

STAREHE UK
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

Charity No: 1035323

TWP ACCOUNTING LLP
Chartered Accountants & Statutory Auditors
The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

STAREHE UK

YEAR ENDED 31 MARCH 2011

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YEAR ENDED 31 MARCH 2011

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER	1035323
TRUSTEES	Lord Valentine Cecil Timothy Faithfull Professor Roger Higgs David Kisiaky Dr Lawrence Mbugua Ronald Onyango Keith Price John Rushton Carole Spencer Mark Webb Paul Whitehouse (Chairman)
APPEAL DIRECTOR	Helen Varma
REGISTERED ADDRESS	1 Slate Cottages Manor Lane Abbots Leigh BRISTOL BS8 3RX
AUDITORS	TWP Accounting LLP The Old Rectory Church Street WEYBRIDGE KT13 8DE
BANKERS	CAF Bank Limited 25 Kings Hill Avenue Kings Hill WEST MALLING ME19 4JQ
INVESTMENT ADVISERS	Cazenove Capital Management Ltd 12 Moorgate LONDON EC2R 6DA
SOLICITORS	Farrer and Co LLP 66 Lincoln's Inn LONDON WC2A 3LH

YEAR ENDED 31 MARCH 2011

REPORT OF THE TRUSTEES**Trustees' Report for the year ended 31 March 2011**

The legal and administrative information set out on page 1 forms part of this report. The financial statements on pages 7 to 16 comply with current statutory requirements, the Trust Deed, and the Statement of Recommended Practice - Accounting and Reporting by Charities.

In the furtherance of these objectives but not further or otherwise, the powers of the charity are as set out in its Trust Deed. The detailed accounting policies adopted to further these objectives are set out in note 1 to the financial statements.

Objects

The Starehe Endowment Fund (UK) was formed by Trust Deed on 2 March 1994 and changed its name to Starehe UK on 17 July 2008. The purpose of the trust is the furtherance of the education of pupils at both Starehe Boys' Centre (from 1994) and Starehe Girls' Centre (from 2005), schools which provide free secondary education to needy children in Kenya, although the Trustees have a discretion to apply the funds to other similar causes.

This is done by the provision of funds for such capital or income expenses as the Trustees shall think fit and in particular by the provision of bursaries to fund the education of poor or orphaned children at both Schools. The Trust Deed empowers the Trustees to support the general purposes of such charitable bodies or for such other purposes as shall be exclusively charitable, as the Trustees may from time to time decide. Trustees meet as a body at least once a year.

Review of the year and future developments

The StareheFuture Appeal successfully raised £458,000 in the financial year 2010/2011 (excluding investment income). In accordance with the Appeal plan, this continued to be for a variety of infrastructure projects at both schools, as well as endowment funding to finance bursaries for free places at both schools (the 'Griffin Fund'). This brings the total raised to date since the StareheFuture Appeal started in September 2008 to just over £1.2 million towards the revised target of £2-£2.5m (please see paragraph 'Appeal Restructuring' below). Together with pledges of future commitments, as well as gifts-in-kind, and donations generated by the Appeal in Kenyan shillings given direct to both Starehe Centres, the Appeal will raise at least £2.3m, meeting the revised target (see 'Appeal Restructuring').

As ever, the StareheFuture Appeal remains indebted to both HRH The Princess Royal and the StareheFuture Champions for their time, commitment and goodwill, which has contributed enormously to the Appeal's fundraising and relationship-building success over the past twelve months. The Appeal is especially grateful for Her Royal Highness's invaluable support of some key events held in the past year to cultivate the interest of potential benefactors, including:

- ▲ a dinner at Buckingham Palace in May 2010;
- ▲ a dinner at Thomas Goode in October 2010, courtesy of the Chairman of Thomas Goode, Mr Rumi Verjee;
- ▲ a lunch reception in December 2010 (generously hosted by Arup and during which, thanks to Arup's technological support, the Directors of both Starehe Centres were able to address Her Royal Highness via live video link);
- ▲ a dinner at Barclays Wealth in March 2011, generously hosted by Mr John Varley.

StareheFuture is also grateful to:

- ▲ Sir Geoffrey Vos QC for hosting a StareheFuture dinner at Lincoln's Inn in June 2010;
- ▲ the Rt Hon Sir Malcolm Rifkind MP, for supporting a drinks reception at the House of Commons in November 2010;
- ▲ the Very Rev. Dr John Hall, Dean of Westminster, for very kindly hosting a drinks reception in the Jerusalem Chamber in March 2011 (the evening also included a special invitation to sung Evensong and a private tour of the Abbey, personally guided by the Dean).

The StareheFuture Appeal also enjoyed the support of a number of other individuals and organisations who helped the Appeal benefit from a variety of fundraising activities, including:

- ▲ the RFU, which nominated StareheFuture as one of the beneficiaries of the 2010 Rugby Sevens charity collection;
- ▲ Shell UK, Caspian Publishing and Mrs Pinky Lilani for nominating StareheFuture to benefit for a second year from the 'Women of the Future Awards' 2010 dinner;
- ▲ Mr Faisal Joo and Mrs Mita Vohra-Joo for hosting an exclusive benefit evening at 'Jooal' (one of Mayfair's premier bespoke jewellery boutiques).

YEAR ENDED 31 MARCH 2011

REPORT OF THE TRUSTEES CONTINUED

Appeal restructuring: At a meeting of Starehe UK Trustees in January 2011 (and following the consent and agreement of HRH The Princess Royal), Trustees and StareheFuture Champions agreed with the Appeal Director's recommendation that, in the light of the continuing difficult economic situation, the £10m StareheFuture Appeal should be restructured, and split into 2 distinct phases, as follows:

- ▲ **Phase 1** (the 'active' fundraising phase) to run in its current form until the end of November 2011, with a reduced Appeal Target of £2m-2.5m. The present Appeal team to be disbanded and the office scaled back from the start of December 2011.
- ▲ **Phase 2** to run from December 2011 with one Appeal Coordinator with the objective of continuing to raise funds through an ongoing, long term fundraising operation, focused principally on endowing scholarships.

This approach has the following advantages. It will:

- ▲ Create momentum to bring in the final gifts and pledges of Phase 1.
- ▲ Keep fundraising costs to a minimum.
- ▲ Ensure that relationships can be developed and followed up in the longer term.
- ▲ Ensure that the existing fundraising materials sponsored by Shell UK can be used.
- ▲ Create an ongoing fundraising presence for Starehe in the UK.
- ▲ Create a longer term source of endowments for Starehe.

Organisational structure

The charity is governed by its Trustees who meet annually, but have appointed an Investment Committee, which meets as necessary. The Appeal Director is being supported in fundraising activity by the volunteer StareheFuture Champions Group, whose role is to help spearhead fundraising as well as to assist with appropriate high-level introductions to prospective supporters. Members of the Champions Group include a number of leading UK businessmen and women led by Sir Peter Walters and will hold its final meetings in 2011. The Trustees are particularly grateful to the Appeal Director, Helen Varma, and her colleagues Lisa Robinson, Ashleigh Thompson and Lucy Fisher, who achieved success at a very difficult time.

Investment & Reserves Policy

The trustees regularly review the level of general reserves required by Starehe UK to operate effectively. General reserves exclude any reserves where there is a degree of restriction imposed by the donor. In the case of Starehe UK that includes the endowment funds designed to generate income that is expended to provide bursaries and restricted funds for capital appeals. The balance of general funds is required to ensure that Starehe UK can operate effectively in its responsibilities as fund raiser and manager of investments. Following general principles the trustees have taken the view that it is prudent to retain reserves to cover a year of operation, excluding grants made. This would equate to £182,396 in 2011. General Reserves were £388,145 at the end of March and the Trustees will look to reduce these balances during 2011/12.

Risks

The Trustees have examined the major risks which the charity faces and confirm that systems have been established to enable these risks to be mitigated.

Trustees

The Trustees who have served throughout the year are shown on page 1. New Trustees are appointed at the discretion of existing trustees.

YEAR ENDED 31 MARCH 2011

REPORT OF THE TRUSTEES CONTINUED

Trustees' Responsibilities

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law. 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.

This report was approved by the Trustees on 11 July 2011.



Paul Whitehouse
Trustee

YEAR ENDED 31 MARCH 2011

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF STAREHE UK

We have audited the financial statements of Starehe UK for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept sufficient accounting records, if the financial statements are not in agreement with those accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

YEAR ENDED 31 MARCH 2011

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF STAREHE UK CONTINUED

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charity's affairs as at 31 March 2011 and of its incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities Act 1993.
- comply with regulation 8 of the Charities (Accounts and Reports) Regulations 2008.

TWP Accounting LLP

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Chartered Accountants & Statutory Auditors
The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

Date *12 July 2011*

YEAR ENDED 31 MARCH 2011

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	2011 Total £	2010 Total £
Incoming Resources					
<u>Incoming resources from generated funds</u>					
Voluntary income	2	216,638	181,393	398,031	465,380
Activities for generating funds	3	43,308	16,350	59,658	17,233
Investment income	4	38,377	-	38,377	40,573
Total Incoming Resources		298,323	197,743	496,066	523,186
Resources Expended					
<u>Cost of generating funds</u>					
Cost of generating voluntary income	5	157,584	-	157,584	159,932
<u>Charitable activities</u>	6	41,159	80,740	121,899	28,272
<u>Governance costs</u>	7	24,812	-	24,812	24,862
Total Resources Expended		223,555	80,740	304,295	213,066
Net Incoming Resources before gains		74,768	117,003	191,771	310,120
<u>Gains / (Losses) on investments</u>		67,042	-	67,042	246,128
Net Movement in Funds		141,810	117,003	258,813	556,248
Reconciliation of Funds					
Fund balance b/fwd 1 April 2010		373,513	1,184,698	1,558,211	1,001,963
Fund balance c/fwd 31 March 2011		515,323	1,301,701	1,817,024	1,558,211

BALANCE SHEET AS AT 31 MARCH 2011

	Notes	2011		2010
		£	£	£
FIXED ASSETS				
Investments	9		1,371,306	1,242,081
CURRENT ASSETS				
Debtors	10	20,800		11,606
Cash at bank and in hand		441,513		315,115
CREDITORS: Amounts falling due within one year	11	(16,595)		(10,591)
NET CURRENT ASSETS			445,718	316,130
TOTAL ASSETS LESS CURRENT LIABILITIES			1,817,024	1,558,211
UNRESTRICTED FUNDS				
General funds	12		515,323	1,534,893
RESTRICTED FUNDS				
Restricted funds	13		1,301,701	23,318
TOTAL FUNDS			1,817,025	1,558,211

The financial statements on pages 5 – 6 were approved by the trustees on *11 July 2011* and signed on their behalf by:



Paul Whitehouse
Trustee



John Rushton
Trustee

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES**(a) Basis of preparation**

The financial statements have been prepared under the historic cost convention with the exception that investments are valued at market value. The financial statements have been prepared in accordance with applicable accounting standards, the Charities SORP 2005 (Accounting and Reporting by Charities) and comply with the Charities (Accounts and Reports) Regulation 2005 issued under the Charities Act 1993 and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

(b) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are subject to specific restrictions specified by the donor be it purpose, geographical area, or the specified purpose of an appeal.

(c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

(e) Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

(f) Volunteer and other donated services

The value of services provided by volunteers is not incorporated into these financial statements.

2 VOLUNTARY INCOME

	2011 £	2010 £
Griffin fund	196,398	286,572
Telegraph Christmas Appeal	17,091	144,794
Jambo Starehe	-	10,696
Capital projects Starehe Girls' Centre	83,185	23,318
Capital projects Starehe Boys' Centre	19,855	-
Bursaries	78,353	-
L Lockhart Endowment	2,149	-
Livery Companies	1,000	-
	<hr/>	<hr/>
	398,031	465,380
	<hr/>	<hr/>

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 ACTIVITIES FOR GENERATING FUNDS

	2011 £	2010 £
Fundraising activities	5,470	7,838
Sponsorship - Unrestricted	37,838	9,395
Sponsorship - Restricted	16,350	-
	<hr/>	<hr/>
	59,658	17,233
	<hr/> <hr/>	<hr/> <hr/>

4 INVESTMENT INCOME

	2011 £	2010 £
Dividends	37,116	40,250
Interest	1,261	323
	<hr/>	<hr/>
	38,377	40,573
	<hr/> <hr/>	<hr/> <hr/>

5 COSTS OF GENERATING FUNDS

	2011 £	2010 £
Salaries and social security costs	130,174	125,757
Freelance workers	19,103	34,175
Relationship building events	8,307	5,416
	<hr/>	<hr/>
	157,584	165,348
	<hr/> <hr/>	<hr/> <hr/>

Average number of employees (full time equivalent)

	2011 Number	2010 Number
Governance, fund raising and support	3	3
	<hr/> <hr/>	<hr/> <hr/>

No Trustee received any remuneration during the year (2010 - £Nil).

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

6 CHARITABLE ACTIVITIES

	2011 £	2010 £
Grants to Starehe Boys' Centre		
- Income support	12,418	11,833
- Capital projects	12,748	-
Grants to Starehe Girls' Centre		
- Income support	28,740	4,439
- Capital projects	67,993	12,000
	<u>121,899</u>	<u>28,272</u>

7 GOVERNANCE COSTS

	2011 £	2010 £
Travel	5,750	3,181
General office expenditure	14,929	12,704
Independent examiners remuneration (£288 – 2009 under provision)	-	288
Auditors remuneration	3,566	2,950
Bank charges	567	323
	<u>24,812</u>	<u>19,446</u>

8 TAXATION

The company is a registered charity and thus is exempt from tax on its results.

9 FIXED ASSET INVESTMENTS

	2011 £	2010 £
Market value as at 1 April 2010	1,242,081	800,272
Additions at cost	154,551	266,668
Sales proceeds from disposals	(92,368)	(70,987)
Increase in market value	67,042	246,128
	<u>1,371,306</u>	<u>1,242,081</u>

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9 FIXED ASSET INVESTMENTS CONTINUED

Analysis of investments:

	2011 £	2010 £
Fixed asset investments comprise:		
Market value		
- Fixed interest	307,539	306,062
- Common investment funds	999,977	871,924
- Property fund	63,790	64,095
	<u>1,371,306</u>	<u>1,242,081</u>
Historical cost		
- Fixed interest	293,341	293,341
- Common investment funds	987,836	845,075
- Property fund	82,000	82,000
	<u>1,363,177</u>	<u>1,220,416</u>

10 DEBTORS

	2011 £	2010 £
Income tax recoverable	19,550	8,828
Prepayments and other debtors	1,250	2,778
	<u>20,800</u>	<u>11,606</u>

11 CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Payroll taxes	4,222	4,005
Accruals and other creditors	12,372	6,586
	<u>16,594</u>	<u>10,591</u>

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12 STATEMENT OF FUNDS – UNRESTRICTED FUNDS

	2011 £
As at 1st April 2010 – As originally stated	1,534,893
<u>Prior year adjustments</u>	
Transfer of The Telegraph Appeal funds to capital projects Starehe Girls' Centre	(65,000)
Transfer of The Telegraph Appeal funds to capital projects Starehe Boys' Centre	(65,000)
Transfer of Vitof Foundation donations to capital projects Starehe Girls' Centre	(25,259)
Transfer of Jephcott Foundation donations to capital projects Starehe Girls' Centre	(15,000)
Transfer of Women of Future 2009 donations to capital projects Starehe Girls' Centre	(3,984)
Transfer of Aim High Appeal to separate restricted fund	(865,288)
Transfer of Bursaries to separate restricted fund	(121,849)
As at 1st April 2010 – As restated	<u>373,513</u>
Income	298,324
Expenditure	(223,556)
Investment gains	67,042
As at 31st March 2011	<u><u>515,323</u></u>

13 STATEMENT OF FUNDS – RESTRICTED FUNDS

	2011 £
<u>Shell Consortium</u>	
As at 1st April 2010	6,123
Transfer to capital projects Starehe Girls' Centre	(6,123)
As at 31st March 2011	<u><u>-</u></u>

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13 STATEMENT OF FUNDS CONTINUED

<u>Capital projects Starehe Girls' Centre</u>	2011 £
As at 1st April 2010 – As originally stated	17,195
<u>Prior year adjustments</u>	
Transfer of The Telegraph Appeal funds from unrestricted funds	65,000
Transfer of Vitol Foundation donations from unrestricted funds	25,259
Transfer of Jephcott Foundation donations from unrestricted funds	15,000
Transfer of Women of Future 2009 donations from unrestricted funds	3,984
Transfer of Laing Trust donations to capital projects Starehe Boys' Centre	(2,500)
Transfer from Shell Consortium	6,123
As at 1st April 2010 – As restated	<hr/> 130,061
Income	83,185
Expenditure	(67,994)
As at 31st March 2011	<hr/> <hr/> 145,252
 <u>Capital projects Starehe Boys' Centre</u>	 2011 £
As at 1st April 2010 – As originally stated	-
<u>Prior year adjustments</u>	
Transfer of The Telegraph Appeal funds from unrestricted funds	65,000
Transfer of Laing Trust donations from capital projects Starehe Girls' Centre	2,500
As at 1st April 2010 – As restated	<hr/> 67,500
Income	19,855
Expenditure	(12,748)
As at 31st March 2011	<hr/> <hr/> 74,607

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13 STATEMENT OF FUNDS CONTINUED

<u>Aim High Appeal</u>	2011 £
As at 1st April 2010	-
Transfer of Aim High Appeal from unrestricted funds	865,288
As at 1 April 2010 (As restated) and 31st March 2011	<u>865,288</u>
 <u>Bursaries</u>	 2011 £
As at 1st April 2010	-
Transfer of Bursaries from unrestricted funds	121,849
As at 1 April 2010 – As restated	<u>121,849</u>
Income	78,353
As at 31st March 2011	<u>200,202</u>
 <u>Sponsorships – Starehe Girls' Centre</u>	 2011 £
As at 1st April 2010	-
Sponsorship received during the year	13,273
As at 31st March 2011	<u>13,273</u>
 <u>Sponsorship – Starehe Boys' Centre</u>	 2011 £
As at 1st April 2010	-
Sponsorship received during the year	3,077
As at 31 March 2011	<u>3,077</u>

YEAR ENDED 31 MARCH 2011

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14 RELATED PARTY TRANSACTIONS

During the year Lawrence Mbugua, a Trustee, was reimbursed £1,335 for travel expenses incurred (2010 – £Nil).

During the year Paul Whitehouse, a Trustee, was reimbursed £1,960 for travel expenses incurred (2010 – £Nil).

During the year Ronald Onyango, a Trustee, was reimbursed £Nil for travel expenses incurred (2010 – £329).

15 CONTROLLING PARTY

The charity was under the control of the trustees during the year.