

Charity Registered Number:
1115306

PRECIOUS SISTERS

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

PRECIOUS SISTERS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

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PRECIOUS SISTERS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

CHARITY INFORMATION

Trustees:

Mark Reckitt
Jane Karuku
Keith Sleight
Sandra Ferriera
Paul Sinclair

Wallace Garland
Gerald Maithya
Ute Oswald
Mark Tomlinson

Principal Address:

331 Cromwell Tower
The Barbican
London
EC2Y 8NB

Accountants:

Pearce Accounts Ltd
58 Sermon Drive
Swanley
Kent
BR8 7HT

Bankers:

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

PRECIOUS SISTERS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

The Trustees present their annual report with financial statements of the charity for the year ended 31st December 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

As at the end of the 2021, the charity has eight trustees. The Board of Trustees has met three times during the year as scheduled via video conferencing (March, July and November) and on an ad hoc basis at other times during the year.

During 2021 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 continued to limit our ability to meet in person in the UK and to deploy our activities in full in Kenya compared to the pre-pandemic situation.

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

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

* based in Kenya

Paul Sinclair was nominated and accepted to the UK Board at our November meeting and formally joined on 19th January 2022

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

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 fifty kilometres from Nairobi).

We have continued to support girls in 2021 and the charities activities returned to normality during the year, although there has been some impact from the government's direction that schools "catch up" the time lost to schooling during 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 and 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 Form 1 girls to support. In 2021 we sponsored 90 girls.

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.

PRECIOUS SISTERS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

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.

Due to the COVID-19 pandemic, during the last two years the examination has been delayed until March of the following year. In 2021, twenty nine girls sponsored by Precious Sisters sat the examination and all achieved a grade of "C+" or above. This 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 very different from the situation into which they were born. In addition the results of the examination sat in March 2022 have just been published. Twenty seven of our girls sat the examination and all but one achieved a grade of "C+" or above. This compares to the national average over the last two years of less than 20% 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.

BENEFITS OF MENTORING

Over time, 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.

Our mentoring programme provides guidance on matters beyond the school curriculum, building self-awareness, self-belief and self-confidence amongst our girls, our ABC programme from **A**wareness, **B**elief and **C**onfidence. Our programme is dependent on the support of more than one hundred volunteer mentors and speakers at our events in Nairobi. In 2021 we delivered three mentoring events.

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 member of the Precious Sisters Boards in both the UK and Kenya.

All the mentoring events were compliant with our safe-guarding policy and with local Covid-19 restrictions. In addition, Ann and Rosemary kept close contact with the "Precious Sisters" both during school terms and whilst Kenya was in periods of lockdown, encouraging them, coaching them and building their skills.

PRECIOUS SISTERS
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FOR THE YEAR ENDED 31ST DECEMBER 2021

CLOSING THE LOOP

We have realized over time that supporting these young women with an education and mentoring is not sufficient. We also need to equip them with life skills in addition to academic ability. To coincide with the mentoring events, we have started the 'Closing the Loop' programme in 2021 with a series of seminars. These were well received, especially by the 16–19 year olds and we are reviewing the content for those girls at University. Topics included Life after high school and in university; Courses, careers and employment; Financial Management; Emotional Intelligence; Mental Health and Relationships.

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 separate Board but they have not met due to travel restrictions in Kenya as a consequence of the COVID-19 pandemic. The UK charity Board is responsible for the majority of the fundraising, while the Kenyan Board focuses on the day-to-day operational running of the charity. Three trustees sit on both Boards enabling good co-ordination between the two bodies.

RAISING FUNDS

In 2021 raising Funds in the UK continued through contacts with our friends and supporters of the charity.

Precious Sisters supported a total of 90 girls during 2021.

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. Significant donations from a small group of individuals in the UK
3. Ad-hoc donations from supporters as well as support from UK Charitable trusts
4. Gift Aid recoveries on donations from UK taxpayers
5. Donations through "Give as you live" charitable donation website and similar platforms
6. Donations through our Kenyan NGO
7. We have sought specific support for the 'Closing the Loop' programme and as at the end of 2021 have received £10,000 specifically for this purpose.

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2021

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://preciousisters.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 reviews its safeguarding policy regularly and post the COVID-19 pandemic has made a number of changes to the way it runs mentoring events in Kenya as well as changes to the associated documentation.

We have also reviewed the safeguarding policies of the schools which our girls attend to ensure they are consistent and in alignment with those of the Charity.

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 effects of the COVID-19 Pandemic, although as the schools in Kenya have reopened, we believe that this is no longer a key risk for 2022.
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 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.
5. The lack of predictable income streams is mitigated by spreading our fundraising efforts across a large number of individual donors, trust donors, grants and fundraising events, as well as by ensuring the maintenance of our reserves policy, which sees us hold a sum of money equivalent to one year's overhead requirement and the cost of school fees for all sponsored girls until the end of their schooling.
6. The appropriate management of the charity's funds is ensured by our Treasurer, a Chartered Accountant and 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 foreign exchange markets particularly as a consequence of the Covid-19 pandemic as well as other world events.

PRECIOUS SISTERS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

FINANCIAL REVIEW

During 2021, Precious Sisters raised over £91,000 from its sources of donations (see above). This compared to just over £76,000 in 2020.

The charity's expenditure was £63,241 during the year, compared with £66,519 in 2020.

£25,364 was used to pay the girls' school fees and £6,105 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 £24,371.

Bank charges, fees and foreign exchange adjustments amounted to £2,096.

Governance costs were £1,233.

The surplus of income over expenditure came to £27,771 compared to a surplus last year of £9,678.

RESERVES POLICY

During 2021, the charity transferred £18,000 from an endowment reserve to general reserves. The charity held £125,235 in a General Reserve at the end of the year. In the 2021 financial year 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 to reach cover equivalent to one year's overhead requirement and the cost of school fees for all sponsored girls until the end of their schooling.

KEY AREAS OF FOCUS FOR 2022

We as the UK Board have agreed to maintain the number of girls that we support at around 120. The Board of Trustees has agreed to focus on quality of service rather than attempting to increase the quantity of girls sponsored.

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

We recognise that our alumni are still in need of our support as they progress from secondary education to University and beyond. The Trustees feel it is appropriate to help the girls to find full time employment. We have called this programme "Closing the Loop. In 2021 we were able to launch this programme, combining it with the mentoring events and holding dedicated sessions with the older girls to equip them with skills for life post school.

PRECIOUS SISTERS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2021

PRIORITIES FOR THE FUTURE

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

Maintain our mentoring programme.

Further develop our "Closing the Loop" programme.

Attract more individual sponsors and secure more long-term support from individuals as well as charitable trusts.

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

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

TRUSTEES RESPONSIBILITIES

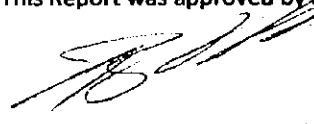
The Trustees are responsible for preparing financial statements for each financial year which gives a true and fair view of the association's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Trustees are required to:

- 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 25 May 2022 and signed by



Mark Reckitt

Chairman and Trustee

**INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF
PRECIOUS SISTERS
FOR THE YEAR ENDED 31ST DECEMBER 2021**

I have examined the financial statements on pages 8 to 13. 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: 26 May 2022

PRECIOUS SISTERS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2021

	31 December 2021			31 December 2020
	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	£	£
INCOMING RESOURCES				
Voluntary income	35,083	-	35,083	18,953
Incoming resources from charitable activities	45,631	10,000	55,631	56,407
Investment income	6	-	6	73
Fundraising	292	-	292	764
TOTAL INCOMING RESOURCES	81,012	10,000	91,012	76,197
RESOURCES EXPENDED				
Charitable activities	58,569	3,439	62,008	65,080
Governance costs	1,233	-	1,233	1,439
TOTAL RESOURCES EXPENDED	59,802	3,439	63,241	66,519
Net incoming/outgoing resources	21,210	6,561	27,771	9,678
Total funds brought forward	104,025	-	104,025	94,347
Total funds carried forward	125,235	6,561	131,796	104,025

The Statement of Financial Activities includes all gains and losses in the year.

All incoming and expended resources derive from continuing activities.

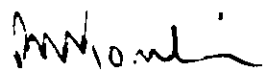
PRECIOUS SISTERS

BALANCE SHEET

AS AT 31ST DECEMBER 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	4	36,272	34,035
Cash at bank and in hand		<u>106,597</u>	<u>96,341</u>
		142,869	130,376
CREDITORS: Amounts falling due within one year			
	5	<u>11,073</u>	<u>26,351</u>
NET ASSETS		<u>131,796</u>	<u>104,025</u>
FUNDING			
FUNDS	6		
Restricted Funds		6,561	-
Unrestricted funds:			
Endowment fund		-	18,000
General funds		<u>125,235</u>	<u>86,025</u>
		<u>131,796</u>	<u>104,025</u>

Approved by the Board of Trustees on 25 May 2022 and signed.



Mark Tomlinson
Treasurer and Trustee

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

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 reclaim 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.

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 2021

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	21,739	23,364
Pension costs	1,906	2,131
Medical insurance	<u>726</u>	<u>1,211</u>
	<u>24,371</u>	<u>26,706</u>

The average number of employees during the period was 2 (2020 - 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	5,039	4,880
Gift aid	<u>31,233</u>	<u>29,155</u>
	<u>36,272</u>	<u>34,035</u>

5. CREDITORS: Amounts falling due within one year

	£	£
Deferred Income	9,800	25,325
PAYE	534	426
Accruals	<u>739</u>	<u>600</u>
	<u>11,073</u>	<u>26,351</u>

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

6. FUNDS

	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
Restricted Funds					
Closing The Loop		10,000	3,439		6,561
Total	-	10,000	3,439	-	6,561
Endowment Fund	18,000	-	-	(18,000)	-
Unrestricted general	86,025	81,012	59,802	18,000	125,235
Total funds	104,025	91,012	63,241	-	131,796

Restricted Funds

Closing The Loop was a grant received with a restricted purpose to provide support to the girls who have been sponsored by Precious Sisters through their secondary school education as they prepare for and experience life at university.

Fund Transfers

Transfers between funds are authorised by the Trustees, an historic designated fund named as an endowment fund was transferred to unrestricted funds during the year.

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2021

7. INCOME AND EXPENDITURE ACCOUNT

	2021	2020
	£	£
INCOME		
Individual sponsors	43,553	47,277
Grants received	10,000	-
Interest received	6	73
Gift aid	2,078	9,130
Fundraising	292	764
Donations	<u>35,083</u>	<u>18,953</u>
TOTAL INCOME	91,012	76,197
EXPENDITURE		
Charitable activities		
School fees	25,364	29,951
Mentoring costs and support prior to university	2,724	3,424
Alumni expenses	3,381	306
Travelling expenses	2,605	1,219
Salaries	21,739	23,364
Pension costs	1,906	2,131
Medical insurance	726	1,211
Office expenses	206	85
Bank charges	296	218
Just giving fee	282	276
Foreign exchange loss	1,518	1,586
Telephone, stationery and printing	415	321
Computer and office expenses	297	449
Subscriptions	167	222
Sundry expenses	382	317
Governance costs		
Accountancy	600	600
Audit fee	633	839
TOTAL EXPENDITURE	<u>63,241</u>	<u>66,519</u>
SURPLUS FOR THE FINANCIAL YEAR	<u>27,771</u>	<u>9,678</u>