

**Starehe UK**  
**Report and Unaudited Financial Statements**  
**9 Months to 31 December 2018**

## Starehe UK

### Reference and administrative details

**For the period ended 31 December 2018**

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<b>Charity number</b>	1158079
<b>Registered office and operational address</b>	c/o The Dulverton Trust 5 St James's Place London SW1A 1NP
<b>Trustees</b>	Trustees who served during the period and up to the date of this report were as follows:
	Will Cavendish (until 31 July 2018) Lord Valentine Cecil Timothy Faithfull Chair David Kisiaky Geraldine McKibbin Frank Midega (from 1 December 2018) Ronald Onyango (until 31 July 2018) Keith Price Helen Varma Mark Webb Paul Whitehouse
<b>Administrative support</b>	Joanne Knight (Charity Manager) Margaret Shaylor (Accountant)
<b>Bankers</b>	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ
<b>Solicitors</b>	Farrer and Co LLP 66 Lincoln's Inn London WC2A 3LH
<b>Investment advisers</b>	Smith & Williamson Portwall Place Portwall Lane Bristol BS1 6NA
<b>Independent examiners</b>	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 period ended 31 December 2018**

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The trustees present their report and the examined financial statements for the 9-month period ended 31 December 2018 for Starehe UK (SUK). The financial year-end has been adjusted to December to align SUK's accounting with the Starehe schools' academic year which runs from January to December.

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

#### **Structure, governance and management**

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

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

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

#### **Trustees**

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

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

## **Starehe UK**

### **Report of the trustees**

#### **For the period ended 31 December 2018**

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David Kisiaky, an Old Starehian resident in the UK, was appointed as a trustee in 2008, and has been Treasurer since 2012. In July 2018 Ronald Onyango, also a former Starehe pupil, and Will Cavendish stepped down from the board of trustees. Both are duly thanked for their years of service to the charity and the schools. In December 2018 Frank Midega, another Old Starehian, was appointed as a trustee to maintain SUK's connection with the schools and also provide additional finance skills to the board.

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

#### **Objectives and activities**

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

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

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

- Providing funds to the schools through a student sponsorship scheme to support the education of poor or orphaned children. Donors are assigned as sponsor for one or more named pupils and receive termly school reports and letters from their sponsored student(s). The schools receive up to £850 per year for each sponsored student which contributes towards the cost of providing a free home and education for children in need. Donors can provide funds either by sponsoring a student through regular donations, or by payment of a lump sum creating an endowed bursary place 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. Projects such as these are initiated when a donor is interested in supporting a specific development at one of the schools.
- Providing general funds to the schools to support the running costs.

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

#### **Achievements and performance**

The academic year in Kenya runs from January to December. Sponsorship funds distributed by SUK between 1 April 2018 and 31 December 2018 contribute towards the schools' costs for the academic year of 2019. Funds from SUK's endowment income are usually transferred in February of each year, the annual transfer of funds has not therefore taken place within this reporting period. The activities below refer only to the restricted donations received in the 9-month period.

#### **Starehe Girls' Centre**

- SUK contributed £3,176 through direct donor sponsorship towards 13 named places for girls from deprived backgrounds to live and study at Starehe Girls' Centre during the academic year of 2019. SUK is supporting 34 students in total; 21 of these students are funded via the endowment income and 13 as direct donor sponsorships. 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.

## **Starehe UK**

### **Report of the trustees**

#### **For the period ended 31 December 2018**

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- SUK paid £2,000 as an unrestricted grant, kindly donated by NEXT Plc.
- SUK provided £985 towards the travel costs for 12 pupils to visit the UK to perform at a music concert in Macclesfield hosted by the Martin Donaldson Music Trust in September 2018.

2018 was another successful year for the Starehe Girls' Centre with pupils achieving excellent results in the Kenyan Certificate of Secondary Education final examinations sat by Form 4 students in late 2018. Outperforming the 2017 results, Starehe Girls' Centre was ranked 10th out of the 8,297 public secondary schools in Kenya. From the 119 students who sat the exams, 79% achieved a grade of A or B. The cut-off for entry into one of Kenya's public Universities is C+; an impressive 94% of students secured a place at university setting them up for a positive future.

As well as pursuing their academic studies, the students undertook many extracurricular activities in 2018. These included Starehe Girls School Scouts being invited to the United Nations offices in Nairobi during the visit by the Rt Hon Theresa May MP Prime Minister in August 2018. The scouts presented their projects from the reuse and recycling of plastics and also entertained Theresa May with their dancing.

#### **Starehe Boys' Centre**

- SUK contributed £2,530 through direct donor sponsorship towards 5 named places for boys from deprived backgrounds to live and study at Starehe Boys' Centre during the academic year of 2019. SUK is supporting 23 students in total; 18 of these students are funded via the endowment income and 5 as direct donor sponsorships. 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.

Josphat Mwaura, former Chairman of the Old Stareheiians Society, was appointed as the Acting Director of Starehe Boys' Centre in April 2018. Josphat is working with the school's Management Committee to deliver an ambitious transformation agenda improving the business processes, staff capacity and governance. The Old Starehian Society is working closely with the school to increase donated income for the school. The students performed exceptionally well in their Certificate of Secondary Education final examinations. 77% of the 256 students who sat the exams in 2018 achieved a grade of A or B, with 88% meeting the grades for a university place. Starehe Boys' Centre was ranked of 13th out of all public secondary schools in Kenya based on these examination results. Extracurricular activities are an important priority for the school. In September 2018, twelve music students visited the UK with their music teachers, along with Starehe Girls' Centre pupils, to perform at a concert hosted by the Martyn Donaldson Music Trust in Macclesfield. The experience boosted the students confidence to perform to different audiences as well as experiencing UK culture with their host families.

#### **Starehe UK**

During the 9 months ended 31 December 2018, the charity's total incoming resources were £88,414, of which £17,537 was from donations and grants of various types, £2,500 from fundraising activities.

Overall between 1 April 2018 and 31 December 2018, SUK disbursed £7,706 to the two schools as follows:

- £2,000 for funds restricted to capital projects specified by donors;
- £5,706\* from regular donations by donors sponsoring students.

\* Funds distributed for the sponsored student places, endowed bursary places and general running costs have provided contributions to the schools across the academic year 1 January 2019 to 31 December 2019.

## **Starehe UK**

### **Report of the trustees**

#### **For the period ended 31 December 2018**

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

- Next PLC for a donation of £4,500 during the period;
- All individual donors who all agreed to commit to sponsoring new Form 1 students for 4 years;
- Rushton Family, St Mary's Church Lasham, Westfield School, Britten Family, Cobham Hall School, Guy Family, Lockhart family and the Rotary Club of West Wickham; and
- Former Starehe Boys' Centre pupils, Mr Kariuki and Mr Ondieki.

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

SUK 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 Charity Manager role.

### **Financial review**

#### **Sources of funding**

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

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

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

#### **Financial position**

There was a net surplus for the 9-month period of £52,762. After accounting for the loss on investments of £82,691 arising from the revaluation of investments held at 31 December 2018 to market value, the total net decrease in the funds for the period is £29,929.

#### **Investment policy**

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

## **Starehe UK**

### **Report of the trustees**

#### **For the period ended 31 December 2018**

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##### **Investment performance**

The value of SUK's investments at the end of December 2018 was £2,005,830.

The portfolio return was impacted by the significant fall in equity markets recorded in the final quarter of 2018. As a result, the total return for the 9 months to the end of December 2018 was negative, at -0.8%. Over the same timeframe, the composite benchmark index, against which the performance of the portfolio is compared, returned -1.2%.

The portfolio continues to generate an income significantly in excess of the annual target. Income generated for the 12 months to the end of December was £88,313 of which £68,321 was generated in the 9 months between the 1st of April and the end of December.

Approximately two thirds 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. Such companies should prove resilient even in a more challenging economic environment, and are able to provide investors with sustainable and growing dividend payments – key for SUK's objectives. The overseas equity element of the portfolio is primarily maintained through collectives, in order to ensure a good level of diversification. 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.

Investors are bracing themselves for a slowdown in global economic growth. Whilst such a slowdown is already evident, Smith and Williamson are not expecting a global recession and believe that equity market valuations are sufficiently attractive to provide investors with potential returns well in excess of inflation over coming years.

##### **Reserves policy**

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

##### **Risks**

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

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

##### **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.

## **Starehe UK**

### **Report of the trustees**

#### **For the period ended 31 December 2018**

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#### **Plans for the future**

In March 2019 the following transfers will be made to the schools:

Starehe Girls' Centre:

- £17,850 of investment income to cover the sponsorship fees for 21 endowed student places and contribute to general running costs for the academic year January to December 2019;
- £3,327 of donations received in January and February 2019 towards the fees of 13 sponsored students for the academic year of 2019; and
- £12,150 grant towards the general running costs of the school for the academic year of 2019.

Starehe Boys' Centre:

- £14,875 of investment income to cover the sponsorship fees for 18 endowed student places and contribute to general running costs for the academic year January to December 2019;
- £2,480 of donations received in January and February 2019 towards the fees of 5 sponsored students for the academic year of 2019; and
- £30,125 grant towards the general running costs of the school for the academic year of 2019.

SUK aims to continue to provide both annual income and capital development support, as agreed with the schools, whilst maintaining the capital value of the endowment in the medium term. A new SUK website to improve communication with stakeholders and donors will be launched in early 2019.

#### **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.

**Starehe UK**

**Report of the trustees**

**For the period ended 31 December 2018**

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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.

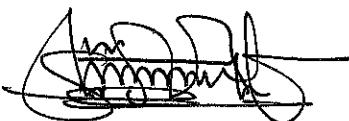
**Independent examiners**

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 5 June 2019 and signed on their behalf by



Timothy Faithfull - Chairman



David Kisiaky - Treasurer

**Independent examiner's report**

**To the trustees of**

**Starehe UK**

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I report to the trustees on my examination of the accounts of Starehe UK (the CIO) for the period ended 31 December 2018, which are set out on pages 10 to 23.

**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: 18 JUNE 2019.

**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 period ended 31 December 2018**

	Note	Restricted £	Unrestricted £	9 months to 31 December 2018 Total £	12 months to 31 March 2018 Total £
<b>Income from:</b>					
Donations - general	3	-	7,171	7,171	8,747
Charitable activities	4	10,366	-	10,366	20,799
Other trading activities	5	-	2,500	2,500	13,938
Investments		-	68,377	68,377	88,046
<b>Total income</b>		<u>10,366</u>	<u>78,048</u>	<u>88,414</u>	<u>131,530</u>
<b>Expenditure on:</b>					
Raising funds		-	17,816	17,816	23,487
Charitable activities		<u>7,706</u>	<u>10,130</u>	<u>17,836</u>	<u>99,182</u>
<b>Total expenditure</b>	6	<u>7,706</u>	<u>27,946</u>	<u>35,652</u>	<u>122,669</u>
<b>Net income before investment losses</b>		2,660	50,102	52,762	8,861
Net losses on investments		-	(82,691)	(82,691)	(14,482)
<b>Net movement in funds</b>	8	2,660	(32,589)	(29,929)	(5,621)
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>1,463,392</u>	<u>660,424</u>	<u>2,123,816</u>	<u>2,129,437</u>
<b>Total funds carried forward</b>		<u>1,466,052</u>	<u>627,835</u>	<u>2,093,887</u>	<u>2,123,816</u>

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

**Starehe UK**

**Balance sheet**

**As at 31 December 2018**

	Note	31 December 2018	31 March 2018
		£	£
<b>Fixed assets</b>			
Investments	11	<u>2,005,830</u>	<u>2,069,693</u>
		2,005,830	2,069,693
<b>Current assets</b>			
Debtors	12	423	1,948
Cash at bank and in hand		<u>102,780</u>	<u>60,928</u>
		103,203	62,876
<b>Liabilities</b>			
Creditors: amounts falling due within 1 year	13	<u>15,146</u>	<u>8,753</u>
<b>Net current assets</b>			
		<u>88,057</u>	<u>54,123</u>
<b>Net assets</b>	14	<u><b>2,093,887</b></u>	<u><b>2,123,816</b></u>
<b>Funds</b>			
Restricted funds	16	1,466,052	1,463,392
Unrestricted funds:			
General funds		<u>627,835</u>	<u>660,424</u>
<b>Total charity funds</b>		<u><b>2,093,887</b></u>	<u><b>2,123,816</b></u>

Approved by the trustees on 5 June 2019 and signed on their behalf by

Timothy Faithfull - Chairman

David Kisiaky - Treasurer

## **Starehe UK**

### **Notes to the financial statements**

**For the period ended 31 December 2018**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

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

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

##### **b) Going concern basis of accounting**

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

##### **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.

## **Starehe UK**

### **Notes to the financial statements**

**For the period ended 31 December 2018**

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#### **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:

	<b>9 months to 31 December 2018</b>	<b>12 months to 31 March 2018</b>
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 period ended 31 December 2018**

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**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 9 month period to 31 December 2018 no key sources of estimation uncertainty had a significant effect on the amounts recognised in the financial statements.

**Starehe UK**

**Notes to the financial statements**

**For the period ended 31 December 2018**

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**2. Statement of financial activities - prior period comparative**

	Restricted	Unrestricted	12 months to 31 March 2018
	£	£	Total £
<b>Income from:</b>			
Donations - general	-	8,747	<b>8,747</b>
Charitable activities	20,799	-	<b>20,799</b>
Other trading activities	-	13,938	<b>13,938</b>
Investments	-	88,046	<b>88,046</b>
<b>Total income</b>	<b>20,799</b>	<b>110,731</b>	<b>131,530</b>
<b>Expenditure on:</b>			
Raising funds	-	23,487	<b>23,487</b>
Charitable activities	19,294	79,888	<b>99,182</b>
<b>Total expenditure</b>	<b>19,294</b>	<b>103,375</b>	<b>122,669</b>
Net income before investment losses	1,505	7,356	<b>8,861</b>
Net losses on investments	-	(14,482)	<b>(14,482)</b>
<b>Net movement in funds</b>	<b>1,505</b>	<b>(7,126)</b>	<b>(5,621)</b>

**3. Donations - general**

	Restricted	Unrestricted	9 months to 31 December 2018	12 months to 31 March 2018
			Total	Total
<b>Individual Donations With Gift Aid</b>				
Individual Donations With Gift Aid	-	3,998	<b>3,998</b>	4,931
Individual Donations Without Gift Aid	-	499	<b>499</b>	1,094
Overseas Donations	-	100	<b>100</b>	-
Gifts in kind*	-	2,574	<b>2,574</b>	2,722
	<b>-</b>	<b>7,171</b>	<b>7,171</b>	<b>8,747</b>

\* Gifts in kind are represented by:

Office space (Shell)	-	2,574	<b>2,574</b>	2,525
Trustee expenses	-	-	<b>-</b>	197
	<b>-</b>	<b>2,574</b>	<b>2,574</b>	<b>2,722</b>

All income from donations in the prior year was unrestricted.

**Starehe UK**

**Notes to the financial statements**

**For the period ended 31 December 2018**

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**4. Charitable activities**

	Restricted	Unrestricted	9 months to 31 December 2018	12 months to 31 March 2018
Bursaries - Gift Aid	125	-	<b>125</b>	125
Overseas Bursaries - Non Gift Aid	3,703	-	<b>3,703</b>	-
Capital Projects - SGC - Gift Aid	150	-	<b>150</b>	600
Capital Projects - SGC - Non Gift Aid	2,000	-	<b>2,000</b>	12,643
Sponsorships - SBC - Gift Aid	375	-	<b>375</b>	1,375
Sponsorships - SBC - Non Gift Aid	600	-	<b>600</b>	484
Overseas Sponsorships - SBC	306	-	<b>306</b>	-
Sponsorships - SGC - Gift Aid	2,230	-	<b>2,230</b>	3,910
Sponsorships - SGC - Non Gift Aid	<u>877</u>	<u>-</u>	<u><b>877</b></u>	<u>1,662</u>
Total charitable activities	<u><b>10,366</b></u>	<u>-</u>	<u><b>10,366</b></u>	<u>20,799</u>

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

**5. Other trading activities**

	Restricted	Unrestricted	9 months to 31 December 2018	12 months to 31 March 2018
Fundraising activities	<u>-</u>	<u>2,500</u>	<u><b>2,500</b></u>	<u>13,938</u>

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

**Starehe UK**

**Notes to the financial statements**

**For the period ended 31 December 2018**

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**6. Total expenditure**

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

Governance costs in the period were £2,862.

**Total expenditure - prior period comparative**

	Raising funds £	Charitable activities £	Support and governance costs £	12 months to 31 March 2018 Total £
Grants payable to partners (note 7)	-	88,294	-	<b>88,294</b>
Freelance workers	1,625	1,625	4,875	<b>8,125</b>
Travel and subsistence	-	-	219	<b>219</b>
General office expenditure	-	-	1,560	<b>1,560</b>
Rent (gift in kind)	505	505	1,515	<b>2,525</b>
Bank charges	141	-	-	<b>141</b>
Investment charges	19,027	-	-	<b>19,027</b>
Accountancy and professional fees	-	-	2,778	<b>2,778</b>
<b>Sub-total</b>	<b>21,298</b>	<b>90,424</b>	<b>10,947</b>	<b>122,669</b>
Allocation of support and governance costs	<u>2,189</u>	<u>8,758</u>	<u>(10,947)</u>	<u>-</u>
<b>Total expenditure</b>	<b><u>23,487</u></b>	<b><u>99,182</u></b>	<b><u>-</u></b>	<b><u>122,669</u></b>

Governance costs in the year were £2,778.

**Starehe UK****Notes to the financial statements****For the period ended 31 December 2018****7. Grants payable**

	<b>9 months to 31 December 2018</b>	12 months to 31 March 2018
	£	£
Grant to Starehe Boys' Centre	2,530	46,322
Grant to Starehe Girls' Centre	<u>6,161</u>	<u>41,972</u>
Total	<u><b>8,691</b></u>	<u><b>88,294</b></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:

	<b>9 months to 31 December 2018</b>	12 months to 31 March 2018
	£	£
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	49	57
Independent examiner's fees	<u>2,862</u>	<u>2,778</u>

One trustee was reimbursed £49 in respect of IT costs (prior year: £57 for travel 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 £7,000 (prior year: £8,125) during the period.

**10. Taxation**

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

**Starehe UK**

**Notes to the financial statements**

**For the period ended 31 December 2018**

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**11. Listed investments**

	<b>9 months to 31 December 2018</b>	12 months to 31 March 2018
	£	£
Market value at 1 April 2018	2,069,693	2,088,775
Additions	408,258	510,252
Disposals proceeds	(388,976)	(514,624)
Equalisations	(454)	(228)
Realised gains / (losses)	24,497	25,107
Unrealised gains / (losses)	<u>(107,188)</u>	<u>(39,589)</u>
<b>Market value at 31 December 2018</b>	<b><u>2,005,830</u></b>	<b><u>2,069,693</u></b>
<b>Historical cost:</b>		
<b>At 31 December 2018</b>	<b><u>1,989,191</u></b>	<b><u>1,945,725</u></b>

**12. Debtors**

	<b>31 December 2018</b>	31 March 2018
	£	£
Accrued income	<u>423</u>	<u>1,948</u>

**13. Creditors : amounts due within 1 year**

	<b>31 December 2018</b>	31 March 2018
	£	£
Trade creditors	-	1,500
Accruals	<u>15,146</u>	<u>7,253</u>
	<b><u>15,146</u></b>	<b><u>8,753</u></b>

**14. Analysis of net assets between funds**

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

**Starehe UK****Notes to the financial statements****For the period ended 31 December 2018****14. Analysis of net assets between funds - prior period comparative**

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,463,392	606,301	<b>2,069,693</b>
Current assets	-	62,876	<b>62,876</b>
Current liabilities	-	(8,753)	<b>(8,753)</b>
<b>Net assets at 31 March 2018</b>	<b>1,463,392</b>	<b>660,424</b>	<b>2,123,816</b>

**15. 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.

**Starehe UK**

**Notes to the financial statements**

**For the period ended 31 December 2018**

**16. Movements in funds**

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

**Movements in funds - prior period comparative**

	At 1 April 2017 £	Income £	Expenditure £	Investment gains/(losses) £	At 31 March 2018 £
<b>Restricted funds</b>					
Capital Projects - Girls' Centre	-	13,243	(12,643)	-	600
Capital Projects - Boys' Centre	1,250	-	-	-	1,250
Aim High Appeal	865,288	-	-	-	865,288
StareheFuture Appeal	574,737	125	-	-	574,862
Sponsorship - Girls' Centre	20,612	5,571	(5,329)	-	20,854
Sponsorship - Boys' Centre	-	1,860	(1,322)	-	538
<b>Total restricted funds</b>	<b>1,461,887</b>	<b>20,799</b>	<b>(19,294)</b>	<b>-</b>	<b>1,463,392</b>
<b>Unrestricted funds</b>					
General funds	667,550	110,731	(103,375)	(14,482)	660,424
<b>Total unrestricted funds</b>	<b>667,550</b>	<b>110,731</b>	<b>(103,375)</b>	<b>(14,482)</b>	<b>660,424</b>
<b>Total funds</b>	<b>2,129,437</b>	<b>131,530</b>	<b>(122,669)</b>	<b>(14,482)</b>	<b>2,123,816</b>

**Starehe UK****Notes to the financial statements****For the period ended 31 December 2018**

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

<b>Capital Projects - Girls' Centre</b>	To fund infrastructure projects at Starehe Girls' Centre.
<b>Capital Projects - Boys' Centre</b>	To fund infrastructure projects at Starehe Boys' Centre.
<b>Aim High Appeal</b>	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.
<b>StareheFuture Appeal</b>	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.
<b>Sponsorship - Girls' Centre</b>	To fund sponsored places at Starehe Girls' Centre.
<b>Sponsorship - Boys' Centre</b>	To fund sponsored places at Starehe Boys' Centre.

**17. Financial instruments**

	<b>31 December 2018</b>	31 March 2018
	£	£
Financial assets that are debt instruments measured at fair value:		
Investments in listed shares	<b>2,005,830</b>	2,069,693
Financial assets that are debt instruments measured at amortised cost comprise the following:		
Accrued income	423	1,948
Cash at bank and in hand	<b>102,780</b>	60,928
	<b>103,203</b>	62,876

**Starehe UK**

**Notes to the financial statements**

**For the period ended 31 December 2018**

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**17. Financial instruments (continued)**

Financial liabilities measured at amortised cost comprise the following:

Accruals	<u>15,146</u>	<u>7,253</u>
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