CONTENTS

About Sentebale

Founding patrons’ foreword

Our approach

Progress against our aims 2013/2014

Our aims for 2014/2015

Financial report

Structure, governance and management

Independent auditor’s report to the members of Sentebale

Statement of financial activities

Balance sheet as at 31 August 2014

Notes to the financial statements

Acknowledgements
ABOUT SENTEBALE

Sentebale is a charity founded in 2006 by Prince Harry of the United Kingdom and Prince Seeiso of Lesotho. We help the most vulnerable children in Lesotho get the support they need to lead healthy and productive lives.

OUR FIVE PROGRAMMES

- **Network Clubs and Camps**
  Provide essential life-skills and psychosocial support to 10-19 year olds living with HIV in Lesotho.

- **Herd Boys' Schools**
  Give herd boys an opportunity to receive education and life-skills training while fulfilling their cultural obligation to tend livestock in the mountains.

- **Letsema**
  Is an information-gathering and knowledge-sharing network of aid providers working with orphans and vulnerable children in Lesotho.

- **Secondary School Bursaries**
  Cover the costs of school fees, uniform, nutritional support and educational materials to enable children to go to secondary school.

- **Care for Vulnerable Children**
  Working with local community partners to ensure orphans and children with disabilities receive the care and education they need to lead healthy lives.

Sentebale is a non-governmental organisation established as a UK charitable company limited by guarantee. We currently work in Lesotho in southern Africa. Sentebale has an independently governed affiliate in New York, called the American Friends of Sentebale. Both organisations work towards Sentebale’s international aim of providing the vulnerable children of Lesotho hope for a better future.

The Trustees Annual Report on pages 4 to 35 covers Sentebale’s financial year ended 31 August 2014. 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 report has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a Directors’ Report for the purpose of company law.
Back in 2004, we had an idea to create an organisation dedicated to improving the lives of the most vulnerable children in Lesotho. Ten years on and the organisation is reaching many thousands of children with essential support, meeting their different needs and improving the lives of so many.

For the children in Lesotho, life can be difficult with many challenges to overcome, and yet it is their resilience and optimism that continues to inspire us to provide the care and support they so richly deserve.

Despite progress for many groups of people, HIV remains the number one cause of death for adolescents in Africa. Lesotho has the second highest HIV infection rate in the world, with many children living with HIV failing to access the treatment they need. Stigma and discrimination are deemed the biggest hurdles these children face.

Sentebale is committed to working with children and adolescents to increase their knowledge and understanding of the HIV virus, encouraging and supporting them to access treatment, therefore improving their chances of living a healthy, hopeful and happy life.

To this end, it was a great honour to have Her Majesty Queen Masenate Mohato Seeiso and Princess Mabereng Seeiso attend the breaking of the ground of our first, purpose-built Mamohato Children’s Centre in April 2014.

The centre will allow us to house our week-long camps for children living with HIV and in a permanent facility, rather than hiring temporary space. It will mean we can cater for many more children, as well as serving as a centre of excellence for training new staff and volunteers in providing care and support to these vulnerable children.

It is always inspiring to travel around this beautiful country together, visiting projects, partners and most of all meeting the children. Knowing that the work is really making a difference and is allowing us to continually improve the programmes, it redoubles our efforts to support the young people of Lesotho.

Finally we would like to thank all of you, for believing in our work and maintaining your generous support; without you we could not achieve our plans in reaching the vulnerable children we help. On behalf of the children of Lesotho, thank you.

PRINCE HARRY, PRINCE SEEISO

When I see or hear the difference that Sentebale and its partners have made in the last 10 years, it is a constant reminder that, not only are we doing great things in this little African country, but how much we rely on the help and expertise of everyone around us. What a difference we can make if we all work together.

PRINCE HARRY, SENTEBALE’S TEN YEAR ANNIVERSARY EVENT, 2014
MESSAGE FROM THE CHAIR

For those of you who saw the opening ceremony of the Commonwealth Games, you can’t have missed the exuberant entrance of the Lesotho team, wearing the traditional Lesotho blankets and the Mokorotlo traditional hats; they made quite an impression. The spirit of the Basotho people shines through in moments like these.

Yet these amazing people still suffer, with around 23% of adults living with HIV. Lesotho’s problems are compounded by extreme poverty, high unemployment and poor infrastructure, leaving nearly half the population surviving on less than $1.25 per day.

It’s against this backdrop that our commitment and resolve at Sentebale, to increasing our support for the most vulnerable children of Lesotho is strengthened. We’ve made good progress this year, starting the building of the Mamohato Children’s Centre, due for completion in 2015 and increasing our spend on programmes by 21%, reaching many more children with the help and support they desperately need.

We have continued to grow the team at Sentebale to meet our ambitious plans. The Board of Trustees have also brought their time, expertise and knowledge to support specific initiatives. Special thanks must go to Nigel Cox, who has decided to stand down; Nigel has been particularly helpful in supporting the strong financial management of the capital build, and over the past three years has been an exceptional Treasurer. In addition, my thanks to KPMG for seconding one of their emerging leaders, Lizzie Cadbury to Sentebale for two years to project manage the build of the Mamohato Children’s Centre.

I was delighted to welcome Dame Nicola Brewer to the Board of Trustees in the year. Nicola brings a wealth of insight and experience, not least from her work as British High Commissioner of South Africa, Lesotho and Swaziland, from 2009-2013. I am also delighted to welcome Tim Boucher, who replaced Nigel Cox as Treasurer in November 2014.

I would like to thank the Board of Trustees, our Patrons and the team in Lesotho and London for all their continued dedication in making a difference to the lives of these young Basotho people. Finally, thanks go to our donors, supporters and friends, for their continued support; together we are improving the lives of many vulnerable children in Lesotho.

PHILIP GREEN,
CHAIRMAN, BOARD OF TRUSTEES
This has been a ground breaking year, quite literally! In April 2014, we broke ground in the foothills of Thaba-Bosiu to start the building of our first, purpose-built Mamohato Children’s Centre.

It’s an exciting project that will enable Sentebale to reach many more vulnerable children in the years to come and provide a stimulating camp environment for children living with HIV to enjoy. We hope to complete the build in 2015. We completed the fundraising for the Mamohato Children’s Centre in Dubai in November with a successful gala, attended by our patrons and supported by the Al Jalila Foundation.

In 2014, another highlight for me was the opening of a new Herd Boy school in the mountainous and remote region of Mateanong in Mokhotlong, attended by HM King Letsie III. Hundreds of people flocked from the surrounding area by foot and on horseback to attend the ceremony to celebrate the future Sentebale is giving these herd boys. Fruit trees were planted behind the school to signify this new start, along with many traditional songs and dances being performed.

In May 2014 we held a ten year anniversary event in London, to celebrate the achievements and contributions of some of our partners, our beneficiaries and our team over the last 10 years. Malineo Motsephe and Mokhachane Lerotoli, who have been with Sentebale from the very beginning, were recognised for their outstanding contribution and hard work over the last ten years and both made emotional and inspiring speeches to guests. We were also able to recognise the amazing work that the Thuso Centre are doing with the disabled children in their care and as part of their award they received a further grant for improving their facilities. Thanks to Joss Stone, our newest Sentebale Ambassador, Beverley Knight and Troy for performing so brilliantly and making it a memorable evening.

It has been a successful year for fundraising, with income up 30% to £3.4m. It was very pleasing to see many new donors supporting Sentebale, raising money in many varied ways, from the teams participating in the Lesotho Sky mountain bike challenge to two of our own staff running the London marathon and the gran knitters of Windsor sending hats and scarves to the children!

My thanks go to the team in Lesotho and London for all their hard work and to all our supporters for their continued generosity and commitment to Sentebale. We have plans to investigate the opportunities of expanding our programmes where there is a similar need into other southern African countries, and I am looking forward to reaching many more exciting milestones in 2015.
OUR MISSION
To become the leading organisation in the provision of psychosocial support for children living with HIV in Southern Africa.

OUR VISION
To work in partnership to positively transform the lives of the world’s most vulnerable children.

OUR APPROACH
Sentebale works with local grassroots organisations to help the most vulnerable children – the victims of extreme poverty and Lesotho’s HIV/AIDS epidemic. Together, we’re making a big difference to these children’s lives by improving their access to quality healthcare and education.

As stated in the Memorandum of Association, the objects for which Sentebale is established for the public benefit are to:

- Empower families and communities to provide consistent and efficient care and support for the most vulnerable and disadvantaged children and young people
- Support children living with HIV to live healthy, confident lives
- Strengthen access to education, including livelihoods and life-skills training, for herd boys
- Improve the effectiveness of delivery of care and support for vulnerable children and young people through facilitation, co-ordination and collaboration with organisations in the child-care sector
- Document and share Sentebale’s models of best practice

We work in partnership with organisations to provide the most effective service, and help small community organisations develop more sophisticated management skills in Lesotho.

Our partnership approach applies to every level of contact, from herd boys to principal chiefs and government ministers. We are committed to collaborating with all aid providers in Lesotho – major international grant-makers, smaller NGOs, local service providers and government. Our co-operative working initiative, Letsema, shows how working together can make a significant impact.
I am like a dog with two tails because I have found an opportunity to thank Sentebale’s Camp for helping me so much. Considering how much my quality of life had deteriorated when I arrived at camp there has been a big change. I have learned the great value of taking my medication correctly; they gave us pillboxes and watches to help us ensure we take our medication correctly and at the right time. Above all I’m proud to have met other children living with HIV like myself and I’ve realised I am not the only one living with the virus. Thank you Sentebale.

CAMPER, FROM WINTER CAMP 2014

Support for children living with HIV to live healthy and confident lives

NETWORK CLUBS & CAMPS PROGRAMME
Sentebale runs week-long camps and monthly network clubs at local healthcare clinics across Lesotho to give children living with HIV the knowledge and the tools that they need to live physically and emotionally healthy lives. It seeks to reduce the spread of HIV and AIDS through education and fostering child-to-child communication.

Key statistics
- Lesotho has the second highest prevalence rate of HIV in the world.*
- HIV remains the number one cause of death in 10-19 year olds in Africa.7
- One third of all people living with HIV in Lesotho are unaware of their status.3
- 38,000 children under 14 in Lesotho are living with HIV.4
- Stigma and discrimination remain the biggest barrier to children and young people accessing care.5

Programme activities
- Ran three week-long summer camps with 295 HIV-positive children attending in two locations, and four week-long winter camps attended by 202 children. This is an increase of 48% over last year.
- Seven new clubs were added in this financial year, bringing the number to a total of 18 clubs. Average monthly attendance at clubs of children living with HIV for the first six months of the year was 448 and for the last six months was 713.
- Doubled the number of caregiver days (for the children’s carers) to 46 days. The average attendance for the first six months was 244 while the last six months was 498.

Key achievements
- Seven new clubs were launched after partnerships were established with three hospitals and seven health centres.
- Established good working relationships with the district health teams and agreed on a clear and locally endorsed expansion plan.
- A proposal document to support community based healthcare in Qacha’s Nek was signed by the Principal Secretary of the Ministry of Health.
- Two new coordinators were appointed in January and February 2014.

Challenges to be addressed
- There is continued work with clinics to address the challenges of capturing clinical data to enable effective monitoring and evaluation.
- Sentebale is already receiving additional requests for support, which will have to be addressed as the programme grows.

* all footnotes can be found on page 52.
**SUCCESS STORY**

**RETHABILE** has lost both parents and is a herd boy from Lesotho’s remote highlands of Mokhotlong. He was 11 when his mother passed away. With the need to provide for his sister he left school and started herding livestock, known as a herd boy, to earn money. Rethabile’s day consisted of searching for new pastures for the animals. At night, they were brought into a homemade pen at the cattle post, where he slept in a stone hut.

Tortured by the loss of his family and his uncle’s decision to renegotiate his employment contracts, so payment went to him rather than Rethabile, life was tough, he was stripped of any self-worth and felt society had let him down.

Fortunately, Rethabile heard of Sentebale’s herd boy night schools, and after a day’s work he walks to school where he receives a basic education and learns life-skills. Following class, a hot meal is served, often the only one of the day, and there is a chance to interact with the other herd boys. Rethabile also receives counseling as well as testing for HIV and first-aid training.

Now 19, he has not only regained his literacy and numeracy skills, but is addressing his problems, in particular the loss of his parents and treatment by his uncle. He has gone as far as to challenge his uncle on his employment contract and renegotiated his agreement so he benefits from his labour. Rethabile’s progress has not stopped here, he has become a true advocate of night school and a leader within the community advising other herd boys on their employment contracts so they benefit. In the future, he would like to see many more herd boys attend night school so that they can learn skills needed by the community.

**HERD BOY EDUCATION PROGRAMME**

Lesotho’s herd boys are a marginalised section of the community. The tradition of tending livestock in the mountains prevents many of them from attending school. The programme aims to give these disadvantaged boys the chance to make a better future for themselves through giving them access to primary school education, as well as vocational and basic skills training.

**Key statistics**
- 30,000 herd boys estimated in Lesotho.
- Almost one third of herd boys have never received a formal education.

**Programme activities**
- 526 herd boys have benefitted from the schools and their different activities, providing literacy, numeracy and education.
- 184 attended the training on sexual reproductive health and HIV/AIDS.
- 11 stakeholder meetings were held where livestock owners and community leaders committed to supporting herders’ education and nutrition.
- A total of 137 herd boys from three night schools attended a week long first aid training.
- Procured and distributed 1,000 different basic English books and dictionaries to begin teaching English in night schools.
- Established and trained school management committees to ensure effective running of four new night schools.

**Key achievements**
- Registered 300 herd boys who can then receive birth certificates; 170 have received them so far and were registered for identity cards.
- Introduction of English language in herd boy schools.
- In Marakabei, the local chief volunteered to lease out his five acre plot of land to the Good Shepherd School for free, 81 participants committed themselves to plough the field for food production and to raise income.
- Reports from the local police show a reduction in village crime in areas where herd boys have attended night school.

**Challenges to be addressed**
- Some employers still do not allow their herd boys to attend evening lessons.
- The movement of livestock sees herd boys being in the high areas for 5-6 months, disrupting their learning progress.
Sentebale has been in discussions with the Ministry of Health, exploring what contribution it could make to National Paediatric HIV programming. In February 2014, Sentebale hosted a national forum on improving paediatric Antiretroviral Therapy (ART) penetration in partnership with the Ministry of Health. The forum was attended by 13 organisations, including The Elizabeth Glaser Pediatric AIDS Foundation (EGPAF), CHAI, Baylor College of Medicine and UNICEF.

The key objectives were to:

- start a dialogue with stakeholders on paediatric HIV;
- map out who is doing what and where;
- identify challenges and gaps towards increasing penetration of ART for children.

**SUCCESS STORY**

**Improve the effectiveness of delivery of care and support for vulnerable children and young people through facilitation, coordination and collaboration with organisations in the childcare sector**

**LETSEMA NETWORK**

Letsema is a network of 45 members working in the child-care sector, set up by Sentebale with support from UNICEF. It seeks to foster collaborative working and to enhance the capacity of all care-givers and service providers so that Lesotho’s orphans and vulnerable children receive better care and support.

**Programme activities**

- Three national forums were held in collaboration with key stakeholders, addressing a variety of topics including: improving access to health services; human/child trafficking; food security; HIV/AIDS; income-generating activities; child protection; sexual abuse and disability. Each national forum was attended by between 20-42 organisations.
- Four forums on psychosocial support for children living with HIV were held in March 2014, in collaboration with Baylor College of Medicine.
- 31 regional forums were held in Lelbe (6), Mokhotlong (6), Semeneng (6), Mahale’s Hoek (6) and Wafenteng (7). On average, 25 organisations attended each forum.
- Sentebale hosted a four day training workshop on organisational development, training people from 45 community based organisations (CBOs).
- Three training workshops were held on supporting children; 47 CBOs attended the child protection workshop; 34 attended the psychosocial support workshop and 38 attended the child status index (CSI) workshop.
- Partnered with the Ministry of Health and Baylor College of Medicine to facilitate four forums for improving access to health care services at community level; 28 CBOs attended.

**Key achievements**

- Relationships with other community-run organisations and government ministries were strengthened through collaborative training and forum facilitation.
- Sentebale facilitated the writing of a report on child protection to be submitted to African Union involving 70 organisations, funded by Save the Children International.
- A tracking tool was developed for conducting post-training assessment of governance and leadership training.
- Conducted mentoring visits to 20 organisations trained on various aspects of organisational development to review adoption levels.

**Challenges to be addressed**

- There are difficulties sharing documents and practices due to poor infrastructure and technology.

**AIM 3**

**PROGRESS AGAINST OUR AIMS 2013/14**
SUCCESS STORY

I love being in school, reading and playing with other students, but I hate being called to the staff room and being told off for being naughty... I am very grateful to Sentebale. Without this sponsorship my future would be bleak.

MPOLOKENG

MPLOKENG is 16 years old. When she is not at school she lives with her four siblings in a child-headed household. In 2004, Prince Harry met Mpolokeng and her mother. Sadly, not long after his visit, Mpolokeng’s mother passed away to AIDS-related illness.

Since 2004, Prince Seeiso has kept an eye on the young family ensuring they had access to the necessary support they needed, and today through Sentebale’s secondary school bursary programme, Mpolokeng attends Mokhotlong High School, allowing her to continue her education.

Give increasing numbers of Lesotho’s most vulnerable children the opportunity to achieve a secondary school education

SECONDARY SCHOOL BURSARY PROGRAMME

With the support of key partners, Sentebale provides bursaries to some of Lesotho’s most disadvantaged children – those without the necessary family structures to care for them – to cover the costs of attending secondary school so they can reach their full potential.

Key statistics
- On average, 63% of 15-24 year olds in Lesotho have not completed secondary school education.7
- Secondary school enrolment in Lesotho is just 37% for females and 23% for males.8
- 37% of school children in Lesotho believe that children living with HIV should not be allowed to attend school.9

Programme activities
- Sentebale maintained the number of secondary school bursaries awarded at 256 children (156 girls and 100 boys). This including enrolling 17 new students into the programme.
- In addition to the standard package of the bursary, which includes tuition, examination and book fees, many children required additional support, which included: transport funds for 74 students, school shoes for 89 students, hygiene packs for 177 students and further food allowances for three children.
- A further 112 students were given additional financial support to pay examination and tuition fees.
- 198 home assessments for new applications were carried out.

Key achievements
- 47 students sat external exams; 25 out of 30 passed their Junior Certificate (JC) and 11 out of 17 passed their Cambridge Overseas School Certificate (COSC), with one 1st class, three 2nd class and seven 3rd class results.
- A week-long life-skills training workshop was held for 63 sponsored students; the aim was to address drugs and alcohol use, violence, sexual and reproductive health, HIV and AIDS and dealing with peer pressure.
- Three students who completed high school are receiving tertiary sponsorship; two are in first year at the National University of Lesotho and one is at a college in South Africa.

Challenges to be addressed
- Delayed career guidance leaves students under-informed on career choices and the options available to them.
- There has been a large increase in applications as the need to support many students in Lesotho remains a challenge.

MPOLOKENG catches up with Mpolokeng during his visit to Lesotho in February 2013
SUCCESS STORY

Empower families and communities to provide care and support for Lesotho’s most vulnerable and disadvantaged children

CARE FOR VULNERABLE CHILDREN PROGRAMME

Through this programme, Sentebale provides community childcare projects with capacity-building financial and technical support to enable families and communities to provide appropriate care, health and education to Lesotho’s most vulnerable children and young people.

Key statistics

- There are over 488,000 orphans and vulnerable children in Lesotho.¹⁰
- 31,500 children aged between 0-19 years old are believed to have disabilities.¹¹
- Disabled young people between 11-20 years old are seven times less likely to attend school than those without disabilities of their age range.¹²
- It is expected there are many more orphaned children, or children living with disabilities who do not get counted in country statistics.

Programme activities

- 11 community-run organisations providing residential care for 1,121 vulnerable children received financial and technical support from Sentebale. These include children with disabilities and orphans.
- 240 children from Kananelo and St. Paul Centres for the Deaf received hearing aids through an initiative in collaboration with the Starkey Hearing Foundation.
- Four of the partners have developed strong outreach programmes; these entailed economic empowerment, family reunification, community based rehabilitation, facility-based rehabilitation and family mentoring.
- 517 babies at Touching Tiny Lives (TTL) who were severely malnourished were supported as part of the outreach programme, with food parcels and care for rehabilitated children under five and their families.

Key achievements

- Two visually impaired students participated in Paralympics Games in Russia and won gold and silver medals respectively; they are now enrolled in Secondary Education.
- Mants’ase has established a fully functional children’s committee, a concept being shared and recommended to other partners to improve child participation.

At Sentebale’s ten year anniversary event in London in May 2014, Thuso Centre was presented with the Excellence Award for the provision of care, education and vocational training to children living with mental and physical disabilities in Lesotho. Prince Harry presented the award.

In 2008, Prince Harry visited Thuso Centre with a group of soldiers from the British Army. The facilities were limited and in poor condition and they lacked the specialist skills to help children living with disabilities. Since Sentebale made its commitment to supporting Thuso it has transformed itself providing efficient and effective quality care to these children.

The centre has continued to support hundreds of children living with multiple disabilities and has developed a graduate scheme, which provides vocational training in bead-work, tie dye, cooking and farming to name a few. Once they have graduated, they can return to their communities with income generating skills.

In recognition of the Thuso Centre’s achievement Sentebale is building a much-needed sick bay and a new dormitory allowing the children more space.
Develop as an effective international organisation

The Team in London and Lesotho
In this financial year, we continued to strengthen the internal capacity of the organisation, with two additional coordinators in the Network Clubs and Camps team. In addition, we successfully recruited a new Corporate Partnerships Manager, based in the London office.

Mamohato Children’s Centre
In February 2013, Sentebale launched a major fundraising campaign to build the first purpose-built Mamohato Children’s Centre for children and young people affected by HIV. The centre will allow Sentebale to quadruple the number of children currently supported through the programme. By the end of the financial year ended 31 August 2014, Sentebale had secured £1.969 million towards the Centre (includes 31 August 2013: £112k and 31 August 2012: £300k), which is now fully funded. During the financial year ended 31 August 2014 £1.557 million was secured and restricted by donors to the construction project.

During the last financial year the planning, design, and tender phases of the construction were completed. A competitive tender process was run between Lesotho-based companies, with the successful construction contractor being appointed in April 2014. The team broke ground in April 2014 and construction is progressing well. We will open the Centre in 2015.

Monitoring and Evaluation
Monitoring and evaluation (M&E) of all programmes is ongoing after the successful implementation of the M&E framework.

Securing Resources
Income grew by 30% in this financial year and exceeded budget.
Unrestricted income from corporate and individual donors increased by 35% and 63%, respectively. Unrestricted income from events fell by 65% due to the delay in hosting the Sentebale Polo Cup to the following financial year.
Restricted income grew by 77%, with a number of large grants from trusts and foundations and corporate donors.
In addition to the above, Sentebale secured £1.557 million (2013: £112k) for the Mamohato Children’s Centre.

Website and Social Media
Our work on social media has been valuable in delivering our key messages around supporting children living with HIV in Lesotho. In February 2014, we launched on Instagram. We have seen organic growth across all social media platforms with a 67% increase in Twitter followers and 46% increase in Facebook ‘likes’ during the financial year. Following a visit to Lesotho in April, Joss Stone was appointed as a Sentebale Ambassador in May 2014, to promote and support Sentebale.
THE MAMOHATO CHILDREN’S CENTRE

The Mamohato Children’s Centre, named after His Majesty King Letsie III and Prince Seeiso’s mother, Queen ‘Mamohato Bereng Seeiso (also known to all as the Mother of the Nation), is due to be completed in 2015. It will be the first purpose-built facility for Sentebale’s work in providing healthcare and education to many more vulnerable children in Lesotho, including orphans, children living with HIV and those with disabilities.

Specifically, it will host weeklong residential camps for HIV-positive children, providing a safe environment for them to address the health issues and stigma that surrounds them. The centre will allow Sentebale to provide support to four times the number of vulnerable children affected by HIV. The centre will also serve as the platform for expansion into other Southern African countries where there is a similar need.

The facility will include camper cabins for up to 96 children per week, as well as accommodation for medical staff and counsellors, a dining hall, campfire, a health clinic, activity centre for workshops and sports facilities to name a few.

The Mamohato Children’s Centre will provide children and young people with a source of empowerment and identity they so desperately need as well as the confidence and tools needed to lead a healthy and fulfilling life.

We can tackle the stigma surrounding HIV and give the young people carrying it the childhood they deserve. The childhood so many of us take for granted.

PRINCE HARRY, SENTEBALE POLO CUP 2014

In response to the serious gap in HIV/AIDS education provision for young people in Lesotho, Sentebale set up the Network Clubs and Camps Programme; a programme that offers residential weeklong camps and follow up monthly clubs within communities to empower these children to address the stigma and health issues surrounding them, enabling them to take their medication correctly and therefore lead healthy and fulfilled lives.

In 2010, our Network Clubs and Camps Programme was highlighted as a model of international best practice by the United Nations. The programme was quoted as being “effective, having ethical soundness, cost effective, relevant, innovative and sustainable.”
Support for children living with HIV to live healthy and confident lives

**NETWORK CLUBS AND CAMPS PROGRAMME**

- Nine weeks of camp to be held, aimed at reaching 450 children
- 12 new network clubs to be established, bringing the total to 30 clubs serving 2000 children and their caregivers
- Final documentation of the model of psychosocial support for children living with HIV will be completed and ready for dissemination
- Support 15 clinics in five districts, carrying out community outreach events to increase the number of children tested for HIV and supported to ensure they access treatment
- Recruit an Outreach Coordinator

Give an increasing number of Lesotho’s most vulnerable children the opportunity to achieve a secondary school education

**SECONDARY SCHOOL SPONSORSHIP**

- Provide 256 secondary and high school students with bursaries
- Train 110 students from nine schools on life skills and SRH
- Facilitate career guidance for 256 students from 20 schools
- Provide family support grants to ten families in two districts
- Train 60 teachers on psychosocial support from 20 schools with sponsored children
- Continue providing tertiary sponsorship for three students

Empower families and communities to provide care and support for Lesotho’s most vulnerable and disadvantaged children

**CARE FOR VULNERABLE CHILDREN**

- Strengthen child care skills training for 11 partner organisations
- Conduct three Lessons Sharing workshops for each of our 11 partners
- Train five organisations on good governance and leadership
- Facilitate two policy development/review workshops for 11 partner organisations
- Improve partner organisation capacity
- Recruit a Head of Programme

Improve the effectiveness of delivery of care and support for vulnerable children and young people through facilitation, coordination and collaboration with organisations in the childcare sector

**LETESTMA NETWORK**

- Facilitate the review and strengthening of health referral process
- Conduct two national and eight regional Letsema forums on improving access to health services for children
- Strengthen community initiated health referral process in 10 rural health centres to get more children into care through supporting Letsema members
- Facilitate four workshops on basics of psychosocial support for 20 Letsema members and 10 local leaders
- Recruit a Head of Programme

Develop as an effective international organisation

- Continue to build the internal capacity of the organisation, with the recruitment of three key posts in Lesotho and one additional fundraising post in London
- Complete the build of the Mamohato Children’s Centre and develop the facility to provide a centre of excellence in providing care to vulnerable children
- Secure funds in excess of £4 million, to support the provision of existing programme and the continued growth of the charity
- Investigate the opportunities for new programmes in two southern African countries
The results for the period are set out in the statement of financial activities on page 38. The position of the charity at the end of the period is shown in the balance sheet on page 40.

During the year Sentebale secured incoming resources of £3.373 million, an increase of 30% compared to the previous year (2013: £2.601 million). Of this £3.373 million, £1.127 million (2013: £2.100 million) was unrestricted income, £689k (2013: £389k) was restricted to our current programmes and £1.557 million (2013: £112k) was restricted to the Mamohato Children’s Centre. The fundraising for the Mamohato Children’s Centre was completed during the year.

The total resources expended in the year were £2.090 million (2013: 2.293 million). The amount spent on charitable activities was £1.538 million (2013: £1.595 million). Actual charitable expenditure in Lesotho, in local currency, increased by 21%. This increase has been offset by a GBP gain in exchange rates of 9% in the period.

Charitable expenditure directly related to the vision of supporting orphans and vulnerable children accounted for 81% of income raised (excluding income and expenditure for the Mamohato Children’s Centre). As a proportion of total funds raised, including those raised for the Mamohato Children’s Centre, fundraising accounted for 15% and governance 1%. The total spent on fundraising activities was £522k, including £56k of gifts in kind. This compares to £662k in 2012/13 (£222k gifts in kind).

£590k (2013: £57k) was spent on the construction of the Mamohato Children’s Centre during the year. £524k (2013: £8k) was capitalised in the balance sheet and £74k (2013: £49k) was charged to the statement of financial activities.

The net assets on the balance sheet at 31 August 2014 were £2.687 million (2013: £1.404 million). These are represented in reserves as unrestricted funds of £512k (2013: £858k) and restricted funds of £2.175 million (2013: £546k), of which £1.846 million (2013: £363k) is further restricted to Mamohato Children’s Centre.

The Trustees are pleased to note that at the year-end the level of unrestricted funds as recommended in our reserves policy (see below for details) was achieved and it is due to continue for the next financial year. The unrestricted cash balance dropped approximately 10%-15% below the Trustees’ preferred threshold of £500k for several months in the lead up to the Sentebale Polo Cup held in Abu Dhabi in November 2014. However, after this event, unrestricted cash rose above this threshold once again.

**Investment policy**

Where appropriate, 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.

**Reserves policy and going concern**

The trustees have formally agreed a reserves policy of a minimum of one quarter of total annual expenditure on project disbursements, charitable activities and general overheads. This is reviewed on a regular basis.

The trustees have considered the level of reserves required in order to ensure that the charity can meet expenditure that has already been committed, future core costs and budgeted future grant commitments out of existing reserves and future fundraising. The trustees’ assessment is that, whilst future fundraising is not guaranteed, it is likely to be sufficient to meet all of the charity’s planned expenditure and the financial statements have been prepared on a going concern basis accordingly. The trustees have considered contingencies for spending if the level of fundraising income varies. In the context of reasonable fluctuations in fundraising income, the trustees consider the level of reserves held to be adequate to meet committed and core expenditure.

**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 supporting orphaned and vulnerable children in Lesotho.

Community partner disbursements are approved by the trustees, depending on the nature of the project or beneficiary and the effectiveness of the grant in 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.
Structure, governance and management

Sentebale does not have share capital and is a company limited by guarantee. The company is constituted by its Memorandum and Articles of Association (dated 3 April 2006) as amended by special resolution (dated 25 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 delegated to the Chief Executive. The Secretary is responsible for all legal filings.

Trustees may serve for two terms of three years each, and then retire from the Board, unless there are exceptional reasons for them to be asked to continue to serve. 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 to an acceptable level.

Indemnity insurance for the trustees was provided during the period at a cost of £1,915. The trustees are unpaid and details of the trustees’ expenses are disclosed in Note 6 to the accounts.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Trustees during year ended 31 August 2014 were:

Philip Green, CBE (Chairman)
Dame Nicola Brewer*
The Rt Hon The Baroness Chalker of Wallasey
Sophie Chandauka
Nigel Cox**
Mark Dyer, MVO
Johnny Hornby
Khanyisile Kweyama
Damian West

Company Secretary: Cathy Ferrier

*Appointed on 2nd April 2014.
**Resigned on 27th November 2014.
Tim Boucher was appointed to the Board of Trustees on 27th November 2014.

Statement of trustees’ responsibilities

The trustees (who are also directors of Sentebale for the purposes of company law) are responsible for preparing the trustees’ report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities’ SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company’s auditor is unaware;
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company’s auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in any other jurisdictions.

BY ORDER OF THE BOARD

PHILIP GREEN
CHAIRMAN, BOARD OF TRUSTEES
29TH JANUARY, 2015
Independent auditor’s report to the members of Sentebale

We have audited the financial statements of Sentebale for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity’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 charity and the charity’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees’ Responsibilities Statement set out in the Trustees’ Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees’ Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees’ Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

EDWARD FINCH, SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF BUZZACOTT LLP, STATUTORY AUDITOR
130 WOOD STREET, LONDON EC2V 6DL
29TH JANUARY, 2015
Statement of financial activities for the year ended 31 August 2014

<table>
<thead>
<tr>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds 31 Aug 2014</th>
<th>Total Funds 31 Aug 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmes</td>
<td>Mamohato</td>
<td>Note</td>
<td></td>
</tr>
<tr>
<td>Income &amp; expenditure</td>
<td>Note</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Incoming resources

Incoming resources from generated funds:

Activities for Generating Funds:

Event income 532 - 511 1,043 1,520

Voluntary income:

General donations 133 - 151 284 51
Corporate donors 206 207 - - 413 288

Trusts & Foundations 109 477 843 1,429 423
Gifts in kind 119 5 52 176 318
Other income 28 - - 28 1

Total incoming resources 1,127 689 1,557 3,373 2,601

Resources expended

Costs of generating funds: 2 522 - - 522 662

Charitable activities:

Mamohato Children's Centre 92 - 74 166 -
HIV/AIDS 110 260 - 370 394
Community Care 481 148 - 629 588
Education, training and leadership 238 135 - 373 613

Total charitable activities 3 921 543 74 1,538 1,595

Governance costs: 4 30 - - 30 36

Total resources expended 1,473 543 74 2,090 2,293

Unrestricted Funds | Restricted Funds | Total Funds 31 Aug 2014 | Total Funds 31 Aug 2013 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmes</td>
<td>Mamohato</td>
<td>Note</td>
<td></td>
</tr>
<tr>
<td>Income &amp; expenditure</td>
<td>Note</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

(Deficit)/surplus of income over expenditure 5 (346) 146 1,483 1,283 308

Reconciliation of funds

Total funds brought forward at 1 September 2013 858 183 363 1,404 1,096

Total funds carried forward at 31 August 2014 512 329 1,846 2,687 1,404

All amounts relate to continuing activities of the charity.
Governance costs include £2k (2013: £21k) of gifts in kind expenses donated to the charity.
The notes on pages 41 to 50 form part of these financial statements.
The charity has no recognised gains or losses other than those in the results above and therefore no separate statement of recognised gains or losses has been presented.
Balance Sheet
as at 31 August 2014

Notes to the financial statements
for the year ended 31 August 2014

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 2006, 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.

b. 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 fitting: 5 yrs on a straight line basis
- Computer equipment: 3 yrs on a straight line basis
- Motor vehicles: 5 yrs on a straight line basis

Assets under construction consist of professional fees and construction costs of the Mamohato Children’s Centre project. Depreciation will be charged once the asset is brought into use.

c. 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.

Event income includes receipts from fundraising events as well as any insurance receipts if events are cancelled.

Donated services are recognised as an incoming resource at the value that the charity would have paid to otherwise obtain the resources concerned.

d. Resources expended

Resources expended are accounted for on an accruals basis. They are 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 located to the 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, Sentebale programme 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.

e. Partner distribution
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 and reviews the grants according to agreed budgets and payments are issued on a quarterly basis. Cancelled commitments are credited to the statement of financial activities when the cancellation has been ratified by the Trustees.

f. Restricted funds
These funds can only be used for purposes as specified by the donor and are listed in notes 13 and 14.

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

h. Foreign exchange
During the period, the reported Income and Expenditure in Lesotho was translated at the monthly average rate of exchange.
Any adjustments are made for balance sheet items at the prevailing rate of exchange. The rate applied on 31 August 2014 was £1=17.67Loti (2013: £1=15.93Loti). Any foreign exchange adjustments are recorded under other income or support costs in the statement of financial activities.

i. 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”. However, as best practice, monthly cash flow forecasts are provided as part of the monthly management accounts.

j. Going concern
As described within the Trustees’ report, the financial statements have been prepared on a going concern basis.

2. Cost of generating funds

<table>
<thead>
<tr>
<th></th>
<th>Total Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 Aug 14</td>
<td>31 Aug 13</td>
</tr>
<tr>
<td>Events</td>
<td>166</td>
<td>442</td>
</tr>
<tr>
<td>Cost of generating income</td>
<td>168</td>
<td>155</td>
</tr>
<tr>
<td>Support costs</td>
<td>188</td>
<td>64</td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td>522</td>
<td>662</td>
</tr>
</tbody>
</table>

The above costs relate to income generated and recognised in the current period.
The increase in support costs shown above is due to a change in the percentage of salaries allocated to fundraising costs. This represents the increased work undertaken to raise money during the year for the Mamohato Children’s Centre.
The events expense includes £56k of gifts in kind (2013: £222k).
### 3. Charitable activities

<table>
<thead>
<tr>
<th>Charitable activities</th>
<th>Related activities</th>
<th>Programme costs</th>
<th>Grant funding activities</th>
<th>Total in-country costs</th>
<th>Total in-country costs</th>
<th>Support costs</th>
<th>Total August 2014</th>
<th>Total August 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mamohato Children’s Centre</td>
<td>Construction of the Mamohato Children’s Centre</td>
<td>131</td>
<td>-</td>
<td>1,105</td>
<td>35</td>
<td>166</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Mamohato Camps and Network Clubs</td>
<td>329</td>
<td>-</td>
<td>5,489</td>
<td>40</td>
<td>369</td>
<td>345</td>
<td></td>
</tr>
<tr>
<td>Community Care</td>
<td>Care for vulnerable children and school bursaries</td>
<td>125</td>
<td>431</td>
<td>8,434</td>
<td>73</td>
<td>629</td>
<td>588</td>
<td></td>
</tr>
<tr>
<td>Education, Training and Leadership</td>
<td>Herd Boys</td>
<td>197</td>
<td>-</td>
<td>3,228</td>
<td>26</td>
<td>223</td>
<td>388</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lesema</td>
<td>126</td>
<td>-</td>
<td>2,292</td>
<td>25</td>
<td>151</td>
<td>225</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>31 Aug 14</td>
<td>908</td>
<td>1,339</td>
<td>199</td>
<td>1,538</td>
<td>1,595</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>31 Aug 13</td>
<td>882</td>
<td>1,393</td>
<td>16,988</td>
<td>202</td>
<td>1,595</td>
<td></td>
</tr>
</tbody>
</table>

Programme expenditure might cover more than one activity and so it is allocated to its primary purpose. Support costs consist of UK and Lesotho staff and office costs which have been apportioned on the basis of time spent.

### 4. Governance costs

<table>
<thead>
<tr>
<th></th>
<th>Total Funds 31 Aug 14</th>
<th>Total Funds 31 Aug 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Fees</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>Board and trustee expenses</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>30</td>
<td>36</td>
</tr>
</tbody>
</table>

Legal fees include £2k of gifts in kind (2012: £21k)

### 5. Net incoming resources

<table>
<thead>
<tr>
<th></th>
<th>Total Funds 31 Aug 14</th>
<th>Total Funds 31 Aug 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is stated after charging:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors remuneration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit fee to financial statements auditor – current year audit</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Audit fees payable to financial statements auditor – prior year audit</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Audit fees payable to other auditors</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other fees payable to financial statement auditor</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>
6. Staff head count

The average weekly number of persons employed by the charity expressed on a full-time equivalent basis was:

| Programme    | 22 | 22 |
| Fundraising  | 3  | 3  |
| Other        | 2  | 2  |
| **Total**    | 27 | 27 |

Lesotho based staff are operational and are employed to deliver services to orphans and vulnerable children in Lesotho.

<table>
<thead>
<tr>
<th>31 Aug 2014</th>
<th>31 Aug 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Staff costs comprised:</td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>523</td>
</tr>
<tr>
<td>Social security</td>
<td>36</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>586</td>
</tr>
</tbody>
</table>

Number of employees earning over £60,000 per annum, including taxable benefits, was:

| £110,001 – 120,000 | 1 |
| £120,001 – 130,000 | - |

The pension contributions for the one employee (2013: one) earning more than £60,000 in the year amounted to £18,340 (2013: £20,400).

7. 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.

8. Tangible fixed assets

<table>
<thead>
<tr>
<th>Assets under construction</th>
<th>Motor vehicles</th>
<th>Fixtures, fittings and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Balance brought forward 1 September 2013</td>
<td>8</td>
<td>73</td>
<td>84</td>
</tr>
<tr>
<td>Additions</td>
<td>516</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Foreign exchange movement</td>
<td>-</td>
<td>(7)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Balance carried forward 31 August 2014</strong></td>
<td>524</td>
<td>85</td>
<td>96</td>
</tr>
</tbody>
</table>

Depreciation:

| Balance brought forward 1 September 2013 | - | 60 | 70 | 130 |
| Foreign exchange movement                | - | (6) | (2) | (8) |
| Charge for the period                     | - | 5  | 13 | 18  |
| **Balance carried forward 31 August 2014** | - | 59 | 81 | 140 |

Net book value:

| Brought forward 1 September 2013 | 8 | 13 | 14 | 35 |
| Carried forward 31 August 2014    | 524 | 26 | 15 | 565 |

The Mamohato Children’s Centre is being constructed on land generously donated by HM King Letsie III of Lesotho, via a long leasehold of 60 years (longest available leasehold in Lesotho). The lease has been agreed and signed by all parties and is awaiting registration with the relevant government departments in Lesotho. See notes 14 and 16 for further details on the Mamohato Children’s Centre.

9. Debtors

<table>
<thead>
<tr>
<th>31 Aug 2014</th>
<th>31 Aug 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Donations receivable</td>
<td>953</td>
</tr>
<tr>
<td>Other debtors</td>
<td>91</td>
</tr>
<tr>
<td>Prepayments</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,057</td>
</tr>
</tbody>
</table>
10. Creditors

<table>
<thead>
<tr>
<th>Amount falling due within one year:</th>
<th>31 Aug 2014</th>
<th>31 Aug 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments to partners</td>
<td>260</td>
<td>201</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Other creditors</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>238</td>
<td>81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>540</strong></td>
<td><strong>327</strong></td>
</tr>
</tbody>
</table>

Commitments to partners represents the financial support approved by the Board of Trustees as part of the budget process. A Memorandum of Understanding has been signed by Sentebale and the partner, detailing the financial commitments made by Sentebale, paid in quarterly instalments throughout the following financial year.

11. 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 nine members at 31 August 2014.

12. Unrestricted funds

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

General funds

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>858</td>
<td>1,127</td>
<td>(1,473)</td>
<td>512</td>
</tr>
</tbody>
</table>

General funds represent all unrestricted income received and are used to undertake the work of the charity.

13. Restricted funds: Programmes

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

HIV/AIDS

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>386</td>
<td>(260)</td>
<td>180</td>
</tr>
</tbody>
</table>

Community Grant Partners

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>173</td>
<td>(148)</td>
<td>63</td>
</tr>
</tbody>
</table>

Education, training and leadership

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>91</td>
<td>130</td>
<td>(135)</td>
<td>86</td>
</tr>
</tbody>
</table>

Restricted funds

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>183</td>
<td>689</td>
<td>(543)</td>
<td>329</td>
</tr>
</tbody>
</table>

Restricted funds relate to donations received for specific projects and held at the year end.

14. Restricted funds: Mamohato Children’s Centre

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Restricted Funds

<table>
<thead>
<tr>
<th>Balance 1 Sept 2013</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>363</td>
<td>1,557</td>
<td>(74)</td>
<td>1,846</td>
</tr>
</tbody>
</table>

Mamohato Children’s Centre capital expenditure will be capitalised, until the centre is fully commissioned and operational. Thereafter, appropriate depreciation will be charged annually to the statement of financial activities.

The balance sheet amount of £524k (2013: £8k) relates to capital expenditure on the construction of the centre and professional fees incurred. The resources expended above relate to gifts in kind and fees for the research phase of the development. See also Note 8.
## 15. Net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programmes</td>
<td>Mamohato Centre</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>41</td>
<td>-</td>
<td>524</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>199</td>
<td>273</td>
<td>585</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>544</td>
<td>90</td>
<td>971</td>
</tr>
<tr>
<td></td>
<td>743</td>
<td>363</td>
<td>1,556</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(272)</td>
<td>(34)</td>
<td>(234)</td>
</tr>
<tr>
<td>Net current assets</td>
<td>471</td>
<td>329</td>
<td>1,322</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>512</td>
<td>329</td>
<td>1,846</td>
</tr>
</tbody>
</table>

## 16. Mamohato Children’s Centre commitments

At 31 August 2014 the charity had the following capital commitments:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Authorised and contracted for</td>
<td>1,065</td>
<td>73</td>
</tr>
<tr>
<td>Authorised and not contracted for</td>
<td>592</td>
<td>-</td>
</tr>
</tbody>
</table>

The Board of Trustees gave formal approval to proceed with the development of the Mamohato Children’s Centre on 19 September 2013, at an agreed budget, and begun construction in May 2014.
Notes

PAGE 15
1. CIA World Factbook, 2014
2. WHO Global Health Estimates, 2014
3. UN Millennium Development Goals Status Report, 2013
   http://www.unicef.org/infobycountry/lesotho_stats.html

PAGE 17

PAGE 21
8. UNESCO Institute for Statistics 2010a, Education (all levels) Profile Lesotho
9. Cairns, African schoolchildren’s study, 2014
   http://www.aidscan.com/page/2913134/

PAGE 23
10. UNICEF Lesotho Situation Report: Mid Year Update, 2013

Acknowledgements

Abraaj Capital
Al Jalil Foundation
Alan Credland
Audi Polo
Avios
BBBar
CallCredit
Cartier
CHI&Partners
Chivas Brothers
City Events Limited
Courts
Derby High School
Eton John AIDS Foundation
Emirates
Foundation Africa
Garrard/Damas
Gem Diamonds
Getty Images
Getty Images Gallery
HELLO! Magazine
Investec Asset Management
Jaguar Land Rover
James and Deborah Burrows Foundation
Jon Huggett
Joss Stone
JW Marriott
KPMG
Lessons for Life Foundation
Mercury Phoenix Trust
Mick Bayliss

Milo International
Miroma
Nacho Figueras
Obtala Resources
Olive Group
Pernod Ricard
Precision Risk
Professional Sports Group
Polofix
Prolab Digital
SAB Miller
School Aid
Sauter Charitable Trust
St Regs
Starwood
The Anglo American Group Foundation
The David Brownlow Foundation
The Granknitters of Windsor
The Magheramorne Foundation
The Mahfouz Foundation
The Queen’s Trust
The Serious Fun Children’s Network
The Social Practice
The Starkey Hearing Foundation
The Vodafone Foundation
Touch Worldwide
UNICEF Lesotho
Worldwide Support for Development