

MUSTARD SEED PROJECT (KENYA)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



New Miche Bora School

Registered Company Number: 6778042

Registered Charity Number: 1127935



MUSTARD SEED PROJECT (KENYA)
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FOR THE YEAR ENDED 31 MARCH 2021

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REPORT OF THE TRUSTEES FOR YEAR ENDING 31st MARCH 2021

The Trustees, who are also Directors of the charity for the purpose of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The Mustard Seed Project (Kenya), trades as The Mustard Seed Project and is often referred to as MSP, although only the full name is in this report. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005. Reference has also been made to Charity Commission publications

REFERENCE and ADMINISTRATIVE DETAILS

Registered Company Number	6778042 (England and Wales)
Registered Charity Number	1127935
Registered Office	105 Thackers Way, Market Deeping Peterborough, PE6 8LY

Trustees at 31 March 2021

Rita Fowler	Chair
Geoffrey Fowler	
Lynne Smith	Secretary
Mark Tilley	Treasurer
Archana Gregory	
Julie Berry	
Nicola Jayne Hinton	
Charlotte Wade	

Independent Examiner

Ivan Fuller
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Bourne
Lincolnshire PE10 9PU

Banks

HSBC Stamford Branch

1 High Street, Stamford Lincolnshire. PE9 2AL

Diamond Trust Bank

Moi Avenue, Mombasa

Kenya Commercial Bank

Kisauni Branch, Mombasa



REPORT OF THE TRUSTEES FOR YEAR ENDING 31st MARCH 2021

What Happened This Year

This year continued to be dominated by the effects of the COVID-19 global pandemic. It has had a devastating emotional, social and economic impact in both the UK and Kenya. The complexities of the aftermath generated by the pandemic may not be truly understood for years to come, but the resilience and adaptability of the school community in Mbongeni has been truly inspirational.

Overseas travel was restricted and the numerous lockdowns meant visits to Mombasa were not possible. Schools were closed in Kenya just before the end of March 2020. The most vulnerable families, who had not been provided with financial assistance from the government, were supported with provision of maize and beans which they collected every two weeks from the school. All families also received soap in an attempt to reduce infections. In turn, this provided the opportunity to distribute homework to the children. Whilst school was closed, full salaries of all teachers were paid for three months and then half pay for the subsequent months.

The contractor on the new school building started work again but half-heartedly and construction eventually stopped. His previous business partner took over the project and worked hard to have the building finished while students were not attending school in lockdown. This project was finally completed in mid December 2020, to the delight of students, staff and the wider community. The building's new first floor contains eight additional classrooms and a school hall so that both lower and upper school are housed in one building. In the future, this will mean a huge saving on the school's annual rental expenditure. The building also contains new toilets, including separate private cubicles for older girls. A purpose built kitchen has improved the porridge provision at break and meals at lunch. The school has a bore hole, cess-pit and soak-away and a large water tank which provides a secure supply of water and sanitation to the school. There is both internal and external access to the upper storey classrooms. The new building also means that the school can hold the KCPE examinations on site, instead of taking Class 8 to other



neighbouring schools. It is hoped that the school hall and some classrooms may be rented out weekends and holidays to generate income for the school.

School was closed by the government from mid-March until October 2020 when class 4 and 8 were welcomed back, along with all upper school teachers. Teaching resumed in the rented building as work was continuing on the new school. Having all upper school teachers for just two classes meant that small group tuition and additional homework support could be offered to these children who had missed so much schooling. In January 2021 all children were allowed back to school where extensive measures were put in place, including regular hand washing, mask wearing and staggered opening times, to ensure the school was as COVID secure as it could be. Additional water taps were provided outside classrooms for hand washing and a boundary gate, staffed by teachers, provided extra security.

Weekly WhatsApp video calls between the Headteacher, staff and UK trustees were maintained regularly throughout the year and a comprehensive training package covering a range of topics was provided for teaching staff. These included: Loom recordings, Zoom presentations and online meetings. A focus on behaviour for learning meant staff discussed topics such as: questioning techniques, Group reading, marking, feedback, homework and assessment. Specialist training from Christine was delivered to the Nursery / Class 1 Kenyan teachers. UK trustees continued to engage with the Facebook group: Small International Development Charities. SIDC provided a forum for discussion with other charities experiencing similar challenges during the pandemic and the Teacher Development Seminars proved invaluable in sharing ideas to develop school policies, including introducing a new staff appraisal system.

During the first and second UK lockdowns, UK trustees worked on succession plans to ensure the smooth transition of the charity. All trustees have taken on additional responsibilities and two have made bid applications for additional furniture, laptops and to maintain the feeding programme. One trustee has also invited a corporate donor to become involved in the charity.



The KCPE examination results reflect the hard work and commitment of all staff at the school. Although the teachers felt disappointed with the mean score of C+ the trustees in the UK were delighted as they knew how long the children had been out of the classroom for a period of time and therefore meant the exams were taken in very challenging circumstances. The average grade had been B- in the previous years but the students have not experienced any time in the classroom for 8 months. Many of them did not collect homework and IT facilities were not available in the homes of the children. The achievements of our Students with Special Needs continues and staff work hard on developing their skills and there were some amazing results from the SEN students in their KCPE exams so we are still meeting government expectations

Our Donors and supporters

The Mustard Seed Project would not have the impact it does without our wonderful donors, supporters and sponsors. Even with the pressures and complications of COVID our supporters, whatever amount they donated, Zachave remained generous and we appreciate them all. The Big Give was our greatest fundraiser of the year and enabled us to complete the final stage of the building. This was momentous.

Jude Bellingham continues to be a high profile supporter. Still only 18 years of age he plays for Borussia Dortmund in Germany and makes regular appearances for the England National Team. His support for the charity appeared in a feature in The Sun in February 2021 and a double spread feature in the Daily Mirror in June 2021. His international reputation means excellent publicity for the school and the work it does. As Jude has said in interviews his wish is that he wants to be remembered not just for his football but for his actions off the pitch.

Several other significant donations include: Laings for £20,000, St James Place £15,000 for construction, Souter £5,000 for the feeding programme, Herrod Foundation £4,000 (before closing down) and Ashworth Charitable Trust for the feeding programme.



Plans for the Future

1. Ongoing improvement to the quality of the education through training and a staff appraisal process.
2. Extend Adult education and investigate the opportunities for renting out the building at weekends and school holidays.
3. Expand our IT facilities and the training of staff and children.
4. Identifying and raising funds to pay for land for a playground.

Who we are and what we do

The Trustees, who are the directors for the purposes of company law, present their statutory report together with the financial statements of The Mustard Seed Project (Kenya) for the year ended 31st March 2020.

This report fulfills the requirements of the Charities Act 1993 and of the Companies Act 1985. The terms “charity” and “Trustees” which are used in this report and financial statements refer to the “company” and the ‘directors’ respectively for the purposes of company law. The financial statements have been prepared in accordance with standard accounting policies and comply with the charity’s Memorandum and Articles of Association, applicable laws and the requirements of Statement of Recommended Practice on “Accounting and Reporting by Charities” issued in March 2005.

Chair’s introduction

Mustard Seed Project (Kenya) is a charity working to improve education in Mgongeni a deprived area of Mombasa. The organisation was established in October 2008, registered in the UK as a company limited by guarantee on 10th December 2008 and registered as a Charity on 5th February 2009.



The Mustard Seed Foundation (Kenya) was established on 6th March 2009 and registered in Kenya on 19th May 2009.

The Objectives of the charity are:

1. The advancement of quality education for children in Mgongeni, Mombasa. Quality Education requires changing the method of teaching from teaching by rote which is the norm in Kenya to teaching the children to think. Class sizes will be 25 with an absolute upper limit of 30. Differentiated learning has been introduced so that each child is working towards its capabilities.
2. The relief of financial hardship and inequality for the community of Mgongeni through the provision of a feeding programme.

Plans for the Future

1. Ongoing improvement to the quality of the education through training and a staff appraisal process.
2. Extend Adult education and investigate the opportunities for renting out the building at weekends and school holidays.
3. Expand our IT facilities and the training of staff and children.
4. Identifying and raising funds to pay for land for a playground.

Governance and Management

The Mustard Seed Project (Kenya) is a company limited by guarantee, incorporated under the Companies Act 1985. It is also a registered charity. It is incorporated under the terms of a Memorandum and Articles of Association. A board of trustees who are the directors of the company manages the business of the charity. The charity does not have share capital and is limited by guarantee. Each trustee is a member of the charity and in the event of the charity being wound up, is liable to contribute a maximum of £1. The Memorandum of



Association states that the charity is established to relieve poverty, distress and sickness and to advance education in Kenya.

The principal activity of Mustard Seed Project (Kenya) is to improve education and relieve hunger for the children living in deprived communities in Mombasa. The Mustard Seed Project (Kenya) achieves this by running a school that employs well-trained teachers, small class sizes and a rigorous curriculum. The feeding programme benefits the most vulnerable families.

The Mustard Seed Project (Kenya) has registered a Foundation in Kenya, The Mustard Seed Foundation. This has local Kenyan Trustees and the principal objective is to underpin the empowerment, give the community ownership and responsibility and to provide sustainable development. It has decision-making powers and is responsible for the projects. It works in close partnership with the UK charity that retains responsibility for strategy and finance. The finance is controlled by the UK charity.

There are bank accounts in the UK and Kenya, only accessible by the UK trustees that hold most of the funds plus a separate account in Kenya which has money to pay wages and running costs and is accessible by the Kenyan trustees. The board of trustees is responsible for the governance of the charity. The board is empowered to co-opt other trustees up to a maximum of nine. Trustees may be removed by ordinary resolution of the charity. People who have been responsible, active volunteers often fill vacancies on the board, as do people introduced by the Trustees and people who are known to the Board.

Applicants undergo a selection process to evaluate their knowledge, skills, contribution and level of commitment. They need skills that will further the success of the charity. New trustees participate in an induction programme covering their responsibilities as trustees and an introduction to the organisation and activities of The Mustard Seed Project (Kenya). There is also constant regard to the skills mix of the trustees to ensure that the board has all the necessary skills required to contribute fully to the charity's development.



The board has no sub-committees. Individual trustees take responsibility for activities where they have knowledge and expertise. There are registered volunteers who are mainly involved in administration, fund-raising and organising events. There are no employees in the UK. In Kenya there are 20 full-time employees plus an askari and 3 cooks who are employed by the Kenyan Foundation.

Statement of trustees' responsibilities

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of the affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year.

In preparing financial statements giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 1985.

The trustees are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities. Every reasonable measure is taken to ensure that the report and financial statements are unaltered. The trustees are responsible for the maintenance and integrity of the financial statements presented on the charity website.



Risk management

The trustees have assessed the charity's exposure to major risks, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

The principal external risks faced by The Mustard Seed Project (Kenya) are the unforeseen collapse of the income base, and political unrest or natural disaster in Kenya. In respect of the first, Mustard Seed Project (Kenya) has very little ongoing expenditure. The school requires subsidizing and money is kept in reserve to cover a minimum 3 months costs. All the organisation's other commitments are for capital items, new projects or training. Packages of work are only started when there is money available. The trustees therefore consider the risks to be low.

In respect of political unrest or natural disaster, as indicated in the section of this report on reserves, the trustees aim to maintain reserves sufficient to enable the organisation to respond to emergencies. Additional concern is the world economic crisis that is making fund raising difficult. There is also very high food inflation in Kenya that is forcing more people to live below the breadline.

Financial review

The Mustard Seeds Project (Kenya) is now an established company. Charitable Trusts, which have been a major source of income, have less money to give away whilst many more charities are seeking their funds. Even very good bids have failed. Some trusts have changed their criteria and others have concentrated on the UK and withdrawn from Overseas. Our regular donors have stayed very supportive but the one off contributions have reduced. The answer is to continue increasing our efforts.



The small deficit was for work carried out in the previous year and the money was in the surplus for that year. The Board continually reviews predicted expenditure and never over commits itself. There is a medium term development plan but the financial plan is only for one year. No major expenditure will be permitted until the funds have been secured. The Board is keen to maintain control and not commit to more than one large development at a time.

The Board's overall objectives are:

- ◆ to increase total income to meet objectives
- ◆ to raise funds from a wider range of donors and grants so that the organisation is not dependent on a single source.
- ◆ to manage expenditure effectively and within budget;
- ◆ to build the reserves.

Reserves policy

The trustees have agreed that The Mustard Seed Project (Kenya) should aim to maintain sufficient reserves primarily to:

- ◆ ensure adequate working capital;
- ◆ meet capital expenditure needs for the year ahead; the new guideline for reserves is that there should be at least 3 months revenue costs plus any other liabilities. This has been increased because of the political and economic uncertainties in both the UK and Kenya which could present a major risk and over which we have no control; without reserves they could quickly impact on our financial security. Action is being taken to increase the reserves. The situation is regularly monitored and if things stabilize money can be released for construction or to buy resources.

Investment policy



The trustees are empowered by the Memorandum of Association to invest the monies of the charity not immediately required for its objects in such investments, securities or property as may be thought fit. With limited reserves this does not apply at present any surplus is maintained in a bank account with ready access. Interest rates are higher in Kenya than in the UK.

Auditors

As the income of the charity is more than £25,000, the accounts have been examined by an independent examiner who is an ex-bank manager and has many years experience and knowledge of company accounts.

Supporter and Contributors

The Trustees would like to thank all those organisations and individuals who have made donations; without your help and support our activities would not be possible. The Trustees would also like to acknowledge the great contribution made by everyone connected with The Mustard Seed Project (Kenya) including our staff and trustees in Mgongeni and the many that support individually both financially or with their time and skills.

Mustard Seed Project (Kenya)								
Profit and Loss Account								
For the Year ended 31 March 2021								
					2021		2020	
					£		£	
	Donations (<i>Unrestricted</i>)				40,042		39,372	
	Grants (<i>Restricted</i>)				49,410		53,065	
	Gift Aid received				2,105		1,344	
	Gift Aid to be reclaimed				1,590		3,641	
	School fees (Kenya)				8,888		20,335	
	Total Income				102,035		117,756	
	Expenses - charitable activities							
	Kenya outgoings (unrestricted)				79,669		42,984	
	Kenya outgoings (restricted)				74,410		21,065	
	Expenses - fundraising costs				95		312	
	Expenses - governance and administration							
	Kenya travel costs				0		120	
	UK expenses				1,444		1,935	
	Depreciation				664		683	
	Write off to balance sheet				-1			
	Total operating costs				156,281		67,099	
	Gross surplus/deficit				-54,246		50,657	
	Bank charges						0	
	Operating surplus/deficit				-54,246		50,657	



Mustard Seed Project (Kenya)							
Balance Sheet							
For the Year ending 31 March 2021							
						2021	2020
FIXED ASSETS							
	Buildings	Fixtures & Fittings	Computers & Equipment	Well		Total £	
Cost:							
At 1 April	125,133	4,850	2,000	3,000		134,983	134,983
Additions	102,600					102,600	0
At 31 March	227,733	4,850	2,000	3,000		237,583	134,983
Depreciation:							
At 1 April		3,206	1,500			4,706	4,023
Provided for the year	10%	164	SL25% 500			664	683
At 31 March	0	3,370	2,000	0		5,370	4,706
Net Book Value:							
At 31 March	227,733	1,480	0	3,000		232,213	130,277
CURRENT ASSETS							
Gift Aid to be reclaimed						1,590	3,641
Sundry debtors and prepayments						0	0
Cash at bank (U.K., unrestricted)						6,428	48,770
Cash at bank (U.K., restricted)						0	15,000
Cash at bank (Kenya, unrestricted)						19,608	3,798
Cash at bank (Kenya, restricted)						9,000	19,000
						36,626	90,208
LESS CURRENT LIABILITIES							
Trustees' Loan Account						0	0
Sundry creditors						0	0
NET CURRENT ASSETS						36,626	90,208
TOTAL ASSETS						268,839	220,485
REPRESENTED BY							
General fund balance at 1 April						220,485	169,828
Additions to assets						102,600	0
Surplus/deficit for the year						-54,246	50,657
						268,839	220,485
Note: Kenya bank balances at 31 March converted at 151.00 KES/£							



Notes to the Financial Statements

For the year ending 31/03/2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small company's regime.



**CHARITY COMMISSION
FOR ENGLAND AND WALES**

**Independent examiner's
report on the accounts**

Report to the trustees/ members of	the MUSTARD SEED PROJECT (KENYA)		
On accounts for the year ended	31st MARCH 2021	Charity no (if any)	1127935
Set out on pages	ONE ONLY		

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended

Responsibilities and basis of report As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement I have completed my examination. I confirm that no material matters have come to my attention (~~other than that disclosed below~~*) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed: Ivan John Stephen Fuller Date: 18/12/2021

Name: IVAN JOHN STEPHEN FULLER

Relevant professional qualification(s) or body (if any): ASSOCIATE OF INSTITUTE OF BANKERS

Address: 38 WEST ROAD
BOURNE
LINCS PE10 9PU