



seed **madagascar**
sustainable environment, education & development



REPORT AND FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2019

Company and Charity Information3

Report and Financial Statements Year Ended 30 June 2019.....4

Review of Projects and Benefit to the Public10

Financial Statements18

Company and Charity Information

Directors and trustees Herizo Andrianandrasana
Jessica Burston
Miranda Coultas
Oisin Crawley
Susan Hillman
Cody Moolman
Victoria Smith
Andrew Turner

Secretary Mark Jacobs

Company number 03796669

Charity number 1079121

Registered office Studio 7
1a Beethoven Street
London
W10 4LG

Auditors Cheyettes Ltd
167 London Road
Leicester
LE2 1EG

Principal office Studio 7
1a Beethoven Street
London
W10 4LG

Bankers HSBC Bank plc
25 Notting Hill Gate
London
W11 3JJ

Scottish Widows Bank plc
PO Box 12757
67 Morrison Street
Edinburgh

Report and Financial Statements Year Ended 30 June 2019

The trustees, who are also directors of the charity for the purposes of the Companies Act (and hereafter referred to collectively as the trustees), present their report and the financial statements for the year ended 30th June 2019. The trustees have adopted the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16th July 2014 (as amended by Update Bulletin 1 published on 2nd February 2016) and comply with the charity's governing document and the Charities Act 2011

Reference and Administrative Details

All reference and administrative details of the charitable company are either provided in the Company and Charity information on page 3 or set out hereunder.

Structure, Governance, and Management

The entity is a charitable company limited by guarantee and is governed by its Articles of Association.

The trustees who served during and subsequent to the year-end are as stated below:

Herizo Andrianandrasana	Appointed 1 st August 2019
Jessica Burston	Appointed 10 th November 2019
Miranda Coultas	Appointed 1 st August 2019
Oisin Crawley	
Susan Hillman	Appointed 10 th November 2019
Jane Hunt	Resigned 10 th November 2019
Melissa Kantor	Resigned 10 th April 2019
Cody Moolman	
Samantha Short	Resigned 1 st March 2020
Victoria Smith	
Andrew Turner	

Trustee Appointment, Induction, and Training

The business of the charity is overseen by a Board of Trustees, which meets on a quarterly basis, together with the Managing Director, to discuss and determine strategic, financial and operating requirements. The daily operation of the organisation is undertaken by the Managing Director based in London, (Mark Jacobs), supported by the Director of Programmes and Operations based in Madagascar (Lisa Bass). The Director of Programmes and Operations also attends trustee meetings whenever practical.

The trustees are appointed exclusively by the other serving members of the board. New trustees are briefed on their legal obligations and responsibilities under charity and company law, the contents of the Articles of Association, decision-making processes, and recent financial performance and activities of the charity.

As part of exercising enhanced governance and oversight over the project activities performed in country by SEED, Cody Moolman (trustee) visited Madagascar during 2018. During his stay Cody visited various project sites, was introduced to local community leaders and gained first-hand experience into the delivery of projects on the ground.

Objectives and Activities

The charity was established in 1999 for the benefit of the people and environment of Madagascar. To this end, we have focussed our efforts on achieving the following objectives as set out in our Articles of Association:

- a) To relieve poverty amongst the inhabitants of Madagascar.*
- b) To advance education amongst the inhabitants of Madagascar.*
- c) To advance the education and knowledge of the general public about Madagascar.*

Throughout this time, we have worked with and resourced projects both directly and through local partners. We have focussed and continue to focus our operations in the Anosy Region of South East Madagascar where we have a permanent base in Fort Dauphin though project scope has now widened across Madagascar in some projects. We carry out projects with funds raised from donors in the UK and worldwide.

We have now entered into a fifth term of an Accord de Siege with the Government of Madagascar which permits our UK based organisation to establish its own legal and fiscal presence in Madagascar enabling us to deliver projects, and provide advice and support directly where it is needed. We will continue to work with local partners where that is more effective.

Having a permanent base in the country, we have accumulated a wealth of experience in identifying need and delivering projects to local communities, which is valued not only by those communities, but also others who from time to time seek to do like-minded work in Madagascar.

Recognising that Madagascar remains one of the poorest countries on Earth whilst supporting a natural and living environment that has a worldwide significance, we remain committed to continual learning and review of both the organisation and individual programmes. As a result, during this financial year we have undertaken a review of what we do, how we work and how we should best focus our efforts.

To enhance the capacity of individuals, communities, organisations and government in fulfilling sustainable environment, education and development goals in southeast Madagascar.

Our name SEED Madagascar emphasises our priorities for our funders, supporters and stakeholders.

A *Sustainable Environment* balancing sustainable livelihoods with conservation of the environment.

Education through access to schools.

Development of individual and community leadership and resilience.

Many of these objectives are interdependent and SEED's programmes reflect an integrated approach to achieve maximum effect and benefit and by embedding responsibility for them in the local community.

A detailed assessment of the main projects undertaken during the year is contained in Section 2: Review of Projects and Benefit to the Public.

These reflect SEED's programmatic areas of Community Health, Education, Sustainable Livelihoods and Environment.

Staff and Volunteers

The Managing Director based in London, (Mark Jacobs), and the Director of Programmes and Operations based in Madagascar, (Lisa Bass), are the most senior staff employed full time by the charity. They manage and coordinate a staff base of some 100 staff, 70 of which are Malagasy.

We wish to record our appreciation of the commitment, dedication and patience of all staff, Malagasy and international, for driving the charity forward in a challenging environment.

In the London office the Project Development Coordinator and part-time International Volunteer Coordinator support the Managing Director along with other volunteers and interns. In the UK, appropriately skilled volunteers have supported the charity's work in areas including Project Development, Administration, Design, IT, Finance, Law and Fundraising.

We are incredibly proud and would like to thank our Malagasy staff team who make up the majority of the SEED Madagascar staff base and provide the backbone to the organisation. International staff learn from them every day, and we would particularly like to thank the Deputy Director (Tsina Endor) Head of Finance, Administration and HR (Joel Rajaobelina), Head of Community Health (Dr Mamy Soafaly Andriatsihosena) Head of Construction (Mahalomba Hasoavana) and the Head of Environment, Conservation and Sustainable Livelihoods (Octave Rabetany) for coordinating their teams and working tirelessly and with passion to fulfil the SEED charitable mission.

In Madagascar, the Director of Programmes and Operations is supported by two Project Development Heads, four Department Heads and a Conservation Research Coordinator. SEED's twenty-five long-term, in-country interns and specialist volunteers are the lifeblood of SEED's operations, making a significant impact on SEED's work in areas such as Project Development, Conservation Research, Volunteer Support and project roles in support of Malagasy staff. Long-term volunteers bring international expertise, enabling us to improve projects and in return continue to develop their own professional capabilities supporting their career aspirations in the field of project development.

Our programme volunteers in Madagascar have been instrumental in data collection for our conservation research work, provided much needed skills and labour for our school building programmes, as well as providing ad hoc assistance to various projects.

Longer term volunteers and internships have also increased in number over the same period, making a significant impact on SEED's work. This is principally within our Project Development department but also in specialist and project roles in support of Malagasy staff.

As ever, this year's accomplishments have only been possible due to the hard work and support of our volunteers working in both the UK and Madagascar. The Board of Trustees would like to thank all those who have given their skills and time during the year help to fulfil our objectives.

Risk Management

SEED manages its exposure to risk through an established risk management framework which sets out guiding principles for the identification, assessment and response to risks which the organisation may encounter in conducting its operations. The implementation and adherence to this framework is overseen by the Audit and Risk Committee who operate under delegated responsibility from the Board of Trustees.

The framework sets out the following five risks, referred to as key risks, which account for the vast majority of risks faced by SEED Madagascar:

Delivery Risk

The risk that the organisation is not able to deliver projects in accordance with agreed terms, whether that be through internal or external factors (but not funding related).

Funding Risk

The risk that the organisation has insufficient resources (capital and/or funding) to support its normal operations including maintaining the organisation as well as the delivery of projects. This risk also includes market risk – the risk that the organisation will not be able to secure sufficient funding due to external market conditions.

Operational Risk

The risk of loss to the organisation from inadequate or failed processes or systems, human factors or due to external events (e.g. fraud).

Reputational Risk

The risk that an action, transaction, investment or event will reduce trust in the organisation's integrity and competence by donors, counterparties, regulators, employees, volunteers or the public.

Legal Risk

The risk of loss or imposition of penalties, damages or fines from the failure of the organisation to meet its legal obligations in the various jurisdictions in which it operates (United Kingdom and Madagascar).

Whilst all staff and volunteers have a specific responsibility for risk management, the roles and responsibilities of those charged with governance are governed by an established risk management framework. This framework was established to identify, assess and manage the risks which are faced by SEED as a result of its operations and to allow the organisation to uphold the SEED Madagascar values.

Internal Audit

During 2017, SEED set up an internal audit function to provide independent assurance to senior management, the Audit and Risk Committee and the Board of Trustees over the effectiveness of governance and internal control over current and evolving risks faced by the organisation. The annual internal audit plan, which is approved by the Audit and Risk Committee at the start of each year, is risk based and adaptive to changing circumstances within the organisation. The assessed risk of a particular area drives the frequency and focus of the audits conducted.

The internal audit function is also charged with the review of the completeness of policies and procedures which SEED has in place to ensure appropriate internal controls and safeguards exist.

The Audit and Risk Committee has therefore given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

Financial Review and Reserves Policy

SEED operates a reserves policy which is reviewed annually. It is the trustees' policy to maintain a General Reserve sufficient to safeguard operations for a minimum period of six months and to fund commitments should circumstances ever require us to cease activity in Madagascar. It is not possible to estimate a precise figure as the needs of the charity fluctuate depending on the number and size of projects being undertaken. The level of reserves (which are held in bank accounts) is monitored regularly.

General Expenditure is all expenditure excluding External Project Expenditure and SEED Madagascar Project Expenditure. External Project Expenditure is funded by grants received from External Funders for specific

purposes and which can only be used for direct and indirect expenditure on projects in accordance with the funding agreement entered into with each funder or the terms of a specific donation.

All income received from funders and other sources which is not restricted for External Project Expenditure is treated as General Income and is available at the discretion of the trustees for charitable purposes and running the company. The trustees may allocate unrestricted funds to specific charitable projects and activities. Such expenditure is treated as SEED Madagascar Project Expenditure. Details of the principal sources of funding are disclosed in the notes to the financial statements.

During the year, the charity's income totalled £679,975 and expenditure £585,470, resulting in net income of £94,505.

The Charity has no endowment capital. At 30th June 2019 the charity had unrestricted funds of £128,442 (2018 - £134,965), designated funds of £59,283 (2018 - £59,283) and restricted fund balances of £359,876 (2018 - £258,848). Included in restricted funds were projects in deficit as disclosed in the notes to the financial statements; the trustees are confident that these funds can be credited after date either by the specific allocation of receipts or by transfer of sums from unrestricted resources.

Statement of Trustees' Responsibilities

The trustees (who are also directors of SEED Madagascar for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

In so far as the trustees are aware:

- there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

These financial statements (comprising Section 1 Directors' Report, Section 2 Projects Report and Section 3 Financial Statements) have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

This report was approved by the Board and signed on its behalf on 19th March 2020 by

Cody Moolman

Chairperson & Director

Review of Projects and Benefit to the Public

During this financial year, Madagascar's standing in many of the accepted development indices painted a typically bleak picture. Trends in education showed that the percentage of children completing primary school fell from 67.6% to 65.5%. A World Bank report found Madagascar at the epicentre of global extreme poverty as one of the two poorest countries on the planet (the other being Democratic Republic of the Congo). Madagascar's ranking in the UNDP's Human Development Index fell from 161 to 162.

Other indicators pointed towards slight improvements. Life expectancy at birth rose from 66.3 years to 66.7. Infant and child mortality rates also fell slightly from 39.1 to 38.2 per 1,000 live births and the mortality rate of children under 5 years decreased from 55.2 to 53.6 per 1,000 live births.

Within this context, SEED Madagascar continued in its mission to enhance the capacity of individuals, communities, organisations and government in fulfilling sustainable environment, education and development goals.

Projects and income expanded, and SEED continued to refine its approach, seeking to maximise impact with limited resources. SEED continued its strategic movement towards adopting a programmatic approach, focusing on the key areas of maternal and child health; sexual and reproductive health and rights; water, sanitation, and hygiene; sustainable livelihoods; education infrastructure; and environmental conservation. With external support, SEED has reviewed the charity's current and past work, with a view to define how SEED can best play as part in supporting positive change.

SEED was pleased to announce the appointment of several new trustees, bringing fresh perspective and knowledge to the board. Herizo Andrianandrasana, a Malagasy national brings experience in natural resource management from many years in the national and international NGO sector, and Miranda Coultas, a water, sanitation, and hygiene specialist, returns to the organisation as a trustee having spent many years in country as part of the Project Development department. We welcome Sue Hillman, once a SEED Pioneer and now a director, and Jessica Burston supporting the significant organisational changes to come. We welcomed the appointment of Cody Moolman as Chair.

A brief outline of this year's principal projects is provided below. Unless stated otherwise, project outlines and achievements are cumulative to the 30th June 2019. Each of SEED's projects contribute to the United Nation's [Sustainable Development Goals](#).





Fatsaka Phase II

A lack of clean drinking water, poor hygiene practices, and a severely limited diet perpetuate extreme levels of diarrhoeal disease and malnutrition, resulting in over 50% of children under age five being developmentally stunted.

Project Fatsaka, Phase II increased long-term access to clean drinking water in 30 rural communities. SEED used Community-Led Total Sanitation (CLTS) to mobilise communities to develop sustainable community management structures to manage and maintain water sources.

- 13 communities gained functional, fenced, and treated wells.
- 13 communities established well committees and implemented community action plans for well management and maintenance, including fundraising for well repair purchased.
- End-line water testing across a sample of repaired wells indicated excellent water quality and a lower level of contamination in comparison with traditional well and river water sources.



Mitao

In southeast Madagascar, underfunded health services, low understanding of sexual and reproductive health and rights (SRHR), and prevalent risky behaviours have contributed to STI estimates that are three times the national average.

Project Mitao seeks to combat this growing sexual and reproductive health crisis through collaborative research, capacity-building with stakeholders, and delivery of SRHR education with students and out-of-school youth.

- 53 key informant interviews were conducted with a range of stakeholders, including doctors who treat HIV-positive patients, ministry officials, school headmasters, and sex workers.
- Project Mitao staff conducted a total of 36 focus groups with a range of young people and particularly at-risk groups, such as men who have sex with men.
- Project Mitao’s first roundtable meeting to coordinate a regional SRHR strategy was attended by approximately 22 stakeholders, ranging from healthcare providers to village chiefs.





Safidy Phases III and IV

Limited by the country’s under-resourced healthcare and education systems, Madagascar’s young people have few reliable options for sexual and reproductive health and rights information.

Project Safidy collaborates with ministries and partner organisations to deliver rights-based sexual and reproductive health education and resources to young people in schools across Madagascar, reducing their vulnerability to HIV, STIs, and unintended pregnancies.

- Project Safidy held its first SRHR conference in Antananarivo from January 31st to February 1st 2018 with over 60 people in attendance.
- Around 46 schools in Madagascar began delivering Safidy’s integrated SRHR curriculum to year-one high school students.
- Project Safidy’s year-two SRHR curriculum was validated in the first quarter of Phase IV, which commenced in April 2019.



Tatirano Phase II

Just 35% of the rural population have access to improved water sources, which when combined with inadequate sanitation, contributes to the deaths of over 2,000 Malagasy children each year from diarrhoeal disease.

By increasing access to improved water sources and safe drinking water through providing Tatirano Rainwater Harvesting Systems (RWH) to households, vulnerable families will have access to clean water, reducing incidences of child diarrhoea by 30%.

- 148 rainwater harvesting household systems installed across ten communities, providing safe drinking water to over 700 people.
- 255 education sessions delivered to beneficiaries surrounding system maintenance and management, as well as WASH knowledge, attitudes and practices.
- Systems supplying high quality water at the home, with a reduction in faecal coliform count of 86%.





Votsira Phase III Module 2

In Madagascar, 100 children die every day from a preventable illness such as acute respiratory infections, diarrhoea, and malaria. The southeast region experiences some of the highest rates of child mortality in the country, with healthcare services often rendered inaccessible or unaffordable to caregivers.

By strengthening the capacity of community health workers to deliver quality maternal and child health information, Votsira Phase III Module 2 equips mothers and grandmothers with the information they need to care for themselves and their children.

- Votsira reached the end of its child health course, delivering six rounds of lifesaving information to 3,273 caregivers through 528 focus groups and 2,376 household visits.
- A total of 1,150 information, education, and communication posters were delivered to caregivers.
- Average caregiver knowledge of malaria reached 96%, and average knowledge of diarrhoea was 92%.



Sekoly

With over 1,300,000 primary-age children not enrolled in school, and falling investment in school infrastructure, Madagascar's education system is facing a crisis. Insufficient or even non-existent sanitation infrastructure in schools contributes to the transmission of harmful diseases, further impeding school attendance.

By improving education and sanitation infrastructure, increasing classroom capacity and improving hygiene practices, Project Sekoly increases students learning and health outcomes.

- Four fully furnished classrooms with a total capacity of 240 students completed across two schools, with a further three classrooms in construction for a third.
- Gender sensitive toilets consisting of six cubicles constructed within two VIP latrine blocks across two schools, with two further cubicles in construction for a third.
- Provided training on safe WASH practices and teaching strategies to teachers, enabling them to deliver WASH lessons to students.





Ala

90% of Madagascar’s original littoral forests have been lost, in part due to human activities. Fragmentation and degradation of forest has dire consequences for the island’s endemic biodiversity, including the world’s most endangered group of primates: lemurs.

SEED is constructing four habitat corridors between isolated forest fragments to increase viable lemur habitat, reuniting discontinuous lemur sub-populations and strengthening forest conservation.

- Nursery renovated according to international best practice and expanded to fit up to 8,000 seedlings.
- 3,400 Acacia seeds have been sown in the nursery.
- World Environment Day celebrations held at local schools, involving a forest visit and games.



Mahampy

The weaving of Mahampy, a reed that grows in wetlands, is a common livelihood strategy for women in the Anosy region. However, this livelihood has little return on investment.

Project Mahampy researches and responds to the barriers that traditional female mahampy weavers experience to improve their livelihood long-term, whilst ensuring the reed beds upon which they rely are healthy, resilient, and productive.

- 16 reed beds have been classified and mapped in an initial assessment in Sainte Luce.
- Preparation and planning took place for the baseline survey.





Oratsimba Phase III

Lobster fishing is a main source of income for around 40 impoverished fishing communities in the Anosy region. However, there have been significant declines in lobster stock over recent decades, driven by rapid population growth and export market demand.

By strengthening local and regional capacity to implement adaptive, sustainable fisheries management, SEED economically empowers 850 fishers, contributing to poverty alleviation of 4,250 people and protecting 480km² of marine biodiversity in southeast Madagascar.

- Six fisher representatives from Elodrato went on a cross visit to learn from the Velondriake Locally Managed Marine Area in southwest Madagascar.
- Fishers' Association established in Elodrato.
- Baseline survey of 553 households conducted in target and non-target communities.
- Data collectors from the participatory monitoring programme trained in mobile data collection.



Festival of the Sea

Lobster fishing has been a main source of income in the Anosy region for generations. There have been significant declines in lobster stock over recent decades, impacting communities' livelihoods.

The Festival of the Sea celebrated common ancestry, tradition, and natural marine capital. It centres around knowledge sharing, capacity building, and overcoming adversity through the arts, engaging lobster fishing communities to celebrate their marine heritage.

- A four-day long Festival of the Sea was held in Sainte Luce, with 2,000 people attending.
- Strengthened relationships with the Sainte Luce community and stakeholders.
- Over 30 songs written for the festival by seven local and regional music groups, relating to the sea and lobster fishing.





Renitantly

Despite a strong tradition of honey harvesting as a source of additional income amongst subsistence farmers in Anosy, a lack of training and resources and the impact of invasive pests negatively affects yields, whilst poor infrastructure restricts access to market for honey products.

SEED is building the capacity of beekeepers in Anosy to develop beekeeping as a sustainable livelihood. The project aims to strengthen modern beekeeping skills to improve honey yield and quality, enhance disease prevention and treatment, and strengthen routes to market

- The proportion of project hives infested with varroa has fallen from 55% to 22%.
- The number of populated hives owned by project beekeepers has risen by 108% (71 in August 2018 to 148 in June 2019).
- The project partnered with Cornell University who sent a researcher in March 2019 to investigate the potential development of varroa resistant behaviours amongst Malagasy honeybees.



Stitch Phase IV

Women in the Anosy region are faced with limited education and livelihood opportunities. In 2012, Project Stitch Sainte Luce ('the Cooperative') was initiated to provide an alternative sustainable livelihood opportunity.

Project Stitch works to expand, strengthen, and increase the independence of the Cooperative, positioning it to provide sustainable and reliable incomes to women in Sainte Luce without donor funding.

- 95 members are now officially registered as part of the cooperative.
- Training in finance, communication, quality control, marketing and English language skills has been delivered.
- Etsy revenue is up by 174% since the beginning of 2018.



SEED's volunteer programmes once again had a challenging year, culminating in the difficult decision to cease operations in our long-standing Construction and Community Development Programmes. The SEED Conservation and Research Programme (SCRP) continued to provide key support to projects such as Rufus and Ala, whilst continuing research numerous floral and faunal groups, building a unique dataset now spanning a decade. Research throughout the year resulted in several publications including new miniaturised microhylid frog species, rediscovery of the dragonfly *Libellulosoma minutia* and dietary observations of the lamprophiid snake *Madagascarophis meridionalis*.

SEED's trustees would like to take this opportunity to express special thanks to all of those that have made this year's body of work possible; from our dedicated staff in Madagascar and the UK, to the funders, and individual supporters around the world.

The expanding Malagasy team now represents two thirds of the charity's staff base. They bring unique skills, insight and dedication providing the essential foundation for all SEED's work.

The trustees and directors would also like to thank SEED's long-term international team members working in Madagascar and the UK as staff, interns and volunteers.

While not forming part of this formal report, further background on projects and recent events can be found on our website at the following address: <https://madagascar.co.uk/projects>

Financial Statements

Independent Auditor's Report to the Members of SEED Madagascar

Opinion

We have audited the financial statements of SEED Madagascar (the 'charitable company') for the year ended 30th June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 charitable company's affairs as at 30th June 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; and
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Directors' Report and the Review of Projects and Benefit to the Public, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006.

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip John Dymond FCCA (senior statutory auditor)
For and on behalf of Cheyettes Ltd
167 London Road, Leicester, LE2 1EG
Chartered Certified Accountants and Statutory Auditors

Date: 23rd March 2020

Statement of Financial Activities
(incorporating the income and expenditure account)
for the year ended 30th June 2019

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
Note	£	£	£	£	£
Income and endowments from:					
<i>Donations and legacies</i>	2	160,306	-	519,022	679,328
<i>Investments</i>	4	499	-	-	499
<i>Other</i>	5	148	-	-	148
		<u>160,953</u>	<u>-</u>	<u>519,022</u>	<u>679,975</u>
Total income		<u>160,953</u>	<u>-</u>	<u>519,022</u>	<u>679,975</u>
Expenditure on:					
<i>Raising funds</i>	6	9,282	-	-	9,282
<i>Charitable activities:</i>					
- projects	7	150,536	-	369,183	519,719
- education	7	56,469	-	-	56,469
		<u>216,287</u>	<u>-</u>	<u>369,183</u>	<u>585,470</u>
Total expenditure		<u>216,287</u>	<u>-</u>	<u>369,183</u>	<u>585,470</u>
Net income/(expenditure)		(55,334)	-	149,839	94,505
Transfers between funds		48,811	-	(48,811)	-
Net movement in funds		(6,523)	-	101,028	94,505
Total funds brought forward		134,965	59,283	258,848	453,096
Total funds carried forward		<u>128,442</u>	<u>59,283</u>	<u>359,876</u>	<u>453,096</u>

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

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

Balance Sheet
as at 30th June 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11		4,074		5,284
Investments	12		2		2
			4,076		5,286
Current assets					
Debtors	13	239,406		93,389	
Cash at bank and in hand		314,545		367,387	
		553,951		460,776	
Creditors: amounts falling due within one year	14	(10,426)		(12,966)	
Net current assets			543,525	447,810	
Net assets			547,601	453,096	
Funds					
Restricted funds	15		359,876		258,848
Designated funds	16		59,283		59,283
Unrestricted funds - general	17		128,442		134,965
Total charity funds	18		547,601	453,096	

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

The financial statements were approved by the Board and signed on its behalf on 19th March 2020 by

Cody Moolman
Chairperson & Director

Registration number 03796669

Statement of Cash Flows
for the year ended 30th June 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities				
<i>Cash generated from/(absorbed by) operations:</i>				
Income for the year		94,505		123,313
<i>Adjustment for:</i>				
Investment income recognised in statement of financial activities		(499)		(214)
Foreign exchange differences		(148)		(1,205)
Depreciation		1,808		2,133
<i>Movements in working capital:</i>				
(Increase)/decrease in debtors		(146,017)		(44,806)
Increase/(decrease) in creditors		(2,540)		2,644
		(52,891)		81,865
Investing activities				
Purchase of tangible fixed assets	(598)		(2,422)	
Interest and investment income	499		214	
Net cash generated from/(used in) investing activities		(99)		(2,208)
		(52,990)		79,657
Cash and cash equivalents at beginning of year		367,387		286,525
Effect of foreign exchange rates		148		1,205
Cash and cash equivalents at end of year		314,545		367,387

1. Accounting Policies

1.1. Accounting Convention

The charity is a private company limited by guarantee registered in England and Wales. In the event of winding up, the liability in respect of the guarantee is limited to £10 per member. The address of the registered office is given in the reference and administrative information.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the 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) issued on 16th July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis, under the historical cost convention and are presented in Sterling, which is the functional currency of the charity, rounded to the nearest £.

The charity and its dormant subsidiary form a small group and it has therefore taken advantage of the exemptions available not to prepare group accounts.

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

1.2. Going Concern

The financial statements have been prepared on the going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3. Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity which have not been designated for any other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are those which can only be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

1.4. Income

Income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to it and the amount can be quantified with reasonable accuracy.

Income received by way of donations, gifts and legacies is included in full in the Statement of Financial Activities when receivable.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

2. Income from Donations and Legacies

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations	134,346	17,527	151,873	196,380
Legacies	-	-	-	59,283
Grants	2,782	501,495	504,277	385,958
Refund of tax (gift aid)	23,178	-	23,178	15,802
	<u>160,306</u>	<u>519,022</u>	<u>679,328</u>	<u>657,423</u>

In 2018 £59,283 of the above income was attributable to designated funds, £213,445 to general funds and £384,695 to restricted funds.

3. Specific Donations and Grants

	2019 £
AmplifyChange	165,112
Department for Environment, Food and Rural Affairs	115,860
Guernsey Overseas Aid & Development Commission	38,046
Leopardess Foundation	25,065
James Tudor Foundation	7,762
Fresh Leaf Charitable Foundation	10,000
The Rufford Foundation	10,000
Ran Tek A/S	17,230
Australian High Commission of Mauritius	21,748
Mercury Phoenix Trust	10,000
Teneo Limited	17,227
Ernest Kleinwort Charitable Trust	10,000
People's Trust for Endangered Species	10,000
Paul Schatteles	10,020
Clark Mitchell	12,247
Conservation, Food, and Health Foundation	20,026
Other restricted donations and grants	18,679
Total restricted income	<u>519,022</u>
Community Development and Construction Programmes	4,517
SEED Conservation & Research Programme	31,986
Other unrestricted income	123,803
Total donations and grants	<u>679,328</u>

4. Income from Investments

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest receivable	499	-	499	214
	<u>499</u>	<u>-</u>	<u>499</u>	<u>214</u>

All income from investments was attributable to unrestricted funds.

5. Other Income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Exchange rate gain	148	-	148	1,205
	<u>148</u>	<u>-</u>	<u>148</u>	<u>1,205</u>

The above exchange rate gain has arisen on the translation into Sterling of monetary assets held in foreign currencies at the year end.

6. Expenditure on Raising Funds

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Staff and contractors costs	4,773	-	4,773	3,845
Premises costs	1,001	-	1,001	976
Communication costs	131	-	131	134
Travel and volunteer costs	431	-	431	2,474
Legal and professional	105	-	105	1,006
Audit and accountancy fees	1,759	-	1,759	1,840
Office administration	878	-	878	862
Bank charges	204	-	204	261
	<u>9,282</u>	<u>-</u>	<u>9,282</u>	<u>11,398</u>

All of the above costs were attributable to unrestricted funds.

7. Expenditure on Charitable Activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<i>Direct costs:</i>				
<i>Institutional grants:</i>				
SEED Madagascar (in Madagascar)	58,121	320,490	378,611	350,527
Salaries and social security costs	22,580	3,119	25,699	31,783
	<u>80,701</u>	<u>323,609</u>	<u>404,310</u>	<u>382,310</u>
<i>Support costs:</i>				
Staff and contractor costs	90,678	-	90,678	73,039
Advertising	1,730	1,049	2,779	3,432
Premises costs	8,726	-	8,726	8,692
Travelling and volunteer expenses	5,458	24,030	29,488	27,721
Communication costs	1,393	-	1,393	1,664
Insurance	3,558	3,653	7,211	3,962
Legal and professional	315	135	450	3,016
Audit and accountancy fees	7,035	-	7,035	7,360
Office administration and project equipment	3,773	15,469	19,242	8,731
Subscriptions, membership and registration fees	1,402	950	2,352	1,178
Bank charges	613	103	716	893
Depreciation	1,623	185	1,808	2,133
	<u>126,304</u>	<u>45,574</u>	<u>171,878</u>	<u>141,821</u>
	<u>207,005</u>	<u>369,183</u>	<u>576,188</u>	<u>524,131</u>

In 2018 £290,751 of the above costs were attributable to restricted and £233,380 to unrestricted funds.

Included above are various governance costs related to the management and administration of the charity in the sum of £57,169 (2018 - £51,526).

8. Auditors' Remuneration

	2019 £	2018 £
Auditors' remuneration - audit of the financial statements	<u>3,060</u>	<u>3,060</u>
Auditors' remuneration - other fees:		
Other financial services	<u>5,734</u>	<u>6,140</u>

9. Employees

Employment costs	2019	2018
	£	£
Wages and salaries	87,410	72,313
Social security costs	7,588	4,570
Employer contributions to defined contribution pension scheme	453	-
	<u>95,451</u>	<u>76,883</u>

No employee earned £60,000 or more per annum in either year.

Trustees received no remuneration during the year (2018 - £nil) and two trustees were reimbursed £887 for various travel and accommodation costs (2018 – one trustee reimbursed £1,057).

Number of direct employees based in the UK

The average monthly number of employees during the year were:	2019	2018
	Number	Number
Salaries - full time staff	<u>3</u>	<u>2</u>

In addition to the above stated employees in the UK, SEED Madagascar is responsible for the employment of 3 international staff and a further 50 local staff based in Madagascar in salaried positions and the cost of these salaries is contained within project expenditure.

10. Pension Costs

The company operates a defined contribution pension scheme in respect of the UK employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £453 (2018 - £nil).

A workplace pension is offered to all qualifying staff who, in 2018, all chose to opt out.

11. Tangible Fixed Assets

	Fixtures, fittings and equipment	Total
Cost	£	£
At 1st July 2018	21,159	21,159
Additions	598	598
At 30th June 2019	<u>21,757</u>	<u>21,757</u>
Depreciation		
At 1st July 2018	15,875	15,875
Charge for the year	1,808	1,808
At 30th June 2019	<u>17,683</u>	<u>17,683</u>
Net book values		
At 30th June 2019	<u>4,074</u>	<u>4,074</u>
At 30th June 2018	<u>5,284</u>	<u>5,284</u>

12. Fixed Asset Investments

	Subsidiary undertakings shares £	Total £
Cost		
At 1st July 2018	2	2
Additions	-	-
At 30th June 2019	2	2
Net book values		
At 30th June 2019	2	2
At 30th June 2018	2	2

The subsidiary undertaking, Azafady Limited, is a private limited company registered in England and Wales number 09994689. The investment represents all of the issued equity share capital in the company which was dormant throughout the period.

13. Debtors

	2019 £	2018 £
Prepayments and accrued income	239,406	93,389

Included above is accrued income for donations, grants and legacies in the sum of £237,850 (2018 - £91,259) which were due but not received at the year end.

14. Creditors: Amounts Falling due in One Year

	2019 £	2018 £
Trade creditors	2,887	591
Other taxes and social security costs	798	2,084
Other creditors	266	99
Accruals and deferred income	6,298	10,192
Pension contributions creditor	177	-
	10,426	12,966

Deferred income

	2019 £	2018 £
At beginning of the year	200	385
Released in year	(185)	(185)
At end of the year	15	200

Deferred income relates to a capital grant received for the acquisition of equipment that is being amortised over the expected useful life of the asset.

15. Restricted Income Funds

	At 1st July 2018	Income	Expenses	Transfers	At 30th June 2019
	£	£	£	£	£
Votsira	32,870	8,557	(16,363)	(8,921)	16,143
Sekoly	29,826	75,574	(44,104)	(14,458)	46,838
Mampianatra	(249)	-	-	-	(249)
Stitch Sainte Luce	15,798	26,730	(25,593)	884	17,819
Fatsaka	19,364	609	(16,215)	(3,758)	-
Tatirano	41,898	-	(34,586)	(833)	6,479
Rufus	1,673	500	(312)	-	1,861
Renitantly	34,055	68	(23,300)	(1,133)	9,690
Fire Appeal	2,209	-	(832)	(159)	1,218
Safidy III	70,616	165,112	(75,429)	(11,812)	148,487
Microcebus	525	1,234	(1,468)	-	291
Fano	255	-	-	(255)	-
Manambaro Hospital	2,424	-	(295)	(2,129)	-
Fanaka	7,584	8,905	(15,500)	(1,200)	(211)
Oratsimba	-	115,860	(91,798)	(12,910)	11,152
Ala	-	60,858	(11,487)	9,373	58,744
Mahampy	-	32,768	(7,177)	(514)	25,077
Mitao	-	22,247	(4,724)	(986)	16,537
	<u>258,848</u>	<u>519,022</u>	<u>(369,183)</u>	<u>(48,811)</u>	<u>359,876</u>

All restricted funds are held for the charity's primary objectives and activities and have risen for the following specific purposes:

Votsira: is focused on maternal health research and explores cultural, social and economic factors affecting women's access to health services, covering the full birth cycle and postnatal care etc.

Sekoly: aims to increase access to formal education for children in order to alleviate poverty, build community capacity and enhance the quality of life in the Anosy region.

Mampianatra and English Teaching: aims to increase the long-term sustainability of SEED's English teaching programme.

Stitch Sainte Luce: was set-up to offer embroidery training in Sainte Luce as an opportunity for local women to learn new skills in order to enhance family livelihoods.

Fatsaka: aims to increase access to clean drinking water in rural communities by refining SEED's approach to building community capacity to manage and maintain protected water resources.

Tatirano: improving access to clean drinking water via rainwater harvesting on Primary School buildings using a simple, affordable and replicable technique.

Rufus: conducting collaborative research and local conservation awareness-raising to enhance the long-term survival of Madagascar's flying fox bats and contribute to an international body of knowledge regarding their lifecycle and behaviour.

Renitantly: working to improve the sustainability and viability of beekeeping as a livelihood amongst rural communities in the Anosy region.

Fire Appeal: starting as an emergency fire response initiative, involving the distribution of essentials and rebuilding homes and latrines, this project now includes the development of fire mitigation strategies.

Safidy: aims to increase access to sexual health and reproductive rights resources for students across Madagascar through a network approach.

Microcebus: in-situ conservation and formal species recognition of a new form of Microcebus (mouse lemur) in the Sainte Luce littoral forest.

Fano: aimed to increase local knowledge of the value of loggerhead turtles and to collect unprecedented data on the nesting and hatching success of the species.

Manambaro Hospital: aimed to improve sanitation at Manambaro Hospital by providing latrines and improving WASH-related knowledge and skill in the staff and management.

Fanaka: aims to improve education outcomes by improving the classroom and study environment for students through provision of classroom benches.

Oratsimba: Aims to encouraging community-based, sustainable lobster management in isolated and impoverished Sainte Luce.

Ala: Aims to increase and improve viable habitat for three endangered species of lemur in the Sainte Luce littoral forest, through corridor reforestation and strengthened local and regional capacity.

Mahampy: aims to increase income for female traditional weavers and improve sustainable resource management of the *mahampy* reed beds on which they rely.

Mitao: A comprehensive situational analysis of Sexual and Reproductive Health knowledge, provision and capacity in 3 rural communities.

The transfers from restricted funds have arisen to enable the charity to account for the cost of office and administration of the various projects undertaken.

16. Designated Income Funds

	At 1st July 2018 £	Income £	Expenses £	Transfers £	At 30th June 2019 £
Bequeathment	59,283	-	-	-	59,283

Bequest: was a receipt of funding bequeathed to SEED Madagascar, which was ring-fenced for a period of 12 months to provide opportunity for undisclosed liabilities of the donor to be claimed. The law in the jurisdiction from which the bequest was received allows for dispersed funds to be reclaimed in such instances.

17. General Unrestricted Income Funds

	At 1st July 2018 £	Income £	Expenses £	Transfers £	At 30th June 2019 £
General fund	134,965	160,953	(216,287)	48,811	128,442

18. Analysis of Net Assets Between Funds

	Fixed assets £	Net current assets £	Total £
Restricted funds	15	359,861	359,876
Designated funds	-	59,283	59,283
Unrestricted funds	4,061	124,381	128,442
	<u>4,076</u>	<u>543,525</u>	<u>547,601</u>

19. Financial Commitments

The total minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Expiry date:		
Within one year	2,015	3,503

20. Related Party Transactions

There were no related party transactions that required disclosure during the year.