



Annual Report 2021-2022



Registered Charity no. 1154462

@justsmallchange

www.justsmallchange.org.uk

Front: Faith buys wholesale sacks of maize and sells from her home.

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The pandemic in Africa increased the numbers living in extreme poverty (less than £1.43 a day). Food insecurity and hunger worsened, particularly among families headed by women. At the start of the reporting period the circumstances of those served by our projects were very challenging.

During the reporting period, Kenya's economy recovered from the pandemic and is projected to grow by an average 5.4% during 2022-24. However prolonged drought and global inflation are still causing poverty to rise in general and in addition, flash flooding has affected the area where we work. Nevertheless, there is encouraging evidence coming from Kisumu, individual stories of persistence and success which illustrate what can be achieved with consistent effort and support.

In Mali, fragile economic progress has been hampered by political instability, global inflation and population growth, leading to no improvement in per capita income and an increase in food poverty. However, in spite of this, the project initiated last year continues to flourish.

Relatively low rates of vaccination in both countries (20% in Kenya and 13% in Mali) and fragile healthcare systems mean the outlook is uncertain; rises in food and energy prices will impact severely those on the lowest incomes. It will be more important than ever to find sustainable ways to support the livelihoods of the very poor.



Our aims

We offer business training, loans and mentoring to the very poor and disadvantaged, in order to:

- **reduce our clients' economic and social vulnerability through a long term increase in business profits**
- **enable them to build savings, providing some protection for their families from health, economic or weather related shocks**
- **empower them by enabling them to build viable, sustainable businesses so they can feed and educate their children and plan for the future.**
- **build capacity and resilience in local communities through business training and via establishing and supporting community groups and businesses to serve local needs**

'The opposite of poverty is not wealth.

The opposite of poverty is enough'

Dr Wess Stafford, Compassion International



Kenya: how we work

1

Our staff visit the slums and villages to see existing clients. More women ask to join the programme having seen their friends and neighbours benefitting. Many of our new clients are already trading on a tiny scale, but not earning a viable income.



2

Clients join together into local community groups. Our staff train all new clients in basic business skills. Ongoing training and mentoring is delivered through the groups and via individual visits to clients' businesses.



3

We provide small loans which clients use to start or develop their businesses. Incomes grow, families enjoy better standards of living. Loans are repaid, typically within 6-12 months.

'Now I have hope, and a vision for the future' (Charles)

4

The community groups set up group savings accounts, so that all members can save. Clients start to grow their savings, providing more security for them and their families. Group members support and advise each other in their weekly meetings.

'The group gives me courage – I have the example of the other women in the group' (Elisabeth)

5

Clients may apply for up to two larger follow up loans. By the end of the third loan, clients will usually have built up sufficient savings to finance their businesses or to apply for loans to our recently set-up savings co-operative.



6

When loans are repaid, Just Small Change reuses the money to help more women. Even a small donation goes on working for many years, helping clients to achieve economic security for the first time in their lives

Overcoming new challenges

Kisumu is Kenya's poorest city, with the country's highest rate of HIV at



19.9%. We work in the slums and rural villages of Kisumu East, where, pre Covid, 60% of people lived in extreme poverty and almost 90% of households suffered food insecurity. Our clients in Kisumu continued to face multiple challenges during the 21-22 reporting period. In the spring, continued demolition by the City Council of informal market stalls displaced many stallholders, reducing

their sales. In May and June a new wave of COVID infections hit the area. Many members of our clients' families fell ill, some, including one client, sadly died. All businesses were badly affected by the reimposition of the dusk to dawn curfew and of the ban on gatherings, both of which meant a big reduction in trading hours and a huge fall in sales. Some client's businesses failed; our two staff visited these clients at home, encouraging them to restart small scale trading from their homes, which many did, since the business is their only source of income.

As well as medical costs due to the pandemic, most households had to bear the additional expense of extra school fees in August, as the Kenyan government continued to implement its policy of recouping lost school time by condensing a full school year into 9 months.

'Those in the informal economy have been worst hit by lockdowns and curfews' World Bank 2021

Resilience through diversification

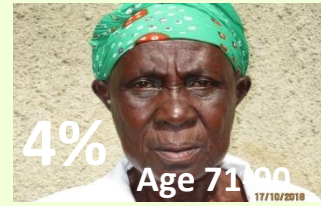


During the second half of the year, global inflation fed through in big rises in food and fuel prices. Since these commodities are widely used in clients' businesses, this squeezed turnover and profit still further. In October,

heavy rainfall led to widespread flooding in Nyalenda, an area in which we work, leading to stock loss and closure of markets in the area, though happily no clients lost their homes.

Though sales recovered a little in the pre-Christmas trading season, high prices and lower demand have meant that financial hardship has continued into the spring of 2022. The project staff visited clients at their workplaces or homes, encouraging them to diversify into whichever products yielded a profit, with brickmaking proving to be a popular option. The economic outlook continues to be challenging, but most clients have responded to the many pressures upon them in a nimble, energetic and courageous way. As ever, we are impressed by their determination and by the dedication of the project staff.

Meet our clients





Meet their households

90% of clients live in houses made of mud or sheet metal, with no access to roads, electricity, running water or drainage.

Their homes are vulnerable to increasingly frequent heavy rains.

40% of households live in a single room, while a further 30% have 2 rooms.

Average household size is 5 but can be as high as 13. 58% of clients live in rural villages, 42% in urban slums.

Education improves life chances. so, paying for dependents' school or college fees is a top priority, as well as for books, paper, and school uniform. Higher household incomes mean less risk that children have to be withdrawn from school.

Between them, our clients are supporting 1049 dependents at school or college; a third are orphans.

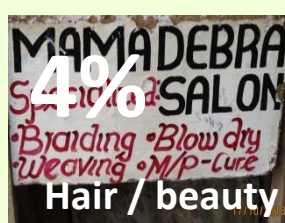
51% of our clients are single female heads of household, struggling alone to provide for their dependents.

The remainder are in very low income households, where husbands are often sick, disabled or unemployed.

Almost two thirds of our clients are supporting four or more dependents, with one in five supporting seven to fourteen others. Dependents include siblings, children, grandchildren, orphaned children, elderly parents or grandparents too.

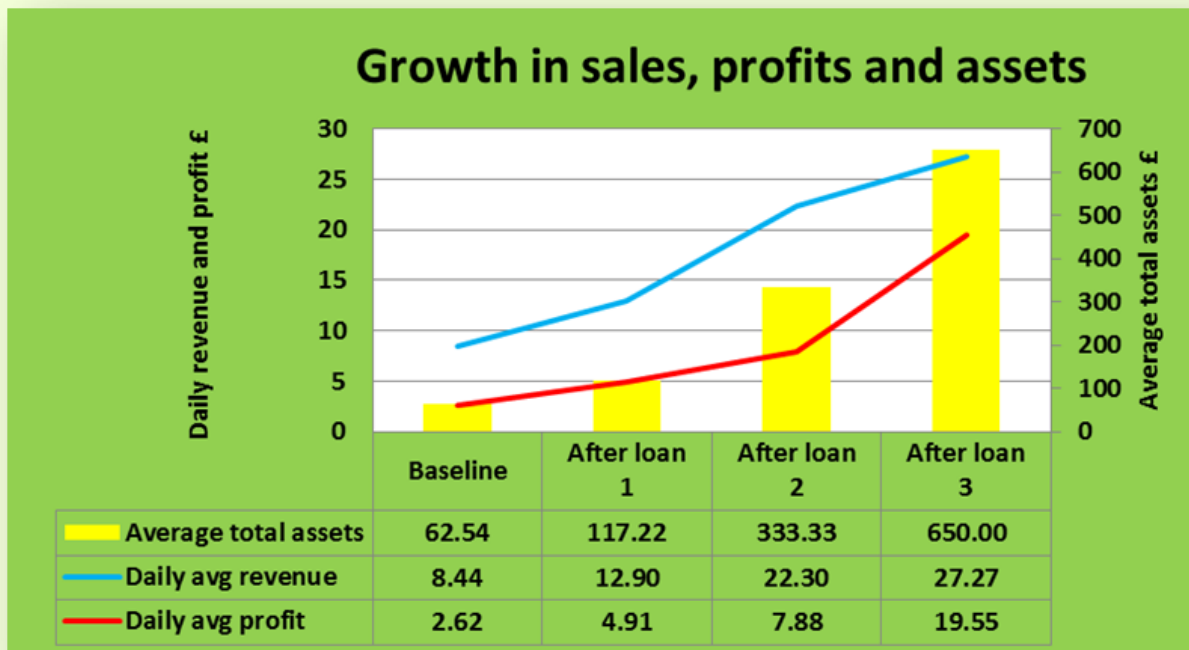
One in four dependents is a child orphan.

Lines of business



Why scaling up matters

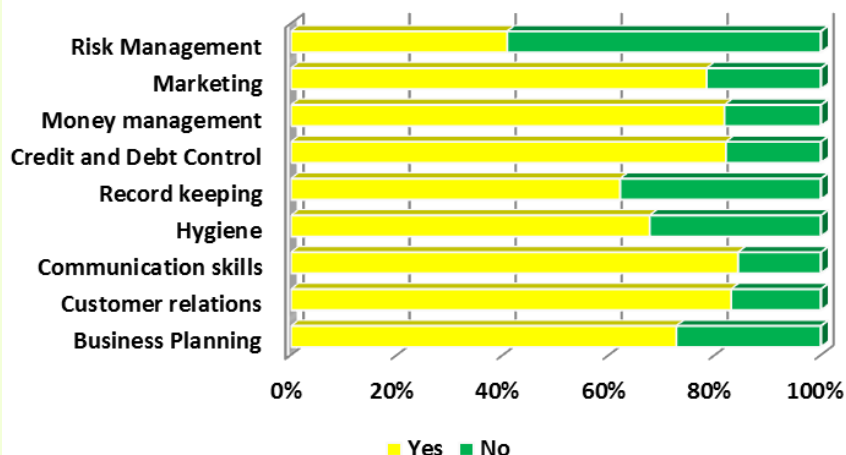
When a client's business is too small, it can't survive. Money earned from sales only meets immediate needs, stock is not replaced and the business fails. But as well as re-stocking, there must also be some profit to save. If no savings can be made, then there is no fallback should illness, accident, marital breakdown or even bad weather strike, so again, the business will fail.



Evidence shows how these small loans can help tiny businesses to grow into sustainable ones. Most clients use their second and third loans to attract more customers by offering a wider variety of goods or services. In spite of difficult times, 30 second loans have been issued to clients this year. After the third loan, a client's profits are, at almost £20 a day, on average 13.5 times larger than when she joined the project. A savings cooperative managed by our project staff has now been set up within our partner NGO, offering savings accounts and larger loans. Going forward, this cooperative will hold the clients' savings and advance loans. The project will become self-sustaining and independent of Just Small Change.

Training is vital, building skills and confidence, turnover and profit

Have your new skills helped your business?



The training has taught me that, in spite of everything, I can be in charge of my own life'

Alice, 33, HIV+, widow, 2 children

In total 37 new clients received three full days of initial business training during the year, and were granted their first loans. This was fewer than planned, owing to the COVID outbreak. The group below was trained in November 2021.



Raising levels of knowledge and skill is key to increasing the productivity and earnings of poor women (World Bank Kenya Update 2016)

Sikasso, Mali



Mali is one of the poorest countries in the world; rapid population growth, political instability and climate change mean that 43% of its 22 million people live in extreme poverty. Years of intensive cotton production have impoverished the land and the people. Large amounts of pesticides and fertilisers are needed to grow cotton. Although this is a fertile area of Mali, having more rainfall, it has become the poorest, most malnourished region as cotton prices have fallen and land has become depleted. Families cannot earn enough to survive.

Many wish to return to growing more food instead of cotton. They are trying to improve their land through natural methods such as compost-making. But very few people have livestock; animals are needed to help to fertilise the soil, and also because they can create an income for very poor women.

By enabling women to raise goats, our project in rural villages improves livelihoods and families' standards of living while also helping to reclaim poor land for food production.



The project has provided funds for two village co-operatives; each has trained 50 women in goat rearing. Each trainee received a small loan to buy 2



goats. This will be repaid to the co-operative through the sale of goat kids. It will then be reloaned to another woman. Feedback so far is very positive, with 148 kids born to date. One beneficiary says: *'I received two goats from the project in May (2021). I really needed goats. I have a plot of land but I have no money to buy fertiliser. My goats allowed me to have manure and I used this to improve my harvest. While everyone was talking about their poor harvest, I harvested more than in other years. For the first time in my life I am a livestock owner and as a woman this is a source of pleasure. Thank you to those who kindly helped us. The two goats I received gave birth to three kids'*.



Just Small Change

www.justsmallchange.org.uk

info@justsmallchange.org.uk

Charity number 1154462

38, Orchard Way, Stratford upon Avon CV37 9QE

Can you help? With your support, we can do more.

Every donation to Just Small Change keeps on giving, over and over again. We have no costs in the UK. Your full donation, plus any gift aid, will be spent directly on one of our projects in Africa

A monthly donation of £10 for one year will set one new client in Kenya on the road to a better future, by paying for 3 days of training and her first small loan. In Mali, this gift would pay for training and a loan for two women.

A single donation of £35 will pay for 3 days training for a new client in Kenya, or for the training of two clients in Mali.

**Whatever you can spare will make a difference to the lives of the very poor.
It's Just Small Change!**

You can write to us at the address above, or give online :

**We have accounts with both CAF
(Charities Aid Foundation) and
Stewardship.org. It's possible to
donate online through either of these
organisations, via the links on our
website.**



Online banking with HSBC:

Account name: Just Small Change

Account no. 32134314

Sort Code 40-43-19

**HSBC Bank, Chapel St,
Stratford upon Avon.**

**If you wish to gift aid your donation,
please email us at the address above
so we can send you a gift aid form.**

Thank you for your support!

OUTPUTS APRIL 2021 TO MARCH 2022

Since last reporting in March 2021, 148 healthy goat kids have been born in Sikasso, Mali, allowing the 98 beneficiaries to provide goats' milk to their families and to improve their vegetable gardens.

Meanwhile our project in Kisumu, Kenya has grown from 308 to 362 clients.

In Kisumu during the twelve months to end March 2022

- Salary and overhead costs have been met for our two full time staff
- 37 new clients received 3 full days of training on topics such as business and financial management, stock taking, record keeping, customer relationships, communication and leadership. Accessible delivery methods included role play, group work, puzzles and discussion.
- 3 community support groups received short courses of business training
- 6 new community support groups were formed
- A savings co-operative was set up for clients exiting the project
- Clients supported 1483 dependents between them including 348 orphans
- 1049 dependents attended school or college, supported by our clients
- 52 additional jobs were maintained within clients' businesses, supporting approximately 92 additional dependents
- 62 loans were issued: 32 to newly trained clients and 30 to clients receiving subsequent loans once the original loan has been repaid
- Outstanding loans were rescheduled for those clients whose businesses were severely damaged by COVID restrictions
- The average loan size to date (March 22) was £116 converted at KSH 145=£1, the average for the twelve month period
- The total amount loaned to date was £68,579
- The value of loans outstanding was £16,067 at end March 2022
- Monitoring and evaluation were strengthened through improvements to data collection software

RISK MANAGEMENT

Sustainability risk: client savings are encouraged as is reinvestment in business, to ensure that clients will eventually be able to provide from their own resources or have sufficient collateral to get a loan from a larger lending institution. We have assisted our partner organisation to set up a savings cooperative for staff and for clients who are graduating from the project. This is now operational as at March 2022, and clients are being encouraged to join.

Liquidity and funding risk : the Trustees' policy is to have funds in place at the start of the financial year to cover all planned expenditure for that year.

Credit risk: to reduce the risk of client default, project staff tailor loans to the business plan and capability of each client and offer individual support for clients in difficulty. If necessary, repayment periods can be extended. Clients are required to lodge a small deposit with our partner organisation when taking a second or third loan from the project. This is returned once the loan is fully repaid.

Operational risk: we are constantly working to improve reporting and recording processes for project operations and for financial management. Regular supervision of project staff takes place by email and Zoom. We have recruited staff with relevant qualifications and are confident of the integrity of our partners in Kisumu, OLPS. Clients' use of Mpesa (mobile payment) for loan repayment provides an excellent level of transparency and security.

CHARITY DETAILS AND GOVERNANCE

Just Small Change was established with the UK Charity Commission as a Charitable Incorporated Organisation on 5 November 2013. Our charity number is 1154462.

The charity's principal address is 38 Orchard Way, Stratford upon Avon, Warwickshire, CV37 9QE

The activities of Just Small Change are managed and overseen by the trustees, all of whom were in post for the entire year:

- Peter Joseph Donaghue Chair
- Mary Jane Donaghue Treasurer
- Gerard John Adams
- Andrew William Maher

The power to appoint additional or replacement trustees rests with the existing trustees

Public benefit

The identifiable benefit which we aim to provide is to offer the opportunity, to people suffering from financial hardship and social exclusion, of building their own small business to generate a sustainable profit which provides a sustainable income stream. This allows the client to improve his or her or the family's nutrition, healthcare and /or educational opportunities, leading to a more secure and prosperous future, greater economic resilience, greater self-confidence and improved social inclusion. In choosing our projects, all trustees have had regard to the guidance on public benefit issued by the Charity Commission.

FINANCIAL REVIEW

No grant applications were made while operations were suspended during the pandemic. As a result, although income from regular and one-off donations held up very well, overall income fell in 21-22 by 27% compared to the prior year. Income donated from charity sales also fell by one third.

However, expenditure was also lower, following the cancellation of training courses in Kisumu, due to COVID restrictions. Thus the year ended with increased funds in hand.

Our accounts have been independently examined by HLBarnes (Chartered Accountants). Their report and a full copy of the accounts is presented separately. A summary of income and spending is included below.

Annual Accounts to year ending 8 April 2022

	Year to 08.04.2022	Year to 08.04.2021
Receipts		
Donations and grants*	19205	26546
Gift Aid	160	95
Paypal charity sales income	943	1468
Donation from trustees for bank charges	101	85
Total receipts	20409	28194
Payments		
Charitable activities		
1. Provision of funds for business training and mentoring, funds for micro loans, salaries of field staff	4179	22650
Bank charges	101	85
Total payments	4280	22735
Net of receipts/(payments)	16129	5459
Transfers between funds	0	0
Cash funds last year end	42767	37308
Cash funds this year end	58896	42767
of which: held at bank	54255	39069
held in Paypal account	4641	3697
Total	58896	42767

Notes to accounts:

- 1. It is the Trustees' policy that funding for each year's planned project activities must be in place at the start of that financial year.**



METHODOLOGY

Baseline data is collected from each client when they join. Individual reviews take place at the end of each loan. This report is based on data available up to end March 2022.

KEY STATISTICS: for the Kisumu project to the end of the financial year in £, converted at the average exchange rate for the period (KSH 145=£1 for the year to March 22)

Year ending	Number of woman clients	Total number of clients	Total loaned since start	Number of loans since start	Current average loan	Value of outstanding loans	Total default since start %	Total rescheduled %
			£		£	£		
Start*	39	40	2,355	40	59	59	0	n/a
Mar-14	39	40	4,638	64	48	1,919	0	n/a
Mar-15	41	42	9,457	106	115	4,819	0	n/a
Mar-16	41	42	9,457	106	71	2,974	0	n/a
Mar-17	90	91	15,362	168	59	5,362	3.54	9.38
Mar-18	141	142	21,703	262	96	13,699	2.51	6.55
Mar-19	191	193	37,731	360	86	16,502	1.33	4.16
Mar-20	304	307	59,561	468	82	20,078	6.00	0
Mar-21	324	327	64,691	512	105	17,704	8.76	65.75
Mar-22	354	362	68,579	574	116	16,067	9.30	65.75

*The project's pilot phase ran from the start date in May 2013 to March 2015.

JUST SMALL CHANGE
Registered Charity No. 1154462
ACCOUNTS
FOR THE YEAR ENDED
8 APRIL 2022

JUST SMALL CHANGE
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 8 APRIL 2022

	Year to 08.04.2022			Year to 08.04.2021
	Unrestricted £	Restricted £	Total funds £	Total funds £
RECEIPTS				
Donations and grants	19,205	-	19,205	26,546
Gift Aid	160	-	160	95
Donations from trustees for bank charges	101	-	101	85
Paypal charity sales income	943	-	943	1,468
TOTAL RECEIPTS	<u>£ 20,409</u>	<u>£ -</u>	<u>£ 20,409</u>	<u>£ 28,194</u>
PAYMENTS				
Charitable activities				
Provision of funds for business training and mentoring, funds for micro loans, salaries of field staff	4,179	-	4,179	22,650
Bank charges	101	-	101	85
TOTAL PAYMENTS	<u>£ 4,280</u>	<u>£ -</u>	<u>£ 4,280</u>	<u>£ 22,735</u>
NET RECEIPTS	16,129	-	16,129	5,459
Cash funds last year end	42,767	-	42,767	37,308
CASH FUNDS THIS YEAR END	<u>£ 58,896</u>	<u>£ -</u>	<u>£ 58,896</u>	<u>£ 42,767</u>

JUST SMALL CHANGE
STATEMENT OF ASSETS AND LIABILITIES AS AT 8 APRIL 2022

	2022 Total funds £	2021 Total funds £
CASH FUNDS		
Cash at bank		
HSBC current account	54,255	39,069
Paypal account	4,641	3,698
TOTAL CASH FUNDS	<u>£ 58,896</u>	<u>£ 42,767</u>
REPRESENTED BY		
Unrestricted funds	58,896	42,767
Restricted funds	-	-
TOTAL CHARITY FUNDS	<u>£ 58,896</u>	<u>£ 42,767</u>

Approved by the Trustees on 30 November 2022 and signed on their behalf by :

M J DONAGHUE



Notes:

1. It is the Trustees' policy that funding for each year's planned project activities must be in place at the start of that financial year.

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF JUST SMALL CHANGE**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 8 April 2022 which are set out on pages 1 to 2.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

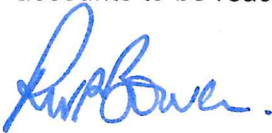
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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 giving me cause to believe that in any material respect :

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records.

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



R W P BOWEN FCA
Chartered Accountant
H L Barnes
Barclays Bank Chambers
Stratford upon Avon

30 November 2022