OUR YEAR AT A GLANCE

2011
£2.1 MILLION RAISED

2012
£2.41 MILLION RAISED

16% INCREASE OF INCOME SINCE PREVIOUS YEAR

21% INCREASE OF CHARITABLE EXPENDITURE SINCE PREVIOUS YEAR

3,000 & 1,300
CHILDREN & CAREGIVERS
ATTEND MAMOHATO PROGRAMME ACTIVITIES

176 CHILDREN SPONSORED IN 64 SCHOOLS

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About us

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

Our five programmes

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 obligation to tend 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 to cover the costs of school fees, uniform, nutritional support and educational materials to enable children to go to secondary school.

Care for Vulnerable Children, working with local community partners to ensure children receive nutritious meals, clean water and sanitation, care and education.

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

The Trustees Annual Report on pages 4 to 35 covers Sentebale’s financial year ended 31 August 2012. 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.
In some respects the last twelve months could be considered to have been very challenging for Sentebale. Lesotho suffered from another poor harvest. Global economic forces required richer nations to focus their efforts at home, making our fundraising that much harder. Meeting the basic needs of the vulnerable children of Lesotho is a huge challenge. Therefore, Lesotho’s future generations face unremitting hardship, and there remain ahead of us years of effort to help them fulfil their birthright.

However, it has also been a year full of real progress and growing belief. The return to Lesotho of Prince Seeiso after four years in London at the Lesotho High Commission has given Sentebale a standard bearer in country, and our relationship and co-operation with the government of Lesotho goes from strength to strength. The strong leadership given by Cathy Ferrier has brought focus and rigour to the operations of Sentebale. The benefits in terms of relationships with donors and activity in Lesotho have been marked. The launch of our new five-year strategic plan has set a clear direction for our long-term goals for Lesotho and beyond. The unstinting commitment of all our staff and community partners has been rewarded by great progress in each of our programmes.

Ahead of us is an ambitious year. We launch a major capital fundraising programme to build our first permanent Mamohato Camp, which will have capacity for over 960 children. It will provide leading psychosocial care for children and young people infected with or affected by HIV. We are very grateful to His Majesty King Letsie III for giving Sentebale a historic and symbolic piece of land on which to build the camp. This is at Thaba Bosiu, the birthplace of the Lesotho Nation – a fitting place from which to launch our long-term vision for excellence in psychosocial care, partnering with medical organisations in Lesotho, and in the years ahead, across other countries in southern Africa.

We are also intent on broadening our general fundraising efforts in 2013. We aim to increase our income targets, enabling ever-greater effectiveness through our core programmes.

We would like to thank everyone who continues to support and believe in our vision – donors, community partners, NGOs, the government of Lesotho, our board of trustees, our staff, and all of you who realise the enormity of what still has to be done, and promote our cause. You can tell by the look in their eyes how much Sentebale means to the children of Lesotho. For this difference to thousands of children and young people, on their behalf, we thank you.

“...the launch of our new five-year strategic plan has set a clear direction for our long-term goals, and what will be achieved in Lesotho and beyond.”

PHOTO: ARTHUR EDWARDS

Prince Harry
Prince Seeiso

Founding patrons’ foreword
Lesotho’s economic growth has remained threatened by youth unemployment and the HIV/AIDS pandemic. Coupled with the unpredictable change in climate affecting crop production and food security, the situation in this small land-locked country is dire. Sentebale has continued to work hard to make a difference to the lives of some of Lesotho’s most vulnerable children. Over the last year, the change has been visible and widespread.

I was very pleased to welcome Cathy Ferrier as our new CEO in March; she has very relevant skills and experience for this role. I am delighted by her performance in her first few months.

Some of the highlights of our year have been: our ability to service all ten districts with our programmes providing healthcare and education to these needy children; herd boys sitting their primary school leaving exams; communities valuing our Letsema programme and taking ownership for running their own regional forums; and seeing the improved quality of life the Mamohato camps and networks programme has given many children and adolescents living with HIV.

Aside from making a difference in country, we have received recognition for our work internationally. In May 2012, two members of our Mamohato programme were invited to attend the International AIDS Conference in Washington. The findings from the conference confirmed on an international platform, that we are addressing an unmet need of children and young people with the HIV virus. Furthermore, underpinning each of our programmes has been the implementation of a monitoring and evaluation framework. This aims to safeguard accountability and credibility in our work at all times and ensures we meet the needs of these children.

Prince Harry and Prince Seeiso have continued to provide support by raising awareness of the cause. Fundraising events such as the BGC Trading Day and the Sentebale Royal Salute Polo Cup in Brazil generated considerable publicity worldwide. Additionally, we have continued to develop new and existing partnerships with a number of trusts, foundations, individuals and corporate organisations who are instrumental in supporting our work.

Once again, our achievements would not have been possible without the commitment of our supporters, volunteers, staff and trustees in helping the most vulnerable children in Lesotho. A big thanks goes to the hard work and dedication given by all of them.

Philip Green
Chairman, Board of Trustees
I joined Sentebale in March 2012 and have had the opportunity to spend time in Lesotho reviewing the programmes. Lesotho is a beautiful country with big problems: poverty and the HIV epidemic have left many people in need of help and those most affected are the many vulnerable children. Sentebale’s work is aimed at providing support to those most in need. Having spent six happy years working with Oxfam, it is exciting to join a young, growing organisation with so much potential. I have had the privilege of meeting our partners and staff, as well as many of the children we aim to support.

2012 was a positive year for Sentebale and for our partners, with seven community-run homes for the disabled receiving government subventions, in addition to the support provided by Sentebale. This is a great achievement and reflects the strengthening of governance and management. The team and our partners should be very proud of this, but the most important aspect is that the children will get the care and support they so desperately need.

We saw success also in the performance of some of the students receiving sponsorship for their secondary education, with Sabelo, one of our sponsored students, coming top in his final exams in Lesotho, and attaining a university place. I had the pleasure of meeting this inspiring young man with high hopes for the future. It just shows that with a small amount of help, young people can look forward to a successful future and break the cycle of poverty.

On one visit to Lesotho last year I was fortunate to attend a new Mamohato network club and talk to the caregivers and some of the children. One grandmother told me of the difference she had seen in her grandson on his return from a Mamohato camp. She told me he was much more confident and very proud of his pillbox and hygiene kit and was managing his medications well. These special moments will stay with me as we work hard to raise funds and build the team so that more children can attend camp.

As you travel in Lesotho, you see so many young shearers herding cattle and sheep, with their traditional blankets wrapped around them to protect them from the bitter cold. Working to try to provide education, protective clothing and even nutritious meals to some of these young herd boys is challenging, but this year many more came to the night schools, and we hope we can reach out to more in the coming years, as we refurbish and build new schools.

It has been a productive year, and we continue to grow and improve our programmes, aiming to support many more children in the coming year. We have ambitious plans for the future and I would like to thank all our partners, team members and funders for their commitment and continued support. There is still much we can do to make the lives of the many vulnerable children better and give them the chance of a happy, healthy and hopeful life.

Cathy Ferrier, CEO
Sentebale takes an innovative and entrepreneurial approach, working with and for local communities at a grassroots level.

Our approach

Sentebale works with local grassroots organisations to help vulnerable children – the victims of extreme poverty and Lesotho’s HIV/AIDS epidemic. Together, we’re making a big difference to vulnerable 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.

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.
Progress against our aims 2011/12: Aim 1
Support children living with HIV to live healthy and confident lives.

Mamohato Network & Camps Programme
Sentebele runs week-long camps and monthly clubs in local communities to give children living with HIV the knowledge and the tools that they need to live physically and emotionally healthy lives. It also seeks to reduce the spread of HIV and AIDS through education and fostering child-to-child communication.

Key statistics:
- 37,172 children between the ages of 0 and 14 are HIV-positive (Ministry of Health and Social Welfare 2012)
- Only 26% of young women and 18% of young men have comprehensive knowledge of HIV (LDHS 2009)
- Only 49% of women and 44% of men know that HIV cannot be transmitted by mosquito bites (LDHS 2009)
- 22% of women and 35% of men think the HIV virus can be transmitted by sharing food with someone who has AIDS (LDHS 2009)

Programme activities:
- Ran five, week-long camps with 81 HIV-infected children attending summer camp and 116 children attending the winter camp – all camp accommodation, food, transport and kit included
- Recruited 55 volunteers and gave them three training workshops in preparation for camp
- An average of 677 children attended 12 network clubs that we support in ten districts monthly
- Two caregiver days facilitated annually per district
- One family day facilitated annually per district – five family days attended by 266 caregivers and 458 children

Key achievements:
- All ten districts of Lesotho are currently being served by the Mamohato programme
- The Head of the Mamohato programme represented Lesotho at the regional meeting convened by WHO, UNFPA and UNICEF in South Africa on issues about adolescents living with HIV, showing that the country recognises the role of the programme in supporting children living with HIV
- Two members of the Mamohato programme team attended an International AIDS Conference in Washington, with one member of the team receiving a full scholarship
- Three weeks of camp were held in winter, increasing the number of weeks to five per year
- The team developed a toolkit that contains guidelines, templates, and case stories that will enable interested clinics, schools and other service providers to successfully establish and implement network clubs

Challenges to be addressed:
- The aim for coming years is to reach out to more children through this programme, therefore we need to increase the capacity within the team

Tumelo is an 11-year-old boy whose growth was stunted by poor nutrition and his HIV-positive status. Tumelo is small for his age and fragile, with low self-esteem. Each morning his grandmother would bathe him before school. She was also responsible for ensuring he took his medication each day at the correct time.

Tumelo attended one of the winter camps in 2012, where he had a great time meeting other children like himself and making friends. Best of all, camp has taught Tumelo about personal care, giving him more confidence and greater responsibility. Tumelo’s grandmother reports that he is now able to bath without her assistance, and with the help of his new pillbox supplied at camp, he knows exactly when he should take his medication.

The Mamohato programme has improved Tumelo’s quality of life and given him hope for a happy future.
Progress against our aims 2011/12: 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, whose 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 a primary school education and livelihoods and life-skills training.

Key statistics:
• There are around 15,000 herd boys (UNICEF 2007)
• 29% of herd boys have not received any formal education at all (International Labour Organisation, 2010)

Programme activities:
• Sentebale supported five herd boy schools in Mokhotlong, Semonkong and one in Quthing district
• 200 herd boys continuously attended night school
• The schools continue to be refurbished to provide a better environment for teaching. There is now temporary heating in each of the schools
• 200 herd boys received protective clothing to keep them warm in the mountains

Key achievements:
• At St. Leonards School, three herd boys are preparing to sit their Primary School leaving exams, required to attend secondary school

Challenges to be addressed:
• The refurbishment of some of the schools has not progressed to the planned timescales. This was due to land ownership challenges. These issues have now been resolved and agreements with the contractors have been signed to refurbish and build new schools

Success story

Teboho sadly lost both his parents to AIDS at a young age. He was taken in by a cousin who cared for him and his younger sister. At the age of 14, Teboho was sent to tend livestock to earn a living. “Watching over my cattle day and night, life can be lonely,” says Teboho, “but I have my dog to keep me company.”

In April, Teboho drove his cattle down from the highlands to protect them from the bitter cold of the winter months. He came into contact with other herd boys and heard about Sentebale’s night school in Semongkong.

Teboho went along to night school one evening, and then attended three nights a week until his return to the highlands to allow the cattle to graze. During these four months, Teboho has learnt to read and write basic Sesotho. He looks forward to returning to night school next year to learn more.
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:
• Ran national monthly forums in Maseru and bi-monthly regional forums in each of the ten districts. Topics covered include: Children Protection and Welfare Act 2011; child rights; health and wellbeing; rights of children with disabilities and human trafficking
• Delivered capacity training in three regions: training on strategic planning; training of trainers for NGOs; budget analysis workshop; sign language
• Produced a resource pack for all Letsema members
• Established community-based committees in three regions to ensure the smooth operation of Letsema activities
• Designed and developed the Letsema membership, including an annual subscription

Key achievements:
• Community-based committees hosted their own forums without supervision in Mohale’s Hoek and Semonkong
• Members have been receptive to annual subscriptions as they appreciate the benefits of the programme

Challenges to be addressed:
• Extreme weather and poor transport can limit attendance
• Language barriers amongst members are being addressed by forum materials being made available in English

Success story
“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
Progress against our aims 2011/12: 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 – the victims of AIDS and poverty – to cover the costs of attending secondary school so that they can complete their education and achieve their full potential.

Key statistics:
- Secondary School Enrolment is just 37% for females and 23% for males (UNESCO 2010)
- Average years of schooling is 9.9 (UNDP 2011)
- One year of secondary education costs between £96.22 and £243.22

Key achievements:
- Secured a five-year secondary school sponsorship agreement with the Lessons for Life Foundation (Chello Foundation), which began in January 2012
- We currently sponsor 176 of the neediest children. These include: those who fell into herding and failed to sit their final exams; those in conflict with the law; 78 HIV-positive children and single or double orphans

These children are being educated across 64 schools in all ten districts.

The bursary package includes:
- Grant to attend secondary school and exam fees for those sitting external examinations and tutorials
- Uniform, books, learning materials and hygiene packs
- Transport costs between home and school

Challenges to be addressed:
- Minimal school support structures / child protection policies
- Lack of skills amongst teachers on the care and support of children on medication
- Assessments of the children and schools to ensure the children are receiving the support they require

Success story
Sentebale granted Sabelo Zwane a secondary school bursary in 2007. This meant he was able to pay his tuition and boarding fees, continue his education and achieve excellent qualifications. As a result, 17-year-old Sabelo obtained a place at Mahindra United World College in India to study for an International Baccalaureate (IB). “The moment I was told I got the sponsorship, the only thing to focus on was my studies,” says Sabelo with a smile. “Giving up is not an option – if I did it, anyone can do it.”
Progress against our aims 2011/12: 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 childcare projects with capacity-building
financial and technical support to enable families and communities to provide appropriate care,
health and education to Lesotho’s most vulnerable children.

Key statistics:
• 488,526 orphans and vulnerable children (Ministry of Social Development 2012)
• Disabled children between five and ten are twice as likely to be out of school than
able-bodied children aged five and ten
• Disabled young people between 11 and 20 are seven times less likely to attend school
than able-bodied young people aged 11-20

Sentebale provides management and financial support to grassroots organisations that care for
orphans and children with disabilities.

Programme activities:
• 12 community partners receiving quarterly grants caring for between 20-120 children
at one time
• The programme has acquired backing from the newly elected government and offered
pastoral counsellors to provide training to seven of our partners
• Our 12 partners attended workshops and received resource packs on child care skills,
compliance and lesson sharing and strategic planning
• Partners are engaging in small-scale income-generating activities: poultry, piggery,
dairy cows and horticulture

Key achievements:
• Seven of our 12 partners have been awarded annual subventions from the Department of
Social Welfare (DSW) to support these partners to care for children living with disabilities
DSW shared this information at the Letsema national forum. Seven of the eight organisations
that they support overall are Sentebale partners. Together with the efforts made by partners
to produce their own food, the subventions should result in them being completely independent
from Sentebale for food funding by financial year three

Challenges to be addressed:
• Better specialist care in centres caring for children with disabilities
• Improve the general living conditions of the centres – install water heating systems in all centres
• Ensure HIV tests are carried out in all of our centres

Success story

Baby Kopano was only three months old when his mother died from AIDS. Kopano was left in the care of his six siblings and his father who struggled to make a living. Born HIV-positive and severely malnourished, Kopano was in a life-threatening situation.

Kopano and his family were fortunate when they came into contact with our community partner Touching Tiny Lives (TTL) – a babies’ care home. Kopano was taken in and his family received support. After several months Kopano was able to return to his family. His father is very grateful for Sentebale and TTL’s support. He says: “My wife, the mother of my children, left for a better place, leaving my precious baby boy of three months in a critical status. If it wasn’t for the support of the home and Sentebale, my son would have not survived.”
During the year, our Founding Patrons have continued to be hugely supportive of Sentebale. Prince Harry attended events such as the BGC Trading Day, the Sentebale Royal Salute Polo Cup in Brazil, and various British polo days throughout the season. He spoke proudly of Sentebale’s achievements; expressing his wish for Sentebale to reach out to even more disadvantaged children in the world and how he wanted to use his role in the best possible way to help us achieve this:

“I hope that with the position that I’m in and the title that I have, I will continue to be able to use that to bring attention to these disadvantaged kids all over the world.”

Prince Seeiso’s term as Lesotho High Commissioner in the UK came to an end in December 2011. He has returned to Lesotho to take a seat in the Senate. Prince Seeiso is Head of Chiefs in Lesotho, and his presence is of great significance in helping Sentebale continue to deliver our programmes and work in partnership with the Basotho people.

International Strategic Development
The Royal Foundation kindly funded Sentebale to appoint a consultancy, The Third Foundation, to develop the options for Sentebale’s growth and international direction for the next five years. Following in-depth research and interviews with a variety of stakeholders, a proposal is to be reviewed by the Board of Trustees.

Fundraising and income generation
In total, our income has grown by £325,000 to £2.414 million in 2011-2012. Given the continued tough economic climate this 16% growth is a huge achievement and we thank all our supporters – individuals, community groups, companies, trusts and foundations – for their continued and vital support.

Unrestricted income remains essential to ensuring we are able to allocate funds where they are most needed. Most of our unrestricted income was achieved through the Sentebale Royal Salute Polo Cup in Brazil. We are enormously grateful to a number of organisations who sponsored the event: Chivas Brothers (Royal Salute), Starwood Hotels (St Regis), Garrard, Jaguar Land Rover and Nespresso.

We were also fortunate to be selected as a charity partner for several other events. These included: the BGC Trading Day, Klosters Snow Polo, Michael Holland’s Oil Aid event at Stamford Bridge and various UK polo days.

Restricted funding was received from existing and new individuals, trusts and foundations and corporate partnerships. We received our first multi-year funding from Lessons for Life (Chello Foundation), to fund secondary school bursaries across all ten districts in Lesotho. Such commitment confirms the strengthening of governance and management of our programmes and provides a healthy platform for the future.

There are community groups, such as the German School who held a charity run, and individuals who have run marathons or cycled miles and fundraised for Sentebale. We are enormously grateful for your support and commitment in helping the children of Lesotho.

IT: Salesforce CRM and M&E platform
In early 2011, we implemented Salesforce.com as our contact management and monitoring and evaluation system. This was rolled out to both the UK and Lesotho teams. Salesforce will enhance our operations and processes, allowing a more effective flow of communication between our partners and offices and improving our reporting.

Communications
We received a succession and increase of positive media coverage, in particular around our fundraising events, which raised international public awareness of our work. This began with the BGC Trading Day, at which Prince Harry closed a foreign exchange deal worth £15.5 billion. In January, Sentebale was charity partner of Klosters Snow Polo in Switzerland. Annie Lennox attended as Sentebale’s ambassador, promoting our cause and singing to raise money at the auction. Prince Harry’s Jubilee Tour on behalf of Her Majesty came to a close with Prince Harry playing in our annual Sentebale Royal Salute Polo Cup in Brazil. At this time we also received coverage of Cathy Ferrier’s appointment as Chief Executive.

Work with several stakeholders continued to deliver necessary marketing materials. These include video footage, programmes and brochures. We have also begun redeveloping our website to achieve a number of objectives: increase income generation through our digital channels; raise awareness of our cause and drive higher levels of traffic to our site; and engage more effectively with our supporters. We plan to launch our social media strategy, and delivered the initial phase of our new website in November 2012.

HR: in the UK and Lesotho
The average weekly number of persons employed by the charity expressed on a full-time equivalent basis was: 21 programme staff; two fundraising staff and one other. 18 of these staff are employed in Lesotho and six in London.

London is the hub for fundraising, marketing and communications and finance. Our programmes are delivered by the team in Lesotho.

Over 90% of staff employed in Lesotho are Basotho (people from Lesotho).
This year, in collaboration with Dr Sebastian Wanless, our Monitoring and Evaluation (M&E) programme has been developed. This enables Sentebale to implement an efficient and effective evaluation of our projects and better determine progress towards achieving our mission. We are very grateful to the Elton John AIDS Foundation for funding this important piece of work.

The M&E framework covers our four core programmes – Mamohato Network and Camps, Family & Community Partners Grant Programme, Herd Boys Education and Letsema. A broad range of indicators has been developed to monitor and evaluate the effectiveness of each programme. These indicators take the lead from our Five Year Strategic Programme Plan and are intended to assess the following key objectives:

- Empowering families and communities to provide care and support for vulnerable children and young people
- Supporting children living with HIV to live healthy, confident lives
- Strengthening access to basic education, including livelihoods and life-skills training, for herd boys
- Improving the effectiveness of delivery of care and support through facilitation, coordination and collaboration with organisations in the child care sector
- Documenting and sharing Sentebale models of best practice

The programme incorporates the Child Status Index (CSI), an internationally recognised tool for assessing child welfare. CSI is child-centred assessment of needs, status and outcomes, which is easy to use. The importance of this programme stems primarily from significantly improved reporting and communication capacity, which has been incorporated into the design and training. We have appointed an M&E Manager who is responsible for quality assurance and data analysis. Annual and Quarterly reports will be produced by the Head of M&E and disseminated to senior management, project heads and co-ordinators. There is also potential for reports to be disseminated to funders and other key stakeholders. Feedback will occur at all levels of Sentebale’s operations and will be used to highlight successful strategies, model practices, lessons learnt, and whether planned objectives have been achieved and target populations reached.

At all levels evaluation will focus on these key areas – relevance, effectiveness, efficiency, sustainability and impact.
Lesotho’s economy continues to be affected by the global economic crisis. However, recent figures show progress towards recovery. This progress was slowed by floods in January 2011 to below what was expected. Growth in 2011 was estimated at 3.1%. This is primarily due to diamond exports and the recovery of the manufacturing sector. Reconstruction activities after the floods have also boosted growth. Medium-term economic growth is expected to be moderate. The main challenges to Lesotho’s economic growth remain the HIV/AIDS pandemic and youth unemployment, which stood at 45.1% in 2008.

In terms of good governance, Lesotho ranked ninth out of 52 countries in Africa, with a score of 61/100. This is above the average of 51.2 for the continent. There was huge interest in last year’s local government elections. In the general election, for the first time in Lesotho’s history, the opposition unseated the ruling party. The resulting coalition government has been in power for six months and has, presently, maintained the plans inherited from the previous government. The government is pursuing a course of decentralisation to try to ensure citizens and marginalised groups have access to basic services. Thomas Thabane, leader of the All-Basotho Convention and Minister of Defence, Police and National Security, has been elected as Lesotho’s new prime minister.

Sentebale works closely with relevant government departments and our work is supported by relevant policies. In 2011, a Memorandum of Understanding was signed between Sentebale and the Ministry of Health. This significant milestone in Sentebale’s history validates our role in Lesotho as a formal partner with the Ministry of Health and endorses our five-year strategic plan. The Principal Secretary to the Minister of Social Welfare, Me Selloane Qhobela (representing the Minister of Health, Dr Ramatlabeng), formally thanked Sentebale for our work to date and is greatly looking forward to working more closely with us in the future.

During 2010-2011, excessive rain fell in Lesotho, reducing annual maize production by half. This has resulted in food shortages and increased food prices. The price of maize rose by 40% between March 2011 and 2012. Considering the high proportion of Lesotho’s residents living below the poverty line, this increase has been particularly damaging. The situation continues to worsen as the production of the staple crop fell by a further 77%. This means crops have failed for three consecutive years due to severe weather conditions. The World Food Programme predicted that 514,000 people would require food aid in 2012. In addition, levels of anaemia and under five stunting are “well above emergency international thresholds”.

In September 2012, the United Nations Development Programme declared an emergency crisis and called for $38.5 million to respond to the food crisis in Lesotho that has affected a third of the population — 725,000 people. The government of Lesotho had appealed for $170 million.

Subsistence agriculture in Lesotho is practised by 82% of the population. However, flooding, drought and soil erosion make conditions increasingly difficult. Negative coping strategies that provide short-term solutions at the expense of sustainability are increasingly being employed. These include removing children from school, reducing meals and selling assets.
2012/13 Aims

Aim 1: Support for children living with HIV to live healthy and confident lives
Mamohato Network & Camps Programme
- Increase numbers of children attending camp
- Facilitate eight weeks of camp
- Increase the number of network clubs, building capacity of national partners
- Develop, test and roll out network club toolkit
- Implement M&E system, tracking changes in children’s health status
- Facilitate 26 caregiver days

Aim 2: Strengthen access to education, including livelihoods and life-skills training for herd boys
Herd Boy Education Programme
- Refurbish herd boy schools in Matsoaing, Semonkong and Pulane
- Construction of new herd boy school at Mateanong, Mokhotlong district
- Implement income-generating element to programme
- Facilitate voluntary counselling and testing
- Procure food items and protective clothing for herd boys

Aim 3: 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
Letsema Network
- Continue to drive Letsema membership
- Implement M&E of forums
- Update directory of CBOs and NGOs within the Letsema network
- Increase knowledge exchange with monthly inserts in local newspapers
- Host capacity-building in the network to ensure best possible care for children

Aim 4: Give increasing numbers of Lesotho’s most vulnerable children the opportunity to achieve a secondary school education
Secondary School Bursary Programme
- 125 new sponsorships awarded, in addition to continued support for existing 176 sponsored students
- Family support grants implemented
- Assessments and home visits facilitated
- Critical support provided (hygiene kits, transport, medical fees)
- Data for children successfully completing high school captured

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
- Existing 12 partners supported with financial and technical help
- One additional partner added
- Approval letter, agreements, resource packs issued to all partners
- Four day skills-building workshop facilitated
- Mentorship visits conducted
- Partners trained on child wellbeing tool
- Child wellbeing assessments received

Aim 6: Develop as an effective international organisation
In 2012/13 a full strategic review will be completed, assessing all existing programmes, consulting all stakeholders to establish the future direction of the organisation and inform plans for further expansion.

With the implementation of the M&E framework we will be able to document the impact of our programmes and look to ensure the best use of our resources to benefit the vulnerable children of Lesotho.

The management team will be strengthened and capacity increased to prepare for scaling up operations.

Detailed plans for a permanent Mamohato Children’s centre will be completed, to be built at Thaba Bosiu. A capital appeal will be launched to raise funds for this facility. Dependent upon funding, the build will begin in Q4 of this year.

Securing resources
We have a budget of £2.5m for delivering the existing programmes in Lesotho. In addition we will launch an appeal for £2.5m to fund the construction of the permanent Mamohato children’s centre at Thaba Bosiu.

Unrestricted income will be generated via a number of events, the largest being the Sentebale Polo Cup and donations from individuals. We are fortunate to have ongoing support from a number of organisations that sponsor our events including Chivas Brothers (Royal Salute), Starwood hotels (St. Regis) and Garrard.

Restricted income is anticipated from ongoing relationships with key trusts and foundations and corporate partnerships. Strong ongoing relationships with EJAF, QSJT, Lessons for Life, Newman’s Own Foundation, and SeriousFun Children’s Network and funders such as Investec, ICAP and Anglo American are key to achieving our income targets.

In addition, we are reaching out to new partnerships in the coming year that will help deliver the scaling up of the organisation.

The website will be redesigned and enhanced to inspire and inform our supporters and we will improve the functionality of the website for taking donations and allowing better communication with partners and supporters.

We will increase awareness of the work of Sentebale via press and PR generated from a number of key initiatives, including a Sentebale ‘Forget me not’ garden at the Chelsea Flower Show in May 2013, sponsored by B&Q and created by leading garden designer, Jinny Blom.

The increased awareness will allow us to reach out to more donors to support the work of Sentebale in supporting the vulnerable children of Lesotho.
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 39.

During the year Sentebale raised £2.414 million, of which £1.928 million was unrestricted income and £486k restricted. This represents an increase of 16%.

The total resources expended in the year were £2.336 million. The amount spent on charitable activities was £1.620 million, an increase of 21% over the previous year. £677k was spent on fundraising and events; this includes £238k of gifts in kind.

In total, charitable expenditure directly related to the vision of supporting orphans and vulnerable children in Lesotho accounted for 67% of income raised in the year.

The net assets on the balance sheet are £1.096 million. These are represented in reserves as unrestricted funds of £455k and restricted funds of £641k. 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) has been achieved.

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. As a result of the level of surplus cash funds required in order to produce an adequate return on the funds invested, the trustees took the decision not to place any funds on fixed-term investment accounts during the year.

Reserves policy and going concern
On 1 March 2011, the trustees formally agreed to a reserves policy of a minimum of one quarter of total annual historic expenditure on project disbursements, charitable activities and general overheads.

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 grassroots 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 £1,994. 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 2012 were:

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

*Appointed in 2012
**Resigned in 2011
†Resigned in 2012

Company Secretary: Paula Almeida-Levy

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; and
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and that 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; and
- 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 2012 which comprise the statement of financial activities, the balance sheet 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

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees’ Responsibilities Statement set out in the Trustees’ Annual Report, the trustees 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 report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report. 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 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 2012 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
EC2Y 6DL
### Statement of financial activities for the year ended 31 August 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

#### Income & Expenditure

**Incoming resources**

Incoming resources from generated funds:

- **Voluntary income**
  - General donations: 116 - 116 84
  - Event income: 1,263 - 1,263 604
  - Corpora donors: 172 126 298 89
  - Schools and trusts: 81 360 441 1,143
  - Gifts in kind: 292 - 292 167
  - Other income: 4 - 4 2

Total incoming resources: 1,928 486 2,414 2,089

**Resources expended**

- Costs of generating funds: 2 677 - 677 490

#### Charitable activities

- **HIV/AIDS**: 181 190 371 368
- **Community Grant Partners**: 728 56 784 707
- **Education, training and leadership**: 333 132 465 259

Total charitable activities: 3 1,242 378 1,620 1,334

**Governance costs**: 4 39 - 39 22

Total resources expended: 1,958 378 2,336 1,846

#### Surplus/(loss) of income over expenditure

- 5 (30) 108 78 243

#### Reconciliation of funds

- Total funds brought forward at 1 September 2011: 485 533 1,018 775
- Total funds carried forward at 31 August 2012: 455 641 1,096 1,018

#### 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 40 to 47 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.
Notes to the financial statements for the year ended 31 August 2012

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

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 categorised as support costs and 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 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 a quarterly basis before the next payment is made. 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
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 2012 was £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 have prepared on a going concern basis.
2. Cost of generating funds

<table>
<thead>
<tr>
<th></th>
<th>Total 31 Aug 12</th>
<th>Total 31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Events</td>
<td>383</td>
<td>240</td>
</tr>
<tr>
<td>Cost of generating income</td>
<td>215</td>
<td>195</td>
</tr>
<tr>
<td>Support costs</td>
<td>79</td>
<td>55</td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td>677</td>
<td>490</td>
</tr>
</tbody>
</table>

The events expense includes £238k of gifts in kind (2011: £85k). The increase in support costs is due to an addition of a professional fundraiser in London to support the CEO in establishing long-term relationships with donors and supporters of the charity.

3. Charitable activities

<table>
<thead>
<tr>
<th>Mamohato Support</th>
<th>Partner Support</th>
<th>Herd Boys Support</th>
<th>Letsema Support</th>
<th>Support Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total 31 Aug 12</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>300</td>
<td>-</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>371</td>
<td>368</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Grant Partners</td>
<td>-</td>
<td>693</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>784</td>
<td>707</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education, Training &amp; Leadership</td>
<td>-</td>
<td>-</td>
<td>131</td>
<td>226</td>
</tr>
<tr>
<td></td>
<td>465</td>
<td>259</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>693</td>
<td>131</td>
<td>226</td>
</tr>
<tr>
<td></td>
<td>270</td>
<td>1,620</td>
<td>1,334</td>
<td></td>
</tr>
</tbody>
</table>

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

Programme expenditure might cover more than one activity and so it is allocated to its primary purpose.

4. Governance costs

<table>
<thead>
<tr>
<th></th>
<th>Total 31 Aug 12</th>
<th>Total 31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Legal fees - risk management</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Board and trustee expenses</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>22</td>
</tr>
</tbody>
</table>

Legal fees include £15k of gifts in kind (2011: nil).

5. Surplus/(deficit) of income over expenditure

<table>
<thead>
<tr>
<th></th>
<th>Total 31 Aug 12</th>
<th>Total 31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>This is stated after charging:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit fee to financial statements auditor</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Audit fees payable to other auditors</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>34</td>
<td>54</td>
</tr>
</tbody>
</table>

6. Partner support

<table>
<thead>
<tr>
<th>No of grants</th>
<th>2012</th>
<th>31 Aug 12</th>
<th>2011</th>
<th>31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Grant Partners</td>
<td>12</td>
<td>693</td>
<td>12</td>
<td>524</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>Total Partner support</td>
<td>12</td>
<td>693</td>
<td>14</td>
<td>546</td>
</tr>
</tbody>
</table>

The increase in Community Grant Partners relates to additional grants committed at the end of the year for next year’s expenditure, as per accounting policy.
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>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme</td>
<td>20.5</td>
<td>17</td>
</tr>
<tr>
<td>Fundraising</td>
<td>2.5</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>23.5</td>
<td>19.5</td>
</tr>
</tbody>
</table>

Lesotho based 18 15.5
London based 5.5 4

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

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 12</th>
<th>31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£606</td>
<td>£424</td>
</tr>
<tr>
<td>Social security</td>
<td>£33</td>
<td>£22</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>£14</td>
<td>£16</td>
</tr>
<tr>
<td>Staff costs comprised:*</td>
<td>£653</td>
<td>£462</td>
</tr>
</tbody>
</table>

*Includes non-recurrent costs associated with management changes

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees who earned over £60,000, including taxable benefits, was:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£60,000 - £70,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>£90,001 - 100,000</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

The pension contributions for one employee earning more than £60,000 in the year amounted to £5,878 (2011: £9,611).

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 and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 1 September 2011</td>
<td>89</td>
<td>76</td>
<td>165</td>
</tr>
<tr>
<td>Additions</td>
<td>9</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Disposals</td>
<td>(8)</td>
<td>-</td>
<td>(8)</td>
</tr>
<tr>
<td>Balance carried forward 31 August 2012</td>
<td>90</td>
<td>84</td>
<td>174</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 1 September 2011</td>
<td>67</td>
<td>50</td>
<td>117</td>
</tr>
<tr>
<td>Disposals</td>
<td>(8)</td>
<td>-</td>
<td>(8)</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>18</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Balance carried forward 31 August 2012</td>
<td>77</td>
<td>66</td>
<td>143</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brought forward 1 September 2011</td>
<td>22</td>
<td>26</td>
<td>48</td>
</tr>
<tr>
<td>Carried forward 31 August 2012</td>
<td>13</td>
<td>18</td>
<td>31</td>
</tr>
</tbody>
</table>

10. Debtors

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 12</th>
<th>31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations receivable</td>
<td>128</td>
<td>111</td>
</tr>
<tr>
<td>Other debtors</td>
<td>121</td>
<td>30</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>156</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>405</td>
<td>164</td>
</tr>
</tbody>
</table>
11. Creditors

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 12</th>
<th>31 Aug 11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Amounts falling due within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments to partners</td>
<td>279</td>
<td>145</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Other creditors</td>
<td>16</td>
<td>26</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>85</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>425</td>
<td>226</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 2012.

13. Unrestricted Funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 11</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>General Funds</td>
<td>485</td>
<td>1,928</td>
<td>1,958</td>
<td>455</td>
</tr>
</tbody>
</table>

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

14. Restricted funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 11</th>
<th>Incoming resources</th>
<th>Resources expended</th>
<th>Balance 31 Aug 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>29</td>
<td>175</td>
<td>181</td>
<td>23</td>
</tr>
<tr>
<td>Community Grant Partners</td>
<td>286</td>
<td>124</td>
<td>47</td>
<td>363</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>218</td>
<td>152</td>
<td>115</td>
<td>255</td>
</tr>
<tr>
<td>Internal Strategy Development</td>
<td>-</td>
<td>35</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>533</td>
<td>486</td>
<td>378</td>
<td>641</td>
</tr>
</tbody>
</table>

Restricted funds represent funds received for specific projects and held at the year end. Delays in utilising Community Grant Partners funds have been resolved following discussions with donors.

15. Net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</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>31</td>
<td>-</td>
<td>31</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>405</td>
<td>-</td>
<td>405</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>444</td>
<td>641</td>
<td>1,085</td>
</tr>
<tr>
<td></td>
<td>849</td>
<td>641</td>
<td>1,490</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>425</td>
<td>-</td>
<td>425</td>
</tr>
<tr>
<td>Net current assets</td>
<td>424</td>
<td>641</td>
<td>1,065</td>
</tr>
<tr>
<td>Net assets</td>
<td>455</td>
<td>641</td>
<td>1,096</td>
</tr>
</tbody>
</table>
Acknowledgements

ABC
Alvaro Coelho Fonseca
Andrew Bilheimer
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Anne Lennox Foundation
Baker & McKenzie
Bernadette Murphy
BGC Trading
Bob Finch
Calista Investments
CBS
Celeste Neil
CHI & Partners
Chivas Brothers (Royal Salute)
Church of Scotland & Free Churches
Churchill Capital International
Churchill Retirement Living
Cou tts & Co.
Daniel Waechter
David Lewis
Deutsche Schule London
DLA Piper
Elite Sports Properties
Elton John AIDS Foundation
ENI
Eric Hersman
Fixeri (Europe)
Freshfield Bruckhaus Deringer
Garrard
German School
Hine Marketing
Howard Kessler
Ian Taylor
Investec Asset Management
Jaguar Land Rover
James Arculus
Jeremy Hackett
Jonathan Sol
Kinsville International
Lance Weaver
Lena Evans
Lessons for Life (Chello Foundation)
Lukas Morscher
Mark Patterson
Michael Holland
Mick Bayliss
Nespresso
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Paul Knights
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Richard Mille
Roger Davis
Ronald Bruce
Roubi L’Roubi
Roy Maed
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Salesforce.com Foundation
Scott Lidbetter
Sebastian Wanless
Serious Fun Children’s Network
Simon Arber
Snappin’ Turtle
Starwood (St Regis)
Steve Garnett
Tara Palmer Tomkinson
The Allen & Overy Global Foundation
The Lennox and Wyfold Foundation
Tony Rubson
Touch Worldwide
UNICEF
Victor Waldburger
Virgin Money
Virtual Purple
Wardman Communications
Notes

2. Subventions are awarded to organisations that meet DSW standards of practice. In order to receive the full amount each year, recipient organisations are required to report on time, and on activities for which the subventions are awarded.