

Company number: 5747857
Charity number: 1113544



SENTEBALE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2008

TOGETHER WITH TRUSTEES' AND AUDITORS' REPORTS

Financial Statements for the year ended 31 August 2008

Contents	Pages
Legal and administrative information	2
Report of the Trustees	3-8
Independent auditors' report	9-10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13-19

Administrative details of the Charity, the Trustees and Advisors

Trustees

Charles J. Denton (Chair of Trustees)
Sophie Chandauka
Mark Dyer
Jayne-Anne Gadhia
Chris Hanvey
Geoffrey Matthews
Matthias Schmale
Damian West

Secretary

Jennifer Sheils

Registered office and principal address

Clarence House
London SW1A 1BA

Auditors

Buzzacott LLP
12 New Fetter Lane
London EC4A 1AG

Bankers

HSBC Private Bank (UK) Limited
78 St James's Street
London SW1A 1JB

Standard Bank Lesotho
1st Floor
Bank Building
Kingsway Road
Maseru
Lesotho

Solicitors

Bates Wells & Braithwaite
2-6 Cannon Street
London EC4M 6YH

Company number

5747857

Charity number

1113544

Report of the Trustees for the year ended 31 August 2008 (incorporating the Directors' report)

The Trustees, who are also the directors of the company, submit their report and the financial statements of Sentebale for the year ending 31 August 2008. The financial statements have been prepared under the accounting policies set out therein and comply with applicable law and the requirements of the *Statement of Recommended Practice, Accounting and Reporting by Charities* issued by the Charity Commission in April 2005.

The financial statements cover the year ending 31 August 2008 while the comparative information is for the first period of operation, the 17 months from March 2006 to 31 August 2007.

The report has been prepared in accordance with Part VI of the Charities Act 1993 and also constitutes a directors' report for the purposes of company law.

The Sentebale objective

Sentebale's mission is to help transform the lives of Lesotho's orphans and vulnerable children. Founded by Prince Harry and Lesotho's Prince Seeiso, the charity works with many partners at grass roots level and within the traditional Basotho structures at community level to fund small and dynamic projects that make a measurable difference in their communities. Sentebale also provides direct care and support.

Our methodology

Sentebale operates within a sustainability model. Our long term aim is to build independent organisational and community capacity to support orphans and vulnerable children over the long term. We offer our partners expert guidance and advice in developing their staff and also provide the necessary recurring funding for basic running costs (food, electricity, staffing). This balance of short and long term funding ensures a constant development of resources on the ground to best support children. Our team in Maseru provide management training and support in organisational development to all our partners to ensure long term sustainability through the development of the Basotho people.

Why Lesotho?

Lesotho is one of the world's poorest countries. With a population of approximately 1.8 million, Lesotho has an estimated HIV/AIDS prevalence rate of more than 23% of the population, the third highest in the world¹. There are more than 160,000 thousand children who have been orphaned losing one or both parents². Without immediate intervention, Lesotho is facing the real possibility of a lost generation, extreme poverty and a decimated economy.

Achievements for 2007/8

In 2007/8, Sentebale invested nearly £800,000 in charitable activities covering our four programme areas. This has been a productive year, building on our first eighteen months' activity establishing a local office and infrastructure to support 16 projects which meet the needs of this vulnerable group of children. During the last twelve months we have been able to support more than 1,000 children. Our activities included:

¹ Source: UNAID 2008 Report on the global AIDS epidemic.

² Source: UNAID 3rd Stocktaking Report 2008.

i) HIV/AIDS

a) 'Mamohato Camps and Network – promoting Child to Child Communication

This is a Sentebale initiative running a series of intensive residential camps for HIV positive children to help them deal with the cultural stigma surrounding HIV/AIDS - one of the biggest barriers to combating this preventable and treatable disease. The Mamohato Camps encourage children to be open and honest about their status, their feelings and their fears. They also provide longer term support through a network of Teen Clubs and peer support with activities to help empower the children to become 'expert patients' able to look after themselves and advise others. Children also receive social and life skills training to help them tackle stigma.

b) Kick4Life

Focusing on educating and testing children for HIV/AIDS prevention and early treatment, Kick4Life uses the universal power of sport to tackle poverty and disease. Sentebale has provided support to Kick4Life and is jointly funding orphans and vulnerable children in the Sports Scholarship Scheme, a specialist programme that assists severely disadvantaged youth who are HIV positive through secondary education, helping them to develop life skills and move onto employment.

ii) Integrated Community Development

During the year, Sentebale provided financial and management support to four children's centres to improve standards and quality of care for children who are orphaned and who have nowhere else to live. Working closely with the Ministry of Education's bursary section, Sentebale has provided IT training and scholarships to enable children to attend and benefit from school.

a) MCC Semonkong

The Methodist Children's Centre provides a home and education for 80 children, as well as running a herd boy's school 4 nights a week and supporting 31 families in the community. Sentebale provides funding for 13 staff, including house mothers and cooks and food for the children.

b) Mants'ase Children's Home

This children's home cares for 50 orphans and is now developing into outreach work in the community. Sentebale is contributing to the running costs, food and funds the manager's salary and other members of staff.

iii) Special Needs

This year, Sentebale funded core costs and provided management support to help with organisational development and service planning to improve standards of care for six special needs schools including:

a) Thuso Centre for multiple disabilities

Sentebale funded the refurbishment of the Thuso Centre - a community based school for children with profound disabilities set up in the 1980's. 26 soldiers from the Household Cavalry assisted with the building work, both physically and financially. Longer term, Sentebale aims to help Thuso become a national referral and training centre of excellence in North Lesotho, leading the way as the first of three Referral and Teaching Centres which form part of the Ministry of Education's Strategic plan.

b) Lesotho Child Counselling Unit (LCCU)

Sentebale contributed to the building of a new dedicated facility to house the LCCU. Fifteen children have now moved into the purpose built facility, which can accommodate approximately 40 beds. The LCCU aims to provide shelter, play therapy, educational support, medical attention and life skills training for often severely traumatised children, with help from local volunteers. Sentebale has continued to support and monitor some of the recurring running costs for the LCCU, including management and training of new staff and remuneration for general staff.

iv) Vocational Training

In Lesotho, there is a severe shortage of secondary schools. Up to 70% of secondary age children do not continue with their education after primary school³. Lack of funds for school fees, lack of capacity (there are only 240 secondary schools with just over 90,000 pupils) or lack of teachers all contribute to the lack of secondary education⁴. It is vital that children develop vocational skills in order to give them a chance to earn their living, contribute to their self-esteem and development and to society.

a) Reitumetse Church Project

Sentebale's support for this community based children's centre is focussed on vocational aspects and includes the funding for two teachers, one of which is in IT and 21 scholarships for students.

v) Advocacy

Sentebale is committed to working in collaboration with other non-governmental organisations (NGOs), to achieve our goal to transform the lives of orphans and vulnerable children.

a) Letsema Website Directory

Working closely with other NGOs, we set up the Letsema directory and website to provide a comprehensive database of who is doing what and where in Lesotho. More than 140 organisations are now engaged in this project, which fosters co-operation, collaboration and communication between funders and aid providers in Lesotho. Following the successful pilot, this Sentebale initiative is now jointly funded by UNICEF on behalf of the Department of Social Welfare.

Effective management

Sentebale appointed a Chief Executive in February, who will take up her post full-time in June and will be based in the UK, to head up the organisation. The charity's operations and staff of twelve in Lesotho are managed by the Country Director who reports to the Chief Executive. The Chief Executive is supported in the UK by a full-time Administrator, a part-time Finance Director, a part-time Fundraising Consultant and a part-time Marketing Consultant. The Trustees would like to thank Geoffrey Mathews, who resigned as part-time Chief Executive in December 2008, for his time and commitment to Sentebale.

Financial results

The results for the period are set out in the statement of financial activities on page 11. The position of the charity at the end of the period is shown in the balance sheet on page 12.

During the year Sentebale raised £250,000 in income, mainly from fundraising events but also from public donations. In the period from March 2006 to August 2007 £1,150,000 was raised, of which £752,000 was received from the British Red Cross Lesotho fund.

³ Lesotho Ministry of Education.

⁴ Lesotho Ministry of Education.

The total resources expended in the year was £791,000. The amount spent on charitable activities was £707,000 of which £335,000 was funding made directly to partners with a further £207,000 spent in providing training and support by Sentebale to the partners, enhancing the impact of the projects. In addition, £78,000 was incurred in developing new areas of work, collaborating with other NGOs and exploring potential projects with partners. The remaining expenditure, £62,000 was directed towards fundraising, particularly the time invested in working on the strategy for the future and also on funding proposals.

In total, charitable expenditure directly related to the vision of supporting orphans and vulnerable children in Lesotho accounted for 89% of expenditure, 8% was incurred in fundraising and 3% on governance of Sentebale.

Investment policy

All funds under management during the period are scheduled for payment within three months. Surplus cash funds are held in fixed term investment accounts in order to maximise the revenues on these funds whilst ensuring they are available when required. During the period £19,000 was generated as investment income.

Reserves policy

The Trustees have established a reserves policy that sets a recommended level of a minimum of one quarter of forecast annual expenditure on project disbursements, charitable activities and general overheads. At the year end the charity's balance sheet showed a deficit in reserves, that is the unrestricted funds of the charity excluding amounts tied up in fixed assets necessary to continue to operate, of £13,000. This position was anticipated and was a result of the Trustees' decision to ensure that Sentebale was able to operate effectively within Lesotho before expanding the fundraising activity. It should be noted though that the reserves are stated after taking account of forward commitments to partners of £95,000 which are accounted for when committed but which are in fact paid out of future periods' income. Accordingly the cash balances at hand were adequate to meet Sentebale's immediate requirements and the Trustees were satisfied on the basis of fundraising forecasts that this temporary position was an acceptable one. Since the year end receipt of pledged amounts from donors has enabled Sentebale to return reserves to the policy levels.

Grants policy

The Trustees apply all funds available for charitable purposes in the pursuit of ensuring the successful delivery of the charity's objects in transforming the lives of orphaned and vulnerable children in Lesotho.

Partner disbursements are approved by the Trustees dependent on the nature of the project or beneficiary and the effectiveness of the grant on achieving and fulfilling the objectives of the charity. In order to ensure the most effective, grass roots support for children, Sentebale is prepared to provide support to projects that have little or unproven infrastructure, introducing checks to ensure that good governance practices are followed. Growing and supporting these local organisations is essential to Sentebale's mission of sustainable, local development.

Fundraising

The majority of funds raised in the year have come from the Concert for Diana, polo events and public donations. In addition the Burnaby Blue Foundation donated £16,800 connected with the work carried out by the Household Cavalry at the Thuso Centre in July 2008.

Since the end of August 2008 over £1million has been received in donations and pledges from various sources, both restricted and unrestricted income.

Looking Ahead

Sentebale plans to double the number of projects that we support through our partners in the next two years. We will significantly increase the number of orphans and vulnerable children reached through these partners and also through Sentebale initiatives.

Our aim is to maintain the low overhead structure in the UK whilst we invest in capacity in Lesotho adding more value to our partners through collaborative working.

In order to underpin the expansion of the organisation, the focus for 2008/9 will be on building the fundraising infrastructure in order to deliver our income target of over £1.5million to meet the needs of the programme strategy.

A governance review has been undertaken and Sentebale will be developing the Trustee Board to provide the necessary skills and experience for the growing organisation.

Structure, Governance and Management

The charity does not have share capital and is a company limited by guarantee. It is constituted by its Memorandum and Articles of Association as amended by Special Resolution and dated 3rd April 2006 and 15 December 2008. Operations in Lesotho are carried out by what under Lesotho law is a tax exempt Branch Office of a Foreign Company.

The ultimate control of Sentebale is vested in the Trustees. The Board of Trustees is led by the Chairman and the day to day management of the charity is governed by the Chief Executive. The Secretary is responsible for all legal filings.

Trustees serve for a term of three years and then retire from the Board, unless there are reasons for them to be asked to serve a further term. The following changes have taken place to the composition of the Board:

	Date of appointment	Date of resignation/retirement
Sir Tom Shebbeare	17 th March 2006	15 th December 08
Jamie Lowther-Pinkerton	17 th March 2006	15 th January 09
Charles J. Denton	15 th December 08	
Sophie Chandauka	15 th December 08	
Jayne-Anne Gadhia	15 th December 08	
Dr Chris Hanvey	15 th December 08	

The Trustees would like to thank Sir Tom Shebbeare and Jamie Lowther Pinkerton for their unstinting support of Sentebale during their terms of office.

New Trustees are selected and appointed by existing Trustees to maintain an appropriate balance of skills and experience. New Trustees are given a programme of induction and training is available when required and relevant.

The Trustees have set up the following sub committees to the Board:

- Programme Adoption
- Governance, Finance and Remuneration
- Fundraising
- Marketing

The Trustees have identified and reviewed the major risks to which the charity is exposed and have established a risk assessment procedure to identify and anticipate these risks and to consider further risks that may arise.

The Trustees believe that implementation of agreed actions and procedures will significantly reduce the probability and impact of these risks.

The Trustees purchased indemnity insurance during the period at a cost of £1,575 for an annual premium.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Statement of Trustees' responsibilities

Charity and company law require the Trustees, who are also the directors, to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

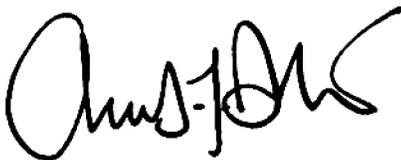
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (2005). 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.

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Report of the Trustees confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The need for Sentebale is ever growing. Our patron's have made a life-long promise to work to transform the lives of the most vulnerable children in Lesotho. We will continue to work closely with them to build on the strengths of their approach and vision for Sentebale.

BY ORDER OF THE BOARD



Charles J. Denton
Chair of Trustees
19th March 2009

Independent auditors' report to the members of Sentebale

We have audited the financial statements of the Sentebale for the year to 31 August 2008 which comprise the Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charitable company is not disclosed.

We report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

We read other information contained in the Report of the Trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to any other information.

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 judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the charitable company, 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 August 2008 and of its incoming resources and application of resources including income and expenditure in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees report is consistent with the financial statements.



Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

24 March 2009

Statement of financial activities for the year ended 31 August 2008

Income & expenditure	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 31 Aug 08 £000	Total Funds Mar 06- Aug 07 £000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	207	24	231	1,112
Investment income	3	19	-	19	36
Activities for generating funds		-	-	-	2
Total incoming resources		226	24	250	1,150
Resources expended					
Costs of generating funds:					
Voluntary income	4	62	-	62	86
Charitable activities:	5				
HIV/AIDS		77	-	77	56
Integrated community development		133	15	148	138
Special needs		311	3	314	157
Vocational training		33	-	33	49
Advocacy		117	18	135	58
Total charitable activities		671	36	707	458
Governance costs:	6	22	-	22	11
Other resources expended		-	-	-	1
Total resources expended		755	36	791	556
Net movement in funds		(529)	(12)	(541)	594
Reconciliation of funds					
Total funds brought forward at 1 September 2008		582	12	594	-
Total funds carried forward at 31 August 2008		53	-	53	594

The comparative figures represent a long accounting period as stated within the accounting policies on page 13.

All amounts relate to continuing activities of the charity.

The charity has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains or losses has been presented.

The notes on pages 13 to 19 form part of these financial statements.

Balance Sheet as at 31 August 2008

	Notes	Total Funds 31 Aug 2008 £000	Total Funds 31 Aug 2007 £000
Fixed assets			
Tangible assets	11	66	67
Current assets			
Debtors	12	158	107
Cash at bank and in hand		81	553
		239	660
Creditors: amounts falling due within one year	13	252	133
Net current (liabilities)/assets		(13)	527
Total assets less current liabilities		53	594
Net assets		53	594
Funds			
Unrestricted funds	15	53	582
Restricted funds	16	-	12
Total funds		53	594

Approved by the trustees on 19th March 2009 and signed on their behalf by:



Charles J. Denton
Chair of Trustees

The notes on pages 13 to 19 form part of these financial statements

**Notes to the financial statements
For the year ended 31 August 2008**

1. Principal accounting policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (2005). The accounting policies below have been adopted consistently for all material items.

The comparative figures included within the financial statements cover the period from incorporation on 17 March 2006 to 31 August 2007 and have been represented as described below.

b. Changes in accounting presentation

The trustees have reviewed the presentation of Sentebale's income and expenditure within the financial statements. In order to more clearly show the costs associated with delivering each of Sentebale's key activities, greater analysis of expenditure has been provided. The notes to the accounts show more clearly how the mix of activity in establishing and building partnerships, building the capacity of partner organisations to deliver their objectives and fulfil external accountability obligations playing a central role in advocacy on behalf of our beneficiaries is supported financially. The trustees believe that this presentation enables readers of the accounts to form a more complete view of the application of Sentebale's resources in furthering its core objectives. In order to ensure consistency and comparability, amounts shown for the previous period have been represented on the same basis as those for the current year, however there has been no adjustment to the overall figures.

c. Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less depreciation and applicable impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset to its estimated residual value evenly over its expected useful life, as follows:-

Fixtures and fittings	5 yrs on a straight line basis
Computer equipment	3 yrs on a straight line basis
Motor vehicles	10 yrs on a straight line basis

d. Incoming resources

Income is accounted for when receivable. It is deemed to be receivable either when there is a contract for its receipt and Sentebale considers that any outstanding conditions under the contract have been met, or when Sentebale has become entitled to a future payment and its amount can be ascertained with reasonable certainty. Funds received in one accounting period for expenditure that must take place in subsequent accounting periods are not accounted for as income but are carried forward in creditors as deferred income.

e. Resources expended

Resources expended are accounted for on an accruals basis. It is analysed in the statement of financial activities in accordance with the purposes for which the funds are

applied. Where expenditure does not fall clearly into one category, it is allocated to appropriate headings on a reasonable percentage basis.

The basis of allocation is determined on the approximate proportion of costs applicable to each category based on time spent on each activity.

Cost of generating voluntary income comprises fundraising and event costs, as well as marketing, PR and website development.

Costs of charitable activities represents staff costs, partner disbursements, support and other direct costs associated with undertaking the activities and objects of the charity.

Governance costs of the charity comprise those costs relating to strategic rather than day to day management of Sentebale's activities. This includes such items as audit costs, legal advice and constitutional and statutory requirements.

f. Partner disbursements

Financial support to partners is recognised in the statement of financial activities when approved by the Trustees as part of the budget process and a Memorandum of Understanding has been signed with the partner. The charity monitors the usage to which funding is put and this is reviewed on an annual basis before the next commitment to fund the partner's work is agreed. Cancelled commitments are credited to the statement of financial activities when the cancellation has been ratified by the Trustees.

g. Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

h. Restricted funds

These funds can only be used for purposes as specified by the donor and are listed in note 16.

i. Unrestricted general funds

The unrestricted general funds are available to cover all costs of the organisation.

j. Foreign exchange

An average foreign exchange rate is used during the period and adjustments are made for balance sheet items at the prevailing rate of exchange on the balance sheet date. Any foreign exchange adjustments are recorded under other resources expended in the statement of financial activities.

k. Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

2. Voluntary income

	Unrestricted income	Restricted income	Total income 12 mths to 31 Aug 2008	Total income 17 mths to 31 Aug 2007
	£000	£000	£000	£000
Fundraising events	150	-	150	896
Voluntary donations	57	24	81	216
	<u>207</u>	<u>24</u>	<u>231</u>	<u>1,112</u>

3. Investment income

	12 mths to 31 Aug 2008 £000	17 mths to 31 Aug 2007 £000
UK fixed interest	<u>19</u>	<u>36</u>

4. Cost of generating voluntary income

	Fundrais ing costs £000	Support costs £000	Total 12 mths to 31 Aug 2008 £000	Total 17 mths to 31 Aug 2007 £000
Cost of generating voluntary income	<u>33</u>	<u>29</u>	<u>62</u>	<u>86</u>

The cost incurred within the year ended 31st August 08 have generated over £1.2million in donations pledged in the first quarter of the new financial year.

5. Charitable activities

	Direct Programme costs £000	Partner disburse ments £000	Support costs £000	Total 12 mths to 31 Aug 2008 £000	Total 17 mths to 31 Aug 2007 £000
Charitable activities					
HIV/AIDS	53	11	13	77	56
Integrated Community Development	62	64	22	148	138
Special Needs	69	215	30	314	157
Vocational Training	12	12	9	33	49
Advocacy	89	33	13	135	58
	<u>285</u>	<u>335</u>	<u>87</u>	<u>707</u>	<u>458</u>

Support costs consist of staff costs and office overheads which have been apportioned on the basis of time spent.

6. Governance costs

	Total 12 mths to 31 Aug 2008 £000	Total 17 mths to 31 Aug 2007 £000
Resources expended include:		
Auditors remuneration:		
Audit fee to financial statements auditor*	9	9
Fees payable to other auditors*	2	2
Depreciation	<u>13</u>	<u>8</u>

*These items are included within governance costs

7. Partner disbursements

	No of grants 2008	12 mths to 31 Aug 2008 £000	17 mths To 31 Aug 2007 £000
HIV/AIDS	1	11	-
Integrated Community Development	4	64	44
Special Needs	7	215	26
Vocational Training	3	12	12
Advocacy	<u>1</u>	<u>33</u>	<u>2</u>
Total partner disbursements	<u>16</u>	<u>335</u>	<u>84</u>

The above project disbursements include the following significant individual projects:

		£000	£000
Mantsase Children's Home	Integrated Community Development	30	10
Thuso Centre	Special Needs	156	-
Letsema	Advocacy	33	-

8. Staff

	2008	2007
The average weekly number of persons employed by the charity was:		
Programme	No 7.8	No 4.5
Fundraising	0.5	1.6
Other	<u>0.5</u>	<u>0.9</u>
	<u>8.8</u>	<u>7.0</u>
Lesotho based	7.2	5.6
London based	<u>1.6</u>	<u>1.4</u>
	<u>8.8</u>	<u>7.0</u>

	12 mths to 31 Aug 2008	17 mths to 31 Aug 2007
	£000	£000
Staff costs for the above persons comprised:-		
Wages and salaries	184	150
Social security	10	18
Other pension costs	23	22
	<u>217</u>	<u>190</u>

No employee received salary and taxable benefits of over £60,000 per annum. In addition to his salary the Country Director in Lesotho is provided with non taxable benefits including accommodation and school fees for his children and Sentebale makes a contribution to his pension. These costs are not taxable remuneration and are necessarily incurred in relation to relocation of the Country Director to Lesotho.

9. Trustees

The previous Chief Executive who resigned in December 2008, was also a Trustee, and at the discretion of the other Trustees was the only remunerated Trustee. The Chief Executive received total emoluments of £27,035 (2007 £38,989) in the year for day to day management and operation of the charity. In the year no expenses were incurred by Trustees (2007 £3,262). Indemnity insurance including cover for the Trustees was provided in the period at a cost of £1,575 (2007 £1,575).

10. Taxation

Sentebale is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The company is also recognised as a registered charity in Lesotho and as such, for taxation purposes, is entitled to exemption from Lesotho taxation.

11. Tangible fixed assets

	Motor vehicles £000	Fixtures fittings and equipment £000	Total £000
Cost or valuation			
Balance brought forward – 1 Sep 07	49	26	75
Exchange rate difference	1	-	1
Additions	-	11	11
Balance carried forward 31 August 08	<u>50</u>	<u>37</u>	<u>87</u>
Depreciation			
Balance brought forward – 1 Sep 07	3	5	8
Charge for the period	5	8	13
Balance carried forward 31 August 08	<u>8</u>	<u>13</u>	<u>21</u>
Net book value			
Brought forward 1 September 07	<u>46</u>	<u>21</u>	<u>67</u>
Carried forward 31 August 08	<u>42</u>	<u>24</u>	<u>66</u>

12. Debtors

	31 Aug 2008 £000	31 Aug 2007 £000
Debtors	13	5
Other debtors	87	2
Prepayments and accrued income	58	100
	<u>158</u>	<u>107</u>

13. Creditors

	31 Aug 2008 £000	31 Aug 2007 £000
Amounts falling due within one year:		
Commitments to partners	95	41
Other creditors	48	61
Accruals and deferred income	109	31
	<u>252</u>	<u>133</u>

14. Members' liability

The charity does not have share capital and is limited by guarantee. In the event of the charity being wound up, the maximum amount each member is liable to contribute is £1. There were six members at 31 August 2008.

15. Unrestricted funds

	Balance 1 September 2007 £000	Incoming resources £000	Resources expended £000	Balance 31 August 2008 £000
General funds	<u>582</u>	<u>226</u>	<u>(755)</u>	<u>53</u>

General funds represent all unrestricted income received from events and certain income from other activities, and are used to undertake the work of the charity.

16. Restricted funds

	Balance 1 September 2007 £000	Incoming resources £000	Resources Expended £000	Balance 31 August 2008 £000
Bethany Trust	12	-	(12)	-
UNICEF	-	18	(18)	-
Other donations	-	6	(6)	-
	<u>12</u>	<u>24</u>	<u>(36)</u>	<u>-</u>

17. Net assets between funds

	Unrestricted £000	Restricted £000	Total £000
Fixed assets			
Tangible assets	66	-	66
Current assets			
Debtors	158	-	158
Cash at bank and in hand	81	-	81
	<hr/>	<hr/>	<hr/>
	239	-	239
Creditors: amounts falling due within one year	(252)	-	(252)
	<hr/>	<hr/>	<hr/>
Net current assets	(13)	-	(13)
	<hr/>	<hr/>	<hr/>
Total assets less current liabilities	53	-	53
Net assets	<hr/>	<hr/>	<hr/>
	53	-	53

18. Seconded staff

£5,651 was recharged by Traditional Arts Limited (CRN 562364) during the year (2007 - £21,715). In the year to 31 August 2008, the recharges related only to seconded staff and this did not constitute a related party transaction under FRS 8.

The related party transaction referred to in the prior period related to the previous Chief Executive's directorship of Traditional Arts Limited and Sentebale Limited. During the period ended 31 August 2007, he resigned as a Director of Traditional Arts Limited and consequently the related party relationship was no longer in existence.