

Charity No. 1035323

Starehe UK
Report and Unaudited Financial
Statements
31 March 2013

Starehe UK

Reference and administrative details

For the year ended 31 March 2013

Status	The organisation is a registered charity, registered on 18 March 1994.	
Governing document	The charity is constituted under a trust deed dated 2 March 1994.	
Charity number	1035323	
Registered office	1 Slate Cottages Manor Lane Abbots Leigh Bristol BS8 3RX	
Trustees	Timothy Faithfull David Kisiaky Lawrence Mbugua Ronald Onyango Keith Price Paul Whitehouse John Rushton Helen Varma Professor Roger Higgs Mark Webb Carole Spencer Will Cavendish Lord Valentine Cecil	(appointed as chairman 1 April 2013) (appointed as treasurer 6 September 2012) (resigned as chairman 31 March 2013) (resigned 31 August 2012) (appointed 1 September 2012) (resigned 11 July 2013)
Secretary	Michael Kiprop	
Charity coordinator	Michael Burton	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ	Nat West Bank 135 Bishopsgate London EC2M 3UR
Independent examiners	Alison Godfrey FCA Godfrey Wilson Ltd Chartered Accountants & Statutory Auditors Unit 5.11 Paintworks Bath Road Bristol BS4 3EH	
Investment advisers	Cazenove Capital Management Ltd 12 Moorgate London EC2R 6DA	
Solicitors	Farrer and Co LLP 66 Lincoln's Inn LONDON WC2A 3LH	

Starehe UK

Report of the trustees

For the year ended 31 March 2013

The trustees present their report and the unaudited financial statements for the year ended 31 March 2013.

The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements and comply with the charity's Trust Deed, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" revised in March 2005.

Structure, governance and management

The Starehe Endowment Fund (UK) was formed by Trust Deed on 2 March 1994 and changed its name to Starehe UK on 17 July 2008. The trust'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, but have appointed an Investment Committee, which meets as necessary.

Following the end of the successful StareheFuture Appeal in late 2011, an Appeal Coordinator, Malin Rosenkvist, was appointed to manage the conclusion of the Appeal, and certain continuing donor activities. Malin completed this work in February 2013, and the trustees wish to record their thanks to her for her efforts on behalf of Starehe. Trustees considered that the continuing liaison between the schools and existing and potential donors in the UK necessitated some further, though scaled back, administrative support, and Michael Burton is now performing this role.

Trustees

The trustees who have served throughout the year are shown on page 1. New trustees are appointed at the discretion of existing trustees.

Paul Whitehouse stepped down as Chairman as of 1 April 2013, and was succeeded by Tim Faithfull. Paul continues as a trustee. Paul 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, and with his continuing involvement with the schools and the establishment of continuing funding arrangements in the UK, Paul has provided comprehensive leadership, for which the trustees and the two schools are most grateful.

David Kisiaky took over from John Rushton as treasurer in 2012. Sadly, John died in May 2013. John was a volunteer at Starehe between 1968 and 1969. As treasurer from 2008 to 2012, he made a significant contribution to the management of Starehe UK, and in particular the implementation of the StareheFuture Appeal, including application of specific building and other capital developments in the schools, funded by donors. The trustees wish to record their appreciation of John's commitment and effort on behalf of Starehe, and the application of his wide-ranging legal and business skills to the UK fund.

The secretary to the trustees is Michael Kiprop.

Details of all trustees and the secretary are available on the Starehe UK website.

Starehe UK

Report of the trustees

For the year ended 31 March 2013

Objectives and activities

The purpose of the trust is the furtherance of the education of pupils at both Starehe Boys' Centre (from 1994) and Starehe Girls' Centre (from 2005), schools which provide free secondary education to needy children in Kenya, although the trustees have discretion to apply the funds to other similar causes. This is done by the provision of funds for such capital or income expenses as the trustees shall think fit and in particular by the provision of bursaries to fund the education of poor or orphaned children at both schools. The Trust Deed empowers the trustees to support the general purposes of such charitable bodies or for such other purposes as shall be exclusively charitable, as the trustees may from time to time decide.

Achievements and performance

In accordance with the next stage of the Appeal Restructuring plan outlined in the 2011/2012 Annual Report, Phase 2 of the Appeal – the long-term fundraising phase, which adds to the endowment fund to support student bursaries – continued in 2012/2013. Thanks to the work of the appeal coordinator, Malin Rosenkvist, outstanding pledges were honoured and new funds were raised, bringing the income to £234,381.

StareheFuture is indebted to a number of individuals and organisations for their fundraising support in 2012/2013, including:

- Mr Michael Holland of Jubilee Shipping for nominating StareheFuture as one of the beneficiaries of the 2012 Oil Aid charity football tournament at Chelsea FC;
- Next PLC for choosing StareheFuture as its charity partner to benefit from the July 2012 'bouquet of the month' by NextFlowers, part of the retailer's online presence, where 10% of each bouquet sold was donated to the Appeal;
- The Big Give, for choosing Starehe UK to participate once again in the annual 'Big Give Christmas Challenge';
- The Marianne Foundation for sponsoring girls at Starehe Girls' Centre;
- Citi Foundation for renewed support of Starehe Girls' Centre;
- The Band Trust and The Rumi Foundation for endowing bursaries at Starehe Girls' Centre;
- The Madrinha Trust for sponsoring and mentoring pupils at Starehe Girls' Centre; and
- Shell Centre and Shell Centre staff for hosting and participating in our 'Give As You Live' campaign and our annual raffle of Arsenal tickets.

StareheFuture also held a Donor Reception, generously hosted by Shell UK, to thank existing and new donors for their support over the past twelve months.

The appointment of a part-time coordinator, Michael Burton, means that Starehe UK can continue its good stewardship of existing donor relationships, and ensure that regular progress reports and newsletters keep funders up-to-date with the positive impact of their gifts.

Finally, Starehe UK continues to be indebted to Shell UK for the company's ongoing and very generous gift-in-kind of office space, and associated expenses, for the new coordinator.

Starehe UK

Report of the trustees

For the year ended 31 March 2013

Financial review

Sources of funding

The charity's funds have been secured through two major appeals in the UK, Aim High 1996-1998 and StareheFuture 2008-2011. In addition, the charity receives regular sums from donors, the majority of which are specified for the support of individual students, and which flow through to the schools.

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 which are shown in the accounts as unrestricted funds.

Investment policy and performance

The trustees have a policy to maintain investments to ensure that a sufficient level of income is generated to fund the ongoing operational needs of the charity.

During the year, when markets were guided by quantitative easing, the Eurozone sovereign debt crisis, the elections in the US and considerable slowing of demand in China, new investment principally in UK listed equities and Overseas equities was carefully undertaken in several stages for the investment portfolio. This proved to be a successful strategy as markets ended the year on a positive note with activity levels in the US economy in particular much improved. The Starehe portfolio achieved a total return of 14.4% for the 12 month period to 31 March 2013 while its tailored benchmark returned 12.0% and the Retail Price Index appreciated by 3.3% over the same period. The portfolio's outperformance was attributable to both good asset allocation and stock selection.

With equity markets recording the top returns during the year, the portfolio's overweight stance held for both UK and Overseas equities when compared to its benchmark, assisted its results. The emphasis placed on cyclical recovery stocks as the year progressed was most beneficial with the portfolio recording returns of 19.8% and 19.3% for its UK and Overseas equities respectively. The FTSE All Share Index and FTSE World Ex-UK Index returned 16.8% and 17.6% respectively over the same period. The portfolio's holdings of corporate bonds and index-linked bonds held via the Cazenove Income Trust for Charities and Trojan Fund also made a positive contribution to performance with returns usefully ahead of the return recorded by the FTSE British Government All Stocks Index. The only disappointment for the portfolio during the year came from its modest exposure to commercial property (via the Multi Strategy Property Trust for Charities) where market conditions remained difficult with capital values in decline and rental growth across the market marginally negative.

Starehe UK

Report of the trustees

For the year ended 31 March 2013

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 established 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.

Plans for the future

The charity aims to continue to provide both annual income and capital development support, as agreed from time to time with the schools, and in furtherance of donors' specific wishes, whilst increasing the capital value of the endowment in the medium term.

Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. 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 confirm that to the best of their knowledge there is no information relevant to the independent examination of which the examiner is unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant information and that this information has been communicated to the examiner.

Independent examiner

Alison Godfrey FCA of Godfrey Wilson Limited was appointed as the charity's independent examiner during the year.

Approved by the trustees on 1 September 2013 and signed on their behalf by:

Timothy Faithfull - Chairman

Independent examiner's report

To the trustees of

Starehe UK

I report on the accounts of the charity for the period ended 31 March 2013, which are set out on pages 7 to 16.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act;
 - to prepare accounts which accord with the accounting records and comply with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) and the accounting requirements of the 2011 Act; have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Date:

Alison Godfrey FCA (member of ICAEW)

For and on behalf of:

Godfrey Wilson Limited

Chartered Accountants & Statutory Auditors

Unit 5.11 Paintworks

Bath Road

Bristol

BS4 3EH

Starehe UK

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2013

	Note	Restricted £	Unrestricted £	2013 Total £	2012 Total £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	86,698	72,507	159,205	332,833
Activities for generating funds	3	28,926	-	28,926	33,972
Investment income	4	-	57,224	57,224	41,324
Other income		-	5,626	5,626	-
Total incoming resources		<u>115,624</u>	<u>135,357</u>	<u>250,981</u>	<u>408,129</u>
Resources expended					
Costs of generating funds		-	25,538	25,538	89,962
Charitable activities		79,361	79,408	158,769	273,638
Governance costs		-	26,799	26,799	16,578
Total resources expended	5	<u>79,361</u>	<u>131,745</u>	<u>211,106</u>	<u>380,178</u>
Net incoming / (outgoing) resources before transfers		36,263	3,612	39,875	27,951
Gains / (losses) on investments		-	173,710	173,710	(15,146)
Net movement in funds		36,263	177,322	213,585	12,805
Reconciliation of funds					
Total funds brought forward		<u>1,411,871</u>	<u>417,958</u>	<u>1,829,829</u>	<u>1,817,024</u>
Total funds carried forward		<u>1,448,134</u>	<u>595,280</u>	<u>2,043,414</u>	<u>1,829,829</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 financial statements.

Starehe UK

Balance sheet

As at 31 March 2013

	Note	£	2013 £	2012 £
Fixed assets				
Investments	10		1,844,730	1,559,514
Current assets				
Debtors	11	7,043		1,536
Cash at bank and in hand		203,599		280,497
		210,642		282,033
Creditors: amounts falling due within 1 year	12	11,958		11,718
Net current assets			198,684	270,315
Net assets	13		2,043,414	1,829,829
Funds	14			
Restricted funds			1,448,134	1,411,871
Unrestricted funds				
Designated funds			-	72,004
General funds			595,280	345,954
Total funds			2,043,414	1,829,829

Approved by the trustees on 1 September 2013 and signed on their behalf by:

Timothy Faithfull - Chairman

David Kisiaky - Treasurer

Notes to the financial statements

For the year ended 31 March 2013

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Charities Act 2011. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (revised 2005).

b) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

c) Charitable expenditure

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

d) Funds accounting

Restricted funds are subject to specific restriction specified by the donor be it purpose, geographical area, or the specified purpose of an appeal.

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

e) Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

f) Foreign currencies

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.

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

2. Voluntary income

	Restricted £	Unrestricted £	2013 £	2012 £
General fund (formerly Griffin Fund)	-	55,907	55,907	78,189
Capital projects Starehe Girls' Centre	6,869	-	6,869	20,875
Capital projects Starehe Boys' Centre	-	-	-	21,788
Bursaries	79,829	-	79,829	211,981
Gifts in kind*	-	16,600	16,600	-
	<u>86,698</u>	<u>72,507</u>	<u>159,205</u>	<u>332,833</u>

* Gifts in kind consist of the following:

	2013 £	2012 £
Rent	<u>16,600</u>	-
	<u>16,600</u>	<u>-</u>

3. Activities for generating funds

	Restricted £	Unrestricted £	2013 £	2012 £
Fundraising activities	-	-	-	1,895
Sponsorship - Starehe Girls' Centre	21,671	-	21,671	18,039
Sponsorship - Starehe Boys' Centre	7,255	-	7,255	14,038
	<u>28,926</u>	<u>-</u>	<u>28,926</u>	<u>33,972</u>

4. Investment income

	Restricted £	Unrestricted £	2013 £	2012 £
Dividends	-	56,696	56,696	40,744
Interest	-	528	528	580
	<u>-</u>	<u>57,224</u>	<u>57,224</u>	<u>41,324</u>

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

5. Resources expended

	Costs of generating funds £	Charitable activities £	Governance costs £	2013 Total £	2012 Total £
Grants payable to partners (note 6)	-	158,769	-	158,769	273,638
Salaries and social security costs	20,951	-	-	20,951	82,479
Freelance workers	4,530	-	-	4,530	7,042
Relationship building events	57	-	-	57	441
Travel and subsistence	-	-	2,299	2,299	4,664
General office expenditure	-	-	4,807	4,807	7,322
Rent	-	-	16,600	16,600	-
Bank charges	-	-	573	573	502
Independent examiners' remuneration	-	-	2,520	2,520	3,000
Auditors' remuneration (under provision in previous year)	-	-	-	-	1,090
Total	<u>25,538</u>	<u>158,769</u>	<u>26,799</u>	<u>211,106</u>	<u>380,178</u>

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

6. Grants payable

	Restricted £	Unrestricted £	2013 £	2012 £
Grants to Starehe Boys' Centre				
▪ Income support	-	-	-	-
▪ Capital projects	8,690	-	8,690	21,987
Grants to Starehe Girls' Centre				
▪ Income support	-	-	-	80,369
▪ Capital projects	21,835	79,408	101,243	71,316
	<u>48,836</u>	<u>-</u>	<u>48,836</u>	<u>99,966</u>
	<u>79,361</u>	<u>79,408</u>	<u>158,769</u>	<u>273,638</u>

7. Net movement in funds

This is stated after charging:

	2013 £	2012 £
Trustees' reimbursed expenses	2,199	2,055
Trustees' remuneration	Nil	Nil
Accountant's remuneration:		
▪ Independent examination fees	<u>2,520</u>	<u>3,000</u>

Trustees' reimbursed expenses represent the reimbursement of travel and subsistence costs to two trustees (2012: two) relating to overseas travel and other charity's related meetings.

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

8. Staff costs

Staff costs were as follows:

	2013 £	2012 £
Salaries and wages	19,167	74,354
Social security costs	1,784	8,125
	<u>20,951</u>	<u>82,479</u>

No employee earned more than £60,000 during the year.

	2013 No.	2012 No.
Average number of employees (full-time equivalent)	<u>0.7</u>	<u>2.0</u>

9. Taxation

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

10. Fixed asset investments

	2013 £	2012 £
Market value as at 1 April 2012	1,559,514	1,371,306
Additions at cost	306,949	500,668
Sales proceeds from disposals	(195,443)	(297,314)
Increase/(decrease) in market value	<u>173,710</u>	<u>(15,146)</u>
Market value as at 31 March 2013	<u>1,844,730</u>	<u>1,559,514</u>

Analysis of investments:

Fixed asset investments comprise:

	2013 £	2012 £
Market value		
Fixed interest	237,111	357,868
Common investment funds	1,542,614	1,126,924
Property fund	<u>65,005</u>	<u>74,722</u>
	<u>1,844,730</u>	<u>1,559,514</u>

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

10. Fixed asset investments (continued)

	2013 £	2012 £
Historical cost		
Fixed interest	232,822	341,108
Common investment funds	1,350,634	1,074,254
Property fund	92,781	92,781
	<u>1,676,237</u>	<u>1,508,143</u>

11. Debtors

	2013 £	2012 £
Income tax recoverable	4,762	549
Prepayments	778	987
Other debtors	1,503	-
	<u>7,043</u>	<u>1,536</u>

12. Creditors : amounts due within 1 year

	2013 £	2012 £
Payroll taxes	-	657
Accruals and other creditors	11,958	11,061
	<u>11,958</u>	<u>11,718</u>

13. Analysis of net assets between funds

	Restricted £	Unrestricted £	Total £
Tangible fixed assets	1,448,134	396,596	1,844,730
Current assets	-	210,642	210,642
Current liabilities	-	(11,958)	(11,958)
Net assets at 31 March 2013	<u>1,448,134</u>	<u>595,280</u>	<u>2,043,414</u>

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

14. Movements in funds

	At 1 April 2012 £	Incoming resources £	Outgoing resources £	Investment gains/(losses) £	At 31 March 2013 £
Restricted funds					
Capital Projects - Starehe Girls' Centre	66,163	6,869	(48,836)	-	24,196
Capital Projects - Starehe Boys' Centre	16,026	-	-	-	16,026
Aim High Appeal	865,288	-	-	-	865,288
Bursaries	434,889	79,829	-	-	514,718
Sponsorship - Starehe Girls' Centre	24,088	21,671	(21,835)	-	23,924
Sponsorship - Starehe Boys' Centre	5,417	7,255	(8,690)	-	3,982
Total restricted	1,411,871	115,624	(79,361)	-	1,448,134
Unrestricted					
Designated funds - infrastructure work	72,004	-	(72,004)	-	-
General funds	345,954	135,357	(59,741)	173,710	595,280
	417,958	135,357	(131,745)	173,710	595,280
Total funds	1,829,829	250,981	(211,106)	173,710	2,043,414

Purposes of restricted funds

Capital Projects - Starehe Girls' Centre	To fund infrastructure projects, for example the kitchen and dining hall at Starehe Girls' Centre.
Capital Projects - Starehe Boys' Centre	To fund infrastructure projects, for example the solar panels and borehole at Starehe Boys' Centre.
Aim High Appeal	To fund endowed places at both Starehe Girls' and Boys' Centre. These monies form the income from the Aim High Appeal 1996 - 1998 which was invested with Cazenove. The returns on these investments are used to fund the endowed places.

Starehe UK

Notes to the financial statements

For the year ended 31 March 2013

Purposes of restricted funds (continued)

Bursaries	To fund endowed places at both Starehe Girls' and Boys' Centre from the recent Starehe Future Appeal. Monies transferred to Cazenove and returns to be transferred to the schools to fund the allocated places.
Sponsorship - Starehe Girls' Centre	To fund sponsored places at Starehe Girls' Centre.
Sponsorship - Starehe Boys' Centre	To fund sponsored places at Starehe Boys' Centre.