

KESHO Organisation Annual Report 2009

29th January, 2010

Dear Sponsors and friends,

On behalf of the Kesho Committee, I would like to extend our thanks to everyone who has given so much of their time and resources to help Kesho promote educational opportunities for young people in Kilifi District, on the coast of Kenya.

2009 has been a tremendously successful year. Here are a few of the highlights:

- Thanks to donations received from individuals, Rotary Clubs and schools we were able to sponsor an additional 51 children through school. The year finished with 154 students being sponsored by the programme across the educational spectrum from Nursery to University.
- Secondary students are performing really well academically with the vast majority achieving grades of average (C) or above.
- Kesho moved to a larger office still within Kilifi in June, halving our overheads and resulting in a saving of just over £900.
- The services offered to students were extended and improved through the opening of a Resource Centre in November, improved skills in counselling and guidance, organisation of a Careers Day in April, an Art and Craft Day in November and two Open Days on Reproductive Health in December.
- We received a donation of secondhand books from Book-cycle www.book-cycle.org to help stock the resource centre and distributed more than half of the books to several other local charities, libraries and schools in Kilifi District.
- For the most needy families with children sponsored by Kesho we secured and delivered occasional food aid (rice/maize) received through the District Chief and used our Emergency Fund to provide such families with some of their most basic needs which they were lacking.
- The Kenya to UK and UK to Kenya Gap Year Programme continued into its second year. Queen Gari, the first Kesho sponsored student to embrace this opportunity returned from Sidcot School, UK in July to take up her place at Moi University to study Law.

Our financial position for 2010 is comfortable and there are sufficient surplus funds to put some in reserve, to cover rises in school fees (of 15%) and to immediately sponsor another 24 students in 2010.

Thank you once again for your continued support.

Yours faithfully,
The Kesho Committee

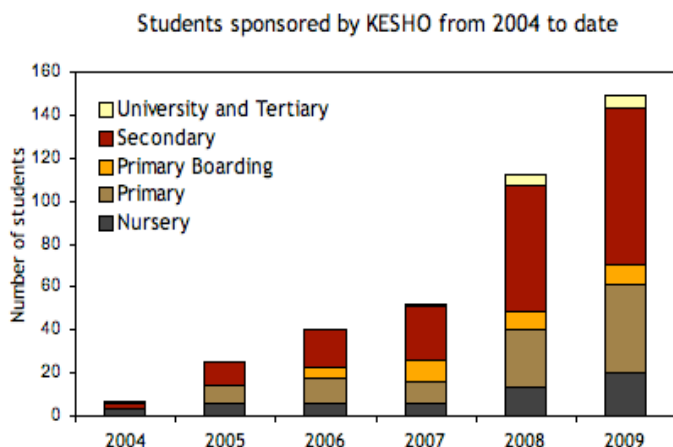
2. Management Discussion and Analysis

The external factors affecting the management decisions of Kesho are discussed.

(a) Administration and funding

Growth

Kesho is a growing organisation and the number of children being supported by the programme (see graph). Our target is to extend sponsorship to 180 children during 2010 and to 200 by the start of 2011.



This growth allows Kesho to extend its support within this very poor and needy community and gives more children the opportunity to an education they would otherwise miss.

For Kesho to meet this growth requires careful administrative, strategic and financial planning. The plans we are putting in place to meet our goals of efficiency, growth and sustainability are as follows:

Management structure

To achieve the strategic aims of efficiency and sustainability of the organisation, in August this year, KESHO sought and was awarded financial support from the Alistair Berkley Trust, specifically to cover the salary of a Project Coordinator. Prior to this, there had been too much reliance of the Administrator (a position funded by the Jovinas Trust since June 2008) on the Project Manager, a full-time, yet voluntary position. The employment of an additional and more senior member of staff, who is supported fully by the Administrator, means that the Project Manager and Committee Members (all voluntary positions) are now able to devote more time to attend to broader strategic and budgetary issues; tasks which are critical to the long-term success of Kesho.

Professional Development

Kesho needs to invest in the professional development of its staff in order to provide a better service to students and improve the running of the organisation as a whole. We have sought funds for 2010 for the Project Coordinator to attend a course in Nairobi on NGO Finance and Management and we are also arranging for some in-house training for both staff members in student guidance and counselling from an organisation based nearby in Mombasa.

Security of Core Funds

One of the major attractions of Kesho to sponsors is the fact that we are able to give 100% of all donations to the students themselves. This is entirely because of the grant it receives from the Jovinas Trust to cover administration costs, student service expenses (counselling, Open Days, Career Days, the Resource Centre) and the salary of the Administrator. The annual renewal of this grant makes Kesho's position vulnerable, and the need to secure funds for a longer time period could be critical to the long-term success of the organisation.

Security of Student Income

Income from sponsors of students is regular and secure. Kesho is confident that, providing our standard of service to sponsors and students remains high, our funding for students will remain secure in the long-term. Feedback from sponsors is positive and we're grateful for their direct support and the fundraising they do on our behalf, their donations to the project and the recommendations they give to their friends. We've never had a sponsor pull out of a sponsorship agreement before it's term!

Raising Student Income to meet growth

Plans are already afoot to raise the additional sponsorship money required to sponsor up to 180 students next year and we're confident that we can reach this target. At the end of 2009 we had in reserve funds of £5000 for this purpose and will recruit an additional 24 students (12 primary and 12 secondary) immediately at the start of the new academic year in 2010.

For raising additional funds, emphasis will be given to promoting more student sponsorships from individuals as this money is regular and secure which is good for the students and for the organisation as a whole. To this end we are continuing to extend our contacts and broaden our methods of communication with sponsors, Rotary Clubs, schools and businesses both in the UK and in Kenya. Kesho's Committee Members resident in the UK and visiting Gap Year students are also able to help in this respect.

Encouraged by the recent success of attracting new sponsors visiting the local Mnarani Hotel, we are now in the process for making a more formal arrangement with the hotel to attract more sponsorships this way. We are the recommended charity of choice for visitors to the Local Mnarani Primary school who express a wish to assist a child to school <http://www.mnaraniaid.co.uk/>.

Measures to deal with fee increases

There have been significant increases in school fees during 2009 and more are expected in 2010, particularly in the secondary school sector. Kesho has put aside 15% of its accumulated surplus funds from student donations to cover these increases. For sponsors starting in 2010, we have also raised the cost of sponsoring a secondary child from £300 / year to £350. As an additional precaution, to ensure some stability of Kesho should funds fall below our needs, we have started a small reserve fund of approximately £2,500 equivalent to 8% of our total income in 2009.

As an organisation, Kesho can act by expressing and representing the views and concerns of families regarding the fee increases. Tabitha Mwangi, KESHO's Secretary, had her concerns published in the Daily Nation in December and the committee members also submitted complaints to some of the schools directly and also to the Ministry of Education office. By putting pressure on the decision makers we might be able to affect change.

Improvements in communication with sponsors

We have improved communication with sponsors this year, principally through posting regular updates and news on our website and through starting a Facebook page and Kesho Group. Indeed, we recently received a most generous donation of two second hand laptop computers from a request put on our Facebook for assistance which will be put to immediate use in the resource centre.

<http://www.facebook.com/profile.php?id=1000002661203738&ref=profile>.

We also encourage visitors to the office to see what we're doing and also encourage participation of our local sponsors by inviting them to our Open Days and accompany us on home or school visits.

We continue to write to sponsors at the end of each term to let them know how their student is progressing at school and at home and attach a newsletter too. Larger sponsors such as Rotary Clubs and Schools and others upon request, also receive detailed accounts of the individual expenditure on students sponsored by their donation.

Transparency of student selection criteria

With the ever increasing demand for sponsorship, particularly now fees have increased, it is important to ensure our selection criteria for sponsoring students remains rigorous, unbiased and transparent. Application requirements are posted on the website and the notice board in the office. Interviews and final selections are always conducted with more than one member of staff present. There is no registration or application fee.

Tracking sponsors and students

With over 150 students sponsored, a database is an essential tool for keeping track of student and sponsor status. Filemaker Pro is used for this purpose and has almost unlimited spare capacity. Student data is linked to sponsor data. The system for recording examination results within the programme would benefit from improvement.

Financial controls

The committee Treasurer in Kenya, Dr. Kate Nokes, is accountable for the discharge of funds. Accounting within KESHO will remain her responsibility while being supported by a qualified accountant.

The Treasurer enters all expenditure and income into a book system and into Quickbooks Pro (Version 6.0). Income specifically from sponsors for students is also entered into a Filemaker database. Expenditure on individual students can be extracted for analysis and shared with sponsors upon request. The committee have access to the annual financial statements which are held in the office. We operate a petty cash system at the office for office expenses. Receipts are provided and expenditure recorded in a book and reconciled in Quickbooks. No cash is given to students - students receive cheques for their school fees. We operate a voucher system for uniforms and books; accounts are settled directly with the two cooperating shops at the end of each month.

KESHO's accounts are audited annually in January by Mr. Ted Todd, the accountant for Missions to Seamen, Mombasa and Ocean Sports, Watamu.

(b) Student Services

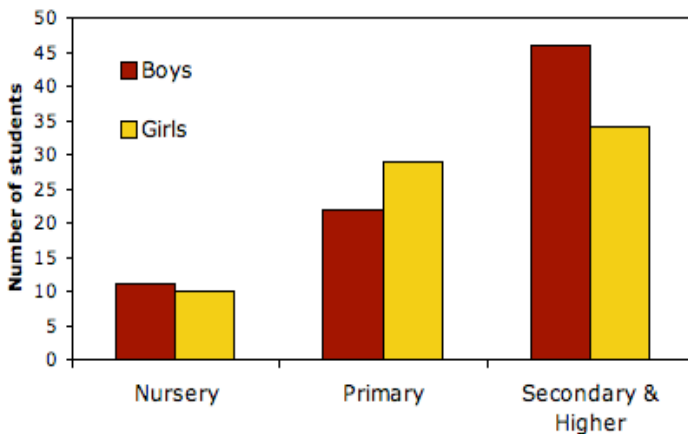
Kesho's main responsibility is to provide students with the best possible service so they can take full advantage of the educational opportunity given to them.

Writing cheques for school fees and buying uniforms and books is important but must be supported with good guidance and counselling so children can deal with the many challenges they face at home and at school that will impact on their educational performance. Kesho is dealing with these issues in the following ways.

Access to education for girls

A particular challenge for Kesho is how to get more girls to apply for sponsorship, especially at secondary level. Girls, particularly on the coast of Kenya, are often not given the same opportunities to an education as the boys.

Number of boys and girls sponsored by Kesho in 2009



To address this imbalance in the access of education to girls, Kesho is encouraging applications from girls and is proactive in inviting applications from a girls football organisation called Moving the Goalposts. Girls are also given priority when being short-listed application. There is still more to be done.

Student Contact frequency

Another challenge for Kesho is how to provide more continuity in the guidance and support we offer to students as they need only to visit the office only 5 or 6 times a year, during the holiday period to submit their reports, discuss progress and needs and then to collect their termly cheque. Various measures are being put in place to create opportunities for more regular contact with students: these are:

Home and School visits play a very important part of Kesho's work and provide opportunities to discuss issues on the student's territory, away from the office.

Open Days and Career Days bring students together as a group which is empowering and unifying for students.

The Resource Centre will invite students in and provide another, more informal, setting to talk to students.

Empowerment and access to course and career advice

Career advice is severely lacking in schools and the Kesho Careers Days are very highly valued by the students, the committee and the wider community. This year over 70 students attended. There is a need to reach out to as many students as possible and to invite a wide range of professionals to give advice. In 2010 we will extend our invitations to students from organisations with whom we collaborate closely including MTG, Upendo and Mnarani School Project. While we would like to be able to take the Careers Days to the schools, this would involve resources and time beyond the means of Kesho at this time.

In response to requests by students we wish to also extend the Open Days to cover more ground on reproductive health issues, self empowerment, and creativity; topics which again are tend not to be tackled satisfactorily in schools.

Access to information and international exposure

Access to information, books, international news and events, and the internet is really not easy for students, as resources are lacking both at home and in school. Exposure to the outside world through books and internet is limited and for many even finding a quiet place to study in the holidays, away from the demands of a family and younger siblings can be a challenge.

Kesho felt it was important to address this issue head on to target the specific needs of our students. We opened a resource centre in November of 2009 and its popularity was immediate; little ones come in and share picture books together and the older students form their own study support groups in the holidays. The centre is stocked with core school text books for primary and secondary level, files on career choices, university college prospectus's, course details (certificated vocational courses through to diploma and degree level), past examination papers and revision aids. It also has books on reproductive health and newspaper articles of relevance to young people. Thanks to a donation from Book-cycle in the UK (www.book-cycle.org) of fiction and non-fiction books for all ages stocks were significantly boosted.



In 2010 we plan to use the resource centre as a base for hosting weekly workshops, tuition, talks and discussion forums in the holidays which students can sign up for. These would include for example, a story reading, a morning of art, tuition in interview techniques, course advice, study techniques, Maths/English tuition, drama groups, reproductive health forums. In addition we would aim to invite professionals working in the local area to the resource centre to meet students who are interested in learning more about their particular profession, be it a Lawyer or a Tradesman.

Internet access for students is particularly important for study and for researching course and job opportunities. Rarely is this service available in schools. One of the computers donated to Kesho in December will be set up for this purpose.

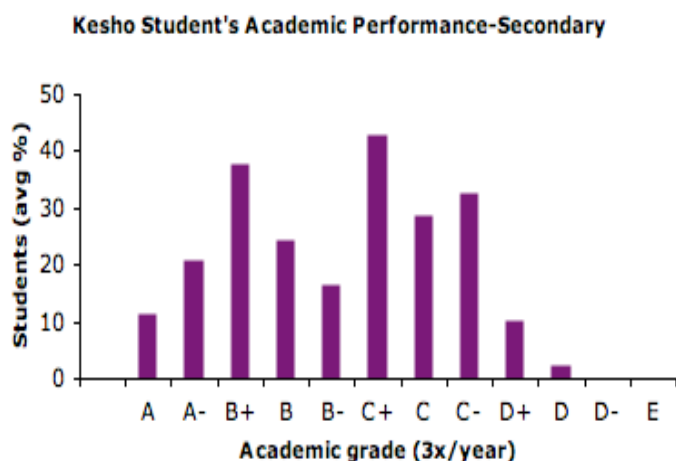
All these approaches will help to improve access and exposure to information which will empower our students, broaden their horizons and help to satisfy their hunger for books!

The Resource Centre is currently located in the office which is not ideal for students or our staff. It must be moved to a designated space, which is free from external distractions and conducive to study. A room adjoining the office has been reserved for this purpose.

Sustaining good academic performance against the odds

All Kesho students come from very poor families and some students find it harder than others to cope with these challenges without it impacting on their ability to study. The advice and counselling Kesho offers to such students can be critical.

Kesho expects good academic performance at secondary level and the graph shows that most students are succeeding. The loss of students due to continuous poor performance fell to only 3% this year (5 of 154). Performance among boys and girls is not significantly different.



Sustained good performance by students is considered a reflection of the improved selection procedures and improved standards of counselling and academic guidance given to students during their sponsorship.

While a lot of students respond well to the support given at the office, there are some who would

benefit from more continuous mentorship and guidance. We aim to set up, as a pilot study, a Kesho Peer Support Group in two schools close to Kilifi. The group would elect their own leader and would be encouraged to guide and nurture each other, emotionally and academically. Once in place, the scheme should be self-sustaining.

Building mutual understanding and respect across nations

The gap year programme is considered an extremely important component of our efforts to promote educational opportunities for our students, strengthen links with schools and clubs overseas and promote curiosity, mutual respect and understanding among young people from very different backgrounds.

The Kesho students serve as good ambassadors when overseas and also become role models to our other aspiring Kesho sponsored students.

Those selected to spend time in the UK are exceptional people, having overcome extraordinary difficulties to reach their level of academic and social standing. They are surely to become the future leaders of Kenya. While we have tremendous support from sponsors, schools and Rotary Clubs overseas to extend this programme, we are currently unable to do so as it is proving more and more difficult for students from Kenya to get the visa required to obtain entry to the UK. The programme is unlikely to expand until we can overcome these constraints.



We receive frequent requests from overseas students to visit Kenya, and Kesho has to remain strict with its selection criteria. Students hosted by Kesho from the UK are expected to be open and responsive to the needs and requirements of the schools in which they are placed as volunteers. From our needs assessment, skills in special needs, Maths, English, music, art and nursery teaching are of most priority. In return for being hosted, the students are expected to raise sufficient funds to sponsor at least one student through school for a year. It will be important to set a restriction on the numbers of visitors received by Kesho to ensure the office is not distracted from the core programmes.

(c) Other needs of the community eg. hunger

The needs of the community in which Kesho is operating are huge and access to education is only one of the challenges families face. Poverty is indeed complicated and there can be a lot of pressure for Kesho to expand and broaden its services to tackle other, pressing issues such as hunger, birth control, health, school infrastructure, conditions at home. Kesho handles this in a number of ways:

Remain focused: It is important Kesho remains focused on its core activities, and doing those to the best of its ability. When considering new programmes, the committee are agreed that only those which do not distract significantly from the main programme (sponsoring and guiding children through school), which will not incur a large financial commitment and which are expected to bring direct benefits to students and KESHO organisation as a whole can be considered.

Referral: Students are referred to other organisations for help where possible. For example, Kesho is endeavoring to enroll new students in

schools where the government has re-introduced feeding programmes. This is a very positive initiative taken in response to the hunger crisis, particularly at the coast, where many areas are receiving international food aid. At least the children can be assured of one decent meal a day.

Emergency Fund: Kesho holds a small Emergency Fund which allows us to give that extra bit of help to families who really need it but it must remain for "emergencies" only. This year we put a new roof on a family home to keep the rain out at night, paid hospital bills for families with Jiggers and other "minor" infectious diseases, delivered some sacks of maize and rice and bought some beds and mattresses for three families who were sleeping in similar circumstances, on a single straw mat on the bare earth.

3. 2009 Financial summary

Student Income is funds received specifically for student sponsorships.
Administration Income is funds received by charitable trusts for administration and programme service expenses.

INCOME

Students: £40,906 : £3000 has been paid in advance for students in 2010.

Administration: £12,564

Total Income: £53,470

EXPENDITURE

Students: £21,838

Administration: £10,067

Total Expenditure: £31,905

BALANCE

Students: £19,068

£4000 is payments for students received in advance for 2010

£5000 is reserved for new students in 2010

£7500 is reserved to cover the 15% increase in fees.

Actual surplus is: £2,568

Administration: £2,497

Breakdown of Income received for student sponsorships as a percentage of total for 2009 (excluding funds carried forward from 2008)

%	Funding category
49	Regular Sponsors
40	UK
9	Kenya
25	Donations & Fundraising for students
19	UK
6	Kenya
21	Rotary Clubs
5	Schools (UK & Kenya)
1	Other (interest/discounts)

4. Notes to financial statements

Profit and Loss & Balance Sheet:

Discounts and Interest: Discounts received from the shops for items bought for students and net interest from savings held in the bank are put directly back into the income fund for students.

Salaries: Both Employees are full-time salaried positions. PAYE, NSSF and NHIF are required taxes of Kenya. The basic salary is split into the percentage of time spent by the staff on administration (57%) and on counselling or guiding students (43%).

Employee 1: Mr. MacKinlay Mutsembi - Administrator from January to July 09 and then Project Coordinator from August 2009.

Employee 2: Ms. Grace Kazungu - acting as Administrator from September 2009.

2009 Income for students: There were sufficient funds to cover student expenditure in 2009 without the need to transfer funds from the Sterling Accounts (held in Kenya and in UK). Income was brought forward from unallocated funds held in the balance sheet and from income received directly into our Kenyan shilling account from Kenyan sponsors and Rotary.

Depreciation: The depreciation rate on fixed assets was calculated as follows: 25% on Computers, 20% on Software, 10% on furniture and 10% on books.

Current/Saving: Imperial Bank Sterling, UK Account and Sterling Funds: All quoted in Ksh but actually held in Sterling. Exchange rate applied was Ksh:£ 120:1

Grants and Grants Deferred. These are grants from Jovinas and Berkley Trust and are held separately from the funds received for student sponsorships. These grants are for administration, salaries and service expenses such as the Resource Centre, Open Days, Counselling. Jovinas and Berkley Trust funds start mid way through the Fiscal/calendar year in June and August respectively. Grant in the P&L is the amount available for the fiscal year (6 and 5 months of the 12 months awarded respectively). Grant Deferred: is the amount deferred (6 and 7 months) for the following fiscal year.

5. Committee Members



KESHO was started in 2004 by a small, voluntary group of women who were concerned about the lack of educational opportunities for children in Kilifi. We are now a committee of 10, a registered Community Based Organisation in Kenya SS/KFI/LR/WG/BAH-D/17/2008 and a Cooperating Institution of Rotary Internatinoal.

Chairperson: Mrs. Zena Salim (2nd from left)

Secretary: Dr. Tabitha Mwangi (far right)

Treasurer: Dr. Kate Nokes

Committee Members

Mrs. Sally Bagenal (2nd from right)

Mrs. Saida Famau (centre)

Mrs. Anna Muli

Dr. Sam Akach

Mr. Harry Fanjo

Mrs. Chrissie Gray (UK)

Mrs. Angela Carey-Brown (UK)

6. Staff Members

Project Manager

Dr. Kate Nokes - full time voluntary.

Kate spent many years in post-doctoral research looking at the relationship of ill-health on educational development. She moved to Kenya with her family in 2001 and set up Kesho in 2004 with Mrs. Zena Salim (Chairperson). She is the overall Manager and Treasurer of Kesho and works closely alongside the committee in developing its strategic and budgetary plans. In her free time she is a contemporary artist and enjoys sailing with her family.

Project Coordinator

Mr. MacKinlay Mutsembi (far left) - full time salaried from August 2009.

MacKinlay graduated with a BA(HONS) from Moi University in Linguistics. He has worked with Kesho for 18 months and during this time the organisation has grown considerably with the number of children sponsored by the programme having doubled. He has proven himself to be an extremely effective administrator and communicator. He is responsible for on going implementation of all the Kesho programmes, counselling of students, communicating with sponsors, parents and teachers, planning and implementing new programmes and the running and setting up of effective administrative systems. He shares with the committee our vision for Kesho and supports the Manager in raising funds. He is a superb brass jazz musician in his free time.

Administrator

Current: Ms. Grace Kazungu from August, 2009 - full time salaried

Past: Mr. MacKinlay Mutsembi from June 08 to July 2009 - full time salaried.

Grace has a Diploma in Community Health from Pwani University, Kilifi, and worked as a volunteer at Plan International before being appointed as Administrator of Kesho in August 2009. She has good counselling experience and is able to give guidance and advice from the office and in schools, particularly to the girls supported by Kesho. Her good organizational and computer skills mean she is also able to support fully, the work of the Project Coordinator in running the office, interviewing families and students, maintaining the database and event organising. In her free time she enjoys taking care of the young children within her extended family.