

Charity Registered Number:
1115306

PRECIOUS SISTERS

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

PRECIOUS SISTERS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

CONTENTS

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

PRECIOUS SISTERS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
CHARITY INFORMATION

Trustees:

Mark Reckitt (Chair during 2022)	Wallace Garland
Paul Sinclair	Gerald Maithya
Keith Sleight	Ute Oswald
Sandra Ferriera	Mark Tomlinson
Jane Karuku	

Paul Sinclair became a Trustee in January 2022 and was appointed Chair in April 2023

Principal Address:

331 Cromwell Tower
The Barbican
London
EC2Y 8NB

Accountants:

Pearce Accounts Consultancy Services 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 2022

The Trustees present their annual report with financial statements of the charity for the year ended 31st December 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

As at the end of 2022, the charity has nine trustees. The Board of Trustees has met three times during the year as scheduled (March, July and November) with attendance over MS Teams and in person.

During 2022 we continued with an organizational structure such that operational responsibility is owned by the NGO based in Kenya (also known as Precious Sisters).

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, Sandra Ferreira and Paul Sinclair (joined in February 2022).

* 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.

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 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).

The number of girls that we have supported each year are shown in the table below

Year	2015	2016	2017	2018	2019	2020	2021	2022
Girls Sponsored	93	104	111	116	113	85	90	97

In 2022 we sponsored 97 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 2022

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 cannot 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.

At the end of the academic year, the final year students sit the Kenya Certificate of Secondary Education (KCSE) examination. This examination marks the culmination of the girls' secondary education, rather like A Levels in the United Kingdom, and the grades obtained play a fundamental role in each girl's future.

Last year thirty one girls sponsored by Precious Sisters sat the KCSE examination and all but one 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.

One of our girls achieved an A grade and is one of only 271 girls in the whole country to do so. The thirty girls who scored a C+ and above were among the top 20% of students, male and female, in the country.

Collectively this result means the overall percentage of girls who have achieved a government sponsored place at university since Precious Sisters started sponsoring girls sitting the KCSE exam in 2008 is 98%, 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 successful future.

BENEFITS OF MENTORING

Over time, we have come to understand that a high level of academic success at school is due 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 developing 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 2022 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 the Precious Sisters Kenyan Board.

All the mentoring events were compliant with our safe-guarding policy. 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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2022

CLOSING THE LOOP

We have realized over time that supporting these young women with an education and mentoring is not enough. We also need to equip them with life skills in addition to academic ability. To coincide with the mentoring events, we are running the 'Closing the Loop' programme. Areas covered by 'Closing the Loop' include: 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 UK 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 2022 raising Funds in the UK continued through contacts with our friends and supporters of the charity.

Precious Sisters supported a total of 97 girls during 2022.

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, via the Programme Manager, 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 or organisations 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 and similar platforms
6. Donations through our Kenyan NGO
7. Donations from grants.

PRECIOUS SISTERS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 includes safeguarding on the agenda of each meeting as a situation review. The Charity reviews its safeguarding policy annually and ensures that documentation relating to its mentoring events in Kenya and their associated documentation are kept up to date.

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 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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 as a consequence of current inflationary pressures as well as other world events.

PRECIOUS SISTERS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022

FINANCIAL REVIEW

During 2022, Precious Sisters raised over £120,000 from its sources of donations (see above). This compared to just over £91,000 in 2021.

The charity's expenditure was £82,742 during the year, compared with £63,241 in 2021.

£39,380 was used to pay the girls' school fees and £6,935 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 £26,994.

Bank charges, fees and foreign exchange adjustments amounted to £1,849.

Governance costs were £1,883.

The surplus of income over expenditure came to £37,403 compared to a surplus last year of £27,771.

RESERVES POLICY

The charity held £151,169 in a General Reserve at the end of the year. In the 2022 financial year our reserves were held as bank deposits earning interest. Our reserves policy is to hold sufficient funds to cover one year's overhead requirement and the cost of school fees for all girls currently sponsored until the end of their schooling. The current level of Reserves are sufficient to comply with the policy.

KEY AREAS OF FOCUS FOR 2023

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 number 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 2022

PRIORITIES FOR THE FUTURE

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

Maintain our mentoring programme.

Continued development and refinement of 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

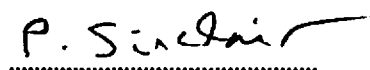
The Trustees are responsible for preparing financial statements for each financial year which gives a true and fair view of the association's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Trustees are required to:

- 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 10 JUNE 2023 and signed by


.....

Paul Sinclair

Chairman and Trustee

INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES OF
PRECIOUS SISTERS
FOR THE YEAR ENDED 31ST DECEMBER 2022

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: 13 June 2023

PRECIOUS SISTERS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2022

	31 December 2022			31 December 2021
	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	£	£
INCOMING RESOURCES				
Voluntary income	25,000	-	25,000	35,083
Incoming resources from charitable activities	82,006	12,600	94,606	55,631
Investment income	429	-	429	6
Fundraising	110	-	110	292
TOTAL INCOMING RESOURCES	107,545	12,600	120,145	91,012
RESOURCES EXPENDED				
Charitable activities	79,728	1,131	80,859	62,008
Governance costs	1,883	-	1,883	1,233
TOTAL RESOURCES EXPENDED	81,611	1,131	82,742	63,241
Net incoming/outgoing resources	25,934	11,469	37,403	27,771
Total funds brought forward	125,235	6,561	131,796	104,025
Total funds carried forward	151,169	18,030	169,199	131,796

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 2022

	Notes	2022 £	2021 £
CURRENT ASSETS			
Debtors	4	51,184	36,272
Cash at bank and in hand		<u>148,468</u>	<u>106,597</u>
		199,652	142,869
CREDITORS: Amounts falling due within one year			
	5	<u>30,453</u>	<u>11,073</u>
NET ASSETS		<u>169,199</u>	<u>131,796</u>
FUNDS			
	6		
Restricted Funds		18,030	6,561
General funds		<u>151,169</u>	<u>125,235</u>
		<u>169,199</u>	<u>131,796</u>

Approved by the Board of Trustees on 10 JUNE 2023 and signed.

P. Sinclair

 Paul Sinclair

Chairman and Trustee

PRECIOUS SISTERS**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2022****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.

1.2 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.

1.3 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.

1.4 Interest received

Investment income is recognised on a receivable basis.

1.5 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.

1.6 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.

1.7 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 2022

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	24,193	21,739
Pension costs	1,931	1,906
Medical insurance	<u>870</u>	<u>726</u>
	<u>26,994</u>	<u>24,371</u>

The average number of employees during the period was 2 (2021 - 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	7,521	5,039
Gift aid	<u>43,663</u>	<u>31,233</u>
	<u>51,184</u>	<u>36,272</u>

5. CREDITORS: Amounts falling due within one year

	£	£
Deferred income	29,281	9,800
PAYE	572	534
Accruals	<u>600</u>	<u>739</u>
	<u>30,453</u>	<u>11,073</u>

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

6. FUNDS

	Balance at 1 January 2022	Income	Expenditure	Transfers	Balance at 31 December 2022
Restricted Funds					
Closing The Loop	6,561	12,600	1,131		18,030
Total	6,561	12,600	1,131	-	18,030
 Unrestricted general	 125,235	 107,545	 81,611		 151,169
Total funds	131,796	120,145	82,742	-	169,199

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, there were no transfers during the financial year.

PRECIOUS SISTERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

7. INCOME AND EXPENDITURE ACCOUNT

	2022	2021
	£	£
INCOME		
Individual sponsors	65,385	43,553
Grants received	12,600	10,000
Interest received	429	6
Gift aid	16,621	2,078
Fundraising	110	292
Donations	<u>25,000</u>	<u>35,083</u>
TOTAL INCOME	120,145	91,012
EXPENDITURE		
Charitable activities		
Fundraising expenses	857	-
School fees	39,380	25,364
Mentoring costs and support prior to university	4,204	2,724
Alumni expenses	2,731	3,381
Travelling expenses	2,826	2,605
Salaries	24,193	21,739
Pension costs	1,931	1,906
Medical insurance	870	726
Office expenses	378	206
Bank charges	241	296
Just giving fee	302	282
Foreign exchange loss	1,306	1,518
Telephone, stationery and printing	464	415
Computer and office expenses	573	297
Subscriptions	603	167
Sundry expenses	-	382
Governance costs		
Accountancy	600	600
Audit fee	1,283	633
TOTAL EXPENDITURE	<u>82,742</u>	<u>63,241</u>
SURPLUS FOR THE FINANCIAL YEAR	<u>37,403</u>	<u>27,771</u>