



Section A

Independent Examiner's Report

**Report to the trustees/
members of**

Charity Name
EAST AFRICA CHARACTER DEVELOPMENT TRUST

**On accounts for the year
ended**

31 December 2020

**Charity no
(if any)**

1153030

Set out on pages

3 - 5

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 December 2020.

**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 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.

Signed: BRIAN T COOK

Date: 19 October 2021

Name:

BRIAN T COOK FCA
BRIAN COOK ASSOCIATES
CHARTERED TAX ADVISERS AND ACCOUNTANTS

**Relevant professional
qualification(s) or body
(if any):**

CHARTERED ACCOUNTANT

Address:

MARINE HOUSE, 151 WESTERN ROAD
HAYWARDS HEATH, WEST SUSSEX. RH16 3LH

Only complete if the examiner needs to highlight matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

EAST AFRICA CHARACTER DEVELOPMENT TRUST
RECEIPTS AND PAYMENTS ACCOUNT
(Including Notes to Accounts on page 4-5)

Charity No
1153030

Year ended 31 December 2020

RECEIPTS

		£ Year ended Dec 2020 Restricted	£ Year ended Dec 2020 Unrestricted	£ Year ended 31 Dec 2020 Total funds	£ Year ended Dec 2019 Total funds
Donations			97,582	97,582	148,658
Donations Hub funds		70,000		70,000	70,000
Donations Food programme	3	9,499		9,499	
Donations Bursary funds	4	3,017		3,017	2,882
Bank interest			209	209	279
Total Income		82,516	97,791	180,307	221,819

PAYMENTS

Charitable Expenditure in UK

<i>Programme Delivery in Schools</i>					
Programme Director's costs		15,311	23,265	38,576	33,000
Fixed asset purchase			549	549	
<i>General</i>					
Travel				0	3,710
Website costs				0	531
Other UK costs	5		877	877	513
<i>Governance and Finance</i>					
Independent examination fee			1,050	1,050	480
UK administration	6		20,000	20,000	20,000
<i>Raising Funds</i>			12,787	12,787	17,672
		15,311	58,528	73,839	75,906

Charitable Expenditure in Kenya

<i>Programme Delivery in Schools</i>					
Coaches' fees & clothing		32,664	32,150	64,814	66,885
Administrator		3,739	3,821	7,560	7,066
Holiday camps				0	5,871
Cricket equipment & facilities		306	703	1,009	3,016
<i>Other Direct Costs</i>					
Food programme	3	6,838		6,838	
Bursaries		1,521		1,521	5,351
<i>General</i>					
Travel		1,184	2,260	3,444	6,044
Marketing & promotion		117	120	237	1,241
Office salary, equipment & running costs		838	881	1,719	1,360
Training		793	810	1,603	3,089
Insurance		327	328	655	579
Other Kenya costs	5	3,883	3,761	7,644	4,613
<i>Governance and Finance</i>					
Independent examination fee		114	116	230	440
		52,324	44,950	97,274	105,555

Total Payments

67,635	103,478	171,113	181,461
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Excess of Receipts over Payments for the year

14,881	(5,687)	9,194	40,358
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Cash funds at 1 January 2020

(1,278)	93,276	91,998	51,640
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Excess of Receipts over Payments for the year

14,881	(5,687)	9,194	40,358
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Funds transfer - prior year

7	3,762	(3,762)	0	0
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Cash funds at 31 December 2020

17,365	83,827	101,192	91,998
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STATEMENT OF ASSETS AND LIABILITIES AT THE END OF THE PERIOD

Cash funds

Barclays Community Account	17,365	76,896	94,261	85,057
Barclays Bank Kenya Sterling Account		6,252	6,252	5,915
Barclays Bank Kenya Shillings Account		578	578	1,018
Kenya Petty Cash		101	101	8
	17,365	83,827	101,192	91,998

Unrestricted funds

83,827	83,827	93,276
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Restricted funds

Project funds for two hubs	12,405		12,405	1,684
Food programme fund	2,906		2,906	0
Bursary programme fund	2,054		2,054	(2,962)
Ian Shibanda family support	0		0	0
	17,365	0	17,365	(1,278)

Total funds

17,365	83,827	101,192	91,998
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Signed on behalf of all the Trustees:

Signature:

Name: Simon Prodger

Position: Trustee

Date: 12 October 2021

**EAST AFRICA CHARACTER DEVELOPMENT TRUST
RECEIPTS AND PAYMENTS ACCOUNT
YEAR ENDED 31 DECEMBER 2020**

EXPLANATORY NOTES

- 1 The charity was formed by a Trust Deed on 18 January 2013, which was amended on 17 July 2013 and again on 2 September 2014, and registered with the UK Charity Commissioner on 23 July 2013. The Charity's mission is to transform the lives of disadvantaged young East Africans through a unique programme that provides character education using the game of cricket as the medium through which they learn.
- 2 a) In order to be able to open bank accounts in Kenya, make local purchases, to enable contracts with coaches to be signed and statutory payroll deductions paid, a charitable trust, named The Foundation for Youth Cricket and Education in Kenya Charitable Trust (FYCEK) was established in Kenya on 21 March 2014. Bank accounts, one in £ Sterling and one in local currency, were opened with Barclays Bank Kenya in FYCEK's name on 1 July 2014; money is transferred from EACDT as and when required and payments are made for local purchases, salaries and related payments.

b) In order to include the result of all the transactions made in pursuit of EACDT's objectives, EACDT's Receipts and Payments in the year ended 31 December 2020 have been aggregated with FYCEK's audited income and expenditure for that period. Bank transfers from one to the other have been eliminated in this aggregation, and FYCEK's local currency denominated transactions translated into £ Sterling equivalents at the average exchange rate for the month in which the receipts were received or payments made.
- 3 The Covid-19 coronavirus pandemic created a crisis for many families in Kenya during 2020, particularly those on the economically deprived areas of Nairobi in which EACDT operates. The Project Director sent out a request for funds to enable the charity to donate food to particularly hard-hit families, and this appeal raised £9,499 in total. Of this amount, £6,838 was eventually spent on food in the year. The fund balance at the year end after a small prior year adjustment is £2,906 and this will be spent in the future on a programme with similar aims and objectives to this one.
- 4 The secondary education of 8 (2019 - 11) students previously enrolled in EACDT's Kenya programme (secondary education in Kenya is not fully funded by the Kenya government) is funded by certain of the trustees or their friends. Costs are initially paid by FYCEK in Kenya in the local currency and reimbursed by the sponsors either in £ Sterling to EACDT in the UK or in Kenya Shillings in Kenya.

5 Other costs comprise:	<u>2020</u>	<u>2019</u>
	£	£
Evaluation	3,482	1,250
Donations	1,477	0
Communications	1,103	702
Exchange adjustment	512	0
Bank charges	487	580
Portal and web site development	360	652
Tax and related penalties in Kenya	0	1,522
Other	<u>1,100</u>	<u>420</u>
	<u>8,521</u>	<u>5,126</u>

During the 2019, FYCEK was able to obtain tax exemption from the Kenya Revenue Authority for a period of 5 years from 2019. In the process of applying for this exemption, it was discovered that FYCEK had underreported and underpaid payroll taxes in earlier years. This was corrected, which also involved the payment of penalties for late payment.

- 6 In the year ended 31 March 2016, the trustees decided that some time over and above that provided voluntarily in the normal course of events by individual trustees was required in the UK to support and

oversee the operations in Kenya. Accordingly, Mr Simon Prodger, one of the trustees, became a part time executive trustee and is remunerated at the rate of £1,667 per month.

- 7 As at 31 December 2020, computations have been carried out to confirm the balances of the three restricted funds that the charity operates. It was found that misclassifications had been made in earlier years, and, as a result, a transfer of £3,762 has been made from unrestricted to restricted reserves. Funds held for restricted purposes now comprise:

	<u>2020</u>	<u>2019</u>
	£	£
Project funds for two hubs	12,405	1,684
Food programme	2,906	0
Bursary programme	<u>2,054</u>	<u>(2,962)</u>
	<u>17,365</u>	<u>(1,278)</u>

- 8 The Foundation's only fixed assets at 31 December 2020 were a video camera, computer and printer in Nairobi.

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EAST AFRICA CHARACTER DEVELOPMENT TRUST

TRUSTEES' ANNUAL REPORT 2020

The Trustees present their annual report and the examined financial statements for the year ended 31 December 2020.

1) REFERENCE AND ADMINISTRATIVE DETAILS

Originally founded in 2013 as the East Africa Cricket Foundation, the charity's name was changed in 2014 to the East Africa Cricket & Educational Foundation and finally to the East Africa Character Development Trust (EACDT) in 2017 to reflect more substantively the emphasis on character development in the charity's activities.

The charity is registered in England and Wales as a Charitable Trust (Registered No: 1153030) and is subject to regulation by the Charity Commission.

Registered address

EACDT's principal office and registered address is: 24 Eastwick Crescent, Rickmansworth, Hertfordshire WD3 8YJ

Trustees

Those who served as Trustees during the year were:

Chris Newson (Chairman), Derek Breed, Julian Ince, Simon Prodger, Guy Waller.

Derek Breed resigned as a Trustee subsequent to the end of the year.

Simon Prodger operates as "Executive Trustee", providing leadership to and oversight of the operational team in Kenya.

Bankers

Barclays PLC, Business Centre, Sutton, Surrey

External Examiner

Brian Cook Associates, Marine House
151 Western Road, Haywards Heath, West Sussex
RH16 3LH

2) MISSION AND ACTIVITIES

Mission

EACDT's stated mission is to transform the lives of disadvantaged young East Africans through character education.

At the heart of EACDT's mission is an ambition to help those young people with whom EACDT engages to reach their potential at school, at home, in their communities and ultimately in the workplace. It aims to achieve these outcomes by delivering a Character Education programme that has resulted from research into the work of Dr Martin Seligman and Dr Angela Duckworth, two eminent psychologists in the USA; from research into the operations of the Knowledge is Power Programme in the USA, an educational movement in which Character Education is placed at the heart of its 200 schools; and from research into the work of the Jubilee Centre at Birmingham University, the global leaders in Character Education.

Activities

The EACDT Programme

At the heart of the EACDT Programme is recognition that if young people are to make sense of their personal and working lives, they need to have the skills, values and attitudes that truly matter - and matter much, much more than academic qualifications. EACDT has taken the seven specific character traits identified by Dr. Seligman and Dr. Duckworth to be best predictors of personal and professional success - Enthusiasm; Perseverance; Self-control; Optimism; Gratitude; Social Intelligence; and Curiosity – and developed a programme that it operates in a number of schools in economically deprived areas of Nairobi, Kenya.

EACDT's programme uses cricket as a method of delivery, recognising that competitive team sports are an ideal vehicle through which to develop character, and that cricket has particular attributes that make it ideal for this purpose.

The Need

Like other East African countries, Kenya contains many places of desperate poverty and deprivation. In most Kenyan schools, sports provision is inadequate because of financial constraints and because the benefits of sport are under-appreciated. In almost every Kenyan school the concept of Character Education is alien, although the Government expects its schools to provide Life Skills education – but without providing them with any resources to do this.

According to Professor Mike Boit of Kenyatta University (himself a former Olympic medal-winning athlete): *“Primary and secondary schools do not benefit from formal physical education lessons. Extra-curricular activities that include physical education and sport are not considered part of the core curriculum because most institutions do not see its relevance to the world of academia.”*

The Trustees recognise that competitive sport should play an important part within the broad life of schools and that it is an ideal tool through which to build character. If you build good character among young people, success in every aspect of a young person's life will follow, not only academically but in other ways.

2020 Activities

EACDT's Character Development programme operated in 2020 in 17 schools, engaging up to 4,700 young Kenyans a week, predominantly in primary education throughout the academic year.

The charity's programme continues to excite the children involved in it, continues to impress the teachers in the schools in which it is run and continues to demonstrate that it affects positively the behaviour, performance and conduct of the children that take part in it. The Trustees remain greatly encouraged by all they see on the ground in Kenya and the feedback they receive from the schools involved.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Bound by its Trust Deed, EACDT, as a registered charity, is governed by a Board of Trustees.

The Trustees meet at least three times each year, and on any other occasions as judged necessary, to review progress and determine matters of governance, strategy and policy. In previous years, at least one of the meetings has been a physical one in the UK, but this was not possible during 2020 because of the Covid-19 pandemic. All meetings were therefore “virtual” ones in 2020, conducted using an internet-based meeting software (such as Zoom).

The Trustees identify any need for new trustees by reference to the charity's plans and to any vacancies on the Trustee Board, and use their contacts to identify candidates. Information, including a CV, reputation, and a summary of appropriate skills and experience is then provided to the Trustee Board who, if satisfied that the candidate is a suitable person to join the Board, issue a written invitation.

EACDT Trustees largely delegate the day-to-day management to an Executive Trustee in the UK and to a Programme Director in Kenya. EACDT works in partnership with a Kenyan organization, the Foundation for Youth Cricket and Education in Kenya Charitable Trust (FYCEK), which the Trustees formed specifically to provide a vehicle through which contracts and payments can be made to support EACDT's activities in Kenya (and in so doing to invalidate concerns that money spent abroad might end up in the wrong hands) and to provide a vehicle better able to raise funds in Kenya. FYCEK formally employs 17 local Kenyans (fifteen coaches and two administrators) engaged in delivering and supporting EACDT's activities in Kenya.

FYCEK's Trustees in 2020 included two of EACDT's Trustees, namely Simon Prodger and Julian Ince, the latter resident in Kenya and a Fellow of the Institute of Chartered Accountants in England and Wales. One other FYCEK trustee resident in Kenya is a Fellow of the Institute of Chartered Certified Accountants of the UK. Strong controls surround the spending of money in Kenya, most of which is for the salaries of the coaches and the administrators. The appointment of Trustees of FYCEK is subject to approval by the Trustees of EACDT.

EACDT Trustees are confident they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Safeguarding

EACDT, together with FYCEK, has developed safeguarding policies that reflect the circumstances in which it operates and ensures they are compliant with both the UK Charity Commission's requirements and Kenyan standards. These policies are put into effect by the coaches in the schools in which EACDT/FYCEK operates our programme.

STRATEGIC REPORT

Performance and achievements

Following a very positive independent evaluation of our programme at the back end of 2019, the charity commenced 2020 with a clear understanding of the strengths its programme and the areas that required some attention. However, the advent of COVID and the subsequent closing down of all schools from March 2020 impacted fundamentally on programme delivery and left EACDT the acute challenges of adjusting and surviving.

It was considered essential by all associated with the charity that we try to sustain, support and service the communities in which our schools were based; the collateral effect of lockdown in Nairobi was not only the cessation of the official economy but the unofficial one also, leading to huge burdens on people already living in poverty and no longer able to pay their rent or purchase food. Jobs that were offered on a day-to-day basis no longer existed and full-time employment disappeared.

The charity also had to consider how to maintain its staff in an engaged way. Furlough was not an option offered by the Kenya government, and rather than make the team redundant and hope - at some future stage - to re-employ our coaches, the Trustees decided to seek approval from donors to reconfigure the work we were doing and refocus our delivery into the community. With the support of its principal funders, EACDT began a programme that at first supported the maintenance of local communities' amenities, provided water stations and education on protection from COVID; and then developed a feeding programme providing 10 kilo food parcels - enough to feed a family of 4 for 8 days - directed at family units.

As the summer pushed through to Autumn and with schools still closed for the rest of the year, EACDT connected with more and more of its students out of school, training them to become "character ambassadors" and to support a concerted push to deliver character education to members of the slum communities through open air meetings and seminars, conducted in a safe and COVID aware manner.

EACDT maintained the community delivery programme right through to the end of the year and produced an evaluation report of its activities, available now on its website. It is fair to say that as a consequence - and irrespective of schools re-opening in January 2021 - our experiences through the

lockdown and curfews of 2020 have aided us in establishing a new community-based programme for which independent funding has been found for a 3 year period commencing early 2021.

The Trustees also undertook to review its strategic planning in 2021 off the back of the extraordinary experiences of 2020.

Financial review

The Trustees are responsible for keeping proper accounting records which disclose the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Trustees prepare financial statements for each financial year in accordance with the requirements of the Charities Act. Because donations total less than £250,000, the Trustees are only required to prepare a Receipts and Payments account, which they supplement with some explanatory notes.

As can be seen from the Receipts and Payments account for the 12 months to 31 December 2020, receipts exceeded payments by £9,194, a reduction from the previous year when the excess was £40,358. The majority of the decline was in unrestricted donations, which led to a reduction in unrestricted funds of £5,687 to £83,827, still equal to 10 months of unrestricted spending. This was, moreover, the fourth successive year in which the charity received more than it spent.

The Trustees are conscious of the importance of building up reserves to a level that will enable future activities to be planned with confidence and have adopted a policy that targets the build-up of reserves to six months' normal expenditure. As can be seen from the Receipts and Payments Account, this target has again been met in 2020.

Future plans

Future plans depend to a considerable extent on the levels of funding the charity is able to raise. Funding has moved on from its historic reliance on the support of one private family foundation, and strategies to raise funds in the UK and in Kenya are proving successful.

The Trustees continue to plan to develop the charity's activities at a group of schools in southern Nairobi that include senior schools in order to demonstrate the hypothesis that the charity's programmes can be as successful in secondary schools as they are proving to be in primary ones. Funding to do this is proving challenging but the Trustees remain optimistic that this can be achieved. The Trustees also plan to develop community programmes in the areas surrounding the schools in which EACDT's programmes operate, and funding for this has been pursued in 2021 with success. As further funding beyond that develops, the Trustees will actively seek opportunities in other deprived areas of Kenya and further afield in East Africa.

A long-term aim of the charity is to embed itself into the core Kenyan curriculum as defined by the Ministry of Education, enabling it to operate with a mandate and approval from the Government.

Principal risks and uncertainties

A significant risk of operating in East Africa is the political environment, which, as we discovered in 2017 after a cancelled general election and in 2020 and 2021 with the effects of the Covid-19 pandemic, can be very volatile. The cancelled general election and the subsequent 60 days of uncertainty and volatility led to the complete drying up of discussions with Kenya business to develop a local funding strategy. The pandemic led to significant losses of business, shut-downs, extreme hardship amongst the neediest communities and, again, difficulties with engaging potential Kenyan donors.

There is a great deal that can and does influence the environment in which EACDT operates that it cannot control itself, a key element of which is future funding. Essential to the future of the charity, the Trustees believe, is establishing effective means of funding and corporate engagement within

Kenya itself. The Trustees believe this will be the principle means of funding the charity in the years to come, as support for overseas projects in the UK is becoming less appealing to donors, and corporate engagement increasingly focuses on local delivery, where UK businesses can develop CSR projects.

We rely on a small group of Kenyan citizens and residents for our operations in the country, and the Programme Director (a Kenya citizen) is the key person within this group. Replacing him would be challenging.

GOING CONCERN

The Charity's funding has developed from a reliance on the family foundation of the founding trustee, to one where it has a diverse range of donors and has achieved its aim of having 6 months of recurring expenditure in reserve at the end of 2020. The COVID-19 pandemic has continued to have an adverse effect on both funding and programme delivery into 2021, but it is expected that all programmes will continue to be delivered in full and will continue to be funded for at least a year from the date of this report.

The Trustees therefore consider that EACDT qualifies as a going concern.

Signed on behalf of all trustees

Signature:

Name: Simon Prodger

Position: Trustee

Date: 12 October 2021

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