

Charity Registered Number:
1115306

PRECIOUS SISTERS

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

PRECIOUS SISTERS

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

CHARITY INFORMATION

Trustees:

Mark Reckitt
Jane Karuku
Keith Sleight
Sandra Ferriera

Wallace Garland
Gerald Maithya
Ute Oswald
Mark Tomlinson

Principal Address:

331 Cromwell Tower
The Barbican
London
EC2Y 8NB

Accountants:

Pearce Accounts Consultancy Services
58 Sermon Drive
Swanley
Kent
BR8 7HT

Bankers:

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4TA

PRECIOUS SISTERS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

CONTENTS

1-6	Trustee's Report
7	Independent examiners' report to the trustees
8	Statement of financial activities
9	Balance sheet
10-11	Notes to the financial statements
12	Detailed income and expenditure account

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

The Trustees present their annual report with financial statements of the charity for the year ended 31ST December 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

As at the end of the 2020, the charity has eight trustees. The board of trustees has met three times during the year as scheduled via video conferencing (March, July and October) and on an adhoc basis at other times during the year.

During 2020 we continued with an organizational structure such that operational responsibility is owned by the NGO based in Kenya (also known as Precious Sisters).

The COVID-19 Pandemic has severely impacted our ability to operate in Kenya. Schools were closed from April for the remainder of the year and the girls sent home. The trustees decided to focus our activities on supporting the girls via regular phone calls and emails to help them feel connected and motivated. The schools set some work for the girls to complete at home although most girls also spent a significant amount of their time supporting the economic activities of their families, especially for those engaged in farming. To enable this activity we continued the employment of our small team in Kenya although some cost savings were realized in respect of reduced school fees. Our sponsors and supporters provided additional financial help for us and the families of the girls that they sponsor. The trustees continued the schedule of meetings as normal although all were held via video conferencing. Overall this was the most challenging time that Precious Sisters has ever faced but we are pleased to report that all girls have returned to school and are now engaged in their studies as normal.

The full list of trustees in office during the year:-

Mark Reckitt (Chairman), Gerald Maithya (Founder)*, Keith Sleight (Secretary), Mark Tomlinson (Treasurer), Wallace Garland*, Jane Karuku*, Ute Oswald and Sandra Ferreira.

* based in Kenya

The Trustees confirm that the Charity Commission's guidance on public benefit has been considered in deciding which activities the charity should undertake.

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

OBJECTIVES AND ACTIVITIES

The vision of Precious Sisters is set out in our Trust Deed:

To support the education of young women and girls in Kenya

This vision has given rise to our marketing line, used on promotional materials:

Giving Bright Girls the Chance to Shine

In order to achieve our vision, we sponsor a number of girls through their secondary education at five Kenyan Government boarding schools: Precious Blood School in Kilungu (a rural part of Kenya), Precious Blood School in Riruta (a poor suburb of Nairobi), Bishop Gatimu School in Karantina (a rural area toward Mount Kenya), Starehe Girls School (located a few kilometres from Nairobi) and Mary Hill (which is 50 km from Nairobi).

We have continued to support girls in 2020 but the charities activities have been very different from a normal year due to the COVID-19 pandemic. The number of girls that we have supported in recent years are as follows 93 in 2015, 104 in 2016, 111 in 2017, 116 in 2018, 113 girls in 2019. In 2020 we only sponsored 85 girls as the impact of the pandemic prevented us from identifying a new contingent of Form1 girls to support.

Precious Sisters is not affiliated to any political or religious organisation. We select girls from all ethnic, religious and tribal backgrounds with the ambition of supporting girls from across Kenya.

MEASURING SUCCESS

In Kenya, primary school education is free for all children. However, secondary education in Kenya requires parents to make a substantial contribution to the overall cost and many of the brightest primary students can simply not afford to pursue their studies. Without the support of Precious Sisters, none of our girls would have been able to receive a secondary education. Such is the poverty of their family backgrounds that funding schooling beyond the age of fourteen would have been impossible. Instead, these young women would probably have been sent out to some form of menial work in order to help support their families.

The situation in Kenya was impacted by COVID-19 pandemic with schools closing, and movement around the country curtailed. This has impacted the work of Precious Sisters.

Normally at the end of the academic year, the final year students would sit the Kenya Certificate of Secondary Education examination. This examination marks the culmination of the girls' secondary education, rather like A Levels in the UK, and the grades obtained play a fundamental role in each girl's future. This year the examination was delayed until April 2021 due to the COVID-19 pandemic and the results have just been published.

All the girls sponsored achieved a grade of "C+" or above which means that they will qualify for a government sponsored place at one of Kenya's public universities and, with it, the chance for our "Sisters" to build a future far from the situation into which they were born. This compares to the national average of 19% of pupils achieving a grade of "C+" or above, providing a good indication of the added value which Precious Sisters brings to the girls education.

The overriding objective and ambition of our charity is to give bright girls from poor backgrounds the chance of a bright future.

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

BENEFITS OF MENTORING

Over the years of our existence, we have come to understand that a high level of academic success at school is due, in no small part, to the success of our mentoring programme. This is a unique aspect to our charity's work.

It provides guidance on matters beyond the school curriculum, building self-awareness, self-belief and self-confidence amongst our girls, our ABC programme from Awareness, Belief and Confidence. Our programme is dependent on the support of more than one hundred volunteer mentors and speakers at our events in Nairobi. In 2020 we had planned for three mentoring events but as a consequence of the restrictions imposed due to the COVID-19 pandemic we were only able to hold one event in January 2020.

The work in Kenya is managed day-to-day by our Programme Manager, Ann Waweru, supported by Rosemary Wambui our Mentoring Programme Officer, under the direction of Wallace Garland our Operations Director and the Precious Sisters Kenyan Board.

Although our usual programme of events was suspended Ann and Rosemary have endeavored to keep in touch with the "Precious Sisters" to maintain contact and encourage them not to lose focus on the opportunities that education will open up to them. The contact between Ann and Rosemary has been very important for the girls and we have received positive feedback from parents and the schools for our continued engagement with the girls despite very difficult circumstances.

OPERATIONAL ORGANISATION

The operational management of Precious Sisters continues to be run by our Kenyan NGO (also called Precious Sisters). The Kenyan NGO has a strong board but they have been unable to meet due to travel restrictions in Kenya. The UK charity board is responsible for the majority of the fundraising and it has been decided since the November 2019 UK board meeting that the UK board will continue with this role, while the Kenyan Board focuses on the day to day operational running of the charity.

RAISING FUNDS

In 2020 with the schools closed and mentoring postponed due to the pandemic we were unable to continue with our usual activities. Raising Funds in the UK continued through contacts with our friends and supporters of the charity. The amount needed to pay for school, tutoring or board for the "Precious Sisters" was significantly reduced as the schools were closed for most of the year.

We raised funds to cover these costs in the following ways:

1. By securing individual sponsors who each sponsor a named girl. Sponsor and schoolgirl are able to communicate with each other by letter and each sponsor receives a copy of the girl's school report and examination results. We offer different levels of sponsorship: £700 per annum, to cover all costs associated with the girl's education and mentoring or £400 per annum, which covers the cost of school fees only.
2. Ad-hoc donations from individuals in the UK
3. Support from UK Charitable trusts
4. Gift Aid recoveries on donations from UK taxpayers
5. Donations through "Give as you live" charitable donation website
6. Donations through our Kenyan NGO
7. Donations from grants

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

SAFEGUARDING POLICY

As a responsible charity, dealing with the education of young women, we do everything possible to minimise the risk of harm to the children that we sponsor, mentor and support.

Our Safeguarding Policy is available to view on our website: <http://precioussisters.org/>

Due to the importance and increased focus on ensuring the safety and well-being of the girls we sponsor, the UK board has appointed a Trustee with specific responsibility for Safeguarding. The Charity has reviewed its policy and will be making changes to the way it runs mentoring events in Kenya and also changes to the associated documentation.

We are also in contact with the schools which our girls attend and are reviewing their safe-guarding policies.

RISKS

The key risks identified for Precious Sisters are as follows.

These are recognised and accepted risks which we continually work to minimise by taking the appropriate action to mitigate.

1. The impact of the COVID-19 pandemic causing the closure of schools in Kenya and restricting the contact we are able to have with the sponsored girls
2. The selection of appropriate girls for funding is mitigated through a process which has been further refined and improved over the years, following an overhaul of procedures in 2013. In addition to a set of clearly defined entrance criteria, application forms and background checks, and regular dialogue between Wallace Garland and the Head Teachers of the five schools with which we work, we now conduct two rounds of interviews in order to achieve a more robust selection process, as well as interviews with parents and guardians.
3. The over-reliance of five Kenyan schools upon Precious Sisters for funding is mitigated by the fact that we limit the number of girls receiving our support in any one school to a maximum of 10% of all pupils of the school.
4. We safeguard against the potential risk to our girls from the adults who interact with them by means of our safeguarding policy (see above). All mentors are required to read and sign this policy before each mentoring event, and we have implemented new checks for our staff in Kenya.
5. The lack of predictable income streams is mitigated by spreading our fundraising efforts across a large number of individual donors, trust donors and fundraising events, as well as by ensuring the maintenance of our reserves policy, which sees us hold on account a sum of money equivalent to one year's overhead requirement and the cost of school fees for all our girls until the end of their schooling.
6. The appropriate management of our charity's funds is ensured by our Treasurer, a Chartered Accountant, as well as by our use of Pearce Accounts Consultancy Services.
7. The unpredictable nature of the exchange rate of the British Pound relative to the Kenyan Shilling due to the volatility of the markets given the relative uncertainty due to the COVID-19 pandemic.

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

FINANCIAL REVIEW

During 2020, Precious Sisters raised over £76,000 from its sources of donations (see above). This compared to just over £75,000 in 2019.

The charity's expenditure was £66,519 during the year, compared with £83,209 in 2019.

The decrease in expenditure during the year was a consequence of the closure of schools and cancellation of two mentoring events following the restrictions imposed in Kenya following the COVID-19 pandemic.

£29,951 was used to pay the girls' school fees and £3,424 was spent on mentoring events and alumni to enable girls to complete applications and study during the period between school and university. The Programme Manager and Mentoring Programme Officer's costs amounted to £26,706.

Bank charges, fees and foreign exchange adjustments amounted to £2,080.

Governance costs were £1,439.

The surplus of income over expenditure came to £9,678 compared to a deficit last year of £8,186.

RESERVES POLICY

During 2020, the charity has continued to maintain a balance of £18,000 in an endowment reserve, to ensure that it is able to meet its immediate commitments for the continuing education of the girls it supports. The charity held a further £86,025 in a General Reserve at the end of the year. In the financial year 2020 these reserves have remained in the bank balance earning interest. In view of the continued planned growth of the charity and the development of its activities described elsewhere in this report, the trustees consider that it is important that the charity work to improve the level of reserves for the long term.

KEY AREAS OF FOCUS FOR 2021

The UK board have agreed to maintain the number of girls that we support at around 110. The Board of Trustees has agreed to focus on quality of service rather than attempting to increase the number of girls sponsored.

We will continue to offer mentoring to all of our girls, including support to those girls of our growing alumni.

We recognise that our alumni are still in need of our support, providing help in preparing for university entrance exams, for example, or in the search for employment once studies are at an end and the trustees feel it is appropriate to help the girls to get into full time employment. We have called this programme "Closing the Loop". It had been our intention to progress with this programme in 2020, but the COVID-19 pandemic has caused us to postpone our plans. It is hoped that as Kenyan society opens up in 2021 we will be able to progress with this programme.

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2020

PRIORITIES FOR THE FUTURE

Continue to support the girls within the aims and objectives of Precious Sisters

Maintain our mentoring programme.

Deploy our "Closing the Loop" programme.

Attract more individual sponsors and secure more long-term income from Foundations and Trusts.

Endeavour to achieve other potential sources of funding within the UK.

Maximise revenues from the multi-tiered sponsorship offer, giving donors the possibility of contributing up to £700 per girl per year, whilst maintaining lower level contributions as well.

TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing financial statements for each financial year which gives a true and fair view of the association's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Trustees are required to:

- select suitable policies and the apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time its financial position and to enable them to ensure that the financial statements comply with the regulations made under the Charities Act. They 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.

APPROVAL

This Report was approved by a Trustee on behalf of the board on 11 May 2021 and signed by



Mark Reckitt

Chairman and Trustee

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF

PRECIOUS SISTERS

FOR THE YEAR ENDED 31ST DECEMBER 2020

I have examined the financial statements on pages 8 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the trustees and examiner

The Trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees Responsibilities. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 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 Charities Commissioner under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

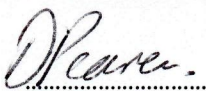
Basis of opinion

My examination was carried out in accordance with the General Directions given by the Charity Commissioner. 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 trustee 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:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (b) to prepare accounts which accord with the accounting records to comply with the accounting requirements of the 2011 Act;have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Debbie Pearce
Pearce accounts consultancy services
Chartered Certified Accountants
58 Sermon Drive
Swanley
Kent BR8 7HT

Dated: 14 May 2021

PRECIOUS SISTERS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 Unrestricted Funds £	2019 Total £
INCOMING RESOURCES	2		
Voluntary income		18,953	5,933
Incoming resources from charitable activities		56,407	68,467
Investment income		73	162
Fundraising		764	461
TOTAL INCOMING RESOURCES		<u>76,197</u>	<u>75,023</u>
RESOURCES EXPENDED	3		
Charitable activities		65,080	81,772
Governance costs		1,439	1,437
TOTAL RESOURCES EXPENDED		<u>66,519</u>	<u>83,209</u>
Net incoming resources		9,678	(8,186)
Total funds brought forward		94,347	102,533
Total funds carried forward		<u>104,025</u>	<u>94,347</u>

The Statement of Financial Activities includes all gains and losses in the year.
All incoming and expended resources derive from continuing activities.

PRECIOUS SISTERS
BALANCE SHEET
AS AT 31ST DECEMBER 2020

	Notes	2020 £	2019 £
CURRENT ASSETS			
Debtors	5	34,035	31,880
Cash at bank and in hand		<u>96,341</u>	<u>90,367</u>
		130,376	122,247
CREDITORS: Amounts falling due within one year			
	6	<u>26,351</u>	<u>27,900</u>
NET ASSETS		<u><u>104,025</u></u>	<u><u>94,347</u></u>
FUNDS			
Unrestricted funds			
Endowment fund		18,000	18,000
General funds		<u>86,025</u>	<u>76,347</u>
		<u><u>104,025</u></u>	<u><u>94,347</u></u>

Approved by the board of Trustees on 11 May 2021 and signed.



.....
Mark Reckitt
Chairman and Trustee

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The Financial Statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements are prepared, on a going concern basis, under the historical cost convention.

The charity 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 note.

1.1. Grants and donations

Revenue grants and donations are credited to the Statement of Financial Activities on the earlier date of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are included in creditors on the Balance Sheet as income received in advance to be recognised in the future accounting period.

1.2. Gift aid

Tax reclaims on gift aid are included in the accounts when they are received or when the amount receivable is known with certainty.

1.3. Interest received

Investment income is recognised on a receivable basis.

1.4. Resources expended

Expenditure is recognised when a liability is incurred within the charitable objects and is classified between charitable activities and governance costs in accordance with SORP 2005.

1.5. Foreign currencies

Transactions in foreign currency are recognised at the exchange rate prevailing at the date of the transaction, any gain or loss arising is separately shown within the income and expenditure account.

1.6. Value Added Tax

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

1.8 Restricted funds

Restricted funds are to be used for the purposes specified by the donor. Income and related expenditure which meets these criteria is identified to the fund.

All income has been classified as unrestricted funds as no restrictions are placed on income by the charity's donors other than it being spent within the charity's objects to support girls through education in Kenya.

1.9 Unrestricted funds

Unrestricted funds are grants, donations and other income received or generated for the objects of the charity without further specified purpose and is available as general funds.

1.10 Designated funds/endowment funds

Designated/endowment funds are unrestricted funds set aside by the Trustees for specific purposes.

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

1.11 Liabilities

Liabilities are recognised where a legal obligation to transfer economic benefit exists.

2. STAFF COSTS

	£	£
Staff costs during the period:		
Salaries and wages	23,364	26,406
Pension costs	2,131	733
Medical insurance	<u>1,211</u>	<u>-</u>
	<u>26,706</u>	<u>27,139</u>

The average number of employees during the period was 2 (2019 - 2).

3. TRUSTEE REMUNERATION AND EXPENSES

No remuneration was paid to any Trustee during the period nor were any expenses reimbursed to them.

4. DEBTORS

	£	£
Sponsor debtors	4,880	9,375
Gift aid	<u>29,155</u>	<u>22,505</u>
	<u>34,035</u>	<u>31,880</u>

5. CREDITORS: Amounts falling due within one year

	£	£
Deferred income	25,325	27,300
PAYE	426	-
Accruals	<u>600</u>	<u>600</u>
	<u>26,351</u>	<u>27,900</u>

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2020

6. INCOME AND EXPENDITURE ACCOUNT

	2020	2019
	£	£
INCOME		
Individual sponsors	47,277	59,024
Interest received	73	162
Gift aid	9,130	9,443
Fundraising	764	461
Donations	18,953	5,933
TOTAL INCOME	76,197	75,023
EXPENDITURE		
Charitable activities		
Precious Blood school fees	29,951	43,880
Mentoring costs and support prior to university	3,424	3,491
Alumni expenses	306	507
IT equipment for girls	-	475
Travelling expenses	1,219	3,109
Salaries	23,364	26,406
Pension costs	2,131	733.00
Medical insurance	1,211	-
Office expenses	85	263
Bank charges	218	254
Just giving fee	276	216
Foreign exchange loss	1,586	1,003
Telephone, stationery and printing	321	450
Computer and office expenses	449	445
Subscriptions	222	232
Sundry expenses	317	308
Governance costs		
Accountancy	600	600
Audit fee	839	837
TOTAL EXPENDITURE	66,519	83,209
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	9,678	(8,186)