

EAST AFRICA CHARACTER DEVELOPMENT TRUST

TRUSTEES' ANNUAL REPORT 2021

The Trustees present their annual report and the examined financial statements for the year ended 31 December 2021.

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 as a Charitable Trust (Registered No: 1153030) and is subject to regulation by

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), Julian Ince, Simon Prodger, Guy Waller.

Guy Waller 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

GMBC LLP, 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 Eldoret University in Kenya (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. They believe that, 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.

2021 Activities

EACDT's Character Development programme operated in 2021 in 13 schools, engaging up to 6,500 young Kenyans (of whom just over half were girls) a week throughout the academic year, predominantly in primary education. A further 376 youngsters a week, of whom 177 were girls, participated in the new Community Programme.

The charity's schools 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 who 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 2021 because of the Covid-19 pandemic. All meetings were therefore “virtual” in 2020, conducted using an internet-based meeting software.

As noted below, EACDT operates in Kenya through a locally established charitable trust, the Foundation for Youth Cricket and Education in Kenya Charitable Trust (FYCEK). FYCEK has its own

board of Trustees and, during 2021, it was decided that it would improve the governance of both entities if Trustee meetings were held jointly. This has been successful and continues to be the case.

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 FYCEK, which the Trustees formed specifically to provide a vehicle through which contracts and payments can be made to support EADCT's activities in Kenya 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 2021 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 review

2021 saw a return to our established delivery programme following the exacting times experienced during the COVID pandemic. Schools in Kenya resumed full time education again and it was quickly clear that, within the schools EACDT has traditionally worked with, our programme was immediately welcomed back and championed by Head Teachers as an essential tool to help equip young children to meet the extreme challenges that COVID and the ensuing lock down so brutally highlighted.

Alongside its established 'in school' delivery programme, EACDT, with the financial and active support of Sir Rod Aldridge and his family, commenced a community-based project with a view to reaching and connecting more broadly with children and teenagers outside the education system and with members of the local unofficial settlement communities within which we already work. The set-up of the project required our establishing 2 new 'cricket' clubs initially, based in the slum communities of Kawangware and Eastleigh; the intention after Year One (2021) will be to expand to a minimum of 5 slum cricket clubs and to establishing a development cricket league for boys and girls, young men and women at Under 19 level. The 2 new cricket clubs have been developed with local community support and include practice facilities including fully operational nets and artificial wickets upon which to play organised hard ball cricket. Dedicated management and coaches have been applied to this new delivery stream, with character education being a pivotal element of the development of club members and young players and in the running of the clubs themselves; both new club sites were fully operational by the end of 2021.

It became clear to Trustees during the year that fund raising was likely to become even more exacting than in previous years. Although we welcomed the Aldridge Family as new supporters and funders and we received the re-assuring news that COSARAF agreed to fund EACDT for a 2nd three year term, trying to source and secure new funding from the UK following the pandemic was challenging. The intention to generate greater funding and CSR engagement from within Kenya was also severely curtailed by the pandemic and its devastating effect on the local economy. The Trustees were therefore cognisant of the need to regularly review the charity's finances and funding performance, to ensure reserves are not wantonly run down and to be prepared to cut its cloth accordingly where reliance on unrestricted funding is necessary.

As a consequence, the charity adopted an adjusted strategic plan, to be shared with existing and future donors and supporters, that outlines the medium and longer term strategic path for the charity and the engagements it anticipates in fulfilling delivery. By the end of 2021, time-lined elements of the plan were being applied.

Ongoing, the support and duty of care for our Kenya staff continued to be a priority. Throughout the pandemic, we managed to maintain all staff in full time employment as there was no furlough scheme in Kenya as an option; we adjusted to circumstances and, in 2021, returned to our core work with our team intact and motivated by shared experiences, enhanced training and job security.

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 believe they have strong controls in place in Kenya that provide significant comfort that money received is well-secured and that money spent is subject to proper scrutiny, approval, authorisation and accounting.

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 2021, payments exceeded receipts by £42,711 (2020, receipts exceeded payments by £9,194), a significant change from the previous years and the first in 5 years in which the charity has spent more than it has received. The largest was in unrestricted donations, which declined by £54,697 to £42,885, and resulted in a decision by the Trustees to close the hub in Kangeme, Nairobi, as it was the only hub with no dedicated, restricted, funding. The Trustees found it extremely difficult while Covid was adversely affecting everyone to source unrestricted donations, and that challenge has continued.

The Trustees are conscious of the importance of keeping reserves at a level that will enable future activities to be planned with confidence and adopted a policy some years ago that targets the build-up of reserves to six months' normal expenditure. This had been achieved by the end of 2020 but reserves had to be used in 2021 to keep our full school programme going. As has been noted above, however, the Trustees came to a reluctant decision that our programme in the three schools that comprised our Kangemi hub had to close, and we have operated during 2022 without it.

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 challenging to implement, primarily because of Covid and its fallout.

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.

As has been noted earlier, the Trustees were able in 2021 to obtain funding to develop a Community Programme that operates in the areas surrounding many of the schools in which EACDT's Character Development programmes operate.

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. This task has continued successfully through the presentation of information to the Ministry of Education and the development of key contacts there.

Principal risks and uncertainties

A significant risk of operating in East Africa is the political and business environment, which, we discovered in 2017 after a cancelled general election and in 2020 and 2021 with the effects of the Covid-19 pandemic on schools and businesses. 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 Covid 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 continue to search for sponsors in Kenya, but with little success so far.

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.

Signed on behalf of all trustees

Signature: Simon Prodger

Name: Simon Prodger
Position: Trustee
Date: 13 October 2022

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East Africa Character Development Trust
Receipts and Payments Account
Year to 31 December 2021

Note
2b)

Charity No
1153030

		Total Year to 31/12/2021			Charity No 1153030 2020
		£ Restricted	£ Unrestricted	£ Total funds	£ Total funds
Receipts					
Donations					
Unrestricted		0	42,885	42,885	97,582
Restricted hub funds		90,650	0	90,650	70,000
Food programme	3	0	0	0	9,499
Bursaries	4	4,051	0	4,051	3,017
Interest		0	11	11	209
TOTAL RECEIPTS		94,701	42,896	137,597	180,307
Payments					
Programme Delivery					
Salaries & benefits for schools:					
Coaches		27,950	30,478	58,428	64,814
Programme Director		21,547	12,740	34,287	38,576
Administrator		6,315	6,910	13,225	7,560
Community Programme		26,150	0	26,150	0
Holiday camps		0	0	0	0
Facilities and equipment		377	466	843	1,558
		82,339	50,594	132,933	112,508
General					
Marketing & promotion		742	1,058	1,800	237
Travel & meetings		1,385	1,766	3,151	3,444
Food Programme	3	20	0	20	6,838
Bursaries	4	3,446	0	3,446	1,521
Training		0	0	0	1,603
Insurance		474	316	791	655
Office costs		495	488	983	1,719
Other	5	1,022	2,613	3,635	8,521
		7,584	6,241	13,826	24,538
Governance, Finance and fund raising					
Fund raising		0	12,741	12,741	12,787
Executive trustee	6	0	20,000	20,000	20,000
Audit & legal		113	695	808	1,280
		113	33,436	33,549	34,067
TOTAL PAYMENTS		90,036	90,271	180,308	171,113
Net (payments)/receipts in the year		4,665	(47,376)	(42,711)	9,194
Cash funds at 1 January 2021		17,365	83,827	101,192	91,998
Net (payments)/receipts in the year		4,665	(47,376)	(42,711)	9,194
Cash funds at 31 December 2021	7	22,030	36,451	58,481	101,192

STATEMENT OF ASSETS & LIABILITIES AT THE END OF THE PERIOD

Cash funds

Barclays UK Community Account	22,030	30,304	52,334	94,261
Barclays Kenya Sterling Account	0	5,698	5,698	6,252
Barclays Kenya Shilling Account	0	336	336	578
Kenya Petty Cash	0	113	113	101
Total funds	22,030	36,451	58,481	101,192

There were no liabilities at the end of the period.

Signed on behalf of all the trustees:

Signature: Julian Ince

Name: Julian Ince

Position: Trustee

Date: 13/10/2022

**EAST AFRICA CHARACTER DEVELOPMENT TRUST
RECEIPTS AND PAYMENTS ACCOUNT
YEAR ENDED 31 DECEMBER 2021**

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 Foundation'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, to 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 EACF 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 EACF's objectives, EACF's Receipts and Payments in the year ended 31 December 2021 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, £6,613 has been spent on food in 2020 and 2021. This leaves £2,886 to be spent in the future on a programme with similar aims and objectives to this one.
- 4 The secondary education of a small number of students previously enrolled in EACF's Kenya programme (secondary education in Kenya is not fully funded by the Kenya government) is funded by certain of the trustees and 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>2021</u>	<u>2020</u>
	£	£
Communications	1,391	1,103
Donations	533	1,477
Bank charges	452	487
Evaluation	0	3,482
Exchange adjustment	0	512
Portal and web site development	0	360
Other	<u>1,259</u>	<u>1,100</u>
	<u>3,635</u>	<u>8,521</u>
- 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 Funds held for restricted purposes comprise:

	<u>2021</u>	<u>2020</u>
	£	£
Project funds for two hubs	30,485	12,405
Community programme	(14,000)	0
Bursary programme	2,659	2,054
Food programme	<u>2,886</u>	<u>2,906</u>
	<u>22,030</u>	<u>17,365</u>

The Community programme started in 2021 and is funded by Sir Rod Aldridge and his Foundation. It applies EACDT's Character Development programme in communities adjacent to some of the schools in which EACDT operates. Set up costs were funded in full in 2021. Operating costs amounting to £14,000 were reimbursed in full in 2022.

8 The Foundation's only fixed assets at 31 March 2021 and 2020 were a computer and printer in Nairobi.

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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 2021

**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 2021.

**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: TINA PEARCE

Date: 25 October 2022

Name: GMBC LLP
CHARTERED TAX ADVISERS AND ACCOUNTANTS

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

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.