



Starehe UK
Report and Unaudited Financial
Statements
31 December 2022

Starehe UK

2022 Headline Figures

For the year ended 31 December 2022

In 2022 SUK supported the Starehe Boys' and Starehe Girls' Centres as follows:

43

Starehe students were sponsored by
SUK supporters

42

Starehe students were supported by
SUK forever bursaries

26

Students supported by SUK
successfully graduated from the
Starehe schools

12

SUK supported graduates reached
the academic standard for university
admittance

7

new student sponsorships were taken
out by SUK supporters

£108,117

was transferred to the Starehe
schools towards school fees and
general running costs

Starehe UK

Reference and administrative details

For the year ended 31 December 2022

Charity number	1158079
Registered office and operational address	c/o The Dulverton Trust 5 St James's Place London SW1A 1NP
Trustees	Trustees who served during the period and up to the date of this report were as follows: Timothy Faithfull Chair David Kisiaky Treasurer Vane Aminga Lord Valentine Cecil Festus Maseki appointed 1 November 2022 Geraldine McKibbin Frank Midega resigned 1 January 2022 Keith Price Helen Varma Mark Webb Paul Whitehouse
Administrative support	Joanne Knight (Charity Manager) Margaret Shaylor (Accountancy Support)
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ
Solicitors	Farrer and Co LLP 66 Lincoln's Inn London WC2A 3LH
Investment advisers	Evelyn Partners (previously called Smith & Williamson) Portwall Place Portwall Lane Bristol BS1 6NA
Independent examiners	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 year ended 31 December 2022

The trustees present their report and the examined financial statements for the 12 month period ended 31 December 2022 for Starehe UK (SUK).

Reference and administrative information is set out on page 2 and 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 2019).

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 kept informed about activities at the schools and SUK via SUK's website, electronic newsletters and social media. 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 0.1 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 for a few hours each month.

Trustees

The trustees who have served throughout the period are shown on page 2. 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 the 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, to establish a primary school prior to it becoming a registered secondary and primary school in 1972. 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.

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Report of the trustees

For the year ended 31 December 2022

David Kisiaky, an Old Starehian resident in the UK, was appointed as a trustee in 2008, and has been Treasurer since 2012. Former Starehian pupils, Vane Aminga and Festus Maseki were also appointed as trustees, in April 2020 and October 2022 respectively, to further maintain SUK's connection with the schools.

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 children in Kenya who have been marginalised by poverty. These exceptional schools provide a home and access to a first-class education for bright boys and girls from Kenya's low income 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 children from low income families or who have been orphaned. Donors are assigned as a 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 (a 'forever' sponsorship) 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; and
- 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

Starehe schools

During 2022 all schools in Kenya, including the Starehe Boys' Centre and the Starehe' Girls Centre continued to run four compressed terms to compensate for the Covid school closures in 2020. The Kenyan Certificate of Secondary Education examinations for the academic year of 2021 were deferred until March 2022, when an incredible 93% of all Starehe students achieved the grades required to secure a place in one of Kenya's public universities.

Later in 2022, the KCSE examinations for the academic year of 2022 were held at the usual time of year in November 2022 where Starehe Boys' Centre increased the percentage of students qualifying for a university place further to 94.5%.

Starehe UK

Report of the trustees

For the year ended 31 December 2022

We are immensely proud and fully commend all students and staff at the schools for their achievements. Covering the full curriculum in the compressed terms with reduced breaks between terms required an enormous commitment from staff and pupils. In addition to achieving academically, the students' mental and emotional well-being was supported by teachers, the school counsellors and the alumni. Extracurricular activities were able to resume in 2022, providing rich and varied opportunities for students including music events, debating, sports contests and the Starehe Centres having their own scout troops.

Support provided to Starehe Girls' Centre

- SUK contributed £38,251 (2021: £35,490) towards 50 (2021: 48) named places for girls from low income communities to live and study at Starehe Girls' Centre during 2022. Of these students, 22 were funded via endowed places, and 28 by regular sponsor donations. As well as giving these students access to a first-class education, the school provides a safe home for girls during term time and school holidays if required; and
- SUK contributed £13,804 (2021: £48,258) towards the general running costs of the Starehe Girls' Centre during 2022, helping to support the education of 720 girls, of whom 67% are from low income communities and rely on charity sponsorship to cover their full care and education costs while 33% have some means to meet all or part of their school fees.

Support provided to Starehe Boys' Centre

- SUK contributed £24,284 (2021: £24,002) towards 35 (2021: 33) sponsored places for boys from low income communities to live and study at Starehe Boys' Centre during 2022. Of these students, 20 were funded via endowed places ('forever sponsorships'), and 15 by regular sponsor donations. 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; and
- SUK contributed £31,778 (2021: £84,428) towards the general running costs of the Starehe Boys' Centre during 2022, helping to support the education of over 1,100 students, of whom 70% are from deprived backgrounds low income communities and rely on charity sponsorship to cover their full care and education costs while 30% have some means to meet all or part of their school fees.

The support provided to both schools for general running costs was much higher in 2021 compared to 2022. In recognition that the schools were financially challenged during 2021, due to the ongoing financial impacts of covid, trustees decided to make an additional withdrawal of £75,000 in June 2021 from the SUK's investments to help the schools cover their essential expenditure. This additional support was not repeated in 2022.

Starehe UK fundraising

During the year ended 31 December 2022, the SUK's total incoming resources were £94,206 (2021: £148,797), of which £33,969 (2021: £85,218) was from donations and £60,237 (2021: £63,579) was investment income. Donations were markedly higher in 2021 compared to 2022, as a significant bursary donation was received in 2021 from a single donor, which was not repeated in 2022.

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Report of the trustees

For the year ended 31 December 2022

Overall between 1 January 2022 and 31 December 2022, SUK disbursed £108,117 (2021: £200,108) to the two schools as follows:

- £Nil (2021: £850) from funds restricted to specific projects;
- £33,117 (2021: £49,258) from sponsorship and other donations; and
- £75,000 (2021: £150,000) from the yield on the funds raised by the Aim High and Starehe Future Appeals, including donations for bursary endowments for student places (restricted 'forever' sponsorships) or for general support (unrestricted).

Funds distributed for the sponsored student places, endowed bursary places and general running costs have provided contributions to the schools across the 2022 calendar year.

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

- Simon Brister, Nicola Hart, John Kibugi, Kathleen Anangwe for committing to sponsor new Form 1 students at Starehe Girls' Centre;
- John Kibugi for running the Amsterdam marathon and organising a cricket match fundraiser to raise funds for both schools; and
- Jonathan Feuer for his continuing support of the Jonathan Feuer Citizenship Award at the Starehe Girls' Centre.

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

Financial review

Sources of funding

The charity's investment funds have been secured through two major appeals in the UK. The 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 these past appeals, SUK receives regular ongoing donations from individuals and organisations. These donations are either restricted for student sponsorship or to support just one or both of the schools with running costs, 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. In 2022 the investment income was allocated in the ratio 60:40 to Starehe Boys' Centre and Starehe Girls' Centre respectively. This ratio reflects the different sizes of the schools and their needs.

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Report of the trustees

For the year ended 31 December 2022

Financial position

There was a net deficit for the 12-month period of £34,674. After accounting for the loss on investments of £257,255 arising from the revaluation of investments held at 31 December 2022 to market value, the total net decrease in the funds for the period is £291,929.

Investment policy

The trustees have an investment policy, which is agreed with Evelyn Partners (previously Smith & Williamson), 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 Consumer Price Index (CPI) plus 3.75%, net of fees, over a five year rolling period, with the minimum annual income yield being 2.5% of the value of the portfolio. A composite index is used to assess performance in the context of wider market conditions.

Investment performance

The value of Starehe UK's investments at the end of December 2022 was £2,201,099 (2021: £2,404,065). An income of £60,237 (2021: £63,579) was generated during the year.

Just under 70% of the investment portfolio is invested in equities, with approximately two thirds being invested in overseas markets and the remainder in the UK. The equity portfolio is well diversified by industry and geographically with a focus on leading global businesses. The remainder of the portfolio is invested in a combination of bonds, infrastructure and commercial property. The bond element is invested in both sovereign and corporate debt, albeit with a bias towards short dated issues. The infrastructure investments are generally global in nature with a bias towards renewable energy. The bulk of the property exposure is through two property funds which are only available to charities and which are relatively conservatively invested within the UK.

The last year was a very challenging one for investors. In particular, sustained elevated levels of inflation, exacerbated by the Ukraine conflict, served to undermine confidence in the economic outlook and resulted in a substantial rise in interest rates particularly in developed economies. The impact was felt across asset markets, not just in equities. Indeed, whilst equity markets typically declined by 15% to 30% in local currency terms, 2022 also proved to be the worst year for UK Government bonds since 1974.

The Starehe portfolio recorded a return of -8.6% net of costs over the year. This compares to the benchmark return of -9.0% and a return of -10.6% for the ARC Steady Growth index. The ARC index provides a gauge for the performance of similar UK charity portfolios which are 60% to 80% invested in equities.

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For the year ended 31 December 2022

Since the year end, markets have improved in tandem with slowing inflation particularly in the US and a growing expectation that interest rates are now close to peak levels. Moreover, the global economic downturn is also looking less severe than most strategists anticipated just a couple of months ago. Nevertheless, there is still a question mark over how economies will evolve beyond the current downturn, without inflationary pressures building again towards the end of the year or in 2024. As such, whilst equities should provide attractive returns over the longer term in the wake of the de-rating suffered in 2022, Evelyn Partners have said that there is likely to be further turbulence as we go through the first half of this year.

Since Evelyn Partners started managing our investments nearly 8 years ago, the portfolio return has been in excess of the market benchmark and, until 2022, the CPI linked target return. The substantial rise in inflation last year coupled with the fall in markets has resulted in the portfolio return now slightly lagging CPI+3.75%, although this target is still seen as achievable over time.

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 the 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 year ended 31 December 2022

Plans for the future

At a time when many other sources of income for the schools have disappeared or been reduced and costs are increasing in Kenya, SUK trustees intend to make its 2023 transfer of funds as usual. Trustees are confident that SUK will remain a going concern and will continue to support the Starehe schools for the remainder of 2023 and the future.

In May 2023 the following transfers were made to the schools:

Starehe Girls' Centre:

- £18,700 of investment income to cover the sponsorship fees for 22 endowed student places for the 2023 calendar year;
- £10,726 of donations towards the fees of 28 sponsored students for the 2023 calendar year;
- £11,300 grant towards the general running costs of the school for the 2023 calendar year; and
- £850 towards the school and university fees for a previous winner of the Jonathan Feuer Citizenship Award. The award recognises the student who best reflects the Starehe values, including honesty, respect, hard work, reliability and a regard for the wellbeing of others.

Starehe Boys' Centre:

- £16,150 of investment income to cover the sponsorship fees for 20 endowed student places for the 2022 calendar year;
- £3,989 of donations towards the fees of 11 sponsored students for the 2023 calendar year; and
- £28,850 grant towards the general running costs of the school for the 2023 calendar year.

A second transfer of funds will be made later in the year to both schools after further SUK donations have accumulated.

For the 2023 academic year a new Competency Based Curriculum (CBC) was introduced in Kenya, the plan is for students to study the secondary school curriculum for six instead of four years. A general curriculum will be taught for the first three years before focusing on an Arts, Social Sciences or STEM pathway for the final three years. The CBC is intended to better prepare Kenya's youth to thrive in a changing world, by equipping students with the skills needed to drive economic growth in Kenya, and instil values that support peace and national unity.

Initially it was expected that students would move onto secondary school two years earlier, but for the current cohort of pupils at least, they will stay in their primary schools to study the first two years of the secondary curriculum.

Starehe UK

Report of the trustees

For the year ended 31 December 2022

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.

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 16 May 2023 and signed on their behalf by

TW Faithfull

Timothy Faithfull - Chairman

Independent examiner's report

To the trustees of

Starehe UK

I report to the trustees on my examination of the accounts of Starehe UK (the CIO) for the year ended 31 December 2022, which are set out on pages 12 to 24.

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 May 2023

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 year ended 31 December 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations	3	-	5,059	5,059	4,731
Charitable activities	4	28,910	-	28,910	80,487
Investments		-	60,237	60,237	63,579
Total income		<u>28,910</u>	<u>65,296</u>	<u>94,206</u>	<u>148,797</u>
Expenditure on:					
Raising funds		-	19,090	19,090	23,124
Charitable activities		<u>33,116</u>	<u>76,674</u>	<u>109,790</u>	<u>211,991</u>
Total expenditure	5	<u>33,116</u>	<u>95,764</u>	<u>128,880</u>	<u>235,115</u>
Net expenditure before investment gains		(4,206)	(30,468)	(34,674)	(86,318)
Net gains / (losses) on investments		-	<u>(257,255)</u>	<u>(257,255)</u>	<u>251,247</u>
Net movement in funds	7	(4,206)	(287,723)	(291,929)	164,929
Reconciliation of funds:					
Total funds brought forward		<u>1,513,240</u>	<u>1,014,645</u>	<u>2,527,885</u>	<u>2,362,956</u>
Total funds carried forward		<u><u>1,509,034</u></u>	<u><u>726,922</u></u>	<u><u>2,235,956</u></u>	<u><u>2,527,885</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14 to the accounts.

Starehe UK**Balance sheet****As at 31 December 2022**

	Note	£	2022 £	2021 £
Fixed assets				
Investments	10		<u>2,201,099</u>	<u>2,404,065</u>
			2,201,099	2,404,065
Current assets				
Debtors	11	2,955		9,057
Cash at bank and in hand		<u>57,525</u>		<u>122,533</u>
		60,480		131,590
Liabilities				
Creditors: amounts falling due within 1 year	12	<u>25,623</u>		<u>7,770</u>
Net current assets			<u>34,857</u>	<u>123,820</u>
Net assets	13		<u><u>2,235,956</u></u>	<u><u>2,527,885</u></u>
Funds	14			
Restricted funds			1,509,034	1,513,240
Unrestricted funds:				
General funds			<u>726,922</u>	<u>1,014,645</u>
Total charity funds			<u><u>2,235,956</u></u>	<u><u>2,527,885</u></u>

Approved by the trustees on 16 May 2023 and signed on their behalf by

Tw Faithfull

Timothy Faithfull - Chairman

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 2019) - (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. The charity held unrestricted, general reserves of £726,922, and a cash balance of £57,525 as at 31 December 2022. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

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) 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.

e) 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.

f) 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.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies (continued)

g) 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:

	2022	2021
Charitable activities	80%	80%
Raising funds	20%	20%

h) 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.

l) 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.

j) 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.

k) 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.

l) 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.

m) 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.

1. Accounting policies (continued)

n) 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.

o) 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 year to 31 December 2022 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 year ended 31 December 2022

2. Statement of financial activities - prior period comparative

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations	-	4,731	4,731
Charitable activities	80,487	-	80,487
Investments	-	63,579	63,579
Total income	80,487	68,310	148,797
Expenditure on:			
Raising funds	-	23,124	23,124
Charitable activities	50,552	161,439	211,991
Total expenditure	50,552	184,563	235,115
Net income / (expenditure) before investment gains	29,935	(116,253)	(86,318)
Net gains on investments	-	251,247	251,247
Net movement in funds	29,935	134,994	164,929

3. Donations

	2022 Total £	2021 Total £
Individual Donations With Gift Aid	3,764	3,864
Individual Donations Without Gift Aid	1,195	697
Overseas Donations	100	170
	5,059	4,731

All income from donations in the current and prior period was unrestricted.

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Notes to the financial statements

For the year ended 31 December 2022

4. Charitable activities

	2022 Total £	2021 Total £
Bursaries	125	30,125
Starehe Boys School		
Capital Projects	2,313	8,981
Sponsorships	3,737	3,737
Overseas Capital Projects	731	5,147
Overseas Sponsorships	3,127	4,414
Old Starehian Society UK	75	308
Starehe Girls School		
Capital Projects	475	6,269
Sponsorships	17,521	13,969
Overseas Capital Projects	731	3,094
Overseas Sponsorships	-	4,135
Old Starehian Society UK	75	308
Total charitable activities	<u>28,910</u>	<u>80,487</u>

All income from charitable activities in the current and prior period was restricted.

5. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Grants payable to partners (note 6)	-	108,117	-	108,117
Freelance workers	-	3,342	3,342	6,684
General office expenditure	-	-	360	360
Bank charges	137	-	-	137
Investment charges	19,371	-	-	19,371
Exchange rate (gain) / loss	-	-	(8,549)	(8,549)
Accountancy and professional fees	-	-	2,760	2,760
Sub-total	19,508	111,459	(2,087)	128,880
Allocation of support and governance costs	(418)	(1,669)	2,087	-
Total expenditure	<u>19,090</u>	<u>109,790</u>	<u>-</u>	<u>128,880</u>

Governance costs in the year were £2,760 (2021: £2,610).

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Notes to the financial statements

For the year ended 31 December 2022

5. Total expenditure - prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Grants payable to partners (note 6)	-	200,108	-	200,108
Freelance workers	-	3,813	6,687	10,500
Fundraising costs	544	-	-	544
General office expenditure	-	-	791	791
Bank charges	247	-	-	247
Investment charges	20,315	-	-	20,315
Accountancy and professional fees	-	-	2,610	2,610
Sub-total	21,106	203,921	10,088	235,115
Allocation of support and governance costs	2,018	8,070	(10,088)	-
Total expenditure	23,124	211,991	-	235,115

6. Grants payable

	2022 £	2021 £
Grant to Starehe Boys' Centre	56,062	111,970
Grant to Starehe Girls' Centre	52,055	88,138
Total	108,117	200,108

All grants were to institutions and were in support of pupil places and specific projects.

7. Net movement in funds

This is stated after charging:

	2022 £	2021 £
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	320
Independent examiner's fees	2,760	2,610

No trustees were reimbursed during the current year. In the prior year one trustee was reimbursed £100 for fundraising costs and £220 for IT costs.

Notes to the financial statements

For the year ended 31 December 2022

8. 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 £6,685 during the year (2021: £7,625).

9. Taxation

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

10. Listed investments

	2022 £	2021 £
Market value at 1 January 2022	2,404,065	2,273,315
Additions	694,428	481,169
Disposals proceeds	(640,139)	(601,666)
Realised gains / (losses)	(44,680)	33,673
Unrealised gains / (losses)	(212,575)	217,574
Market value at 31 December 2022	<u>2,201,099</u>	<u>2,404,065</u>
Historical cost:		
At 31 December 2022	<u>2,067,878</u>	<u>1,931,208</u>

11. Debtors

	2022 £	2021 £
Accrued income	2,640	9,057
Trade debtors	315	-
	<u>2,955</u>	<u>9,057</u>

12. Creditors : amounts due within 1 year

	2022 £	2021 £
Accruals	<u>25,623</u>	<u>7,770</u>

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Notes to the financial statements

For the year ended 31 December 2022

13. Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,509,034	692,065	2,201,099
Current assets	-	60,480	60,480
Current liabilities	-	(25,623)	(25,623)
Net assets at 31 December 2022	<u>1,509,034</u>	<u>726,922</u>	<u>2,235,956</u>

Prior period comparative

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	1,513,240	890,825	2,404,065
Current assets	-	131,590	131,590
Current liabilities	-	(7,770)	(7,770)
Net assets at 31 December 2021	<u>1,513,240</u>	<u>1,014,645</u>	<u>2,527,885</u>

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Notes to the financial statements

For the year ended 31 December 2022

14. Movements in funds

	At 1 January 2022 £	Income £	Expenditure £	Investment gains / (losses) £	At 31 December 2022 £
Restricted funds					
Capital Projects - Girls' Centre	824	1,206	(1,653)	-	377
Capital Projects - Boys' Centre	2,029	3,044	(1,653)	-	3,420
Aim High Appeal	868,991	-	-	-	868,991
StareheFuture Appeal	605,362	125	-	-	605,487
Sponsorship - Girls' Centre	29,959	17,596	(20,401)	-	27,154
Sponsorship - Boys' Centre	6,075	6,939	(9,409)	-	3,605
Total restricted funds	<u>1,513,240</u>	<u>28,910</u>	<u>(33,116)</u>	<u>-</u>	<u>1,509,034</u>
Unrestricted funds					
General funds	<u>1,014,645</u>	<u>65,296</u>	<u>(95,764)</u>	<u>(257,255)</u>	<u>726,922</u>
Total unrestricted funds	<u>1,014,645</u>	<u>65,296</u>	<u>(95,764)</u>	<u>(257,255)</u>	<u>726,922</u>
Total funds	<u><u>2,527,885</u></u>	<u><u>94,206</u></u>	<u><u>(128,880)</u></u>	<u><u>(257,255)</u></u>	<u><u>2,235,956</u></u>

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For the year ended 31 December 2022

14. Movements in funds (continued) - prior period comparative

	At 1 January 2021 £	Income £	Expenditure £	Investment gains / (losses) £	At 31 December 2021 £
Restricted funds					
Capital Projects - Girls' Centre	1,331	9,363	(9,870)	-	824
Capital Projects - Boys' Centre	978	14,129	(13,078)	-	2,029
Aim High Appeal	868,991	-	-	-	868,991
StareheFuture Appeal	575,237	30,125	-	-	605,362
Sponsorship - Girls' Centre	30,037	18,411	(18,489)	-	29,959
Sponsorship - Boys' Centre	6,731	8,459	(9,115)	-	6,075
Total restricted funds	<u>1,483,305</u>	<u>80,487</u>	<u>(50,552)</u>	<u>-</u>	<u>1,513,240</u>
Unrestricted funds					
General funds	<u>879,651</u>	<u>68,310</u>	<u>(184,563)</u>	<u>251,247</u>	<u>1,014,645</u>
Total unrestricted funds	<u>879,651</u>	<u>68,310</u>	<u>(184,563)</u>	<u>251,247</u>	<u>1,014,645</u>
Total funds	<u><u>2,362,956</u></u>	<u><u>148,797</u></u>	<u><u>(235,115)</u></u>	<u><u>251,247</u></u>	<u><u>2,527,885</u></u>

14. Movements in funds (continued) - purpose of restricted funds

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

15. Related party transactions

Other than the trustees' reimbursed expenses disclosed in note 7, there were no related party transactions during the current or prior period.

16. Financial instruments at fair value

	2022	2021
	£	£
Financial assets measured at fair value	<u>2,201,099</u>	<u>2,404,065</u>

Financial assets measured at fair value comprise listed investments.