Company number: 5747857
Charity number: 1113544

SENTEBALE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 200

TOGETHER WITH TRUSTEES' AND AUDITORS' REPORTS

SENTEBALE

Financial Statements for the year ended 31 August 2009

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Administrative details of the Charity, the Trustees and Advisors

Trustees

Damian West (Chair)
Sophie Chandauka
Mark Dyer
Jayne-Anne Gadhia

Secretary

Jennifer Sheils

Registered office and principal address

St James's Palace
London
SW1A 1BA

Auditors

Buzzacott LLP
12 New Fetter Lane
London EC4A 1AG

Bankers

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

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

Solicitors

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

Company number

5747857

Charity number

1113644

SENTEBALE

Report of the Trustees for the year ended 31 August 2009 (incorporating the Directors' report)

This report covers Sentebale's financial year ending 31st August 2009. The financial statements have been prepared under 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 VI of the Charities Act 1993 and also constitutes a Directors' Report for the purposes of company law.

Background to Sentebale: Our objectives and activities

- Every day in Lesotho, more than 100 children lose one parent
- More than 400,000 are single or double orphans
- 87% of the population is dependant – either too old, too young or too sick to provide for themselves
- Life expectancy is just 40 years old – leaving a void in professionals, teachers, lawyers, healthworkers
- Lesotho is the 130th out of 183 economies relating to difficulty of doing business based on business regulations and their enforcement (The World Bank Group – Doing Business Project 2010)

These grim statistics still cannot bow the spirit of the Basotho people and their children nor do they fully illustrate the significant challenges of operating on the ground to rebuild the shattered lives of the children.

Sentebale was set up in 2006 following Prince Harry's gap year visit to Lesotho as a guest of Prince Seeiso, the younger brother of the King of Lesotho. Since it began operating on the ground in April 2007, we have made a significant impact to the lives of thousands of children for whom no other support would exist. The benefits that Sentebale provides are manifested by working in partnership with local grass roots organisations helping with their management and organisational development to ensure long term sustainability through the development of the Basotho people. It is recognised that this may have the impact of creating dependency on Sentebale funding, however we are aware of this potential impact and work with our partners to creating an exit strategy from the projects in the medium to longer term.

In addition to the challenges faced in Lesotho, it has been a demanding year for Sentebale to achieve the ambitious fundraising targets it set last year and to further develop the necessary infrastructure to underpin a new and developing charity. Despite this, we are very pleased to report significant achievements against the objectives set in the last year's report and accounts.

Achievements and Performance – Overview of 2008/9

Helping Lesotho's Orphans and Vulnerable Children

"*Although Sentebale is still small, for those children it has already helped we are so extremely grateful as for them otherwise they would not have been helped so would not be in the position they are with the opportunities they now have.*"

Morena Masupha Seeiso, Chief of Matsieng.

This year, Sentebale has provided direct support including management training and development to more than 25 projects in Lesotho improving the lives of more than 2,500 children. The direct financial support in turn funds more than 80 staff including school teachers, house mothers and fathers, gardeners, vocational instructors; with each employed person in Lesotho often supporting more than 10 dependants the ripple effect and extended benefit is quite considerable and growing.

In addition to funding recurring running costs, Sentebale has provided a variety of apparatus to our partners ranging from kitchen equipment to mattresses; special needs and play equipment, fencing, tools and animals (including milk cows). All our funding to partners is subject to receiving fully transparent, timely and accurate reports.

In setting Sentebale's programme for the year, the Trustees have taken into consideration the Charity Commission's general guidance on public benefit including guidance on the prevention and relief of poverty for the public benefit. The Trustees ensure that the projects we support are in line with Sentebale's objects and

aims. Our aim is to transform the lives of the orphans and vulnerable children of Lesotho, helping them to reach their full potential.

The activities currently carried out for the public benefit by Sentebale can be categorised into the following themes:
HIV/AIDS
Integrated Community Development
Special Needs
Vocational Training
Advocacy and Collaboration

HIV/AIDS

Expenditure	2008/9 £190K	2007/8 £77K

Official statistics for children who are infected with HIV is unknown but it is estimated to be in excess of 10,000 of which fewer than 3,000 are receiving antiretroviral treatment. According to Unicef, the chances of an infected mother passing on the virus to her child is at least one in three. The number of children affected is set to rise significantly.

Children with HIV/AIDS can however live healthy and productive lives. But because of the stigma (many children, even those taking ARTs, are unaware of their status) and the shortage of resources there is little support for this group of vulnerable children.

The Sentebale Mamohato Camp and teen club network is a pioneering programme, now in its second year which provides support for HIV+ children (12 – 17) to learn to live with their status. This year, more than several hundred children have participated in the week long residential camp and/or monthly teen clubs. In addition, their siblings and carers were also able to access the supportive, educational and inspiring environment to help remove the fear, confusion and social isolation.

"It's fun, we learned about respect and loving other children. We also learnt how to take care of myself for my health. I want to learn more and be happy with my life."
Tselane, aged 15

Integrated Community Development

Expenditure	2008/9 £280K	2007/8 £148K

Current estimates for accommodation and facilities for orphans suggest that there is capacity for fewer than one thousand children – the orphan population is estimated to be in excess of 400,000 children. As the number of adult extended family members die, children are often left in the care of their elderly grandparents or to care for themselves in child headed households – this means they often have to miss school to care for their siblings, thus perpetuating the cycle of poverty and increasing the risk of abuse and vulnerability.

Vital to long term success and self sustainability is a co-ordinated and community owned approach to solving their problems. This year we have provided support for both direct orphan care (six orphanages) and outreach nutritional support for children as young as one day to 18 years old through five orphanages.

"I think if it weren't for Mants'ase, we would have been criminals, I think, because of hunger. It is good to stay here because we are able to eat. We have everything we need. When we leave we will have to stand for our self. But I am not afraid. I want to study further because I want to help the people who have the problems like I had, I would like to enjoy my life."
Thabo, aged 16

"I am always thinking of their home and trying to make this like their home"
Sister Giselle, Rietumetse Orphanage for Girls

Longer term we will continue supporting our current orphan care projects but also prioritise expanding our activities in the remote rural area of Semonkong. Here we will work with and help co-ordinate local initiatives in

a systematic and sustainable way to develop a truly comprehensive Integrated Community Development Programme – focusing on Care, Health and Education.

Special Needs

Expenditure	2008/9 £282K	2007/8 £314K

Children with special needs are one of the most neglected groups of children in Lesotho. We have been working closely with the Ministry of Education to support them in the development of their strategic plan to build three centres of excellence. Although an ambitious and long term plan, the hope is that this will ensure there is a much greater co-ordination of standards of assessment, training and care for teachers and carers as well as prevention work and support to parents.

i. Special needs schools

This year, Sentebale has provided funding for the running costs of seven special needs schools including Lesotho's only school for blind child and two schools for deaf children. In addition, we have provided funding for a Special Educational Needs (SEN) Centre in Maseru and helped develop Lesotho's first Advanced Diploma in SEN in partnership with SkillShare.

ii. Herd Boys

It is estimated that there are more than 13,000 boys, some as young as three years old who are working as herd boys. These boys are socially isolated, receive no education, no HIV/Aids awareness and can not only become social outcasts but a threat to society; they have little opportunity to better their lives or the lives of their families. Sentebale is committed to provide opportunities for this group of children to learn and this year supported two herd boys schools in Semonkong where young boys walk more than 2 hours to attend classes at night. Sentebale also provided blankets, boots and gloves to these young boys to help them cope with the freezing winter conditions where sometimes the temperature drops to minus 15C.

"I look after three sheep but want to be a policeman when I grow up. First I need to read and write Sesotho"

Bafokeng, herd boy aged 12

Vocational Training

Expenditure	2008/9 £98K	2007/8 £33K

More than 200,000 teenagers do not attend school due largely to poverty and lack of capacity in the school system – there are more than 1,427 primary schools and only 291 secondary schools. With little education or skills and too much time on their hands, prospects for these children can be extremely poor.

This year, Sentebale supported a centre for young mothers teaching them sewing, cooking and animal husbandry. We also supported a pioneering new project using old bicycles donated from the UK and teaching young teenagers bike repair skills and giving them the opportunity to learn business practices.

"This course has been a good distraction from my sadness and pain and away from temptation. My dream is to be a maintenance man".

Makhetha, aged 18

Bursaries

This year, Sentebale provided several hundred bursaries to children to attend secondary school. Some of these were focused on HIV positive children, with others focused on girls. Sentebale bursaries cover the needs of the individual child and may include school fees, uniform, nutritional support and materials.

"Being on the OVC Scholarship Scheme has had a very good impact on my life because my parents are no longer alive, so with no money, I was removed from school. Sentebale and Kick4Life have changed my life for the positive. I now adhere to the anti-retroviral treatments and I share the information I have learned with others. I can now also concentrate on school work and I'm no longer afraid of being removed. I now have peace of mind and will be in a position to achieve my dreams."

Khopotso, 14

SENTEBALE

Advocacy & Collaboration

Expenditure 2008/9 £140K 2007/8 £135K

Lesotho is a small country with major economic and social problems. However with a population of just 1.8 million, these challenges can be surmounted if there is clear leadership and collaboration between all the hundreds of small organisations operating on the ground.

Established in 2006 in response to a direct request from Unicef to produce an accurate picture of who is doing what and where with vulnerable children in Lesotho, the Letsema programme has grown from strength to strength. This is a unique civil society initiative which fosters and develops better communications and co-operation, focusing attention and developing joint solutions between NGOs.

In addition to the provision of information through the Letsema website (www.letsema.org) Sentebale holds monthly forums and provides a range of training and skill building sessions including financial management and psychosocial support.

Looking ahead, we plan to further develop our website, publish a directory and increase our networking and training activities.

"Sentebale's Letsema is an active, open forum allowing for organisations working to better the lives of OVC to enhance their program and reduce duplication of efforts."

Janice Lachhman, HIV/AIDS Officer, World Food Programme

Monitoring and Evaluation

We closely monitor the work of all our Basotho partners through feedback reports from the field and visits from our local and Head office staff as well as our Trustees. Reporting to international standards is still very challenging and new with basic literacy and accounting skills limited, however we are putting a great amount of effort into training our partners in these areas.

Sentebale is working to implement the CSI (Child Status Index), developed by Duke University and USAID, to monitor the direct impact in the individual children. Historically, measuring success has relied on number of children being supported with little evidence of direct improvements or interventions. Looking ahead, this programme will provide such evidence.

The American Friends of Sentebale

At the end of March 2009 the American Friends of Sentebale Foundation was incorporated as a nonprofit organisation in the state of Delaware and has since been granted 501(c)(3) taxable status by the US Internal Revenue Service. Donations received during the year and remitted to Sentebale were generated from the Manhattan Polo Classic which was held in May 2009.

Looking Ahead

We are extremely pleased with Sentebale's achievements in the short time that it has been operating, however we recognise that the charity needs to significantly grow to meet ever greater demands from the orphans and vulnerable children in Lesotho.

Building on our experience to date, the Board of Trustees has agreed an outline strategy for the next five years. Our intention is to develop integrated community developments through building long term, stable and trusting partnerships with locally based non-governmental organisations (NGOs) who have a specific and demonstrable focus on supporting orphans and vulnerable children. Longer term, we will work to develop these organisations to become self sustaining and independent.

In addition, we will be expanding Sentebale led programmes of the Mamohato Teen Club and Network and Letsema whilst implementing CSI across all partners.

Long term financial sustainability is vital to our commitment to the orphans and vulnerable children in Lesotho. Like many a young charity, we do not yet have well established fixed or predictable patterns of voluntary income. Establishing these patterns is a priority for us. We have appointed Sentebale's first person wholly dedicated to fundraising and will be focusing on long term support from a range of sources including trusts and foundations, high net worth individuals, corporate sponsors and others. We will also be instigating two annual events.

In addition to funding our current commitments, we will be looking to build up our reserves so that the new strategy can be implemented with confidence.

This year, we will also focus on reviewing and consolidating our current work and project partners (including reviewing terms, cycles of funding and reporting) to ensure the best fit with our new strategy. We will also ensure that the infrastructure (including staff skills and competencies) is in place to underpin our next stage of growth.

We would like to take this opportunity to thank everyone who has supported Sentebale this year, in particular our two Patrons, Prince Harry and Prince Seeiso, our donors, our colleagues in the Household, our volunteers and all our staff.

Financial results

The results for the period are set out in the statement of financial activities on page 12. The position of the charity at the end of the period is shown in the balance sheet on page 13.

The total resources expended in the year was £1,127K. The amount spent on charitable activities was £970K. Of this, £411K was funding made directly to partners in the form of grants. A further £451K was spent on providing support (such as training) directly to partners and on Sentebale's own projects in Lesotho (such as Mamohato camps). A further £108K was spent on other (mainly administrative) costs. £117K was spent on fundraising, both on projects in 2008/9 and future initiatives.

During the year Sentebale raised £1,044K in unrestricted income. Sentebale raised a further £452K in restricted funds both for current and future projects. In total, Sentebale raised £1,496K.

In total, charitable expenditure directly related to the vision of supporting orphans and vulnerable children in Lesotho accounted for 86% of expenditure, 10% was incurred in fundraising and 4% on governance of Sentebale.

The net assets on the balance sheet are £422K, this is divided between fixed assets £85K, debtors £113K cash at bank and in hand £435K less creditors £211K. The balance on cash at bank is split between unrestricted and restricted cash, £271K was held at year end for restricted purposes. The remaining balance of £15K in restricted reserves is represented by fixed assets.

Investment policy

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

The Trustees have established a reserves policy that sets a recommended level of a minimum of one quarter of total annual expenditure on project disbursements, charitable activities and general overheads. Although the year end unrestricted reserves are below this level, the position has improved significantly from the previous year end and the Trustees are committed to continuing to build up the level of unrestricted reserves to policy levels.

Grants policy

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

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

Fundraising

The majority of general funds received in the year were from major donors and from funds transferred from the American Friends of Sentebale. Sentebale also received restricted donations from a number of donors including ICAP and Unicef towards specific projects in Lesotho.

In the period since year end, £600K has been received in donations and pledges from various sources, both restricted and unrestricted income.

Structure, Governance and Management

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

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

Trustees serve for a term of three years and then retire from the Board, unless there are exceptional reasons for them to be asked to serve a further term. The following changes have taken place to the composition of the Board in the period up to the date of signing the financial statements.

	Date of resignation/retirement
Geoffrey Matthews	16th April 09
Matthias Schmale	16th April 09
Charles Denton	19th November 09
Christopher Hanvey	23rd April 10

The Trustees would like to thank Geoffrey Matthews, both in his role as Trustee and as part time Chief Executive and Matthias Schmale for their support of Sentebale during their terms of office which covered the period since Sentebale was formed. The Trustees would also like to thank Charles Denton for the role he performed as Trustee and Chairman in 2009 and Christopher Hanvey in his role of Trustee in 2010..

The Trustees are currently looking at the composition of the Board to ensure appropriate breadth and diversity of skills and experience amongst the Trustees. Additional Trustees will be selected and appointed to ensure the requisite balance. New Trustees are given a programme of induction and training is available when required and relevant.

The Trustees have identified and reviewed the major risks to which the charity is exposed and have established a risk assessment procedure to identify and anticipate these risks and to consider further risks that may arise. The Trustees believe that implementation of agreed actions and procedures will significantly reduce the probability and impact of these risks.

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

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 XV of the Companies Act 2006 relating to small companies.

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 charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

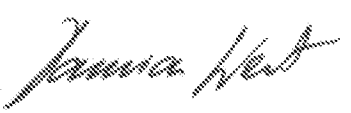
Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- The Trustee has taken all the steps that he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are 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 the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE BOARD



Damian West
Chair of Trustees
21st May 2010

Independent auditor's report to the members of Sentebale

We have audited the financial statements of Sentebale for the year ended 31 August 2009 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 495 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 auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 August 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the trustees' annual report is consistent with the financial statements.

Buzzacott LLP

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG

25 May 2010

Statement of financial activities for the year ended 31 August 2009

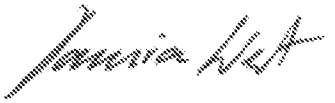
Income & expenditure	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 31 Aug 2009 £000	Total Funds 31 Aug 2008 £000
Incoming resources					
Incoming resources from generated funds:					
Donations		1,038	452	1,490	231
Bank interest		2	-	2	19
Other income		4	-	4	-
Total incoming resources		**1,044**	**452**	**1,496**	**250**
Resources expended					
Costs of generating funds:					
Donations	2	117	-	117	62
Charitable activities:	3				
HIV/AIDS		186	4	190	77
Integrated community development		156	104	260	148
Special needs		250	32	282	314
Vocational training		90	8	98	33
Advocacy & collaboration		122	18	140	135
Total charitable activities		804	166	970	707
Governance costs		40	-	40	22
Total resources expended		**961**	**166**	**1,127**	**791**
Surplus/(deficit) of income over expenditure	4	**83**	**286**	**369**	**(541)**
Reconciliation of funds					
Total funds brought forward at 1 September 2008		**53**	-	**53**	**594**
Total funds carried forward at 31 August 2009		**136**	**286**	**422**	**53**

All amounts relate to continuing activities of the charity.
The charity has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains or losses has been presented.
The notes on pages 14 to 19 form part of these financial statements.

Balance Sheet as at 31 August 2009

	Notes	Total Funds 31 Aug 2009 £000	Total Funds 31 Aug 2008 £000
Fixed assets			
Tangible assets	9	85	66
Current assets			
Debtors	10	113	158
Cash at bank and in hand		435	81
		548	239
Creditors: amounts falling due within one year	11	211	252
Net current assets/(liabilities)		337	(13)
Total assets less current liabilities		422	53
Net assets		422	53
Funds			
Unrestricted funds	13	136	53
Restricted funds	14	286	-
Total funds		422	53

Approved by the trustees on 21st May 2010 and signed on their behalf by:



Damian West
Chair of Trustees

The notes on pages 14 to 19 form part of these financial statements

Notes to the financial statements
For the year ended 31 August 2009

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	10 yrs on a straight line basis

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.

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, 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 disbursements

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

f. Restricted funds

These funds can only be used for purposes as specified by the donor and are listed in note 14.

g. **Unrestricted general funds**

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

h. **Foreign exchange**

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

2. Cost of generating donations

	Total 31 Aug 2009 £000	Total 31 Aug 2008 £000
Direct fundraising costs	31	13
Fundraising salaries	51	26
Support costs	35	23
Cost of generating donations	117	62

3. Charitable activities

	Direct Programme costs £000	Partner disburse ments £000	Support costs £000	Total 31 Aug 2009 £000	Total 31 Aug 2008 £000
Charitable activities					
HIV/AIDS	106	68	16	190	77
Integrated Community Development	99	134	27	260	148
Special Needs	119	125	38	282	314
Vocational Training	27	60	11	98	33
Advocacy & Collaboration	100	24	16	140	135
	451	411	108	970	707

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

4. Surplus/(deficit) of income over expenditure

		Total 31 Aug 2009 £000	Total 31 Aug 2008 £000
This is stated after charging:			
Auditors remuneration:			
Audit fee to financial statements auditor	-Current year	10	9
	- Prior years	2	-
Fees payable to other auditors	-Current year	3	-
	- Prior years	3	-
	-Accountancy	2	-
Depreciation		20	13

5. Partner disbursements

	No of grants 2009	31 Aug 2009 £000	31 Aug 2008 £000
HIV/AIDS	3	68	11
Integrated Community Development	5	134	64
Special Needs	10	128	215
Vocational Training	3	60	12
Advocacy & collaboration	2	24	33
Total partner disbursements	23	411	335

6. Staff

	2009	2008
The average weekly number of persons employed by the charity was.	No	No
Programme (charitable work)	11.0	9.5
Fundraising	1.5	1.0
Other	0.5	0.5
	13.0	11.0
Lesotho based	10.0	7.0
London based	3.0	4.0
	13.0	11.0
The average weekly number of persons employed expressed on a full time equivalent basis was	12.3	8.8

The expenditure in 2009 was higher than in 2008 because of the number of employees in post for the full year rather than in the previous year when a series of appointments were made in Lesotho.

	31 Aug 2009 £000	31 Aug 2008 £000
Staff costs comprised:-		
Wages and salaries	297	184
Social security	8	10
Other pension costs	26	23
	331	217

Number of employees earning over £60,000 per annum, including taxable benefits, was:	2009 No	2008 No
£60,000-70,000	1	-

In addition to his salary the Country Director in Lesotho was provided with non taxable benefits including accommodation and school fees for his children and Sentebale made a contribution to his pension. As these costs are not taxable remuneration and are necessarily incurred in relation to relocation to Lesotho, they do not fall within the disclosure requirements for employee remuneration.

7. Trustees

The previous part time Chief Executive, who resigned in December 2008, was also a Trustee, and at the discretion of the other Trustees was the only remunerated Trustee. The Chief Executive received total emoluments of £4,853 (2008 £27,035) in the year for day to day management and operation of the charity. In the year Trustees incurred travel expenses to Lesotho of £1,969 (2008 £nil). Indemnity insurance including cover for the Trustees was provided in the period at a cost of £1,793 (2008 £1,575)

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

	Motor vehicles	Fixtures fittings and equipment	Total
Cost or valuation	£000	£000	£000
Balance brought forward – 1 Sep 08	50	37	87
Additions	28	12	40
Disposals	-	(2)	(2)
Balance carried forward - 31 August 09	78	47	125
Depreciation			
Balance brought forward – 1 Sep 08	8	13	21
Charge for the period	6	14	20
Released on disposal	-	(1)	(1)
Balance carried forward - 31 August 09	14	26	40
Net book value			
Brought forward 1 September 08	42	24	66
Carried forward 31 August 09	64	21	85

10. Debtors

	31 Aug 2009 £000	31 Aug 2008 £000
Debtors	44	13
Other debtors	65	87
Prepayments and accrued income	4	58
	113	159

11. Creditors

	31 Aug 2009 £000	31 Aug 2008 £000
Amounts falling due within one year:		
Commitments to partners	134	95
Other creditors	27	48
Accruals and deferred income	50	109
	211	252

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 six members at 31 August 2009.

13. Unrestricted funds

	Balance 1 September 2008 £000	Incoming resources £000	Resources expended £000	Balance 31 August 2009 £000
General funds	53	1,044	961	136

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

14. Restricted funds

	Balance 1 September 2008 £000	Incoming resources £000	Resources Expended £000	Balance 31 August 2009 £000
HIV/AIDS	-	4	4	-
Integrated community development	-	104	104	-
Special needs	-	316	32	283
Vocational training	-	9	9	-
Advocacy	-	20	17	3
Restricted funds	-	452	166	286

Restricted funds represent funds received for specific projects and held at the year end.

15. Net assets between funds

	Unrestricted £000	Restricted £000	Total £000
Fixed assets			
Tangible assets	70	15	85
Current assets			
Debtors	113	-	113
Cash at bank and in hand	164	271	435
	277	271	548
Creditors: amounts falling due within one year	211	-	211
Net current assets	66	271	337
Total assets less current liabilities	136	286	422
Net assets	136	286	422