OUR YEAR AT A GLANCE

2012

£2.41 MILLION income raised

2013

£3.21* MILLION income raised

33% INCREASE in income raised

32% more HIV-positive children attending Mamohato Camp

45% increase in sponsored secondary school students

1165 orphans and children with disabilities are supported in care

MAMOHATO CHILDREN’S CENTRE

£2.2 million TOTAL FUNDS REQUIRED

£611k* 2013-14 income

£112k 2012-13 income

£300k Existing funds / allocated

16% INCREASE in charitable expenditure

24% DECREASE in support costs

* Includes £611k of income to be recognised in 2014, see note 2 on page 43.

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About Sentebale

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

Our five programmes

Mamohato Network and Camps provide essential life-skills and psychosocial support to children living with HIV/AIDS in Lesotho.

Herd Boys’ Schools give herd boys an opportunity to receive an education while fulfilling their cultural role of tending livestock in the mountains.

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

Secondary School Bursaries cover the costs of school fees, uniforms, nutritional support and educational materials to enable children to go to secondary school.

Care for Vulnerable Children involves 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, working 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 aim of providing the vulnerable children of Lesotho hope for a better future.

The Trustees Annual Report on pages 4 to 34 covers Sentebale’s financial year ended 31 August 2013. 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.
“When the history of our times is written, will we be remembered as the generation that turned our backs in a moment of global crisis or will it be recorded that we did the right thing?”

Nelson Mandela, 46664 Concert, Tromso, Norway, 2005

The world continues to mourn one of its great leaders, Nelson Mandela. Nowhere is this loss more keenly felt than across Southern Africa; South Africa and neighbouring Lesotho have lost their father. Tata Madiba succeeded in uniting a divided nation, giving hope for a better world. Similarly, Madiba played a leading role in the global fight against AIDS, challenging the stigma and division brought about by this disease. Tata Madiba has shaped the lives of a generation, our generation, and now it falls to us to ensure that his legacy lives on, to inspire the next.

Lesotho’s poor economy and infrastructure continue to make our work with vulnerable children a huge undertaking. The HIV/AIDS epidemic remains rife and Lesotho has been flagged as one of four African countries struggling to reduce the number of new HIV infections amongst children aged under 14. In a country so remote and with a limited skilled workforce, access to medication remains a struggle; children in the highlands often have to wait for up to 12 weeks before accessing antiretroviral treatment, and mothers are often too infirm to reach a clinic to collect their medication. It is a bleak outlook for many adults and children.

Undaunted by the situation, Sentebale has made excellent progress over the last year. We have drawn support from around the globe – in South Africa, the USA, Dubai and the UK – experiencing an overwhelming amount of donations from organisations, trusts, foundations and generous individuals. Without this backing, many lives would have been lost and futures shattered. This help allows us to transform children’s lives, giving them hope for a better future.

We were reunited in February last year in Lesotho, where we had the chance to see where your money is being spent. Herd boy night schools have been refurbished and new ones built, giving more young shepherds access to education. Some of the most vulnerable children receiving our secondary school bursaries are passing their exams and have the opportunity to escape the poverty cycle by furthering their education; and through our Mamohato programme – which provides psychosocial support to children living with HIV – we are seeing children grow in confidence and realise there is a life to be lived beyond their disease.

Most proudly, we are able to tell you that work on building our Mamohato Children’s Centre for children living with HIV begins in 2014, with plans for the first Mamohato Camp to be held in the summer of 2015. The centre will allow us to scale up our Mamohato programme and will act as a hub for all our work with vulnerable children across Lesotho.

We are delighted to reach this milestone, yet this is the tip of the iceberg and there are thousands more HIV-positive children we want to reach, in Lesotho and across Southern Africa. To do this we need continued support from our funders and require like-minded organisations to come together and work with us as we extend our reach in the future.

HIV/AIDS no longer has to dictate people’s lives – but to win the battle we have to stand together and face the problem head on. We would like to thank you all for believing in our work so far: the difference you are making to children’s lives is very real – it is truly humbling to witness. On their behalf, we cannot thank you enough.

Founding patrons’ foreword

The world continues to mourn one of its great leaders, Nelson Mandela. Nowhere is this loss more keenly felt than across Southern Africa; South Africa and neighbouring Lesotho have lost their father. Tata Madiba succeeded in uniting a divided nation, giving hope for a better world. Similarly, Madiba played a leading role in the global fight against AIDS, challenging the stigma and division brought about by this disease. Tata Madiba has shaped the lives of a generation, our generation, and now it falls to us to ensure that his legacy lives on, to inspire the next.

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Prince Harry

Prince Seeiso
At Sentebale, we often talk of helping the most “vulnerable” children in Lesotho. For the children of Lesotho, “vulnerable” means a child who may be single or double orphaned, a child who is too disabled to go to school, a child sent into the mountains to herd cattle, unable to access an education, or, for many, a child living with HIV without the care and support of parents and access to healthcare. Their plight has been, and remains, the motivation behind the work of Sentebale.

Ten years ago, Prince Harry and Prince Seeiso travelled to the most remote parts of Lesotho – deeply moved by the vulnerable children they met, they made their commitment to shine a light on this unknown, impoverished country and help give these children a chance in life. During the last financial year, the Sentebale teams in Lesotho and London have worked passionately and relentlessly to this end. The fruits of their labour are transforming lives.

I am pleased to see the organisation going from strength to strength. To ensure there is a clear direction to Sentebale’s work, we carried out a strategic review of the organisation and the Board of Trustees is united in supporting the expansion of the Mamohato programme, providing healthcare and education for children living with HIV in Lesotho, and taking this flagship programme into other Southern African countries in the next few years.

This year we welcome Khanyisile Kweyama to the Board of Trustees and Tumisaang Leduma as Country Director. They both bring invaluable skills to the organisation and will be instrumental in the continued growth and development of Sentebale.

Our achievements during the last year would not have been possible without our supporters, staff and trustees. I would like to thank you all for your commitment; together we are changing the lives of these “vulnerable” children.

Philip Green
Chairman, Board of Trustees
Reflecting upon my first full year at Sentebale, I am amazed at the achievements of this small team and the difference they make. In Lesotho and London, our staff and partners are working hard to raise awareness and funds, so we can reach many more vulnerable children. That means more children being sponsored through their secondary education, more children attending network clubs and camps, and more children attending the new herd boy schools.

In February 2013, Prince Harry again visited Lesotho to see for himself the work on the ground and meet some of the children. Before flying home, he attended a fundraising dinner in Johannesburg with Prince Seeiso, our chairman and trustees to launch the capital appeal to raise £2.2 million for the Mamohato Children’s Centre.

In May, we held the Sentebale Royal Salute Polo Cup in Connecticut, USA, raising over $1 million and breaking our previous fundraising records. For the first time Sentebale had a “Forget Me Not” Garden at the Chelsea Flower Show in London, attended by Her Majesty The Queen and other members of the Royal family, as well as thousands of visitors who came to see the garden and learn about our work. Later in the summer, we held an exhibition at the Getty Images Gallery, showcasing our work through stunning photographs of Lesotho and its children. At the year end we had reached half our target of the capital appeal and I’m happy to report the project is now fully funded.

By far our greatest challenge remains the fight against the HIV/AIDS epidemic in Lesotho. Across Southern Africa great progress has been made in the fight against new HIV infections, yet Lesotho remains one of the focus countries, where the UNAIDS “Treatment 2015” calls for intensified efforts to provide universal access to healthcare for HIV-positive children and young people. In many families the middle generation has succumbed to HIV. Children and adolescents living with HIV are confronted by complex challenges, such as safe disclosure, treatment access, relationship education and support in medication adherence.

Our Mamohato programme addresses the unique health, psychological and social needs of children and adolescents living with HIV. With better education and healthcare these young children will drive Lesotho’s economic outcomes over the next two decades.

My personal thanks go to all our supporters, without whom we could not deliver the programmes, and to our small team, whose hard work and dedication continue to prove what an amazing difference Sentebale can make. Above all, it is the children themselves that continue to provide us with the inspiration and hope for the future.

Cathy Ferrier, CEO
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.

Sentebale takes an innovative and entrepreneurial approach, working with and for local communities at a grassroots level.
Mikey, 13, met Prince Harry and Prince Seeiso in February 2013

"When I was younger, there were people in our community who disliked me because of my sickness. At school, some parents said I should not eat from the same plate as their children because I would infect them. People didn’t like me playing with their children. If my grandmother was there, I felt hurt at the heart when I told her what happened. And it also made me wonder how I differ from other children.

Before I went to camp, I didn’t know if I was the only person living with HIV. I didn’t know why I had to take lots of medication every day. If I hadn’t been to camp I would not have known what HIV is and what it means to live with it. I wouldn’t have known what was happening to my body.

Camp is a place where we meet new people and learn about our life – how we should take care of ourselves and why it’s so important to take our medication. If I don’t take my medication, even for a single day, it is very dangerous because HIV will take charge of my body.

I told a friend of mine from the Mamohato Network Club how much I’ve learned at camp and what a difference it makes. I want them to go to camp so they can learn more.

My future changed after I went to camp. Until then I did not have peace at home or at school, but now I have peace. I believe camp saves lives.”

Success story

The translated extract is taken from an interview with the Sentebale team in February 2013.

Progress against our aims 2012/13: Aim 1
Support children living with HIV to live healthy and confident lives.

Mamohato Network & 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 third highest prevalence rate of HIV in the world.¹
• It is believed only half of all people living with HIV know of their status.²
• 37,172 children under 14 in Lesotho are HIV positive.³
• The types of psychosocial challenges associated with pediatric anti-retroviral treatment (ART) for children living with HIV include children’s unwillingness to share distress due to fear of being stigmatised, isolated or rejected.⁴
• Only 26% of young women and 18% of young men in Lesotho have a comprehensive knowledge of HIV.⁵

Programme activities:
• Ran four week-long summer camps with 136 HIV-positive children attending in two locations, and four week-long winter camps attended by 124 children. This is an increase of 32% over last year and an increase of an additional three weeks of camp in the year.
• 754 children registered in ten network clubs across the country. We continue to work in partnership with local government-run clinics and Baylor Clinic (which ran four network clubs this year), supporting 500 additional HIV-positive children.
• Network club toolkit developed to help clinics run their own network clubs. Three new starter kits (essential equipment) delivered to three new clinics.
• Monitoring and evaluation framework and tools developed and clinicians trained to capture relevant data. Eighteen monitoring visits made to ten health clinics.
• 23 caregiver days (days for the children’s carers) held, covering all ten districts in Lesotho.

Key achievements:
• Children’s adherence to medication improved from 73% to 91% after attending winter Mamohato Camp. Over 79% of children were aware of their CD4 count (a count of CD4 cells gives a general measure of the immune system’s health).⁶
• The Mamohato programme has reached more children: 32% increase in children attending camp, 11% increase in children registered in network clubs.
• 46 volunteers recruited and trained, giving a ratio of one volunteer to three children at camp. Four nurses and four counsellors and social workers on hand to support children at each camp.

Challenges to be addressed:
• Capturing clinical data to enable effective monitoring and evaluation: we continue to work closely with clinics to address these issues.
• Facilities for camps are limited, and this continues to affect the number of children the programme can reach.
New opportunities through education

Edward, like many children in Lesotho, had a tough start in life. By the time he was 15, AIDS had claimed both his parents’ lives. Left with his grandmother and two younger siblings, he was sent to earn a living in Semonkong. He spends many laborious days in Lesotho’s highlands searching for new pasture for his sheep.

Three years ago, Edward met some other local herd boys who told him about a night school they were attending. Enthused by the possibility of being able to receive an education again, seeing other boys like himself and receiving a hot meal, Edward decided to attend St Leonard’s Herd Boys School in Semonkong. After a long day’s work, he walks an hour and a half to attend night school as regularly as his job permits.

Edward has worked hard and his English and Maths has improved. He takes his primary school exams soon, and is keen to continue his education.

Progress against our aims 2012/13: Aim 2
Strengthen access to education, including livelihoods and life-skills training for herd boys.

Herd Boy Education Programme

Lesotho’s herd boys are a marginalised section of the community. The tradition of tending livestock in the mountains prevents them from attending school. This 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:
- 15,000 herd boys estimated in Lesotho.
- Almost one third of herd boys have never received a formal education.

Programme activities:
- Night schools in Matsoaing, Semonkong and Pulane have been refurbished, including the installation of solar panels to provide light during lessons, water supplies and learning materials.
- Herd boys are receiving vocational skills-based training in bead making, leather shoe making and belts in Semonkong to generate additional income.
- Counselling and testing for HIV was received by 30 herd boys in Mokhotlong and 55 in Semonkong. In addition they received first aid training.
- Food items, utensils, protective clothing and hygiene packs including blankets, woollen hats, wellington boots, body soap and toothpaste and toothbrush were given to 422 herd boys at five herd boy schools. This is an increase of 222 herd boys from the previous year.

Key achievements:
- The construction of a new herd boy school in Mateanong in Mokhotlong was completed and the building officially handed over to the local committee to run. Opened by His Majesty King Letsie III.
- It is believed that there has been a decrease in crime in rural areas across Lesotho due to herd boys being empowered through education and the sensitisation of farmers and communities.
- The Ministry of Education and Training in Mokhotlong is interested in using the new herd boy school in Mateanong for secondary school education, demonstrating an acceptance of the initiative within the community.

Challenges to be addressed:
- Additional funding is needed to support the vocational skills-based training.
- Many herd boys were sent to the highland cattle posts during the counselling and testing training. There is a need to continue working with the livestock owners to ensure maximum attendance at these training workshops.
- Continue developing support within the communities to ensure the refurbished new schools are not vandalised.
Making the right connections with a network of expertise

“Of all the meetings that different organisations have held for the Semonkong people and their organisations, Letsema forums have been the most successful because people have developed a great interest in the meetings. They have also grown to become one as they all are working to achieve a goal which is bettering the lives of orphans and vulnerable children.”

Matsoso Majoro, Manager, Semonkong Children’s Centre

“Caring for vulnerable children has become much easier through the support we receive through the Letsema Forums. We have been connected with the right government ministries and we now know where to go when we come across cases that are beyond our control.”

Marethabile Moiloa, St Camillus (Mohale’s Hoek)

Progress against our aims 2012/13: Aim 3
Improve the effectiveness of delivery of care and support for vulnerable children and young people through facilitation, coordination and collaboration with organisations in the child-care sector.

Letsema Network
Letsema is a network of organisations 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:
• Letsema membership has been increased by ten new members, bringing the number of subscribed members to 45 in Maseru.
• 11 national forums were held between September 2012 and August 2013, discussing a wide variety of topics including: health and wellbeing of children with HIV/AIDS; sexual abuse; disabilities; psychosocial support for children. An average of 38 organisations attended each forum.
• A total of eight regional meetings were successfully held between March and May 2013 in Mokhotlong, Semonkong, Leribe and Mohale’s Hoek.
• Two newsletters have been developed and distributed to members.

Key achievements:
• Grassroots organisations are extending their networks with other organisations and developing relationships with government ministries through the Letsema Forums.
• Monitoring and evaluation (M&E) of the forums demonstrates that they are well received with overall ratings of good and excellent. The disabilities forum received the highest rating of 98%, rated excellent, and the forum with the lowest rating was for educational sponsoring with a success rating of 70%.

Challenges to be addressed:
• Circulation of supporting documents addressing matters concerning vulnerable children is a challenge due to poor infrastructure and technology in some remote districts.
• Face-to-face training has proved the most effective method of knowledge sharing and we look to explore other options for those unable to attend.
Changing the lives of three siblings by supporting their education

Nthabiseng, 14, and her twin brothers aged 12, lost their parents to AIDS and poor health four years ago. Left to fend for themselves, they were fortunate to come into contact with Sentebale through one of our community partners. Having explained their fears of being left alone with no one to care for them, Sentebale moved the children to a primary boarding school.

This year, Sentebale followed up with these children at a time when Nthabiseng and one of the twins were ready to move on to secondary school. Following a full assessment, Nthabiseng and one of the twins will go to a boarding secondary school where they will be supported by Sentebale’s bursary programme and be able to continue their education.

Progress against our aims 2012/13: Aim 4
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 complete their education and increase their prospects of reaching their full potential.

Key statistics:
- On average 57% of 15-24 year-olds have not completed secondary school education.9
- Secondary school enrollment in Lesotho is just 37% for females and 23% for males.10

Programme activities:
- Sentebale awarded a total of 256 students with secondary school bursaries.
- In the 2013 academic year, 38 students will sit their Junior Certificate (JC) external examinations and 19 will sit their Cambridge Overseas Certificate (COC).
- Home assessments were conducted in 200 households and for 154 students in school to assess their wellbeing and needs.
- In addition to the standard package of a bursary, which includes school fees, school food fees, boarding fees, exam fees, stationery and books, many children required additional support to supplement their bursary package, which included: toiletries for 109 students; transport funds for 63 children; uniforms for 76 children and shoes for 55 children.

Key achievements:
- Two of the students that received a bursary have been awarded further sponsorship for tertiary education in the fields of Law and Health Sciences.
- The success of the programme has led to further funding from Lessons for Life – our primary donor for the programme – allowing Sentebale to award 432 sponsorships in the next financial year.

Challenges to be addressed:
- Due to changes in personal circumstances, such as marriage or pregnancy, some of the students do not complete their education.
- School and home assessments are showing an increased demand for supplies to supplement the standard bursary, such as transport costs, toiletries and uniforms.
Success story

Lerato – which means ‘love’ in Sesotho – had a bleak start in life. Found by the police on his dead mother’s breast and with no other family members to care for him, Lerato was brought to Phelisanong Centre in Leribe. His mother was believed to have died from AIDS and Lerato was thought to have been there for a couple of days before being found.

Thanks to the centre and Sentebale’s support, little Lerato, who is HIV-positive, has been nurtured back to life. He now attends primary school, and on the whole is a happy young boy with friends and housemothers to care for him.

Progress against our aims 2012/13: Aim 5
Empower families and communities to provide consistent and efficient care and support for Lesotho’s most vulnerable and disadvantaged children and young people.

Care for Vulnerable Children

Through this programme, Sentebale provides community child-care 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.

Key statistics:
• There are over 488,526 orphans and vulnerable children in Lesotho. 11
• 31,500 children aged between 0-19 years old are believed to have disabilities. 12
• Disabled young people between 11-20 years old are seven times less likely to attend school than those without disabilities of their age range. 13
• It is expected there are many more orphaned children, or children living with disabilities who do not get counted in country statistics.

Programme activities:
• Sentebale continues to support and strengthen 12 community-run organisations across Lesotho, which provide residential care and support to approximately 1,165 vulnerable children. These include children with disabilities, hearing impediments and visual impairments, as well as orphans.
• Resource packs were prepared and distributed to our 13 partners. In addition, they also received training and compliance workshops and a child-care skills-building workshop for 24 participants from our partners.
• Of the 13 community-run organisations, one partner did not comply with financial reporting or attend workshops, therefore has not applied for further funding.
• One of our partners, Touching Tiny Lives, has developed an outreach programme to support 431 vulnerable households by providing food parcels and care for rehabilitated children aged under five and their families. Four of our other partners also run outreach programmes to support the communities.

Key achievements:
• As part of its ongoing outreach program the Thuso Center, with Sentebale funding, facilitated reintegration of 10 former students with multiple disabilities into their families/communities and assisted them in the establishment of income generating activities.
• St.Bernadette Resource Center for the Blind had 10 visually impaired students sit for primary school leaving Certificate and 5 participated in the SADAC Paralympics, 2 won Gold Medals.
• St Paul’s School for the Deaf won the local drama and theatre competitions and participated in the SADAC regional country drama and theatre competitions held in South Africa. Five students sat for the junior Certificate external examinations.

Challenges to be addressed:
• The number of children in residential care homes supported by Sentebale increased sharply due to the closure of three non-compliant care facilities by the Ministry of Social Development. This created challenges of overcrowding, staff time in orienting the new arrivals and trauma for the children involved.
International Strategic Development

In September 2012, a full strategic review was presented to the Board of Trustees and was approved. This review provides detail on the direction of the organisation in the future, recognising the added value that Sentebale can bring to the vulnerable children of Lesotho.

The programme expansion will be targeted at increasing the reach of the children supported through the Mamohato programme, which addresses the emotional and psychological needs of children living with HIV. Sentebale will continue to remain committed to supporting our other programme areas.

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 financial year-end 31 August 2013, Sentebale had secured £1.023 million towards the centre (includes 31 August 2012: £300k).

A professional team, including an architect, quantity surveyor and engineers, has been appointed and the detailed plans for the centre are progressing well.

Monitoring and Evaluation

The monitoring and evaluation framework funded by the Elton John AIDS Foundation, developed in collaboration with Dr Sebastian Wanless, has been rolled out across all our programmes, and teams and partners have been trained in using the Child Status Index.

The framework is allowing us to carry out efficient and effective assessments of each child receiving support through our programmes, therefore accounting for the success of our work.

Team in London and Lesotho

In this year, we appointed a new Country Director in Lesotho, Mr Tumisang Leduma. In Lesotho, total staff numbers are 21. 95% of the team are Basotho (people from Lesotho).

The London team comprises of six staff. The team was strengthened with the addition of a Head of Partnerships and Philanthropy post and a Finance Development Director seconded by KPMG to manage the Mamohato Children’s Centre capital project.

Fundraising and income generation

In the year, we have fundraised secured income of £3.212 million, which exceeds our budget of £2.540 million. Of this income, £611k will be received in 2013/14 and is restricted to the construction of the Mamohato Children’s Centre, and will therefore not show in incoming resources reported in the financial statements for the year ended 31 August 2013.

Unrestricted income was £2.100 million, surpassing the budget of £1.485 million. This was due to the success of a number of fundraising events including the Sentebale Gala Dinner in Johannesburg, Sentebale Royal Salute Polo Cup in Connecticut, USA, Oil Aid, our garden at the Chelsea Flower Show and photography exhibition at the Getty Images Gallery, all in London. In addition there was growth in income from major donors.

Restricted income reported in these financial statements was £501k which, with the £611k secured to fund work on the Mamohato Children’s Centre in 2013/14, exceeded the £1.055 million fundraising target for the year.

Marketing and communications

Sentebale’s key message for 2012/13 was to announce plans to scale up the flagship Mamohato programme and secure funding to build the Mamohato Children’s Centre.

In the summer of 2013, Sentebale held its first mass market fundraising events, The Sentebale Forget Me Not Garden at Chelsea Flower Show and a photography exhibition at the Getty Images Gallery. Marketing initiatives supporting these events included a digital and product campaign with B&Q and the sale of prints and scarves at the photography exhibition in London.

Global media coverage for fundraising events continues to attract a number of luxury brands and investment management companies to sponsor our events. The Sentebale Royal Salute Polo Cup generated estimated media impact value of $16.5m across 32 markets with campaign reach across all media of almost 900 million people.

Nacho Figueras was appointed a Sentebale Ambassador in April 2013, his primary objective being to promote and support the annual Sentebale Polo Cup and any marketing in the USA.

The new website www.sentebale.org was launched in December 2012. The site has seen a considerable increase in web traffic. In February 2013, Sentebale joined two social media platforms – Twitter and Facebook. We have seen an organic growth in supporters for both platforms with peaks appearing around events. Developments in our digital marketing have allowed us to meet our objectives of raising awareness of our work with vulnerable children affected by HIV/AIDS and engaging with our supporters.
“Talking about HIV and understanding it isn’t dangerous. Denying it, or not knowing about it, definitely is.”

Prince Harry,
Sentebale Gala Dinner,
Johannesburg, 27 February 2013

The Mamohato Network Clubs and Camps Programme is a Sentebale initiative that was developed in response to the serious gap in HIV/AIDS education provision, and provides emotional and psychological support for HIV-positive children in Lesotho. In 2010, the programme was recognised in the UN General Assembly (UNGASS) report as a model of international best practice.

Through week-long camps and monthly clubs, the Mamohato programme offers HIV-positive children the opportunity to fully explore for themselves the reality of living with the disease. It empowers these young people to live life positively, knowing that they are not alone and instilling confidence and understanding that they can live a long and healthy life.
“Our aim and hope is that we can influence a decline in the transmission of HIV and increase life expectancy, in a unique way for Lesotho: by addressing the psychological and social needs of the next generation, which is so important.

Ultimately, this will strengthen family structures, instil hope in future generations of Basotho people, and enable them to realise their potential and achieve their ambitions. The impact of this programme has the potential to change society.”

Prince Harry, Sentebale Gala Dinner, Johannesburg, 27 February 2013

Mamohato Children’s Centre for young people

As part of Sentebale’s expansion plans, we are seeking to establish a Centre of Excellence for our Mamohato programme. The very essence of the centre is to create a safe place for children and young people to learn about their condition so they can lead healthier and happier lives. The centre will allow us to dramatically increase our reach and support more of Lesotho’s HIV-positive children and young people, and will serve as a beacon for future expansion into other Southern African countries whilst strengthening our commitment to the vulnerable children of Lesotho.

His Majesty King Letsie III of Lesotho has generously donated a parcel of land for the centre, which will be named after His Majesty and Prince Seeiso’s mother, Queen Mamohato Bereng Seeiso, known as the Mother of the Nation. The site has panoramic vistas of the Thaba-Bosiu Mountain. Legend has it that the ‘Mountain of the Night’ grows after sunset, protecting its inhabitants against invaders. Considered the birthplace of the nation, Thaba-Bosiu, with its steep cliffs and flat top, was the mountain fortress from where King Moshoeshoe I defended his land and his people in the nineteenth century. The centre will embrace this history and provide the children and young people with a source of empowerment and identity.

“I have met some of the children who have attended the Mamohato Camps, and they have so much more confidence and knowledge of how to live healthy lives. With the new Mamohato Camp we will be able to reach four times as many children each year.”

Prince Harry, Sentebale Gala Dinner, Johannesburg, 27 February 2013
Our aims for 2013/2014

Aim 1: Support for children living with HIV to live healthy and confident lives

Mamohato Network & Camps Programme
- Increase numbers of children attending camp to over 400
- Increase numbers of network clubs to ensure national coverage and trial network clubs at health centres
- Community awareness event days and caregiver days will be held to increase knowledge and awareness
- Mamohato Network Club model will be published as a model of best practice
- Two new coordinators will be employed to increase the capacity of the programme
- Financial support will be provided for 12 volunteers, who will provide quality assurance support for network clubs

Aim 2: Strengthen access to education, including life-skills and livelihoods training for herd boys

Herd Boy Education Programme
- Ensure effective running of the four refurbished and newly built herd boy schools
- Verification study will be conducted in the four supported districts
- Stakeholder review, update and follow-up with the four principal chiefs, counsellors, local government, Ministry of Education Training and Ministry of Health

Aim 3: Improve the effectiveness of delivery of care and support for vulnerable children and young people through facilitation, coordination and collaboration with organisations in the child-care sector

Letsema Network
- Utilise the strength in the network to support the Eastern & Southern Africa (ESA) commitment to increase access to education and health services for children living with HIV
- Facilitate two national forum meetings in support of the local government’s priorities and increase collaboration between the local government and non-governmental-organisations (NGOs) to provide support for vulnerable children
- Training workshops will expand to four new regions
- Publication of a newsletter twice a year and TV and radio broadcasts six times a year

Aim 4: Give an increasing number of Lesotho’s most vulnerable children the opportunity to achieve a secondary school education

Secondary School Bursary Programme
- 150 new sponsorships will be awarded in 2014, adding to the continued support of the 256 existing sponsored students
- Family support grants for families caring for vulnerable sponsored students will reach 60 families in 2014
- In 2014, we will introduce sponsorship for tertiary education

Aim 5: Empower families and communities to provide consistent and efficient care and support for Lesotho’s most vulnerable and disadvantaged children and young people

Care for Vulnerable Children
- Our existing 12 community partners will be supported with financial and technical help
- Ten new capacity building grants of £1,250 each will be awarded to Letsema members, allowing our support to be extended to an additional 2,000 children
- Two new outreach programmes are planned in addition to strengthening five existing outreach programmes
- Impact report on five grantees will be conducted in 2014

Aim 6: Develop as an effective international organisation

In 2013/14 the internal capacity of the organisation will continue to be strengthened. In Lesotho, the Mamohato programme team will grow with two new coordinators added. In the UK, an additional fundraiser will be recruited and the finance team strengthened.

The fundraising for the Mamohato Children’s Centre will be completed in the first quarter, allowing for the detailed planning of the build in early 2014. The construction phase of the centre will commence in the first half of 2014.

With the successful implementation of the M&E framework, further analysis and evaluation of the impact of the programmes will be available and the outcomes for children will be assessed to ensure efficient use of resources.

Securing resources
Within our budgets for 2013/14 we are looking for continued growth to enable us to deliver the existing programmes and to complete the funding for the Mamohato Children’s Centre.

We have budgeted to grow our unrestricted income generated from events, corporates and individuals, including Sentebale Circle members.

Restricted income growth of over 75% is planned due to successful long-term relationships with Trusts and Foundations, including the Elton John AIDS Foundation, Queen’s Trust and Lessons for Life Foundation.

The new website and the increased use of social media will continue to build awareness of the charity’s work and help attract further support for the work of Sentebale in supporting the vulnerable children of Lesotho.
Financial report

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 fundraised secure income of £3.212 million, an increase of 33% compared to the previous year. Of this £3.212 million, £611k is restricted to fund work on the Mamohato Children’s Centre in 2013/14 and will be recognised in that accounting period. Incoming resources for the year are £2.601 million, of which £2.100 million was unrestricted income, £389k was restricted to our current programmes and £112k was restricted to the Mamohato Children’s Centre.

The total resources expended in the year were £2.293 million. The amount spent on charitable activities was £1.595 million. Actual charitable expenditure in Lesotho, in local currency, increased by 16%. This increase has been offset by a GBP gain in exchange rates of 14% in the period.

Charitable expenditure directly related to the vision of supporting orphans and vulnerable children accounted for 64% of income raised (excluding income raised for the Mamohato Children’s Centre), which would equate to 70% if adjusted for foreign exchange gains, fundraising accounted for 15% and governance 1%. The total spent on fundraising activities was £662k, including £241k of gifts in kind. This compares to £677k in 2011/12 (£238K gifts in kind).

The net assets on the balance sheet are £1.404 million. These are represented in reserves as unrestricted funds of £858K and restricted funds of £546K, of which £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.

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.

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.
Sentebale does not have share capital and is a company limited by guarantee. The company is constituted by its Memorandum and Articles (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 £1,871. The trustees are unpaid and details of the trustees’ expenses are disclosed in Note 7 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 2013 were:

Philip Green (Chairman)
The Rt Hon The Baroness Chalker of Wallasey
Sophie Chandauka
Nigel Cox
Mark Dyer MVO
Johnny Hornby
Khanyisile Kweyama*
Jamie Lowther-Pinkerton MVO, MBE**
Alberto (Bert) Piedra**
Damian West

Company Secretary: Cathy Ferrier*
Paula Almeida-Levy**

*Appointed in 2013
**Resigned in 2013

Structure, governance and management

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 other jurisdictions.

BY ORDER OF THE BOARD

Philip Green
Chairman, Board of Trustees
Independent auditor’s report to the members of Sentebale

We have audited the financial statements of Sentebale for the year ended 31 August 2013 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. 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 2013 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

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

We have nothing to report in respect of these matters.

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Statement of financial activities for the year ended 31 August 2013

<table>
<thead>
<tr>
<th>Income &amp; Expenditure</th>
<th>Note</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incoming resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Incoming resources from generated funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities for Generating Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event income</td>
<td>1,518</td>
<td>2</td>
<td>-</td>
<td>1,520</td>
<td>1,263</td>
</tr>
<tr>
<td>Voluntary income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General donations</td>
<td>49</td>
<td>2</td>
<td>-</td>
<td>51</td>
<td>116</td>
</tr>
<tr>
<td>Corporate donors</td>
<td>153</td>
<td>95</td>
<td>40</td>
<td>288</td>
<td>298</td>
</tr>
<tr>
<td>Schools and trusts</td>
<td>68</td>
<td>290</td>
<td>65</td>
<td>423</td>
<td>441</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>311</td>
<td>-</td>
<td>7</td>
<td>318</td>
<td>292</td>
</tr>
<tr>
<td>Other income</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td>2,100</td>
<td>389</td>
<td>112</td>
<td>2,601</td>
<td>2,414</td>
</tr>
<tr>
<td><strong>Resources expended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of generating funds</td>
<td>2</td>
<td>662</td>
<td>-</td>
<td>-</td>
<td>662</td>
</tr>
<tr>
<td><strong>Charitable activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>260</td>
<td>85</td>
<td>49</td>
<td>394</td>
<td>371</td>
</tr>
<tr>
<td>Community Care</td>
<td>366</td>
<td>222</td>
<td>-</td>
<td>588</td>
<td>784</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>354</td>
<td>259</td>
<td>-</td>
<td>613</td>
<td>465</td>
</tr>
<tr>
<td><strong>Total charitable activities</strong></td>
<td>3</td>
<td>980</td>
<td>566</td>
<td>49</td>
<td>1,595</td>
</tr>
</tbody>
</table>

Unrestricted Funds | Restricted Funds | Total Funds | Total Funds
---|---|---|---
Programmes | Mamohato Children's Centre | 31 Aug 13 | 31 Aug 12

Governance costs | 4 | 36 | - | - | 36 | 39 |
Total resources expended | 1,678 | 566 | 49 | 2,293 | 2,336 |
Net incoming resources before transfer | 422 | (177) | 63 | 308 | 78 |
Transfers between funds | 13, 14, 15 | (19) | (281) | 300 | - | - |
Net incoming/(outgoing) resources after transfers and net movement in funds | 5 | 403 | (458) | 363 | 308 | 78 |
Reconciliation of funds | | | | | |
Total funds brought forward at 1 September 2012 | 455 | 641 | - | 1,096 | 1,018 |
Total funds carried forward at 31 August 2013 | 858 | 183 | 363 | 1,404 | 1,096 |

All amounts relate to continuing activities of the charity. Governance costs include £15k 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 included in the results above and therefore no separate statement of recognised gains or losses has been presented.
Balance Sheet as at 31 August 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Total Funds 31 Aug 13 £000</th>
<th>Total Funds 31 Aug 12 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Assets under construction:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mamohato Children’s Centre</td>
<td>15, 16</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>322</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>1,374</td>
<td>1,085</td>
</tr>
<tr>
<td></td>
<td>1,696</td>
<td>1,490</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>11</td>
<td>327</td>
</tr>
<tr>
<td></td>
<td></td>
<td>425</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,369</td>
<td>1,065</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>16</td>
<td>1,404</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>13</td>
<td>858</td>
</tr>
<tr>
<td>Restricted funds: Programmes</td>
<td>14</td>
<td>183</td>
</tr>
<tr>
<td>Restricted funds: Mamohato Children’s Centre</td>
<td>15, 17</td>
<td>363</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,404</td>
<td>1,096</td>
</tr>
</tbody>
</table>

Approved by the trustees on 30 January 2014 and signed on their behalf by:

Philip Green
Chairman, Board of Trustees

Notes to the financial statements for the year ended 31 August 2013

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 fittings: 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. The 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 allocated 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 disbursement
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 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 14 and 15.

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

h. Foreign exchange
During the period reported the Income and Expenditure was translated at the average rate of exchange.

Any adjustments are made for balance sheet items at the prevailing rate of exchange. The rate applied on 31 August 2013 was £1=15.93Loti (2012: £1=13.30Loti). 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>Total cost of generating funds</th>
<th>Total cost of generating funds %</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Aug 13</td>
<td>31 Aug 13</td>
<td>Future Periods</td>
<td>Total</td>
</tr>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Events</td>
<td>442</td>
<td>383</td>
<td></td>
</tr>
<tr>
<td>Cost of generating income</td>
<td>156</td>
<td>215</td>
<td></td>
</tr>
<tr>
<td>Support costs</td>
<td>64</td>
<td>79</td>
<td></td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td>662</td>
<td>677</td>
<td></td>
</tr>
</tbody>
</table>

The above costs relate to income generated and recognised in the current period, as well as income generated in the current period but recognised in the next accounting period. In the year ended 31 August 2013, £611k of secured funds raised towards the construction of the Mamohato Children’s Centre is to be received in the year ended 31 August 2014, and will be recognised as income in that period accordingly.

The events expense includes £222k of gifts in kind (2012: £238k), and the support costs include £19k of gifts in kind (2012: nil)

The following table shows the total cost of generating funds as a percentage of incoming resources:

<table>
<thead>
<tr>
<th>Total cost of generating funds</th>
<th>Incoming resources</th>
<th>Cost of generating funds / Incoming Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>31 Aug 2013</td>
<td>31 Aug 2013 Future Periods Total</td>
</tr>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Event Income</td>
<td>220</td>
<td>1,520</td>
</tr>
<tr>
<td>Voluntary Income</td>
<td>201</td>
<td>763</td>
</tr>
<tr>
<td></td>
<td></td>
<td>421</td>
</tr>
<tr>
<td>Gifts in kind - Events</td>
<td>222</td>
<td>222</td>
</tr>
<tr>
<td>Gifts in kind - Other</td>
<td>19</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td>662</td>
<td>2,601</td>
</tr>
</tbody>
</table>
### 3. Charitable activities

<table>
<thead>
<tr>
<th>Charitable Activities</th>
<th>Related Programmes</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>Mamohato Children’s Centre</th>
<th>Total 31 Aug 2013</th>
<th>Total 31 Aug 2012</th>
<th>Support Costs</th>
<th>Mamohato Children’s Centre</th>
<th>Total 31 Aug 2013</th>
<th>Total 31 Aug 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>Mamohato</td>
<td>291</td>
<td>-</td>
<td>291</td>
<td>3,522</td>
<td>54</td>
<td>49</td>
<td>394</td>
<td>371</td>
<td>54</td>
<td>49</td>
<td>394</td>
<td>371</td>
</tr>
<tr>
<td>Community Care</td>
<td>Care for children</td>
<td>126</td>
<td>392</td>
<td>518</td>
<td>6,743</td>
<td>70</td>
<td>-</td>
<td>588</td>
<td>784</td>
<td>70</td>
<td>-</td>
<td>588</td>
<td>784</td>
</tr>
<tr>
<td>Education, Training &amp; Leadership</td>
<td>Herd Boys</td>
<td>234</td>
<td>119</td>
<td>353</td>
<td>4,821</td>
<td>35</td>
<td>-</td>
<td>388</td>
<td>180</td>
<td>35</td>
<td>-</td>
<td>388</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td>Letsema</td>
<td>182</td>
<td>-</td>
<td>182</td>
<td>1,902</td>
<td>43</td>
<td>-</td>
<td>225</td>
<td>285</td>
<td>43</td>
<td>-</td>
<td>225</td>
<td>285</td>
</tr>
<tr>
<td>31 August 2013</td>
<td></td>
<td>833</td>
<td>511</td>
<td>1,344</td>
<td>16,988</td>
<td>202</td>
<td>49</td>
<td>1,595</td>
<td>1,620</td>
<td>202</td>
<td>49</td>
<td>1,595</td>
<td>1,620</td>
</tr>
<tr>
<td>31 August 2012</td>
<td></td>
<td>657</td>
<td>693</td>
<td>1,350</td>
<td>14,643</td>
<td>270</td>
<td>-</td>
<td>1,620</td>
<td>-</td>
<td>270</td>
<td>-</td>
<td>1,620</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 31 Aug 13</th>
<th>Total 31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal fees</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Board and trustee expenses</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Legal fees include £21k of gifts in kind (2012: £15k).

### 5. Net incoming resources

<table>
<thead>
<tr>
<th></th>
<th>Total 31 Aug 13</th>
<th>Total 31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal fees</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Audit fee to financial statements auditor</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Audit fees payable to other auditors</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16</td>
<td>34</td>
</tr>
</tbody>
</table>

This is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>Total 31 Aug 13</th>
<th>Total 31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Care</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>256</td>
<td>12</td>
</tr>
</tbody>
</table>

Total Partner support

### 6. Partner disbursements

<table>
<thead>
<tr>
<th></th>
<th>No of grants 31 Aug 13</th>
<th>No of grants 31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Care</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>256</td>
<td>176</td>
</tr>
</tbody>
</table>

Total Partner support 269 511 188 693
7. Staff

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme</td>
<td>21.5</td>
<td>20.5</td>
</tr>
<tr>
<td>Fundraising</td>
<td>3</td>
<td>2.5</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>26.5</td>
<td>23.5</td>
</tr>
</tbody>
</table>

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

Lesotho-based staff are:

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 13</th>
<th>31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>521</td>
<td>606</td>
</tr>
<tr>
<td>Social security</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>25</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>578</td>
<td>653</td>
</tr>
</tbody>
</table>

Staff costs comprised:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees who earned over £60,000, including taxable benefits, but excluding pension contributions, was:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>£60,000 - £70,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>£110,000 - 120,000</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

The pension contributions for one employee earning more than £60,000 in the year amounted to £20,400** (2012: £5,878*).

8. 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.

9. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Motor vehicles</th>
<th>Fixtures fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost:</strong></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Balance brought forward</td>
<td>90</td>
<td>84</td>
<td>174</td>
</tr>
<tr>
<td>Additions</td>
<td>7</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>(24)</td>
<td>(8)</td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Balance carried forward</strong></td>
<td>73</td>
<td>84</td>
<td>157</td>
</tr>
</tbody>
</table>

| **Depreciation:**      | £000           | £000              | £000  |
| Balance brought forward| 77             | 66                | 143   |
| Foreign currency translation | (21)       | (8)               | (29)  |
| Charge for the period  | 4              | 12                | 16    |
| **Balance carried forward** | 60            | 70                | 130   |

| **Net book value:**    | £000           | £000              | £000  |
| Brought forward 1 September 2012 | 13           | 18                | 31    |
| **Carried forward 31 August 2013** | 13          | 14                | 27    |

10. Debtors

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 13</th>
<th>31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Donations receivable</td>
<td>105</td>
<td>128</td>
</tr>
<tr>
<td>Other debtors</td>
<td>42</td>
<td>121</td>
</tr>
<tr>
<td>Prepayments</td>
<td>175</td>
<td>156</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>322</td>
<td>405</td>
</tr>
</tbody>
</table>

* Relate to a six-month period of employment.
**£3,500 of this pension contribution is a bonus relating to year ended 31 August 2012, but received in year ended 31 August 2013.
11. Creditors

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 13</th>
<th>31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Amounts falling due within one year:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments to partners</td>
<td>201</td>
<td>279</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>26</td>
<td>45</td>
</tr>
<tr>
<td>Other creditors</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>81</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>327</td>
<td>425</td>
</tr>
</tbody>
</table>

12. 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 eight members at 31 August 2013.

13. Unrestricted Funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 12</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Transfer between funds</th>
<th>Balance 31 Aug 13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>General Funds</td>
<td>455</td>
<td>2,100</td>
<td>1,678</td>
<td>(19)</td>
<td>858</td>
</tr>
</tbody>
</table>

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

14.Restricted funds: Programmes

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 12</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Transfer between funds</th>
<th>Balance 31 Aug 13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>23</td>
<td>116</td>
<td>85</td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Community Care</td>
<td>363</td>
<td>178</td>
<td>85</td>
<td>(281)</td>
<td>38</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>255</td>
<td>95</td>
<td>259</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>641</td>
<td>389</td>
<td>259</td>
<td>(281)</td>
<td>183</td>
</tr>
</tbody>
</table>

Restricted funds relate to donations received for specific projects and held at the year end. The transfer between funds relates to a Community Care grant to a local Community Partner received in previous years being reallocated to the Mamohato Children’s Centre in agreement with the donor.

15. Restricted funds: Mamohato Children’s Centre

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 12</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Transfer between funds</th>
<th>Balance 31 Aug 13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>-</td>
<td>112</td>
<td>49</td>
<td>300</td>
<td>363</td>
</tr>
</tbody>
</table>

Mamohato Children’s Centre expenditure (which includes UK and Lesotho staff and office costs apportioned on the basis of time spent) will be capitalised, until the centre is fully commissioned and operational. Thereafter, appropriate depreciation will be charged annually to the Income and Expenditure account. The balance sheet amount of £8k is professional fees incurred.
16. Net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>27</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>35</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>159</td>
<td>58</td>
<td>105</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>999</td>
<td>125</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>1,158</td>
<td>183</td>
<td>355</td>
</tr>
<tr>
<td></td>
<td>1,696</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>327</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net current assets</td>
<td>831</td>
<td>183</td>
<td>355</td>
</tr>
<tr>
<td>Net assets</td>
<td>858</td>
<td>183</td>
<td>363</td>
</tr>
<tr>
<td></td>
<td>1,404</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

17. Mamohato Children’s Centre commitments

At 31 August 2013 the charity had the following capital commitments:

<table>
<thead>
<tr>
<th></th>
<th>2013 £000</th>
<th>2012 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised and contracted for</td>
<td>73</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 and construction is due to commence in the 2013-14 financial year.
Acknowledgements

Anglo Gold Ashanti
Anglo American Group
Avis
Audi
BBQ
Bbar
CHI&Partners
Chime for Change
Chivas Brothers
Chris Jackson
Elton John AIDS Foundation
ENI
Garrard
GEM Diamonds
Getty Images
Getty Images Gallery
Greenwich Polo Club
Hearst Publications
HELLO! Magazine
Hendrick Du Toit
Investec Asset Management
Jaguar Land Rover
Jinny Blom
Jordan Wines
Kingfisher plc.
KPMG
Laurent Perrier
Lena Evans
Lessons for Life Foundation

Lily & Lionel
Magheramorne Foundation
Marcel Van Poek
Mercury Phoenix Foundation
Nacho Figueras
Newman’s Own Foundation
Patriot National Bank
Pernod Ricard
Peter Brant
Polofix
Richard Bamford
Rachel Kent
SAB Miller
Serious Fun Children’s Network
St Regis
Starwood
Summer Place
Support for Africa
The Burrows Foundation
The Legacy Group
The Mahfouz Foundation
The Social Practice
Touch Worldwide
Town and Country Magazine
Vicky Crease
Vital Charitable Trust
Notes


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14. Child Status Index (CSI) is an internationally recognised tool for assessing child welfare based on a child-centered assessment of needs, status and outcomes.

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Children’s names and their photographs have been changed to protect their identity.

Images courtesy of Chris Jackson / Getty Images.