



Mustard Seed Project
Growing a better future


MUSTARD SEED PROJECT (KENYA)
REPORT OF THE TRUSTEES AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017



New Miche Bora School

Registered Company Number: 6778042

Registered Charity Number: 1127935

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MUSTARD SEED PROJECT (KENYA)
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FOR THE YEAR ENDED 31 MARCH 2017

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Mustard Seed Project
Growing a better future

MUSTARD SEED PROJECT (KENYA)

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

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 2017. 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 2017

Rita Fowler
Lynne Smith
Mark Tilley
Geoff Fowler
Archana Gregory
Julie Berry
Nicola Jayne Hinton

Independent Examiner

Ivan Fuller
38 West Villas
West Road
Bourne
Lincolnshire PE10 9PU

Banks

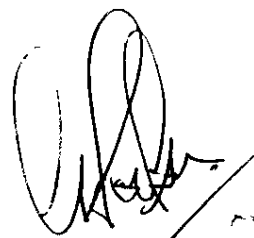
HSBC Stamford Branch

Diamond Trust Bank

Mombasa

Kenya Commercial Bank

Kisauni Branch Mombasa


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Mustard Seed Project
Growing a better future

MUSTARD SEED PROJECT (KENYA)
REPORT OF THE TRUSTEES FOR YEAR ENDING 31 MARCH 2017

1. What Happened This Year

Although it has been a challenging year there have been many successes to celebrate. Unfortunately due to illness Rita and Geoff (Founders and Trustees) were not able to make their usual visit in March 2016. In June we had the referendum which resulted in Brexit. Overnight the value of the pound collapsed from 160 Kenyan Shillings (KSh) to 124 KSh. Immediately we had to find another 23% just to standstill. It was more difficult to raise money because people were feeling insecure not knowing the effects of Brexit on the economy and jobs. The long drought in Kenya brought food shortages, food inflation grew rapidly and the costs of the feeding programme shot up. We could not raise school fees because most of the families were struggling to exist.

It is amazing that when times are getting really difficult something unexpected happens. Over the years local schools have donated a wide range of text books and other equipment, including a complete maths scheme. Our garage is full because it is impossible to ship the resources to Kenya without paying exorbitant taxes and import duty. We have been taking them a bit at a time in our luggage. Imagine our surprise when in July we were contacted by Books Abroad a Scottish charity that had delivered donated books to the school soon after we started but we not had heard from them for several years. They volunteered to transport all our books as part of a shipment they were making to Kenya. They even offered to pay the transport costs to get the books from Market Deeping to Scotland. Fantastic we sent half a cubic meter of books including the maths scheme, English reading schemes, selected reading books for all ages, training material for teachers and a range of business and management courses.

The highlight of the year was our visit in October 2016 not least because our daughters, their husbands and our grandchildren visited Kenya and saw the school for the first time. Rita and Geoff went early and having visited for a year they were amazed and proud at the progress that had been made. Irene, the head teacher strongly supported by all the teachers and Joshua the school manager had achieved miracles by their commitment, hard work and dedication. All the new techniques and styles of teaching, taught by Rita, had been implemented and are now well embedded. Children are no longer taught by rote but are taught to think. Differentiation is now part of the culture and all the children are benefitting from some individual attention.

The exam results were outstanding. All private primary school children in Mombasa sit common exams so it is possible to compare results with other schools. Miche Bora was in the top ten in Mombasa which is fantastic when one remembers that all the other successful schools are selective by the wealth of the families and they charge very high fees. In contrast Miche Bora is based in a slum area, the families are poor and to come to the school the children have be the poorest in the community. Most of our teachers also live in the community.

We cannot afford to pay the same salaries as the high fee paying schools or government schools, but we do the best we can and try to compensate all the staff in other ways. They are all benefitting from the regular in-service training and enjoy seeing how much the children are improving from their efforts. To achieve quality education it is essential to continually improve the knowledge and abilities of the



teachers. Therefore we are committed to training and continuous improvement. We appreciate that this makes our teachers valuable and some will leave for promotion and more money especially as the government is proposing changing from teaching by rote to differential learning.

Two weeks later to great excitement the family arrived. Immediately there was joy and synergy. The grandchildren joined lessons and played with the children at playtime. Hope our first deaf child and her mother Joyce were desperate to meet Clive who with his friend Toby had paid for the very expensive special hearing aids that have changed Hope's life. When Hope came to the school Joyce came as a mother helper, she then became a paid teaching assistant and she was so good that we paid for her to do service training and now she is a qualified teacher working in lower school. With the help of our donors we have made a massive difference to this family.

Irene the head teacher was particularly pleased to meet our daughter Nicola who has recently become a trustee of the charity. After the meeting she said 'Now I can see the future of the project. I can be content.' We are working hard at succession planning to ensure that there are people in place who are committed to running Mustard Seed after Rita and I get too old. For Rita and me our children's visit was a very special occasion because the two most important items in our lives family and Mustard Seed had become one. The family are already planning another visit in October 2018 and will bring Clive's children from a previous marriage and their spouses.

There is a tradition in Kenya to hold a graduation ceremony for children when they move up from KG3 to primary 1. (equivalent to moving from Year 1 to Year 2 in the UK). The children dress in gowns and mortar boards and receive a certificate. The teachers and parents were keen to initiate the ceremony in our school. They organised it and did a splendid job. Following the presentations the other children gave a performance of singing, poetry and dance. The only problem was that there was not room for everybody who wanted to attend. In future it is proposed that it takes place outside under a canopy.

Construction in the new school was slow because we needed to keep additional money in reserves so that there were sufficient funds to cover future running costs, support the feeding programme and pay the salaries. This will be adjusted when the exchange rate between pounds and Kenyan shillings becomes more settled and we know the effects of Brexit on the economy. Some minor works have been done to complete the clinic, hall and head teacher's office. The Rotary Club of the Deepings supported by Rotary Foundation paid for a new septic tank and soakaway for the new school.

During our visit in March 2017 Kenya Power finally connected the new building to the mains electricity supply. However we are still waiting for the internal wiring to be finished. As we were leaving for the airport to catch a flight back to the UK I was negotiating with the contractor to drill a borehole so that the new building will have an independent water supply. The borehole is now finished but we are still waiting for the plumber to complete the internal pipework.

We have redesigned the girls' toilets so that there are two toilets and a wash basin exclusively for the senior girls who have reached puberty. Our nurse plus a representative of 'Days for Girls' an international charity gave sex education including talking to the girls about menstruation and washable sanitary towels. We hope that with the added privacy the girls will continue to attend school during their periods.



The saga of the lease document continues. The land office decided that as the lease was for 99 years it constituted a change of ownership and therefore we had to pay stamp duty. Then I was not allowed to pay the tax as I did not have an ID card. Because I was classed as an alien I could not get an ID card in Mombasa but had to go before a committee in Nairobi. I refused as it would have taken at least two days and cost a lot of money. Eventually I got a Kenyan to pay the tax. Then the advocate could not find the title deeds, so I was told to report the loss to the police. I spent 4 hours in an appalling police station only to be told that they could not register the loss without a sworn affidavit. Eventually the lawyer found the document and forwarded it to the lawyer dealing with the lease. The documents have now been delivered to the land office who will register the lease, hopefully.

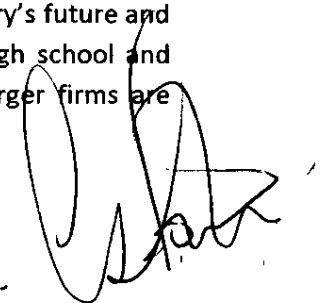
The clinic is now open and we have a two part-time qualified nurse/midwives working 5 mornings/week during term time. Sadly the husband of one of the nurses died suddenly and Winnie went on an extended visit to her daughter in America. Flora the other half of the job share found covering all the shifts difficult and it is likely we shall need to recruit another nurse. The service will be extended to include home visits to very poor families living close to the school. The nurse can then better understand the problems and can advise on mother and baby health care, preventative health, hygiene and a whole range of community health issues.

Towards the end of October a motivated young guy asked if I (Geoff) could find him a job. Unfortunately I did not have a job for him. So I went into Mombasa and knocked on the door of everyone I could think of researching what was available to help the young unemployed. I was shocked to learn that 80% of youths do not have a proper secure job; there are more than 200,000 unemployed youths in the city. I was also unhappy that there is very little help for the youths. Finally I met Mr Mwangi at the Department of Education who revealed that there was a fund that paid 70% of college fees for unemployed youths taking a vocational course. I immediately called a friend who works with the youth and he put the word on to the streets. Three days later over 60 motivated youths turned up at a meeting in Kisauni. The National Industrial Training Authority College (NITA) quickly arranged an open day. 50 youths attended, and following a comprehensive tour and introduction 30 youths applied to start the course of their choice. 20 actually started training in January 2017. The process took less than 4 weeks; amazing for Kenya where nothing happens quickly. This was a small success but a success never the less.

The students who joined the courses came from better off families that could afford to pay the outstanding 30% of the fees and support the student through college. The majority of unemployed youths come from very poor families that live from hand to mouth. From the beginning I have been determined that no motivated youth would be excluded from the programme because they are poor. Everyone has to have an equal opportunity. I have learnt that free does not work in Kenya, if something is free it is not valued. Therefore all students will have to contribute 10% of the fees (6000KSh= £46) that is their commitment which will hopefully encourage them to complete the course.

Many students need money for food and transport to enable them to attend a full-time course. We need a bursary fund of 1000KSh/week/student (less than £8/week) for 42 weeks which will be paid weekly in arrears if the student attends every day. This is a small investment for the country's future and I am begging every business owner and individuals, who were themselves helped through school and college, to adopt a student and support them through their college training. Some larger firms are

G Fowler





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inviting me to apply to their CSR fund for money but we need all large companies to commit to the programme.

I have gathered a nucleus of influential people who are keen to support and pursue this project but I need more business owners and I still have to raise the money for bursaries.

Donors and Supporters

Mustard Seed Project could not exist without the continued support of you our donors. I do not propose to name individuals and charitable trusts because I have not asked permission. People have done incredible things from climbing Mount Kilimanjaro, cycling the North Coast 500 in Scotland. There have been coffee mornings; children have made cakes, Christmas fairs. Many donors give monthly which is brilliant for our cash flow. Very generous donors have sponsored children from very poor families and children with disabilities to go to school. Some have provided hearing aids for our deaf children. You are all making a difference to needy disadvantaged people.

To all those who have supported Mustard Seed we the trustees, the teachers and the children thank you very sincerely for your generosity. We Promise to use the money wisely and we can account for every penny. We take our duty to you very seriously and try our very best to ensure that the money is used for the purpose you gave it.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, Memorandum and Articles of Association, and constitutes a company, limited by guarantee as defined by the Companies Act 2006

The liability of members in the event of the company being wound up is £1


The company is a registered charity

Mustard Seed Foundation in Kenya is a registered CBO governed by its trustees.

Organisational Structure

New trustees are identified by existing members for having the knowledge, experience and skills to add value to the Board and to help to grow the organisation. They are given a detailed induction and encouraged to visit the project when possible.

The chair is Rita Fowler, a founder, who was for many years a nurse/midwife before retraining to be a primary school teacher. She is responsible for the development of the school, recruiting staff, resources, staff training and monitoring progress. Her medical knowledge is being used to introduce health training and to research and identify the type of basic facility needed urgently in the community. Rita also monitors finance; keeps the website up to date and liaises with volunteers and donors.

G FOWLER 



Lynne Smith (Secretary) is a retired primary teacher with a wealth of knowledge and experience of early years. This has been invaluable in supporting the setting up of the nursery and the development of the Key stage 1 teachers. She also advises on resources and provides an objective view of the Charity.

Mark Tilley (Treasurer) is an IT expert, and he and Rita wrote and developed the website; he is treasurer and advises on things technical and financial

Geoff Fowler is the other founder. He is a retired civil engineer and was director of a large construction company. He then worked as a self-employed business and management consultant with SMEs and not for profit organisations. He has more than 20 years of experience as a trustee of several organisations from local charities to large housing associations. He works mainly on new projects with the women and the youth around sport and employment, supervises the new building, and has built a network of contacts in Mombasa to get support from the municipal council, other charities, local businesses and individuals. Following a plea from a young motivated youth to find him a job Geoff has started a new project to get very poor youths into vocational training so they can get a job and have a future.

Archana Gregory is a Kenyan Citizen. She was born and lived in Kenya until she was 18 when she moved to the UK for education. She returned to Kenya for a year and was a valuable member of the Mustard Seed Foundation Board. Archana is very pragmatic, is qualified in business and IT, speaks Swahili, understands the culture and is young. She knows Mgongeni, many of the people, and understands the problems. The land was bought in Archana's name as only Kenyans can own freehold land.

Julie Berry has for many years shown a keen interest in the charity. Julie is a younger member of the board who will play a key part in future planning and the sustainability of the project. She is an expert in IT with a vast knowledge of social media and has useful contacts in commercial organisations who may be encouraged to raise money for the project and sponsorships.

Nicola Hinton is the daughter of the Founders of the charity. She has a doctorate in Clinical Psychology and is employed by the health service where she has set up a unit to identify people with mental health problems who may be radicalised by terrorists. It is run in conjunction with the Home Office and the police. Nicola has visited the project and has grown up with it from the beginning. She has experience of fund raising and through her job has many influential contacts. Importantly Nicola and the other young trustees are being trained and mentored to take the charity into the future.

The Foundation Board is based in Kenya and with the exception of one UK Trustee consists of members of the local community. They all have a wide knowledge of the area, its problems, the people, culture and customs plus skills and experience. Winnie, the chair, is a retired nurse/ midwife, Harry the chief elder of Mgongeni knows the people and the problems better than anybody and is a very astute gentleman, Gladys has a wide experience of working with women's groups, and working for local charities. Joshua is head-teacher of a large local primary school, and has lots of knowledge and experience that is invaluable in supporting the school and the teachers; he is responsible for preparing the school for registration. Joshua is also the school manager and provides support and advice to the head teacher... Flora is a retired nurse/midwife who lives in the community and has a wide knowledge and understanding of the numerous problems faced by the residents.



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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 Mustard Seed Project (Kenya) for the year ended 31 March 2017. 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 reduce poverty in Mgongeni a slum area of Mombasa. The organization was established in October 2008, registered as a company limited by guarantee on the 10 December 2008 and registered as a Charity on 5 February 2009.

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

The Objectives of the charity are:

- 1 The advancement of quality education for children, young people and adults in Mgongeni Mombasa and other locations in Kenya. 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 the each child is working towards its capabilities.
1. The relief of sickness through the provision of community health, medical services and treatment in Mgongeni. We have opened a clinic shall introduce home visits.
2. The advancement of education, relief of financial hardship, sickness, poverty and distress for the community of Mgongeni.
- 4 The relief of hardship for the community of Mgongeni by provision of training, advice and micro-finance to enable women to start their own businesses
- 5 The empowerment of the community of Mgongeni to enable them to demand that the Government and Municipal Council invest in the provision of infrastructure and services to improve their quality of life.
- 6 Empowering and motivating the unemployed youths, giving them confidence and self-belief so that they can build their lives through education and vocational training and can find jobs or start their own businesses.

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Background

In many ways Mngongeni is a microcosm of Kenya. Over the last 50 years people have gravitated to the cities to find work and a better life. Sadly most, like those in Mngongeni, have found, unemployment, over crowded housing, poor services and hardship. Mngongeni is not a shanty people live mainly in Swahili houses that are made from quarried coral blocks with corrugated iron roofs. Families live in a single room, 8 rooms to a house with a shared pit latrine. Very few have running water some have electricity but it is very expensive.

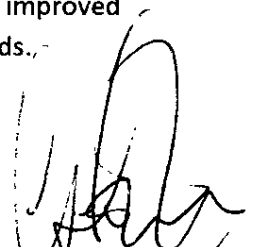
People from most of Kenya's 42 tribes live in the community and are split between Muslim and Christians. One of the biggest problems facing Kenya is that the people are tribal and put their tribe before their country. Investment goes to the tribal area of the President leaving poorer areas marginalized and destined to decline further. In many cases jobs are given to people based on their tribe and not their ability.

Although Mombasa is the second largest city in Kenya and the major port for East Africa, the coastal tribes are small and have little influence therefore the whole area is suffering from lack of investment. The divergence of the population in Mngongeni means that there is no obvious hierarchy or leadership that one will find is a single tribe village, which makes it difficult to organize and run projects. It is important that all initiatives come from the community and that they take responsibility for implementing them, All projects that we support have to be capable of becoming financially self-sustaining.

There is a shortage of clean water, poor drainage and inadequate sanitation. With no collection services rubbish lays everywhere encouraging rats and other rodents that spread disease. Parts of the area flood in the rainy season undermining houses, leaving stagnant water where mosquitoes and other parasites breed. The situation is made worse by neglect.

HIV Aids is present, but malaria is the biggest killer, leaving many orphans and one-parent families. There is no clinic and people cannot afford medicine and health care. Old people are struggling without family support: many are trying to raise their grandchildren with no income or government help. There is high unemployment and with no benefit system many people live below the breadline. Poverty drives young people to drugs and crime and is depriving many children of education.

The aim is to empower the community to take responsibility for their future. Change will only happen when they make the decision to change and take action. We do not give aid everyone has to contribute and they must take ownership. Mustard Seed Project (Kenya) is the catalyst, providing education, training, access to those in authority, instilling belief in the people that they can makes their lives better, getting women to fight for equality, helping people to start their own businesses and improving the infrastructure and basic services. People need a hand up not a hand out, aid only breeds dependency. It is a hard fight but already changes can be seen and role models and leaders are appearing who can lead the long-term development plan. Since the project started the facilities in the community have improved with the introduction of security lights, some street lights, and improvement to the unmade roads.,-


G. Fowler



Tourism is central to the economy of the coast and the quality of life for most people got significantly worse when the British Government declared that Mombasa was a dangerous city and the tour operators and charter flights were withdrawn. Although the UK government removed their ban several years ago the tourist industry is slow to improve. UK tourists will not return in large numbers until the direct charter flights from Gatwick to Mombasa are reinstated. .

There are signs that some families are better off but the poorest are still suffering. More recently there has been a significant increase in the building of new apartments and houses. Unfortunately the rents are too high for those in need of better housing and many are still empty.

Plans for the Future

1. The emphasis is to complete the new school building.
2. It is planned to have the ground floor completed by the end of December 2017. The clinic will then move to the new building
3. This means that we have to raise £100000 to complete the building...
4. Improving the quality of the education. This requires on-going training of staff and better resources.
5. Extend adult education. We shall investigate the opportunities for renting out the building in the evenings to run courses this will raise income for the school and make it even more secure.
6. Ensure that we eventually get the lease document.
7. Increase the effort to help women to gain employment or start their own small businesses.
8. Extend the youth project. Involve more businesses in all industry sectors gain sponsors to support youths going to college, establish a fund that pays bursaries to the youths from the poorest families.
9. Obtain land and build a football pitch and other sports facilities to be used by the community and all the local schools who have no playgrounds and equipment.

Governance and management

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 reduce poverty, injustice and inequality and to further economic and social development in partnership with deprived people and communities in Kenya. Mustard Seed Project (Kenya) does this by education and training, sharing and developing skills and ideas, empowering the community, capacity building, promoting social change and building awareness of development issues.



Mustard Seed Project
Growing a better future

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 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 following trustees were in office at 31 March 2017

Trustee

Rita Fowler Chair

Geoffrey Fowler

Lynne Smith Secretary

Mark Tilley Treasurer

Archana Gregory

Julie Berry


Nicola Jayne Hinton

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 organizing events.

There are no employees in the UK



G Fowler

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 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 on going expenditure. The school requires subsidizing and money is kept in reserve to cover 4 months costs. All the organisations 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

Mustard Sees Project (Kenya) is now an established company. The income is down on previous years due to illness which taken our time. Charitable Trusts 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 too 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 Mustard Seed Project (Kenya) should aim to maintain sufficient reserves primarily to:

- ♦ ensure adequate working capital;
- ♦ meet capital expenditure needs for the year ahead;

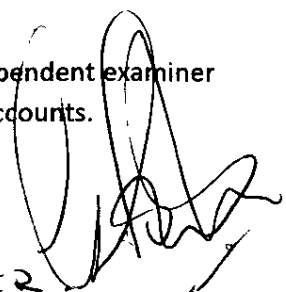
The new guideline for reserves is that they should be at least 4 months revenue costs plus any other liabilities. This has been increased because of the political and economic uncertainties in both the UK and Kenya which could present a major risk and over which we have no control; without reserves they 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

Because the income is more than £25000, the accounts have been examined by an independent examiner who is an ex-bank manager and has many year experience and knowledge of company accounts.


G. FOWLER



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Supporter and Contributors

The Trustees would like to thank all those organisations and individuals who have who have provided financial resources for our work and without which 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, including our staff and trustees in Mgongeni and the many that support individually both financially or with their time and skills.

Approved by the Trustees and signed on their behalf by:

Director

G. Fowler.

Date

9. 12. 2017



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MUSTARD SEED PROJECT (KENYA)
REPORT OF THE TRUSTEES FOR YEAR ENDING 31 MARCH 2017
THE INDEPENDENT EXAMINERS REPORT.

I report on the accounts of the Mustard Seed Project (Kenya) for the year ended 31 March 2017 which are set out on pages 17 and 18

Respective responsibilities of the Trustees and Examiner

The trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 and that an independent examination is needed. The charities gross income exceeded £25000 and I am qualified to undertake the examination by being a Fellow of the Chartered Institute of Bankers (FCIB.BA)

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

Examine the accounts under section 43 of the 1993 act

To follow the procedures laid down in the general directions given by the Charity Commission under section 43(7)9b) of the 1993 Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with directions given by the Charities Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with the records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanation from you as trustees of any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:-which gives me reasonable cause to believe that in any material respect the requirements:

To keep accounting records in accordance with section 386 of Companies Act 2006; and

To prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the companies Act 2006 and with the methods and principles of the Statement of Recommended: Accounting and reporting by charities

Have not been met; or

(1) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ivan J S Fuller FCIB.BA
38 West Villas
West Road
Bourne
PE10 9PU

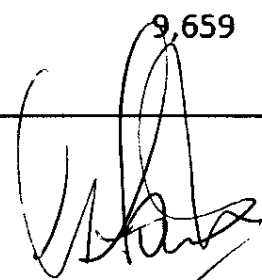


Mustard Seed Project
Growing a better future

Profit and Loss

For the Year ended 31 March 2017

	2017	2016
	£	£
Donations (<i>Unrestricted</i>)	23,386	33,943
Grants (<i>Restricted</i>)	14,701	36,444
Gift Aid	2,577	5,001
Gift Aid adjustment	10	-24
School fees (Kenya)	11,000	10,500
Total Income	<u>51,674</u>	<u>85,864</u>
Kenya outgoings (unrestricted)	33,986	38,367
Kenya outgoings (restricted)	18,701	33,444
Kenya travel costs	2,581	3,918
UK expenses	95	199
Depreciation	251	278
Write off to balance sheet		
Total operating costs	<u>55,614</u>	<u>76,205</u>
Gross surplus/deficit	-3,940	9,659
Bank charges	<u>0</u>	<u>0</u>
Operating surplus/deficit	-3,940	9,659
Interest received	<u>0</u>	<u>0</u>
Surplus/deficit for the financial year	-3,940	9,659


G. Fowler



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Balance Sheet

For the Year ended 31 March 2017

					2017	2016
<u>FIXED ASSETS</u>						
	Buildings	Fixtures & Fittings	Computers & Equipment	Well	Total	
					£	
<u>Cost:</u>						
At 1 April 2016	125,133	4,850	0	3,000	132,983	74,850
Additions					0	58,133
At 31 March 2017	125,133	4,850	0	3,000	<u>132,983</u>	<u>132,983</u>
<u>Depreciation:</u>						
At 1 April 2016		2,344	0		2,344	2,066
Provided for the year		10% 251	SL25% 0		251	278
At 31 March 2017	<u>0</u>	<u>2,595</u>	<u>0</u>	<u>0</u>	<u>2,595</u>	<u>2,344</u>
<u>Net Book Value:</u>						
At 31 March 2017	<u>125,133</u>	<u>2,255</u>	<u>0</u>	<u>3,000</u>	<u>130,388</u>	<u>130,639</u>
<u>CURRENT ASSETS</u>						
Gift Aid to be reclaimed					2,577	5,001
Sundry debtors and prepayments					0	0
Cash at bank (U.K., unrestricted)					7,409	8,338
Cash at bank (U.K., restricted)					0	5,000
Cash at bank (Kenya, unrestricted)					13,279	9,615
Cash at bank (Kenya, restricted)					1,000	0
					<u>24,265</u>	<u>27,954</u>
<u>LESS CURRENT LIABILITIES</u>						
Trustees' Loan Account					0	0
Sundry creditors					<u>0</u>	<u>0</u>
<u>NET CURRENT ASSETS</u>					<u>24,265</u>	<u>27,954</u>
<u>TOTAL ASSETS</u>					<u>154,654</u>	<u>158,593</u>
<u>REPRESENTED BY</u>						
General fund balance at 1 April 2015					158,593	90,801
Additions to assets					0	58,133
Surplus/deficit for the year					<u>-3,940</u>	<u>9,659</u>
					<u>154,654</u>	<u>158,593</u>

[Signature]
G. Fowler.

For the year ending 31/03/2017 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.

Notes to the Financial Statements

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and

Incoming resources

Incoming resources are generally included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. More specifically the following policies are adopted:-

Grants received have been accounted for on a receipts basis. Certain conditions attach to these grants and the trustees have endeavoured to ensure that these conditions have been complied with.

- Bank interest and dividends are generated from UK investments and are included in the Statements of Financial Activities are on an actual basis.

Cash donations and gifts are included in full in the Statement of Financial Activities as they are received.



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Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc. - 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

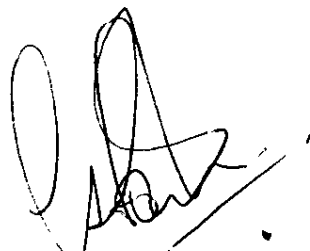
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Investments are stated at the market value. Net gains and losses arising are included in the Statement of Financial Activities.



G. Fowkes