loan			5,000	5,000
Current portion of GECT mobilisation Payable			25,403	25,403
Total	3,770,258	3,006,905	2,659,290	2,274,680

19b. Creditors: amounts falling due after one year

	Group Dec-21 £	Charity Dec-21 £	Group Dec-20 £	Charity Dec-20 £
Staff Creditors	38,376	0	31,669	0
CAF Loan	105,000	105,000	100,000	100,000
Total	143,376	105,000	131,669	100,000

19c. Deferred Income analysis

	Group 2021	Charity 2021
At start of year/period	2,239,813	2,210,813
Additional deferred income	2,961,252	2,955,101
Released to income for the year	(2,238,987)	(2,210,813)
At end of year/period	2,962,078	2,955,101

20. Analysis of movements in funds

	Balance at 31-Dec-20 £	Incoming £	Expenditure £	Transfers between funds £	Exchange differences £	Balance at 31-Dec-21 £
Restricted Funds						
UGANDA - General	-	-	-	-	-	-
UGANDA - Construction	269,704	427,110		(453,737)	(216,641)	26,436
UGANDA - Girls Education Campaign - Transition (GECT)	19,652	131,629	(151,281)			-
DfID Uganda	437,114	518,404	(1,037,273)		81,755	-
UGANDA - Programmes	56,692	927,375	(744,274)			239,793
FCDO Zambia	-	275,482	(302,324)		26,842	-
ZAMBIA - Construction	174,522	300,150	-	(472,660)		2,013
ZAMBIA - Programmes	34,485	591,084	(68,881)			556,687
	-					-
School fixed asset fund	7,146,458	40,194	(332,710)	926,397	340,088	8,120,427
	8,138,627	3,211,428	(2,636,743)	-	232,044	8,945,356
Unrestricted funds	884,968	2,596,917	(1,363,507)	(1,275,000)	102,285	945,663
Designated funds	-	-	-	1,275,000	-	1,275,000
Total funds	9,023,595	5,808,345	(4,000,250)	-	334,329	11,166,019

	Balance at 1 Jan 2020 £	Income £	Expenditure £	Transfers Between funds £	Exchange Differences £	Balance at 31 Dec 2020 £
Prior period analysis						
Restricted funds						
UGANDA – General	1,968	-	(1,968)	-	-	-
UGANDA – Construction	350,725	10,392	(207,662)	219,125	(102,876)	269,704
UGANDA – GECT	-	551,077	(631,425)	-	-	19,652
UGANDA – SESIL	537,496	699,560	(799,942)	-	-	437,114
UGANDA – Programmes	78,745	576,755	(598,808)	-	-	56,692
ZAMBIA – Construction	216,750	-	(5,043)	(37,185)	-	174,522
ZAMBIA – Programmes	-	313,877	(279,392)	-	-	34,485
Movement						
School fixed asset fund	7,679,241	219,712	-	(181,940)	(570,555)	7,146,458
	8,864,925	2,371,373	(2,424,240)	-	(637,431)	8,8138,627
Unrestricted funds	915,140	1,724,874	(1,515,880)	-	(239,166)	884,968
Total funds	9,780,065	4,096,247	(3,940,120)	-	(912,597)	9,023,595

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	FCDO 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 concluded in 2021.
Strengthen Education Systems to Improve Learning (SESIL).	FCDO funded programme through FCDO 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 Dec 2022
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 designated to support implementation of PEAS' new 2022-26 growth strategy including scaling of education system strengthening work in Uganda & Zambia, expanding PEAS' work to new countries, and continued transformation and expansion of PEAS Uganda and Zambia school networks to reach financial sustainability.

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

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Dec-21 £	Total Dec-20 £
Fixed Assets	189,995	8,320,486	8,510,481	7,350,074
Current Assets	3,198,739	3,370,433	6,569,172	4,562,305
Current Liabilities	(1,129,695)	(2,640,563)	(3,770,258)	(2,763,230)
Non Current Liabilities	(38,376)	(105,000)	(143,376)	(125,554)
	2,220,663	8,945,356	11,166,019	9,023,595

22. Post balance sheet events

As indicated in our strategic report, PEAS has a robust plan that covers both the programmatic and operational aspects of the response. There are, therefore, no material events that would require disclosure or adjustments to these financial statements.

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

	Group 2021 £	Group 2020 £
Net movement in funds	2,142,424	(756,469)
Add back depreciation charge	488,368	537,075
Add back amortisation charge	7,193	(2,511)
Exchange differences	(334,329)	912,597
Deduct interest and other income shown in investing activities	(8,446)	(5,649)
Decrease (increase) in debtors	(397,260)	(20,043)
Increase (decrease) in creditors	1,122,675	1,948,984
Net cash used in operating activities	3,020,625	2,613,984

24. Capital Commitments and contingent liabilities

There were no capital commitments and contingent liabilities as at 31 December 2021.



PROMOTING EQUALITY IN AFRICAN SCHOOLS (PEAS)

COMPANY LIMITED BY GUARANTEE

Charity Registration No. 1126550

Company Registration No. 06552715



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