

**THE AKILI TRUST
ANNUAL REPORT FOR 2010-11**

Charity Name and Number

The Akili Trust: Registered charity number:
1114275

Akili Community Libraries (Kenyan NGO) registered number:
OP.218/051/2008/017/5057

Website: www.akilitrust.org

Correspondence Address

119 Victoria Road, London N22 7XG



Trustees

Cleopatra Mukula Ajode
Andrew Ballantyne (resigned January 2011)
Ruth Beedle
Pam Dix (Chair)
Lucy Evans (Treasurer)
Laura Gavshon
Mark Orchard
Anne Sofer

HISTORY, OBJECTIVES AND ACTIVITIES OF THE TRUST

The Akili Trust was established in January 2006 with a remit to establish and support community libraries in Kenya and East Africa. Charitable status was granted in May 2006 and NGO status in 2008.

Coastal Province, where the Trust's libraries are based, is one of the least developed areas in the region. Electrification is slowly being made available but is not affordable in the majority of homes and transport is limited. English is the language of instruction in all Kenyan schools, but there are few books available for people to read, and many adults cannot afford to buy a newspaper. Only 23% of Kenyans attend secondary school and the take up of further education in the region is one of the lowest in Kenya. Yet, there is a real thirst for education and information and libraries are well respected and are seen as key places of free access to learning.

The Akili Trust aims to work with local communities to improve literacy and expand access to information and education. In practical terms, this means:

- Supporting the existing libraries and establishing new libraries as appropriate and when funds are available;
- Ensuring that the libraries have suitable collections of books in English and Kiswahili;
- Ensuring that the libraries are staffed and that staff are recruited from the local community;
- Funding librarian salaries and running costs, including daily newspapers in English and Kiswahili;
- Providing support and training for librarians;
- Establishing local management committees to run the libraries and liaising with them and with local schools and other relevant authorities;
- Maintaining a bursary programme for secondary education.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Akili Trust was created by a Declaration of Trust dated 23 January 2006. The Trust Deed provides for a minimum of three trustees, who are appointed for two or three year terms. When there is a requirement for new trustees, these are identified and appointed by the existing trustees. The Chair of Trustees and Treasurer are responsible for the induction of any new trustee and for circulating information and advice from the Charities Commission and other related organisations. In January 2011, one of the founder trustees, Andrew Ballantyne, resigned from the committee after many years of making a significant contribution.

The Trust Deed gives trustees the power to apply the funds in such a manner as they think fit to further its stated aims. As the Trust aims to spend as much as possible of its funds directly in East Africa, it does not make grants to individuals or organisations that apply for funding speculatively.

Trustees meet at least four times a year to plan developments and monitor progress and finances. The committee reviews quarterly reports and correspondence from the libraries, decides on financial priorities and plans fundraising. Minutes of these meetings are held at the Trust's address. Sub-committees are formed from time to time as required.

The Akili Trust has provided funds for the registration of a sister organisation in Kenya, known as Akili Community Libraries (ACL). The intention is for ACL to provide support and guidance, and eventually to take over day-to-day supervision of Kenyan based activities. At least one Akili Trust trustee will serve as an officer of ACL and Lucy Evans has been appointed Treasurer of ACL. The formal recognition of the NGO status for this group was awarded in May 2008. In January 2011, the two Kenyan members of the NGO who helped with the establishment of the NGO status resigned from the Committee. They are both based in Nairobi and felt that it was better to have local Kenyan staff on the NGO. It was agreed that the two chairs of the Library Management Committees, Emmanuel Yongo and Francis Matayo, would join the committee. The inaugural meeting was held in July 2011 during Lucy Evans's visit to Kenya.

In Kenya, each Akili Trust library has a Management Committee, appointed from the local community. The Management Committee also includes representatives of the primary school where the library is based, normally the Headteacher and the Chair of the Primary School Management Committee. This Committee provides support, encouragement and advice to the Librarian and Assistant Librarian, as well as being a further point of contact and information for the Akili trustees.

ACHIEVEMENTS AND PERFORMANCE OF THE TRUST

During the year ending September 2011, the Akili Trust has continued to support the libraries in Dabaso and Kakuyuni. We have also begun work on collecting books for the new secondary school library that we will establish in partnership with the local Canon Mweri School, which is adjacent to Dabaso School.

We have continued the programme of purchasing local books by African writers, school texts and books in Swahili and these are popular and valuable additions to the library. We hope to increase the funding for this and to do a book buy in Nairobi with the librarians during the next trustee visit.

The schools that we work in continue to show improvements in their overall performance and the libraries are valued by the school communities.

Dabaso Library

Dabaso Library is now firmly established in the local community and as part of the school. It is well used by students from the school during the school day and by students from the nearby local secondary schools. It has a good number of regular adult borrowers, who now use the library for book borrowing, for reading the newspapers and for the computers. The new headteacher at the school has worked hard to improve the learning environment of the school. The area outside the library has been developed with makuti shelters to increase the amount of reading space and the library wall has been decorated with symbols to illustrate its function.

During the trustee visit in August, the school asked for funds to develop a large makuti shelter for class use and for meetings. This has been funded by a generous donation.

The book stock at the school has become very worn out and many items have been removed from stock so replenishing these will be a high priority for the next year, particularly for the picture book stock for the younger children.

It is clear that the local community sees overlap in the work of Akili and the Hutton Dabaso Trust and this leads to confusion, particularly about funding for particular work in the school. This was discussed during the annual trustee visit and we have subsequently worked with Hutton trustees to clarify this and explain it to the Headteacher. A member of the Hutton committee plans to attend Akili meetings from time to time and the Hutton trustees want to regularise their funding support for water and electricity in the school.

Kakuyuni Library

Kakuyuni Library is also now well established in the local community and the staff team is committed and hard working. Both the library itself and the outside area have been carefully developed to create a most attractive learning environment. The school has suffered considerable difficulties with a second change of headteacher in a short time and cuts to the funding for the lunchtime feeding programme, so the importance of the library as a safe and pleasant workspace is even more important.

The library assistant left in the summer to join the army. After some discussion a new post of combined IT trainer / library assistant was created and the present IT trainer was appointed. This allows for the longer term development of both aspects of the library's work and a generous donation has allowed the school to buy several additional computers. During the annual trustee visit a ceremony was held to present certificates to those members of staff and students who had completed the IT induction programme.

Library Bursaries

Each year, the Akili Trust funds the secondary education of a boy and a girl from each 'host' primary school. These students are selected by an independent panel and the choice is based on performance in the national leaving exams and on the family's financial circumstances. The intention is that these bursaries are for able students who would not otherwise be able to afford secondary education. The Trust now pays 100% of the fees, but the students / families are responsible for funding the costs of equipment, uniform and holiday tuition. The progress of the students is closely monitored and supported by the library staff and reported on to the Akili trustees. The students are required to work in the library at certain points during the academic year, carrying out general library duties and helping younger students with their schoolwork.

The first two bursary students graduated in January 2011 with very high grades, high enough to obtain university places. They will now begin the process of applying to university.

During the trustee visit in October 2010, there was great emphasis on the importance of the bursary programme and particularly the need to provide bursaries for girl students. We have agreed to try to find additional money for two extra bursaries from 2012 onwards.

Computers

The computers in both the libraries were set up during the year and after an initial series of teething problems have been working well. The training programme supported by the Leggatt Trust offered training to the library staff, school teaching staff and students together with community members. It was very successful so we decided to continue to fund the programme for a further

six months. Both trainers worked well together to develop the package on offer. The trainer at Dabaso was replaced mid programme by an equally experienced IT expert, who has fitted in well and continues to offer support and cover.

Other Activities

The fundraising programme in the UK has continued during the year with a number of events which have made a significant contribution to the Trust's income. In addition, several large donations were received from individual fundraising activities.

One of the trustees will be visiting Kenya during the autumn to make a film for the Red Cross as part of her professional work. During this time she will visit the libraries to make a short film for the Trust which is to be edited by Media Trust, and will incorporate other footage that we have available. Some of the work will be pro bono.

A large collection of books has been sourced and packed ready for shipping to Kenya. There has been some confusion about the import arrangements and this is in the process of being sorted by the NGO trustees.

Trustee visit

Three trustees (Andrew, Lucy and Pam) visited the libraries in October 2010 and Lucy visited again with her family in July 2011. Both visits were very successful in setting priorities, dealing with staffing and other local issues and networking. These visits are particularly important in helping to secure good working relationships with the library staff, the schools and the library management committees. Lucy's visit resulted in a number of improvements to the infrastructure in the libraries, the building of a large new makuti shelter in Dabaso and the donation of additional computers in Kakuyuni. The visits provide the opportunity to identify successes and problems and help to set development targets.

The next visit is planned for the autumn 2012 as part of the commitment to annual visits. This is a longer gap than we would like but the planning for the visit has been delayed because the area has been part of the travel exclusion zone imposed by the Foreign Office following the local troubles with Somali insurgents.

NGO

The new Trustees of the NGO met together for the first time in July 2011 in Dabaso with Lucy Evans acting as Chair for the day only. The main agenda was to clarify the purpose of the NGO and to summarise regulatory and accounting matters. The NGO Trustees had a very useful, full and productive meeting covering confirming accounting practices, insurance, tax issues and bench-marking for salaries as well as discussing shipping matters and the

long-term sustainability for Akili. It was agreed that we would like to move towards a situation where there was more management control in Kenya rather than in the UK and part of the NGO's remit would be to help this happen and to try to come up with ideas or personnel for this to succeed. All agreed that the appointment of a Kenyan Accountant had been helpful in terms of finalising accounts and tax returns and Lucy thanked Benson Mutua for his assistance with this. There was agreement that more work needed to be done in trying to gain access to information, perhaps from other charities, perhaps from government entities and both Emmanuel Yongo and Benson Mutua were particularly helpful in this regard.

The meeting effectively clarified a number of issues and it is hoped that the NGO Trustees will be able to meet with a UK representative at least once a year.

RISKS AND CHALLENGES

It is clear that, with world economies in a state of flux and the impact that this has on exchange rates, budget monitoring is a priority to ensure that the Trust does not become over-committed.

We also recognise the challenge of managing staff and keeping in touch with developments from a distance. We hope that the new librarian appointed to the new secondary school library will be more experienced and able to take on a development / coordination role for the Trust locally.

FUTURE PLANS

Our priorities for the next year include:

- Ensuring that there is an annual visit by Trustees;
- Exploring and developing the role of the NGO to make sure that the Trust's work conforms to the necessary statutory requirements in Kenya;
- Considering the tax status of our employees in Kenya and taking the necessary action;
- Looking for opportunities for partnership work with other organisations in Kenya;
- Continuing to provide funding for the purchase of relevant books, especially books in Kiswahili and featuring African writers and those important for the Kenyan school curriculum;
- Working with Media Trust on the film and other marketing possibilities;
- Looking at the future opportunities for our bursary students and

seeking advice about university and HE opportunities in Kenya; and

- Working on our fundraising strategies and a long-term strategy for the future of the Trust.

Financial Review

The net income for the year was £19,318.03, an increase on last year's income of nearly 13%. The majority of our income was from donors, existing and new, and through our very successful musical evenings which raised over £6,000 over the year. Our total expenditure rose to £21,854.57, the first year that Akili has had expenditure greater than income. This was a conscious decision to use the funding available to make significant improvements to the infrastructure in the libraries, improvements that had been on hold whilst we clarified our funding and that were overdue for completion. The breakdown of our expenditure is below. Overall, our net position, therefore, is that we continue to have a very strong cash position and our net funds for next year and beyond remain healthy.

Expenditure breakdown:

Salaries & running costs (both libraries):	£8,420.93	Note 1
Electricity:	£1,606.94	Note 2
Infrastructure costs:	£2,872.69	Note 3
Books, software & Library materials:	£672.49	
Secondary School bursaries:	£3,500.27	Note 4
NGO Costs:	£961.29	Note 5
Money used to generate funds:	£1,420.63	Note 6
Costs incurred during trustee trips:	£635.91	
Money lent to Hutton Dabaso Committee:	£626.96	Note 7
Bank, Regulatory & Currency charges:	£712.81	Note 8
UK Admin Costs:	£423.66	Note 9

Total: £21,854.57

Notes

1. Inflation remains at a high level in Kenya and salaries rose accordingly. There was the additional cost of maintaining an IT teacher in both libraries after the end of the Leggatt Trust grant. Running costs were increased significantly at each library, as these had remained unchanged for a number of years.
2. Both libraries now have electricity which means students can study after dark as needed and there are computers and fans which both use electricity.
3. Infrastructure costs are high this year due to a number of exceptional repairs and building projects including roof and window repairs, a new large makuti shelter at Dabaso and an emergency exit at Kakuyuni.
4. Bursary totals are slightly lower during this period, although the same number of students is funded because of fluctuation in both the school fees and the variability of exchange rates.
5. The NGO costs include registration fees and the employment of a Kenyan accountant for the Kenyan accounts. This is a mandatory and regulatory requirement as set out by the Kenyan authorities.

6. This includes expenses for fundraising events, costs that are offset against the income that such activities raise.
7. Hutton Dabaso is the original UK charity that works in the school and the local community, and was indeed one of the reasons for the establishment of the Akili Trust. During this year Akili provided financial assistance to two projects run by Hutton Dabaso on a short-term loan basis and this sum was repaid in full by Hutton-Dabaso within the financial year and is reflected in income.
8. Bank charges were very high this year. There are several reasons for this but the main one is the large number of Western Union transactions that had to be made because of problems with the postal system which resulted in the non-arrival of about 75% of cheques sent to Kenya. We aim to reduce this cost during the next financial year, in particular by making more use of the internal bank transfer systems.
9. UK administration costs were reduced as a result of a concerted effort to manage more efficiently and reduce costs where possible.

Currency Fluctuations & Economic Factors

Once again, the economic situation in Kenya is not particularly stable and this directly affects the currency exchange rates we are subject to. The range in exchange rates over the year is very broad and means that at times certain payments cost more, or less, than at other times. However, we have, with more experience, been able to gauge when it is a better time to send money and when it is a better time to pay bills. Partly as a result of this and also of when we can anticipate expenditure, we have managed to minimise the exchange rate fluctuations to only £69.89. Given cashflows through the Kenyan bank account of close to a million Kenyan Shillings (approx. £8,000) and exchange rates varying between 121 and 138 Kenyan Shillings to £sterling through the year we are pleased by this low figure and hope we can continue with this next year.

STATEMENT OF ASSETS AND LIABILITIES FOR Y/E 9/2011

D1a	<u>Cash Funds</u>	
	Co-operative Bank UK	£0
	CAF Bank UK	£14,094.78
	Kenya Commercial Bank	£431.00
	Currency Fluctuations	£(69.89)
D1b	Other Monetary Assets	0
D3a	Investment Assets	0
D3b	Assets retained for Charity's own use	0
D2	Liabilities	

**Total Cash Funds as per Accounts:
£14,455.89**

Signed on behalf of the Trustees:

Name: *Don Dix*
Date: *15/7/2012*

**INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS FOR Y/E
09/11**

The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) as amended by s.28 of the Charities Act 2006) and that an independent examination is needed.

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept (in accordance with section 41 of the Act); and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed: 

Name: BENJAMIN MORRIS

Date: 9TH JULY 2012

Relevant professional qualification or body (if any): ACA

Address: 2 WHILDEN LANE,
WINCHMORE HILL
BUCKS
HP7 0NF