

Starehe UK
Report and Unaudited Financial
Statements
31 December 2020

Starehe UK

Reference and administrative details

For the year ended 31 December 2020

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: Timothy Faithfull Chair David Kisiaky Treasurer Vane Aminga (from 1 April 2020) Lord Valentine Cecil 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 2020

The trustees present their report and the examined financial statements for the year ended 31 December 2020 for Starehe UK (SUK).

Reference and administrative information as 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 2019).

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 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.

David Kisiaky, an Old Starehian resident in the UK, was appointed as a trustee in 2008, and has been Treasurer since 2012. Frank Midega and Vane Aminga were also appointed as trustees, in December 2018 and April 2020 respectively, to further maintain SUK's connection with the schools.

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Report of the trustees

For the year ended 31 December 2020

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; and
- 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

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 remained in the care of the schools. Form 4 (final year) Starehe pupils returned to school on 12 October 2020 to prepare for their Kenyan Certificate of Secondary Education examinations which have been deferred from November 2020 to April 2021. Students in Forms 1 to 3 were finally allowed to return to school in January 2021 after a 9-month absence.

Whilst the Starehe schools were closed SUK continued to transfer the regular bursary and sponsorship payments on behalf of its supporters to the schools. This support enabled some school staff to continue to be employed and stay in contact with pupils to ensure they were able to receive food and any essential medical treatment whilst living back in their communities. All students supported by SUK come from disadvantaged backgrounds where many families have lost their income because of the pandemic or were unable to feed an extra child.

Usually the academic year in Kenya runs from January to December, however to compensate for school closures in 2020 all Kenyan schools will have 4 compressed terms during 2021 and 2022, so that each academic year will still include 3 terms. For example students who started Form 1 in January 2020, completed one term in early 2020 before schools closed and will then complete 2 further terms in 2021 before moving into Form 2 in July 2021.

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For the year ended 31 December 2020

Sponsorship funds distributed by SUK between 1 January 2020 and 31 December 2020 contributed towards the schools' costs for 2020. The schools are currently financially challenged due to the combination of losing much of their regular income in 2020 and the additional costs of ensuring a safe learning environment is in place for students and staff.

Funds from SUK's endowment income are usually transferred in March of each year.

Starehe Girls' Centre

- SUK contributed £35,223 (2019: £29,226) towards 42 (2019: 35) named places for girls from deprived backgrounds to live and study at Starehe Girls' Centre during 2020. 22 of these students were funded via endowed places, and 20 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. However as explained above the students were not in school for the whole of 2020, but the school still incurred costs on their behalf;
- SUK contributed £15,896 (2019: £12,150) towards the general running costs of the Starehe Girls' Centre during 2020, helping to support the education of 480 students from deprived backgrounds who rely on charity sponsorship to cover their costs at Starehe Girls' Centre. A further 197 fee-paying pupils also attend the school; and
- SUK paid £274 towards the school and university fees for a previous winner 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. Whilst the school was closed for most of 2020 it was not possible for the usual school-wide elections to take place. Usually the prize includes payment of the winner's final year school fees and a contribution towards her university or college fees.

Starehe Boys' Centre

- SUK contributed £21,466 (2019: £16,104) towards 25 (2019: 23) sponsored places for boys from deprived backgrounds to live and study at Starehe Boys' Centre during 2020. 18 of these students were funded via endowed places, and 7 by regular payments. The students were not in school for the whole of 2020, but the school still incurred costs on their behalf; and
- SUK contributed £30,597 (2019: £30,125) towards the general running costs of the Starehe Boys' Centre during 2020, helping to support the education of 1,122 students, 808 of whom are from a deprived background.

As well as pursuing their academic studies, the students would usually undertake many extracurricular activities, which include music events, sports contests and the Starehe Centres have their own scout troop. Obviously the students did not participate in these activities in the last 9 months of 2020, but it is hoped they will be able to restart in the latter half of 2021.

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During the year ended 31 December 2020, the charity's total incoming resources were £103,788 (2019: £138,046), of which £33,985 (2019: £41,566) was from supporter donations and £69,803 (2019: £95,480) from growth and income from investments.

Overall between 1 January 2020 and 31 December 2020, SUK disbursed £103,182 (2019: £93,107) to the two schools as follows:

- £274 (2019: £3,752) for funds restricted to specific projects specified by donors;
- £28,182 (2019: £12,605) from donations; and

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Report of the trustees

For the year ended 31 December 2020

- £75,000 (2019: £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 2020 calendar year.

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

- Holly Korir and David Njogu for committing to sponsor new Form 1 students at Starehe Boys' Centre from January 2020;
- Nicola Hart, Simon Brister and Sally Holding for committing to sponsor new Form 1 students at Starehe Girls' Centre from January 2020;
- Old Starehian Society – UK Chapter for committing to sponsor new Form 1 students at both schools from January 2020;
- John Kibugi for planning to run the Brighton marathon (postponed from 2020 to 2021 due to Covid-19) and raising funds for both schools;
- Estelle Hilton for a donation to the Starehe Girls' Centre;
- Family and friends of the late Nichola Opiyo for establishing a Memorial Fund for Sustainability & Education to support the Starehe Boys' 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.

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 these past appeals, SUK receives regular ongoing donations from individuals and organisations. These donations are either restricted for student sponsorship or to support just one of the schools with its running costs, 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. In 2020 the investment income was allocated in the ratio 60:40 to Starehe Boys' Centre and Starehe Girls' Centre respectively. This ratio reflects the different size of the schools and their needs.

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Report of the trustees

For the year ended 31 December 2020

Financial position

There was a net expenditure for the 12-month period of £25,040. After accounting for the losses on investments of £54,706 arising from the revaluation of investments held at 31 December 2020 to market value, the total net decrease in the funds for the period is £79,746.

Investment policy

The trustees have established an investment policy, which is agreed with Smith & Williamson, 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 Consumer Price Index (CPI) plus 4.25%, net of fees, over a five year rolling period, with the minimum annual income yield being 2.5% of the value of the portfolio. A composite index is used to assess performance in the context of wider market conditions.

Investment performance

The value of Starehe UK's investments at the end of December 2020 was £2,273,315 (2019: £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.

The investment landscape in 2020 was dominated by the COVID-19 virus, lockdowns and unprecedented policy easing by central banks and governments around the globe. The US election and UK-EU negotiations provided further risks to markets. The pandemic led to a global economic shock that established new multi-generational records. For instance, UK GDP fell by nearly 10% in 2020, the biggest decline since the Great Frost of 1709. Despite the problematic backdrop, the portfolio, after costs, generated a marginal positive return of 0.3%, in the year ended 31st December 2020. Over the same timeframe, the benchmark fell by 2.2%.

Over the longer-term, the portfolio has exceeded the long term CPI +4.25% objective.

£69,803 (2019: £95,480) of income was generated during the year. This is somewhat lower than in 2019 reflecting the fact that many companies suspended or significantly reduced their dividends due to regulatory demands and the economic uncertainty fuelled by the pandemic.

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.

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Report of the trustees

For the year ended 31 December 2020

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.

COVID-19

At a time when many other sources of income for the schools have disappeared or been reduced, SUK trustees intend to make its 2021 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.

The dividend income on the investments for the year ending 31 December 2021 is expected to again be lower than the recent years prior to 2020, however there was not a drop in donations from individuals and organisations in 2020 so it is not expected that donations in 2021 will be adversely affected either. Trustees are confident that SUK will remain a going concern and will continue to support the Starehe schools for the remainder of 2021 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 March 2021 the following transfers were made to the schools:

Starehe Girls' Centre:

- £17,850 of investment income to cover the sponsorship fees for 22 endowed student places for the 2021 academic year;
- £6,786 of donations towards the fees of 17 sponsored students for the 2021 academic year; and
- £15,139 grant towards the general running costs of the school for the 2021 academic year.

Starehe Boys' Centre:

- £14,875 of investment income to cover the sponsorship fees for 18 endowed student places for the academic 2021 academic year;
- £4,216 of donations towards the fees of 8 sponsored students for the 2021 academic year; and
- £31,814 grant towards the general running costs of the school for the 2021 academic year.

A second transfer of funds will be made later in the year to both schools after further SUK donations have accumulated.

In response to the schools' loss of income in 2020 and the additional costs required to provide a safe learning environment since re-opening, SUK is planning to run a fundraising appeal to its existing supporters in 2021. The appeal will aim to raise £18,000 to cover 6-months of additional Covid-19 costs at both schools including the purchasing of Personal Protective Equipment (PPE), cleaning equipment and providing counselling to students.

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Report of the trustees

For the year ended 31 December 2020

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).

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

- 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

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 7 June 2021 and signed on their behalf by

Timothy Faithfull

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 year ended 31 December 2020, 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.

Alison Godfrey

Date: 9 June 2021

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

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Statement of financial activities

For the year ended 31 December 2020

	Note	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Income from:					
Donations - general	3	-	6,537	6,537	6,549
Charitable activities	4	27,448	-	27,448	35,017
Other trading activities	5	-	-	-	1,000
Investments		-	69,803	69,803	95,480
Total income		<u>27,448</u>	<u>76,340</u>	<u>103,788</u>	<u>138,046</u>
Expenditure on:					
Raising funds		-	19,105	19,105	21,016
Charitable activities		28,182	81,541	109,723	102,243
Total expenditure	6	<u>28,182</u>	<u>100,646</u>	<u>128,828</u>	<u>123,259</u>
Net income / (expenditure) before investment gains / (losses)		(734)	(24,306)	(25,040)	14,787
Net gains / (losses) on investments		-	(54,706)	(54,706)	334,028
Net income / (expenditure)		(734)	(79,012)	(79,746)	348,815
Transfers between funds		1,077	(1,077)	-	-
Net movement in funds	8	343	(80,089)	(79,746)	348,815
Reconciliation of funds:					
Total funds brought forward		1,482,962	959,740	2,442,702	2,093,887
Total funds carried forward		<u>1,483,305</u>	<u>879,651</u>	<u>2,362,956</u>	<u>2,442,702</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 15 to the accounts.

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Balance sheet

As at 31 December 2020

	Note	£	2020 £	2019 £
Fixed assets				
Investments	11		<u>2,273,315</u>	<u>2,371,354</u>
			2,273,315	2,371,354
Current assets				
Debtors	12	3,747		1,193
Cash at bank and in hand		<u>93,689</u>		<u>78,213</u>
		97,436		79,406
Liabilities				
Creditors: amounts falling due within 1 year	13	<u>7,795</u>		<u>8,058</u>
Net current assets			<u>89,641</u>	<u>71,348</u>
Net assets	14		<u>2,362,956</u>	<u>2,442,702</u>
Funds	15			
Restricted funds			1,483,305	1,482,962
Unrestricted funds:				
General funds			<u>879,651</u>	<u>959,740</u>
Total charity funds			<u>2,362,956</u>	<u>2,442,702</u>

Approved by the trustees on 7 June 2021 and signed on their behalf by

T W Faithfull

Timothy Faithfull - Chairman

Starehe UK

Notes to the financial statements

For the year ended 31 December 2020

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 2019) - (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 has had a profound impact on the global economy. 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 £879,651, and a cash balance of £93,689 as at 31 December 2020. 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.

Notes to the financial statements

For the year ended 31 December 2020

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:

	2020	2019
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.

Notes to the financial statements

For the year ended 31 December 2020

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 2020 no key sources of estimation uncertainty had a significant effect on the amounts recognised in the financial statements.

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Notes to the financial statements

For the year ended 31 December 2020

2. Statement of financial activities - prior period comparative

	Restricted £	Unrestricted £	2019 Total £
Income from:			
Donations - general	-	6,549	6,549
Charitable activities	35,017	-	35,017
Other trading activities	-	1,000	1,000
Investments	-	95,480	95,480
Total income	35,017	103,029	138,046
Expenditure on:			
Raising funds	-	21,016	21,016
Charitable activities	18,107	84,136	102,243
Total expenditure	18,107	105,152	123,259
Net income / (expenditure) before investment gains	16,910	(2,123)	14,787
Net gains on investments	-	334,028	334,028
Net movement in funds	16,910	331,905	348,815

3. Donations - general

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Individual Donations With Gift Aid	-	4,258	4,258	4,464
Individual Donations Without Gift Aid	-	1,880	1,880	1,985
Overseas Donations	-	399	399	100
	-	6,537	6,537	6,549

All income from donations in the prior period was unrestricted.

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Notes to the financial statements

For the year ended 31 December 2020

4. Charitable activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Bursaries - Gift Aid	125	-	125	125
Capital Projects - SGC - Gift Aid	313	-	313	750
Capital Projects - SGC - Non Gift Aid	3,490	-	3,490	-
Capital Projects - SBC - Gift Aid	13	-	13	-
Capital Projects - SBC - Non Gift Aid	1,436	-	1,436	-
Sponsorships - SBC - Gift Aid	4,588	-	4,588	1,187
Sponsorships - SBC - Non Gift Aid	1,246	-	1,246	2,062
Overseas Sponsorships - SBC	2,211	-	2,211	1,036
Sponsorships - SGC - Gift Aid	11,715	-	11,715	11,615
Sponsorships - SGC - Non Gift Aid	991	-	991	15,850
Old Starehian Society UK - SBC - Gift Aid	375	-	375	431
Old Starehian Society UK - SBC - Non Gift Aid	285	-	285	765
Old Starehian Society UK - SGC - Gift Aid	375	-	375	431
Old Starehian Society UK - SGC - Non Gift Aid	285	-	285	765
Total charitable activities	<u>27,448</u>	<u>-</u>	<u>27,448</u>	<u>35,017</u>

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

5. Other trading activities

	Restricted £	Unrestricted £	2020 Total £	2019 Total £
Fundraising activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

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

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Notes to the financial statements

For the year ended 31 December 2020

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Grants payable to partners (note 7)	-	103,182	-	103,182
Freelance workers	-	2,250	2,250	4,500
General office expenditure	-	-	114	114
Bank charges	140	-	-	140
Investment charges	17,892	-	-	17,892
Accountancy and professional fees	-	-	3,000	3,000
Sub-total	18,032	105,432	5,364	128,828
Allocation of support and governance costs	1,073	4,291	(5,364)	-
Total expenditure	19,105	109,723	-	128,828

Governance costs in the year were £3,000.

Total expenditure - prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	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 year were £2,946.

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For the year ended 31 December 2020

7. Grants payable

	2020 £	2019 £
Grant to Starehe Boys' Centre	52,063	47,479
Grant to Starehe Girls' Centre	51,119	45,628
Total	<u>103,182</u>	<u>93,107</u>

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:

	2020 £	2019 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	19
Independent examiner's fees	3,000	2,946

No trustees were reimbursed in respect of costs during the year (2019: £19 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 £4,500 during the year (2019: £5,875).

10. Taxation

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

11. Listed investments

	2020 £	2019 £
Market value at 1 January 2020	2,371,354	2,005,830
Additions	1,011,808	768,793
Disposals proceeds	(1,055,141)	(737,191)
Equalisations	-	(106)
Realised gains / (losses)	(149,785)	60,877
Unrealised gains / (losses)	95,079	273,151
Market value at 31 December 2020	<u>2,273,315</u>	<u>2,371,354</u>
Historical cost:		
At 31 December 2020	<u>2,023,041</u>	<u>2,083,024</u>

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Notes to the financial statements

For the year ended 31 December 2020

12. Debtors

	2020 £	2019 £
Accrued income	3,303	1,193
Prepayments	444	-
	<u>3,747</u>	<u>1,193</u>

13. Creditors : amounts due within 1 year

	2020 £	2019 £
Accruals	<u>7,795</u>	<u>8,058</u>

14. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,483,305	790,010	2,273,315
Current assets	-	97,436	97,436
Current liabilities	-	(7,795)	(7,795)
Net assets at 31 December 2020	<u>1,483,305</u>	<u>879,651</u>	<u>2,362,956</u>

Analysis of net assets between funds - prior period comparative

	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>

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For the year ended 31 December 2020

15. Movements in funds

	At 1 January 2020 £	Income £	Expenditure £	Investment gains / (losses) £	Transfers between funds £	At 31 December 2020 £
Restricted funds						
Capital Projects - Girls' Centre	1,000	3,803	(3,472)	-	-	1,331
Capital Projects - Boys' Centre	-	1,450	(472)	-	-	978
Aim High Appeal StareheFuture	868,991	-	-	-	-	868,991
Appeal	575,112	125	-	-	-	575,237
Sponsorship - Girls' Centre	34,318	13,366	(17,647)	-	-	30,037
Sponsorship - Boys' Centre	3,541	8,704	(6,591)	-	1,077	6,731
Total restricted funds	1,482,962	27,448	(28,182)	-	1,077	1,483,305
Unrestricted funds						
General funds	959,740	76,340	(100,646)	(54,706)	(1,077)	879,651
Total unrestricted funds	959,740	76,340	(100,646)	(54,706)	(1,077)	879,651
Total funds	2,442,702	103,788	(128,828)	(54,706)	-	2,362,956

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For the year ended 31 December 2020

15. Movements in funds (continued)

Prior period comparative	At 1 January 2019 £	Income £	Expenditure £	Investment gains / (losses) £	Transfers between funds £	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 StareheFuture	868,991	-	-	-	-	868,991
Appeal Sponsorship - Girls' Centre	574,987	125	-	-	-	575,112
Sponsorship - Boys' Centre	20,785	28,661	(15,128)	-	-	34,318
	(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>-</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>-</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>-</u>	<u>959,740</u>
Total funds	<u><u>2,093,887</u></u>	<u><u>138,046</u></u>	<u><u>(123,259)</u></u>	<u><u>334,028</u></u>	<u><u>-</u></u>	<u><u>2,442,702</u></u>

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Notes to the financial statements

For the year ended 31 December 2020

15. 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.

16. 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.