

Starehe UK
Report and Unaudited Financial Statements
31 December 2019

Starehe UK

Reference and administrative details

For the year ended 31 December 2019

Charity number	1158079
Registered office and operational address	c/o The Dulverton Trust 5 St James's Place London SW1A 1NP
Trustees	Trustees who served during the period and up to the date of this report were as follows: Vane Aminga (from 1 April 2020) Lord Valentine Cecil Timothy Faithfull Chair David Kisiaky Geraldine McKibbin Frank Midega Keith Price Helen Varma Mark Webb Paul Whitehouse
Administrative support	Joanne Knight (Charity Manager) Margaret Shaylor (Accountancy Support)
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ
Solicitors	Farrer and Co LLP 66 Lincoln's Inn London WC2A 3LH
Investment advisers	Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA
Independent examiners	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor, Mariner House 62 Prince Street Bristol BS1 4QD

Starehe UK

Report of the trustees

For the year ended 31 December 2019

The trustees present their report and the examined financial statements for the year ended 31 December 2019 for Starehe UK (SUK).

Reference and administrative information is set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the charity's governing document and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2015).

Structure, governance and management

The Starehe Endowment Fund (UK) charity (1035323) was formed by Trust Deed on 2 March 1994 and changed its name to Starehe UK (SUK) on 17 July 2008. On 1 April 2015, SUK became a Charitable Incorporated Organisation, with a new registered charity number (1158079) and constitution. SUK's principal aim is to support the Starehe Boys' and Starehe Girls' Centres in Nairobi, Kenya, and is set out under objectives and activities below. The charity is governed by its trustees who meet annually.

Following the end of the successful StareheFuture Appeal in late 2011, SUK has focused on managing the endowment fund, providing annual distributions of income to support specific developments and running costs at the two schools, receiving and forwarding annual individual donations, usually for sponsorship, as well as acting in support of specific projects developed between UK based donors and the Centres.

This requires continual liaison between the schools and existing and potential donors in the UK. Donors and stakeholders are also kept informed about activities at the schools and SUK via SUK's website and electronic newsletters. Part-time administrative support was provided during the period by Joanne Knight as the Charity Manager. This role is self-employed, working the equivalent of 0.2 FTE. The Charity Manager provides the link between the schools, individual sponsored students, and their supporting donors and also supports trustees with charity governance and bookkeeping. Accountancy support is provided voluntarily by Margaret Shaylor a few hours each month.

Trustees

The trustees who have served throughout the period are shown on page 1. New trustees are appointed at the discretion of existing trustees. Trustees serve for a fixed term, usually five years, at the end of which they may offer themselves for reappointment for a further period. Details of all trustees and the secretary are available on the SUK website. When SUK was converted to a CIO in 2015, all trustees were re-appointed for a single term with staggered retirement dates for future continuity.

Tim Faithfull has been Chairman since 1 April 2013 and succeeded Paul Whitehouse. Paul continues as a trustee. He was Founder Chairman of Starehe UK, and its prior UK bodies for over 40 years. As a former volunteer at Starehe, between 1963 and 1964, he worked closely with the Founder of the Starehe Boys' Centre, Dr Geoffrey Griffin. Paul's continuing involvement with the schools and the funding arrangements in the UK provides continuity, substantial experience and judgment to SUK. Tim Faithfull has been a trustee since 1994, and was chairman of the Management Committee at Starehe Boys' Centre between 1985 and 1989, whilst working in Kenya.

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Report of the trustees

For the year ended 31 December 2019

David Kisiaky, an Old Starehian resident in the UK, was appointed as a trustee in 2008, and has been Treasurer since 2012. In December 2018 Frank Midega, another Old Starehian, was appointed as a trustee to maintain SUK's connection with the schools and also provide additional finance skills to the board.

For the period of this report, the secretary to the trustees was Joanne Knight.

Objectives and activities

The purpose of SUK is the furtherance of the education of pupils at both Starehe Boys' Centre (from 1972) and Starehe Girls' Centre (from 2005), schools which provide free secondary education to needy children in Kenya. These exceptional schools provide a home and a first-class education for bright boys and girls from Kenya's most impoverished communities.

Trustees also have discretion to support other similar causes, but to date all funds have been directed to the Starehe schools.

SUK receives income from donors and its own investments, which enables it to further its charitable purpose for the public benefit as follows:

- Providing funds to the schools through a student sponsorship scheme to support the education of poor or orphaned children. Donors are assigned as sponsor for one or more named pupils and receive termly school reports and letters from their sponsored student(s). The schools receive up to £850 per year for each sponsored student which contributes towards the cost of providing a free home and education for children in need. Donors can provide funds either by sponsoring a student through regular donations, or by payment of a lump sum creating an endowed bursary place (a 'forever' sponsorship) to be allocated to successive students.
- Providing funds for a designated capital expense such as the purchase of music equipment or the construction of a new building.
- Providing general funds to the schools to support the running costs.

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing SUK's aims and objectives and planning activities for the period.

Achievements and performance

The academic year in Kenya runs from January to December. Sponsorship funds distributed by SUK between 1 January 2019 and 31 December 2019 contributed towards the schools' costs for the 2019 academic year. Funds from SUK's endowment income are usually transferred in March of each year.

Starehe Girls' Centre

- SUK contributed £29,226 towards 35 named places for girls from deprived backgrounds to live and study at Starehe Girls' Centre during the 2019 academic year. 22 of these students were funded via endowed places, and 13 by regular sponsor donations. As well as giving these students a first class education, the school provides a safe home for girls during term time and school holidays if required.
- SUK contributed £12,150 towards the general running costs of the Starehe Girls' Centre for the 2019 academic year, helping to support the education of 483 students from deprived backgrounds who rely on charity sponsorship to cover their costs at Starehe Girls' Centre. A further 114 fee-paying pupils also attend the school.

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For the year ended 31 December 2019

- SUK paid £500 towards the repair and servicing of 50 wind instruments for the school music department.
- SUK paid £3,252 towards the school and university fees for the winners of the Jonathon Feuer Citizenship Award. The award recognises the student who best displays Starehe's values, including honesty, respect, hard work, reliability and a regard for the wellbeing of others. In 2019 the award was won by Veronichah Wathihia following school-wide elections. Her prize includes payment of her final year school fees and a contribution towards her university or college fees.

2019 was another successful year for the Starehe Girls' Centre with pupils achieving excellent results in the Kenyan Certificate of Secondary Education final examinations sat by Form 4 students in late 2019. From the 119 students who took the exams, 84% achieved a grade of A or B. The cut-off for entry into one of Kenya's public Universities is C+; an impressive 94% of students secured a place at university setting them up for a positive future.

As well as pursuing their academic studies, the students undertook many extracurricular activities in 2019. These included participating in the Kenya National Music festival held in Nakuru County at Kabarak University. An annual event organized by the Ministry of Education, the festival provides an opportunity for the students to develop and showcase their talents on a National platform. Students also had various sporting successes including representing the school in basketball and volleyball at sub-county level and athletics at the national level.

Starehe Boys' Centre

- SUK contributed £16,104 towards 23 sponsored places for boys from deprived backgrounds to live and study at Starehe Boys' Centre during the 2019 academic year. 18 of these students were funded via endowed places, and 5 by regular payments.
- SUK contributed £30,125 towards the general running costs of the Starehe Boys' Centre for the 2019 academic year, helping to support the education of 1,024 students throughout the year, 717 of whom are from a deprived background.

The students performed well in their Certificate of Secondary Education final examinations. 77% of the 266 students who sat the exams in 2019 achieved a grade of A or B, with 86% meeting the grades for a university place.

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During the year ended 31 December 2019, the charity's total incoming resources were £138,046, of which £41,566 was from supporter donations, £1,000 from fundraising activities, and £95,480 from growth and income from investments.

Overall between 1 January 2019 and 31 December 2019, SUK disbursed £93,107 to the two schools as follows:

- £3,752 for funds restricted to specific projects specified by donors;
- £14,355 from regular donations by donors sponsoring students; and
- £75,000 from the yield on the funds raised by the Aim High and Starehe Future Appeals, including donations for bursary endowments for student places (restricted 'forever' sponsorships) or for general support (unrestricted).

Funds distributed for the sponsored student places, endowed bursary places and general running costs have provided contributions to the schools across the 2019 academic year.

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Report of the trustees

For the year ended 31 December 2019

SUK is indebted to a number of individuals and organisations for their fundraising support in this period, including:

- Next PLC for making a generous donation of £1,000;
- The employees of Shell for their foreign coin collection of £711;
- Simon Brister for committing to sponsor 4 new Form 1 students at Starehe Girls' Centre;
- Jonathan Feuer for his continuing support of the Jonathan Feuer Citizenship Award at the Starehe Girls' Centre; and
- Our long standing individual student sponsors including the Lockhart Family, Rushton Family, Westfield School, Britten Family, Guy Family, Handford Family, Mr Kariuki and Cobham School.

In addition, SUK is delighted to be supported by the Old Starehian Society UK Chapter. This is a newly formed group for former Starehe students living and working in the UK. Its members are offering mentorship to current students, support to Old Starehians when they first arrive in the UK, and is fundraising to sponsor students at both schools. The group raised £2,393 in its first 6 months.

We are sincerely thankful to all the individuals, schools, colleges and organisations that support students through sponsorships and regular donations.

Financial review

Sources of funding

The charity's investment funds have been secured through two major appeals in the UK. The Aim High Appeal (1996-98) raised funds for the Starehe Boys' Centre only, as Starehe Girls' Centre did not open until 2005. The StareheFuture Appeal (2008-11) raised funds for both the Starehe Boys' Centre and the Starehe Girls' Centre. Donations from both appeals funded endowed or sponsored student places, capital projects or general donations. Donations which were pledged for endowed or sponsored student places or capital projects were treated as restricted. Where donors did not place any restriction on their pledges, these funds were invested to provide future unrestricted investment income.

In addition to the past appeals, SUK receives regular ongoing donations from individuals and organisations. These donations are either restricted for student sponsorship or a specific development project, or gifted as an unrestricted contribution towards general funds.

All restricted donations or income from restricted endowed funds are passed directly to the schools. The amount of unrestricted income passed to the schools towards their general running costs is at the trustees' discretion, taking into account the funds needed to cover the administration and governance costs of SUK. Usually funds for the schools' general running costs are allocated in the ratio 65:35 to Starehe Boys' Centre and Starehe Girls' Centre respectively. This ratio reflects the different size of the schools and their needs.

Financial position

There was a net surplus for the 12-month period of £14,787. After accounting for the increase on investments of £334,028 arising from the revaluation of investments held at 31 December 2019 to market value, the total net increase in the funds for the period is £348,815.

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Report of the trustees

For the year ended 31 December 2019

Investment policy

The trustees have established an investment policy, which is agreed with the fund manager. The overall aim is to produce the optimum total return from the investment portfolio with the aim of generating a relatively high level of income whilst maintaining the real value of the assets over the long term. The primary investment objective is to achieve an annual return equivalent to the Retail Price Index (RPI) plus 3.75%, net of fees, over a five year rolling period. A composite index is also used to assess performance in the context of wider market conditions.

Investment performance

The value of SUK's investments at the end of December 2019 was £2,371,354.

Approximately 70% of the investment portfolio is invested in equities. The direct equity portion is orientated towards robust, cash-generative companies which benefit from strong market-leading positions in multiple markets and offer relatively high dividend yields. The remainder of the portfolio is invested in a combination of corporate and index linked bonds, commercial property and infrastructure assets, in order to enhance the capital stability of the overall portfolio and contribute to the income required.

Global equities rallied in 2019 despite numerous geopolitical risks, with central bank easing being a key driver of market returns. Over the longer term, the US equity bull market has entered its 10th year outperforming other major stock markets, although the strong performance in 2019 was largely driven by the Technology sector, FAAMG stocks in particular (Facebook, Apple, Amazon, Microsoft and Google). The portfolio has performed well despite its lack of exposure to this area of the market generating a total return, net of costs, of 20.4% for the year. This return compares to the benchmark return of 15.8%.

Over the longer-term, the portfolio has exceeded the long term CPI +4.25% objective. The portfolio continues to generate an income significantly in excess of the annual target, with income for the 12 months to the end of December standing at £95,480.

Reserves policy

It is the policy of the charity to maintain its free reserves at a level which generates sufficient income to enable it to meet annual funding requirements agreed with the two schools, and to respond to emergency needs which arise from time to time. As the Fund is intended to provide an assured source of income to both schools, it necessarily has substantial investments.

Risks

The trustees have examined the major risks which the charity faces and confirm that processes are in operation to enable these risks to be mitigated:

- Funds are managed by a reputable manager, with whom the trustees have agreed an investment policy with clear parameters for risk exposure, asset allocation, and income levels;
- Strict controls are applied to operation of bank accounts; and
- Regular communication takes place with the two schools on the deployment of funds.

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For the year ended 31 December 2019

COVID-19

Both Starehe Girls and Boys schools closed in March 2020 in response to the Kenyan Government's directive in response to the COVID-19 pandemic, and while most students were sent to their families or guardians those who are orphans remain in the care of the schools. The schools are still incurring costs to pay staff, maintain its buildings and communicate with pupils. At a time when many other sources of income for the schools have disappeared, SUK Trustees intend to make its 2020 transfer of funds as usual. SUK's investments include sufficient cash for the regular bursary payment to be made at the same level as previous years as detailed in the "Plans for the future" section below.

The dividend income on the investments for the year ending 31 December 2020 is expected to be lower than recent years and it is possible there may be a drop in the regular donations from individuals due to COVID-19. However, Trustees are confident that SUK will remain a going concern and will continue to support the Starehe schools for the remainder of 2020 and the future.

Safeguarding

The trustees have undertaken reasonable investigations to be satisfied that both the Starehe Boys' Centre and Starehe Girls' Centre give sufficient importance to safeguarding with the relevant policies and procedures in place.

Plans for the future

In May 2020 the following transfers will be made to the schools totalling £93,793:

Starehe Girls' Centre:

- £17,850 of investment income to cover the sponsorship fees for 22 endowed student places for the 2020 academic year;
- £12,548 of donations towards the fees of 20 sponsored students for the 2020 academic year; and
- £12,150 grant towards the general running costs of the school for the 2020 academic year.

Starehe Boys' Centre:

- £14,875 of investment income to cover the sponsorship fees for 18 endowed student places for the academic 2020 academic year;
- £6,245 of donations towards the fees of 7 sponsored students for the 2020 academic year; and
- £30,125 grant towards the general running costs of the school for the 2020 academic year.

SUK aims to continue to provide both annual income and capital development support, as agreed with the schools, whilst maintaining the capital value of the endowment in the medium term.

Statement of responsibilities of the trustees

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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Report of the trustees

For the year ended 31 December 2019

The law applicable to charities in England and Wales requires the trustees are to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charities (Accounts and Reports) Regulations, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

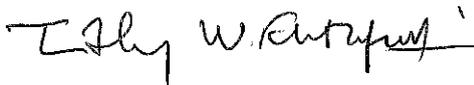
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were re-appointed as independent examiners to the charity during the period and have expressed their willingness to continue in that capacity.

Approved by the trustees on 14 May 2020 and signed on their behalf by



Timothy Faithfull - Chairman

Independent examiner's report

To the trustees of

Starehe UK

I report to the trustees on my examination of the accounts of Starehe UK (the CIO) for the period ended 31 December 2019, which are set out on pages 10 to 22.

Responsibilities and basis of report

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

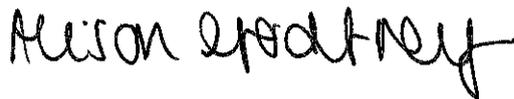
I report in respect of my examination of the CIO's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the CIO as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

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



Date: 1 JUNE 2020

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Starehe UK

Statement of financial activities

For the year ended 31 December 2019

				12 months to	9 months to
				31 December	31 December
				2019	2018
				Total	Total
	Note	Restricted	Unrestricted	£	£
		£	£		
Income from:					
Donations - general	3	-	6,549	6,549	7,171
Charitable activities	4	35,017	-	35,017	10,366
Other trading activities	5	-	1,000	1,000	2,500
Investments		-	95,480	95,480	68,377
Total income		<u>35,017</u>	<u>103,029</u>	<u>138,046</u>	<u>88,414</u>
Expenditure on:					
Raising funds		-	21,016	21,016	17,816
Charitable activities		<u>18,107</u>	<u>84,136</u>	<u>102,243</u>	<u>17,836</u>
Total expenditure	6	<u>18,107</u>	<u>105,152</u>	<u>123,259</u>	<u>35,652</u>
Net income / (expenditure) before investment gains / (losses)		16,910	(2,123)	14,787	52,762
Net gains/(losses) on investments		-	<u>334,028</u>	<u>334,028</u>	<u>(82,691)</u>
Net movement in funds	8	16,910	331,905	348,815	(29,929)
Reconciliation of funds:					
Total funds brought forward		<u>1,466,052</u>	<u>627,835</u>	<u>2,093,887</u>	<u>2,123,816</u>
Total funds carried forward		<u><u>1,482,962</u></u>	<u><u>959,740</u></u>	<u><u>2,442,702</u></u>	<u><u>2,093,887</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the accounts.

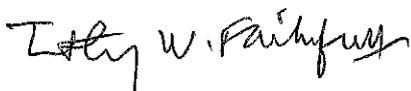
Starehe UK

Balance sheet

As at 31 December 2019

	Note	£	2019 £	2018 £
Fixed assets				
Investments	11		<u>2,371,354</u>	<u>2,005,830</u>
			2,371,354	2,005,830
Current assets				
Debtors	12	1,193		423
Cash at bank and in hand		<u>78,213</u>		<u>102,780</u>
		79,406		103,203
Liabilities				
Creditors: amounts falling due within 1 year	13	<u>8,058</u>		<u>15,146</u>
Net current assets			<u>71,348</u>	<u>88,057</u>
Net assets	14		<u>2,442,702</u>	<u>2,093,887</u>
Funds	16			
Restricted funds			1,482,962	1,466,052
Unrestricted funds:				
General funds			<u>959,740</u>	<u>627,835</u>
Total charity funds			<u>2,442,702</u>	<u>2,093,887</u>

Approved by the trustees on 14 May 2020 and signed on their behalf by



Timothy Faithfull - Chairman

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Starehe UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic is likely to have a profound impact on the global economy, and may in turn affect the charity. The trustees have considered the impact of this issue on the charity's current and future financial position. The charity held unrestricted, general reserves of £959,740, and a cash balance of £78,213 as at 31 December 2019. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

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Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis:

	12 months to 31 December 2019	9 months to 31 December 2018
Charitable activities	80%	80%
Raising funds	20%	20%

i) Investments

Listed investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the period end as the difference between the closing market value and the opening market value or purchase value during the period.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies (continued)

k) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

n) Grants payable

Grants payable are charged in the period in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached have been fulfilled. Grants offered subject to conditions at the year end are noted as commitment but are not accrued as expenditure.

o) Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

p) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the year to 31 December 2019 no key sources of estimation uncertainty had a significant effect on the amounts recognised in the financial statements.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

2. Statement of financial activities - prior period comparative

	Restricted £	Unrestricted £	9 months to 31 December 2018 Total £
Income from:			
Donations - general	-	7,171	7,171
Charitable activities	10,366	-	10,366
Other trading activities	-	2,500	2,500
Investments	-	68,377	68,377
Total income	10,366	78,048	88,414
Expenditure on:			
Raising funds	-	17,816	17,816
Charitable activities	7,706	10,130	17,836
Total expenditure	7,706	27,946	35,652
Net income before investment losses	2,660	50,102	52,762
Net losses on investments	-	(82,691)	(82,691)
Net movement in funds	2,660	(32,589)	(29,929)

3. Donations - general

	Restricted	Unrestricted	12 months to 31 December 2019 Total	9 months to 31 December 2018 Total
Individual Donations With Gift Aid	-	4,464	4,464	3,998
Individual Donations Without Gift Aid	-	1,985	1,985	499
Overseas Donations	-	100	100	100
Gifts in kind*	-	-	-	2,574
	<u>-</u>	<u>6,549</u>	<u>6,549</u>	<u>7,171</u>
* Gifts in kind are represented by:				
Office space (Shell)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,574</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,574</u>

All income from donations in the prior period was unrestricted.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

4. Charitable activities

			12 months to 31 December 2019	9 months to 31 December 2018
	Restricted £	Unrestricted £	Total £	Total £
Bursaries - Gift Aid	125	-	125	125
Overseas Bursaries - Non Gift Aid	-	-	-	3,703
Capital Projects - SGC - Gift Aid	750	-	750	150
Capital Projects - SGC - Non Gift Aid	-	-	-	2,000
Sponsorships - SBC - Gift Aid	1,187	-	1,187	375
Sponsorships - SBC - Non Gift Aid	2,062	-	2,062	600
Overseas Sponsorships - SBC	1,036	-	1,036	306
Sponsorships - SGC - Gift Aid	11,615	-	11,615	2,230
Sponsorships - SGC - Non Gift Aid	15,850	-	15,850	877
Old Starehian Society UK - SBC - Gift Aid	431	-	431	-
Old Starehian Society UK -SBC - Non Gift Aid	765	-	765	-
Old Starehian Society UK - SGC - Gift Aid	431	-	431	-
Old Starehian Society UK - SGC - Non Gift Aid	765	-	765	-
Total charitable activities	<u>35,017</u>	<u>-</u>	<u>35,017</u>	<u>10,366</u>

All income from charitable activities in the prior period was restricted.

5. Other trading activities

			12 months to 31 December 2019	9 months to 31 December 2018
	Restricted £	Unrestricted £	Total £	Total £
Fundraising activities	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>2,500</u>

All income from other trading activities in the prior period was unrestricted.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	12 months to 31 December 2019 Total £
Grants payable to partners (note 7)	-	93,107	-	93,107
Freelance workers	-	2,938	2,937	5,875
General office expenditure	-	-	1,864	1,864
Bank charges	79	-	-	79
Investment charges	19,388	-	-	19,388
Accountancy and professional fees	-	-	2,946	2,946
Sub-total	19,467	96,045	7,747	123,259
Allocation of support and governance costs	1,549	6,198	(7,747)	-
Total expenditure	21,016	102,243	-	123,259

Governance costs in the period were £2,946.

Total expenditure - prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	9 months to 31 December 2018 Total £
Grants payable to partners (note 7)	-	8,691	-	8,691
Freelance workers	1,400	1,400	4,200	7,000
General office expenditure	-	-	431	431
Rent (gift in kind)	515	515	1,544	2,574
Bank charges	45	-	-	45
Investment charges	14,049	-	-	14,049
Accountancy and professional fees	-	-	2,862	2,862
Sub-total	16,009	10,606	9,037	35,652
Allocation of support and governance costs	1,807	7,230	(9,037)	-
Total expenditure	17,816	17,836	-	35,652

Governance costs in the year were £2,862.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

7. Grants payable

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Grant to Starehe Boys' Centre	47,479	2,530
Grant to Starehe Girls' Centre	45,628	6,161
Total	93,107	8,691

All grants were to institutions and were in support of pupil places and specific projects.

8. Net movement in funds

This is stated after charging:

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	19	49
Independent examiner's fees	2,946	2,862

One trustee was reimbursed £19 in respect of IT costs (prior period: £49 for IT costs).

9. Key management personnel

The key management personnel of the CIO comprise the trustees and the Charity Manager who is engaged on a freelance basis. Key management personnel received no employee benefits during the period. The Charity Manager was paid fees of £5,875 (prior period: £7,000) during the year.

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

11. Listed investments

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Market value at 1 January 2019	2,005,830	2,069,693
Additions	768,793	408,258
Disposals proceeds	(737,191)	(388,976)
Equalisations	(106)	(454)
Realised gains / (losses)	60,877	24,497
Unrealised gains / (losses)	273,151	(107,188)
Market value at 31 December 2019	<u>2,371,354</u>	<u>2,005,830</u>
Historical cost: At 31 December 2019	<u>2,083,024</u>	<u>1,989,191</u>

12. Debtors

	2019 £	2018 £
Accrued income	<u>1,193</u>	<u>423</u>

13. Creditors : amounts due within 1 year

	2019 £	2018 £
Accruals	<u>8,058</u>	<u>15,146</u>

Starehe UK**Notes to the financial statements****For the year ended 31 December 2019****14. Analysis of net assets between funds**

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,482,962	888,392	2,371,354
Current assets	-	79,406	79,406
Current liabilities	-	(8,058)	(8,058)
Net assets at 31 December 2019	<u>1,482,962</u>	<u>959,740</u>	<u>2,442,702</u>

Analysis of net assets between funds - prior period comparative

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,466,052	539,778	2,005,830
Current assets	-	103,203	103,203
Current liabilities	-	(15,146)	(15,146)
Net assets at 31 December 2018	<u>1,466,052</u>	<u>627,835</u>	<u>2,093,887</u>

15. Financial instruments at fair value

	2019 £	2018 £
Financial assets measured at fair value:		
Investments in listed shares	<u>2,371,354</u>	<u>2,005,830</u>

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

16. Movements in funds

	At 1 January 2019 £	Income £	Expenditure £	Investment gains/(losses) £	At 31 December 2019 £
Restricted funds					
Capital Projects - Girls' Centre	750	750	(500)	-	1,000
Capital Projects - Boys' Centre	1,250	-	(1,250)	-	-
Aim High Appeal	868,991	-	-	-	868,991
StareheFuture Appeal	574,987	125	-	-	575,112
Sponsorship - Girls' Centre	20,785	28,661	(15,128)	-	34,318
Sponsorship - Boys' Centre	(711)	5,481	(1,229)	-	3,541
Total restricted funds	<u>1,466,052</u>	<u>35,017</u>	<u>(18,107)</u>	<u>-</u>	<u>1,482,962</u>
Unrestricted funds					
General funds	<u>627,835</u>	<u>103,029</u>	<u>(105,152)</u>	<u>334,028</u>	<u>959,740</u>
Total unrestricted funds	<u>627,835</u>	<u>103,029</u>	<u>(105,152)</u>	<u>334,028</u>	<u>959,740</u>
Total funds	<u>2,093,887</u>	<u>138,046</u>	<u>(123,259)</u>	<u>334,028</u>	<u>2,442,702</u>

Movements in funds - prior period comparative

	At 1 April 2018 £	Income £	Expenditure £	Investment gains/(losses) £	At 31 December 2018 £
Restricted funds					
Capital Projects - Girls' Centre	600	2,150	(2,000)	-	750
Capital Projects - Boys' Centre	1,250	-	-	-	1,250
Aim High Appeal	865,288	3,703	-	-	868,991
StareheFuture Appeal	574,862	125	-	-	574,987
Sponsorship - Girls' Centre	20,854	3,107	(3,176)	-	20,785
Sponsorship - Boys' Centre	538	1,281	(2,530)	-	(711)
Total restricted funds	<u>1,463,392</u>	<u>10,366</u>	<u>(7,706)</u>	<u>-</u>	<u>1,466,052</u>
Unrestricted funds					
General funds	<u>660,424</u>	<u>78,048</u>	<u>(27,946)</u>	<u>(82,691)</u>	<u>627,835</u>
Total unrestricted funds	<u>660,424</u>	<u>78,048</u>	<u>(27,946)</u>	<u>(82,691)</u>	<u>627,835</u>
Total funds	<u>2,123,816</u>	<u>88,414</u>	<u>(35,652)</u>	<u>(82,691)</u>	<u>2,093,887</u>

Starehe UK

Notes to the financial statements

For the year ended 31 December 2019

16. Movements in funds (continued) - purpose of restricted funds

Capital Projects - Girls' Centre	To fund infrastructure projects at Starehe Girls' Centre.
Capital Projects - Boys' Centre	To fund infrastructure projects at Starehe Boys' Centre.
Aim High Appeal	To raise funds for the Starehe Boys' Centre (the Starehe Girls' Centre did not open until 2005). Donations from the Aim High Appeal were for endowed or sponsored student places, or general donations.
StareheFuture Appeal	To raise funds for both Starehe Boys' and Girls' Centre. Donations from the StareheFuture Appeal were for endowed or sponsored student places, capital projects or general donations. Funds from both appeals were either invested or passed directly to the relevant school for sponsorship or a capital project. Returns on the invested donations are used to fund the endowed places at Starehe Boys' Centre and Starehe Girls' Centre.
Sponsorship - Girls' Centre	To fund sponsored places at Starehe Girls' Centre.
Sponsorship - Boys' Centre	To fund sponsored places at Starehe Boys' Centre.

17. Related party transactions

Other than the trustees' reimbursed expenses disclosed in note 8, there were no related party transactions during the current or prior period.