



Starehe UK
Report and Unaudited Financial
Statements
31 December 2021

Starehe UK

2021 Headline Figures

For the year ended 31 December 2021

In 2021 SUK supported the Starehe Boys' and Starehe Girls' Centres as follows:

41
Starehe students were sponsored by
SUK supporters

40
Starehe students were supported by
SUK forever bursaries

12
Starehe students supported by SUK
graduated

11
SUK supported graduates reached
the academic standard for university
admittance

2
new endowed bursary places were
funded by SUK supporters

12
new student sponsorships were taken
out by SUK supporters

£118,028
was transferred to the Starehe
schools towards school fees and
general running costs

£82,080
was transferred to the Starehe
schools for Covid support

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Reference and administrative details

For the year ended 31 December 2021

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 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 2021

The trustees present their report and the examined financial statements for the 12 month period ended 31 December 2021 for Starehe UK (SUK).

Reference and administrative information is set out on page 2 and 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, electronic newsletters and social media. 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 2. 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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For the year ended 31 December 2021

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.

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 low income 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 children from low income families or who have been orphaned. Donors are assigned as a 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

The impact of Covid

Throughout 2021 the Starehe Schools continued to run smoothly even in the midst of all the challenges caused by the pandemic.

Both Starehe Girls and Boys schools closed in March 2020 following the Kenyan Government's directive in response to the Covid 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 were deferred from November 2020 to April 2021. Despite staff shortages and with a phenomenal effort by all teachers and pupils, 95% of the 2021 Starehe graduates gained direct admission to public universities to pursue degree courses while 5% will join tertiary institutions for diploma courses.

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For the year ended 31 December 2021

Forms 1 to 3 returned to the Starehe schools on 4 January 2021 after a 9-month absence. Most students had a challenging time whilst schools were closed with many having to work to feed themselves and unable to continue with their studies because of lack of technology and internet access. With the extra funding from Starehe UK both schools were able to implement Covid protocols, ensuring their students and staff remained safe and the students' mental and emotional well-being was supported by teachers, the school counsellors and the alumni.

Usually the academic year in Kenya runs from January to December; however to compensate for school closures in 2020 all Kenyan schools are running 4 compressed terms during 2021 and 2022, so that each academic year will still include 3 terms. The new 2021 Form 1 students who would normally have started their secondary education in January started in July 2021. The year was challenging for both teachers and students who had to work incredibly hard to be able to cover the syllabus within the schedule set by the Ministry of Education.

Sponsorship funds distributed by SUK between 1 January 2021 and 31 December 2021 contributed towards the schools' costs for 2021, including the additional measures put in place in response to the Covid pandemic.

Stronger Starehe Schools Covid appeal

In April 2021 Starehe UK launched an appeal to its existing supporters via email newsletters and social media to raise funds towards the additional costs incurred by the schools to provide a Covid-safe learning environment for students and staff. This included additional handwashing stations, enhanced cleaning and supply of Personal Protective Equipment (PPE). In addition to implementing enhanced hygiene protocols, the schools also employed additional counsellors to support the students' mental health. The appeal was generously embraced by our supporters and raised £7,954.

Additional investment withdrawal

Funds from SUK's investments are usually withdrawn annually (£75,000) and transferred to the schools in March to cover the sponsorship fees for the named bursary places ('forever sponsorships') and to make a contribution to general running costs. In recognition that the schools were financially challenged during 2021 due to the combination of losing much of their regular income in 2020/21 and facing additional costs, trustees decided to make an additional withdrawal of a second £75,000 in June 2021 from the SUK's investments to help the schools cover their essential expenditure.

Support provided to Starehe Girls' Centre

- SUK contributed £35,490 (2020: £35,223) towards 48 (2020: 42) named places for girls from deprived backgrounds to live and study at Starehe Girls' Centre during 2021. Of these students, 22 were funded via endowed places, and 26 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 £48,258 (2020: £15,896) towards the general running costs of the Starehe Girls' Centre during 2021, helping to support the education of 720 girls, of whom 67% are from low income communities and rely on charity sponsorship to cover their full care and education costs while 33% have some means to meet all or part of their school fees;

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- SUK paid £850 towards the school and university fees for a previous winner of the Jonathan Feuer Citizenship Award. The award recognises the student who best reflects 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, so the 2020 competition took place in March 2021 and the 2021 competition will take place in early 2022. Usually the prize includes payment of the winner's final year school fees and a contribution towards her university or college fees; and
- SUK paid £3,540 to help the school provide a Covid safe learning environment for students and staff.

Support provided to Starehe Boys' Centre

- SUK contributed £24,002 (2020: £21,466) towards 33 (2020: 25) sponsored places for boys from low income communities to live and study at Starehe Boys' Centre during 2021. Of these students, 18 were funded via endowed places ('forever sponsorships'), and 15 by regular sponsor donations. As well as giving these students a first class education, the school provides a safe home for boys during term time and school holidays if required;
- SUK contributed £84,428 (2020: £30,597) towards the general running costs of the Starehe Boys' Centre during 2021, helping to support the education of over 1,100 students, of whom 70% are from low income communities and rely on charity sponsorship to cover their full care and education costs while 30% have some means to meet all or part of their school fees; and
- SUK paid £3,540 to help the school provide a Covid safe learning environment for students and staff.

As well as pursuing their academic studies, the students would usually undertake many extracurricular activities, which include music events, debating, sports contests and the Starehe Centres have their own scout troops. These activities were impacted by the need to follow Covid protocols, but some activities such as scouting, sports and band practice were able to run outdoors during 2021.

Starehe UK fundraising

During the year ended 31 December 2021, the SUK's total incoming resources were £148,797 (2020: £103,788), of which £85,218 (2020: £33,985) was from donations and £63,579 (2020: £69,803) from growth and income from investments.

Overall between 1 January 2021 and 31 December 2021, SUK disbursed £200,108 (2020: £103,182) to the two schools as follows:

- £850 (2020: £274) from funds restricted to specific projects;
- £49,258 (2020: £28,182) from sponsorship and other donations; and
- £150,000 (2020: £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 2021 calendar year.

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Report of the trustees

For the year ended 31 December 2021

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

- Oliver Adams, Malcolm Lockhart and Peter Kariuki for committing to sponsor new Form 1 students at Starehe Boys' Centre;
- Nicola Hart, Simon Brister, Ravin Jethwa, Louise Brooks, Kristin and Mike Maczko for committing to sponsor new Form 1 students at Starehe Girls' Centre;
- Theodora and Julian Stanning for endowing an additional bursary place at both the Starehe Girls' and Boys' Centres;
- Members of the Old Starehian Society: John Kibugi for running the Brighton and London marathons and Alexandra Obonyo for running the London marathon, to raise funds for both schools;
- Ayaan Hirsi Ali for running a crowdfunding campaign for the Starehe Boys' Centre;
- Jonathan Feuer for his continuing support of the Jonathan Feuer Citizenship Award at the Starehe Girls' Centre;
- Next plc and all supporters who contributed to our Stronger Starehe Schools Covid appeal.

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 2021 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 2021

Financial position

There was a net deficit before investment gains for the 12 month period of £86,318. After accounting for the increase on investments of £251,247 arising from the revaluation of investments held at 31 December 2021 to market value, the total net increase in the funds for the period is £164,929.

Investment policy

The trustees have 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 2021 was £2,404,065 (2020: £2,273,315). An income of £63,579 (2020: £69,803) was generated during the year.

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.

In the wake of the sharp downturn in economies in the previous year, the global economy enjoyed a significant recovery in 2021 on the back of huge stimulus from both governments and central banks, whilst the disruption from the pandemic eased. This improving backdrop underpinned renewed confidence in asset markets. Equities in particular benefitted as company earnings for the most part enjoyed a swift recovery. Bond markets, on the other hand, performed less well as inflation surged to multi-decade highs in key economies notably the US, UK and Eurozone.

The SUK investment portfolio generated a return, net of costs, of 13.1% in 2021, benefitting from strength in equity markets, with this asset representing approximately two thirds of the underlying portfolio by value. Over the same timeframe the market benchmark rose 16.2%.

The portfolio has generated a return significantly in excess of the target return of CPI plus 4.25% since Smith & Williamson began managing the investments just under 7 years ago.

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 2021

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.

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

At a time when many other sources of income for the schools have disappeared or been reduced and costs are increasing in Kenya, SUK trustees intend to make its 2022 transfer of funds as usual. Trustees are confident that SUK will remain a going concern and will continue to support the Starehe schools for the remainder of 2022 and the future.

In April 2022 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 2022 calendar year;
- £8,674 of donations towards the fees of 23 sponsored students for the 2022 calendar year; and
- £13,333 grant towards the general running costs of the school for the 2022 calendar year.

Starehe Boys' Centre:

- £14,875 of investment income to cover the sponsorship fees for 20 endowed student places for the 2022 calendar year;
- £5,471 of donations towards the fees of 16 sponsored students for the 2022 calendar year; and
- £31,308 grant towards the general running costs of the school for the 2022 calendar year.

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

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Report of the trustees

For the year ended 31 December 2021

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 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 20 May 2022 and signed on their behalf by

Timothy W 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 2021, which are set out on pages 12 to 24.

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: 22 May 2022

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 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Income from:					
Donations	3	-	4,731	4,731	6,537
Charitable activities	4	80,487	-	80,487	27,448
Investments		-	63,579	63,579	69,803
Total income		<u>80,487</u>	<u>68,310</u>	<u>148,797</u>	<u>103,788</u>
Expenditure on:					
Raising funds		-	23,124	23,124	19,105
Charitable activities		<u>50,552</u>	<u>161,440</u>	<u>211,992</u>	<u>109,723</u>
Total expenditure	5	<u>50,552</u>	<u>184,563</u>	<u>235,115</u>	<u>128,828</u>
Net income / (expenditure) before investment gains		29,935	(116,253)	(86,318)	(25,040)
Net gains / (losses) on investments		-	<u>251,247</u>	<u>251,247</u>	<u>(54,706)</u>
Net movement in funds	13	29,935	134,994	164,929	(79,746)
Reconciliation of funds:					
Total funds brought forward		<u>1,483,305</u>	<u>879,651</u>	<u>2,362,956</u>	<u>2,442,702</u>
Total funds carried forward		<u><u>1,513,240</u></u>	<u><u>1,014,645</u></u>	<u><u>2,527,885</u></u>	<u><u>2,362,956</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 14 to the accounts.

Starehe UK

Balance sheet

As at 31 December 2021

	Note	£	2021 £	2020 £
Fixed assets				
Investments	10		<u>2,404,065</u>	<u>2,273,315</u>
			2,404,065	2,273,315
Current assets				
Debtors	11	9,057		3,747
Cash at bank and in hand		<u>122,533</u>		<u>93,689</u>
		131,590		97,436
Liabilities				
Creditors: amounts falling due within 1 year	12	<u>7,770</u>		<u>7,795</u>
Net current assets			<u>123,820</u>	<u>89,641</u>
Net assets	13		<u>2,527,885</u>	<u>2,362,956</u>
Funds	14			
Restricted funds			1,513,240	1,483,305
Unrestricted funds:				
General funds			<u>1,014,645</u>	<u>879,651</u>
Total charity funds			<u>2,527,885</u>	<u>2,362,956</u>

Approved by the trustees on 20 May 2022 and signed on their behalf by

Timothy W Faithfull

Timothy Faithfull - Chairman

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

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. The charity held unrestricted, general reserves of £1,014,645, and a cash balance of £122,533 as at 31 December 2021. 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) 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.

e) 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.

f) 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.

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

g) 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:

	2021	2020
Charitable activities	80%	80%
Raising funds	20%	20%

h) 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.

l) 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.

j) 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.

k) 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.

l) 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.

m) 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.

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies (continued)

n) 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.

o) 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 2021 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 2021

2. Statement of financial activities - prior period comparative

	Restricted £	Unrestricted £	2020 Total £
Income from:			
Donations	-	6,537	6,537
Charitable activities	27,448	-	27,448
Investments	-	69,803	69,803
Total income	27,448	76,340	103,788
Expenditure on:			
Raising funds	-	19,105	19,105
Charitable activities	28,182	81,541	109,723
Total expenditure	28,182	100,646	128,828
Net expenditure before investment gains	(734)	(24,306)	(25,040)
Net losses on investments	-	(54,706)	(54,706)
Net expenditure	(734)	(79,012)	(79,746)
Transfers between funds	1,077	(1,077)	-
Net movement in funds	343	(80,089)	(79,746)

3. Donations - general

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Individual Donations With Gift Aid	-	3,864	3,864	4,258
Individual Donations Without Gift Aid	-	697	697	1,880
Overseas Donations	-	170	170	399
	-	4,731	4,731	6,537

All income from donations in the prior period was unrestricted.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

4. Charitable activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Bursaries	30,125	-	30,125	125
Starehe Boys School				
Capital Projects	8,981	-	8,981	1,449
Sponsorships	3,737	-	3,737	5,834
Overseas Capital Projects	5,147	-	5,147	-
Overseas Sponsorships	4,414	-	4,414	2,211
Old Starehian Society UK	308	-	308	660
Starehe Girls School				
Capital Projects	6,269	-	6,269	3,803
Sponsorships	13,969	-	13,969	12,706
Overseas Capital Projects	3,094	-	3,094	-
Overseas Sponsorships	4,135	-	4,135	-
Old Starehian Society UK	308	-	308	660
Total charitable activities	<u>80,487</u>	<u>-</u>	<u>80,487</u>	<u>27,448</u>

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

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Grants payable to partners (note 6)	-	200,108	-	200,108
Freelance workers	-	3,813	6,687	10,500
Fundraising costs	544	-	-	544
General office expenditure	-	-	791	791
Bank charges	247	-	-	247
Investment charges	20,315	-	-	20,315
Accountancy and professional fees	-	-	2,610	2,610
Sub-total	21,106	203,921	10,088	235,115
Allocation of support and governance costs	<u>2,018</u>	<u>8,071</u>	<u>(10,088)</u>	<u>-</u>
Total expenditure	<u>23,124</u>	<u>211,992</u>	<u>-</u>	<u>235,115</u>

Governance costs in the year were £2,610 (2020: £3,000).

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

5. Total expenditure - prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Grants payable to partners (note 6)	-	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	<u>1,073</u>	<u>4,291</u>	<u>(5,364)</u>	<u>-</u>
Total expenditure	<u>19,105</u>	<u>109,723</u>	<u>-</u>	<u>128,828</u>

6. Grants payable

	2021 £	2020 £
Grant to Starehe Boys' Centre	111,970	52,063
Grant to Starehe Girls' Centre	88,138	51,119
Total	<u>200,108</u>	<u>103,182</u>

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

7. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	320	Nil
Independent examiner's fees	<u>2,610</u>	<u>3,000</u>

One trustee was reimbursed £100 for fundraising costs and £220 for IT costs.

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

8. 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 £7,625 during the year (2020: £4,500).

9. Taxation

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

10. Listed investments

	2021 £	2020 £
Market value at 1 January 2021	2,273,315	2,371,354
Additions	481,169	1,011,808
Disposals proceeds	(601,666)	(1,055,141)
Realised gains / (losses)	33,673	(149,785)
Unrealised gains / (losses)	<u>217,574</u>	<u>95,079</u>
Market value at 31 December 2021	<u>2,404,065</u>	<u>2,273,315</u>
Historical cost:		
At 31 December 2021	<u>1,931,208</u>	<u>2,023,041</u>

11. Debtors

	2021 £	2020 £
Accrued income	9,057	3,303
Prepayments	<u>-</u>	<u>444</u>
	<u>9,057</u>	<u>3,747</u>

12. Creditors : amounts due within 1 year

	2021 £	2020 £
Accruals	<u>7,770</u>	<u>7,795</u>

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

13. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,513,240	890,825	2,404,065
Current assets	-	131,590	131,590
Current liabilities	-	(7,770)	(7,770)
Net assets at 31 December 2021	<u>1,513,240</u>	<u>1,014,645</u>	<u>2,527,885</u>

Prior period comparative

	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>

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

14. Movements in funds

	At 1 January 2021 £	Income £	Expenditure £	Investment gains / (losses) £	At 31 December 2021 £
Restricted funds					
Capital Projects - Girls' Centre	1,331	9,363	(9,870)	-	824
Capital Projects - Boys' Centre	978	14,129	(13,078)	-	2,029
Aim High Appeal StareheFuture	868,991	-	-	-	868,991
Appeal	575,237	30,125	-	-	605,362
Sponsorship - Girls' Centre	30,037	18,411	(18,489)	-	29,959
Sponsorship - Boys' Centre	6,731	8,459	(9,115)	-	6,075
Total restricted funds	<u>1,483,305</u>	<u>80,487</u>	<u>(50,552)</u>	<u>-</u>	<u>1,513,240</u>
Unrestricted funds					
General funds	<u>879,651</u>	<u>68,310</u>	<u>(184,563)</u>	<u>251,247</u>	<u>1,014,645</u>
Total unrestricted	<u>879,651</u>	<u>68,310</u>	<u>(184,563)</u>	<u>251,247</u>	<u>1,014,645</u>
Total funds	<u>2,362,956</u>	<u>148,797</u>	<u>(235,115)</u>	<u>251,247</u>	<u>2,527,885</u>

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

14. Movements in funds (continued) - prior period comparative

	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 Appeal	868,991	-	-	-	-	868,991
Sponsorship - Girls' Centre	575,112	125	-	-	-	575,237
Sponsorship - Boys' Centre	34,318	13,366	(17,647)	-	-	30,037
	<u>3,541</u>	<u>8,704</u>	<u>(6,591)</u>	<u>-</u>	<u>1,077</u>	<u>6,731</u>
Total restricted funds	<u>1,482,962</u>	<u>27,448</u>	<u>(28,182)</u>	<u>-</u>	<u>1,077</u>	<u>1,483,305</u>
Unrestricted funds						
General funds	<u>959,740</u>	<u>76,340</u>	<u>(100,646)</u>	<u>(54,706)</u>	<u>(1,077)</u>	<u>879,651</u>
Total unrestricted	<u>959,740</u>	<u>76,340</u>	<u>(100,646)</u>	<u>(54,706)</u>	<u>(1,077)</u>	<u>879,651</u>
Total funds	<u><u>2,442,702</u></u>	<u><u>103,788</u></u>	<u><u>(128,828)</u></u>	<u><u>(54,706)</u></u>	<u><u>-</u></u>	<u><u>2,362,956</u></u>

Starehe UK

Notes to the financial statements

For the year ended 31 December 2021

14. 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.

15. Related party transactions

Other than the trustees' reimbursed expenses disclosed in note 7, there were no related party transactions during the current or prior period.

16. Financial instruments at fair value

	2021	2020
	£	£
Financial assets measured at fair value	<u>2,404,065</u>	<u>2,273,315</u>

Financial assets measured at fair value comprise listed investments.

20 May 2022

Alison Godfrey
Godfrey Wilson Limited
Chartered Accountants & Statutory Auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Dear Alison

Letter of Representations on the Financial Statements for the Year Ended 31 December 2021

We confirm that the following representations are made on the basis of enquiries of the trustees, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

1. We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 11 February 2020, under the Charities Act 2011 for preparing 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).

We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31 December 2021.

2. We confirm that all accounting records have been made available to you for the purpose of your examination, in accordance with your terms of engagement, and that all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management, trustees' and members' meetings, have been made available to you. We have given you unrestricted access to persons within the charity in order to obtain evidence and have provided any additional information that you have requested for the purposes of your examination.
3. We confirm the charity has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.
4. We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm that we have no plans or intentions that may materially alter the carrying value and where relevant the fair value

measurements or classification of assets and liabilities reflected in the financial statements.

5. We confirm that the charity has no liabilities or contingent liabilities other than those disclosed in the financial statements.
6. We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework.
7. We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
8. We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees, other key management, close family and other business interests of the previous. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework.
9. We confirm that the charity neither had, at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits granted by the charity) for trustees, nor provided guarantees of any kind on behalf of the trustees except as disclosed in the financial statements.
10. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.
11. We confirm that the charity has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
12. We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its activities and which are central to the charity's ability to conduct its activities, except as explained to you and as disclosed in the financial statements.
13. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the organisation. There have been no deficiencies in internal control of which we are aware.
14. We confirm that there have been no actual or suspected instances of fraud involving trustees, management or employees who have a significant role in internal control or that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by trustees, former trustees, employees, former employees, regulators or others.
15. We confirm that, in our opinion, the charity's financial statements should be prepared on the going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, and have considered a period of at least one year from the date on which the financial statements will be approved.

16. We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.
17. We confirm that we are not aware of any matters of material significance that should be reported to regulators. We confirm that all correspondence with the Charity Commission has been made available to you.
18. We confirm that all grants, donations and other income, including those subject to special terms or conditions or received for restricted purposes, have been notified to you. There have been no breaches of terms or conditions during the period regarding the application of such income.

Yours sincerely

Timothy W Faithfull

Timothy Faithfull - Chairman

For and on behalf of the trustees of Starehe UK