THE GLOBAL HIV LANDSCAPE

UNAIDS 2020 Fast Track Targets

<table>
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<th>90% of people</th>
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<tr>
<td>living with HIV know their status</td>
<td>living with HIV who know their status are receiving treatment</td>
<td>on treatment have suppressed viral loads</td>
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For the first time in the history of this epidemic, we can say that Africa has reached the tipping point. More Africans are newly initiating treatment than are being newly infected with HIV. Reaching this turning point is truly amazing, and few people believed this could be achieved by now."

MICHEL SIDIBE, UNAIDS EXECUTIVE DIRECTOR, 2016

However

THERE ARE

-2.1-

MILLION

ADOLESCENTS

LIVING WITH HIV

Source: UNAIDS, 2015

HIV REMAINS

NO1

CAUSE OF DEATH IN ADOLESCENTS IN AFRICA

Source: UNAIDS, 2015

SENTEBALE’S RESPONSE

- Delivered HIV testing and counselling services to over 16,500 people in Lesotho. All of those found HIV-positive between the ages of 9-19 years were referred to Sentebale’s Saturday clubs
- Psychosocial support to help achieve viral suppression
- 18% increase in the number of children attending club compared to the previous year
- Doubled the number of children attending camp compared to the previous year
- 99% of children leave camp confident and hopeful about the future

Top-line achievements

27% INCREASE IN INCOME
14% INCREASE IN IN-COUNTRY CHARITABLE EXPENDITURE IN LOCAL CURRENCY
MAMOHATO CHILDREN’S CENTRE OFFICIALLY OPENED NOVEMBER 2015

Advocated for change in the AIDS response

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Sentebale

The Prince’s Foundation for Children in Africa
OUR MISSION
To become the leading organisation in the provision of psychosocial support for children living with HIV in southern Africa.

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

OUR APPROACH
Sentebale works with local grass-roots organisations and communities to help the most vulnerable children, the victims of extreme poverty and the HIV/AIDS epidemic. Together, we’re making a big difference to these children’s lives by improving their access to quality care and education, encouraging children and adolescents to know and manage their HIV status.

OUR WORK

Youth Hub
We ensure more children and adolescents are aware of their HIV status, initiate treatment and are able to access relevant and timely adolescent-friendly prevention services.

Psychosocial support for children and adolescents living with HIV
We ensure more children and adolescents are able to access life-saving psychosocial support through our camps and clubs.

Care and education for the most vulnerable children
We provide care and education for orphans and vulnerable children, particularly those affected by HIV, and a best practice network for grassroots organisations and NGOs.

Sentebale’s partnership approach applies to every level of contact, from herd boys to traditional leaders, local clinics to government ministers. Sentebale believes that working together can make a significant impact in helping us tackle the AIDS epidemic.

Sentebale is a non-governmental organisation, established as a UK charitable company limited by guarantee. It currently works in Lesotho and Botswana 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 youth affected by HIV/AIDS with hope for a better future.

The Trustees Annual Report, on pages 6 to 27, covers Sentebale’s financial year ended 31 August 2016. The financial statements have been prepared under the accounting policies set out therein and comply with applicable law and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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.
Ten years has passed since the dream of Sentebale was born at a cattle-post in the mountains of Lesotho. The purpose was to give vulnerable children care, support and education – a ray of hope for a better future. Since then, Sentebale has learnt a great deal about the challenges facing children and young people in Lesotho and we have adapted to meet the needs of those living with HIV and those affected by the epidemic.

The statistics for new HIV infections remains staggering – 2.1 million people were infected in 2015, and there are six thousand new HIV infections every day – with a third of those being young people. Lesotho has the second highest prevalence of HIV in the world and stigma is the main reason that so many of the young people affected fail to access medication.

Sentebale continues to support young people living with HIV, and provide care and education to support the children and adolescents affected by the AIDS epidemic. This year we opened the ‘Mamohato Children’s Centre. The centre is the heart of Sentebale, situated on the hallowed ground of Thaba-Bosiu, in the country that is our home, Lesotho. We hope that the ‘Mamohato Children’s Centre will become a centre of excellence for the region, bringing young people with HIV together for camps to share experiences, learn how to live well and break down stigma; and allowing us to share valuable knowledge and best practice with our partners in Lesotho and other countries.

Sentebale has made a commitment to broaden its reach and support even more of those young people affected by HIV, by doing its part to support UNAIDS 2020 Fast Track Targets. We have scaled up our flagship psychosocial support programme in Lesotho, and in the past year we have also expanded operations into Botswana, to address the pressing need of the country with the world’s third highest HIV prevalence. In the last year we have more than doubled the number of young people attending our camps.

We believe that we cannot beat HIV without giving children and adolescents in every country the voice they deserve. Seeing young people who have so little, yet who work so hard to support their friends and educate their families about HIV, continues to inspire all of us at Sentebale.

It is our ambition to change the tide of this epidemic by ensuring more young people know their status, access treatment and are empowered to tackle stigma and play their part in bringing the AIDS epidemic to an end.
MESSAGE FROM THE CEO

Sentebale has had a varied and exciting year, having had many opportunities to raise awareness of our work and of Sentebale’s profile as a leading provider of psychosocial support for adolescents with HIV.

In June 2016, Sentebale held a concert at Kensington Palace with Coldplay, supported by an incredible line up of artists, Sentebale Ambassadors, and our Founding Patrons. The concert allowed us to raise the profile of the work we do and attract many new supporters as well as raise funds. We were excited to have with us on the night the Basotho Youth Choir, made up of children whom Sentebale has supported over the last decade, who not only enjoyed performing with Coldplay and Joss Stone, but had a week-long cultural tour of London; a once-in-a-lifetime experience that will stay in their memories for many years to come.

Shortly afterwards, in July 2016, Sentebale presented our model of psychosocial support at the International AIDS Conference in Durban, South Africa. In a special session, Prince Harry and Prince Seeiso, along with Sir Elton John and three young advocates living with HIV, presented the issues and challenges facing children and adolescents affected by HIV. The event not only involved Sentebale presenting at the conference, but also provided many opportunities for us to develop new partnerships and collaborate with industry experts with the same ambition of ending the AIDS epidemic.

The expansion of Sentebale’s work is encouraging to see in both Lesotho and Botswana, and we are building a strong team to support this growth. There are many challenges, however our determination to do all we can, working with others to improve the life chances of the children we serve, is undiminished.

It has been an amazing year, thank you.

Catherine Ferrier
CEO

MESSAGE FROM THE CHAIR

The last year has been a landmark year for Sentebale, marking our ten year anniversary. In November 2015, we were delighted to officially open the ‘Mamohato Children’s Centre at Thaba-Bosiu in Lesotho.

The opening of the ‘Mamohato Children’s Centre was the biggest day in Sentebale’s history. It is the first purpose-built centre of its kind to provide psychosocial support to children on medication living with HIV, encouraging them to recognise that it is not a social stigma to be in the position they are in, and to stick with their treatment. Unique is an overused word, but I believe this centre is truly unique.

This centre is a purpose-built residential camp, with world class facilities for children, including clinic, activity rooms, football pitch, ropes course, large dining hall, camper cabins and staff accommodation, as well as our Sentebale office.

The centre was opened by His Majesty King Letsie III, together with our Founding Patrons, Prince Seeiso and Prince Harry, and was attended by many distinguished guests from government and partners in Lesotho and international guests, including ambassadors, key donors and our loyal supporters.

I would like to thank the whole team for their tireless commitment and hard work, the Board for all their continued support, and the many supporters and donors, without whom the work we do would not be possible.

Philip Green, CBE,
CHAIRMAN, BOARD OF TRUSTEES
**THE ADOLESCENT HIV LANDSCAPE**

Going forward

The starting point for all interventions must be HIV counselling and testing. Subsequent interventions for both HIV-negative and HIV-positive youth must be ‘adolescent-centred’.

LINDA-GAIL BEKKER, INTERNATIONAL AIDS SOCIETY PRESIDENT ELECT, 2015

**THE YOUTH HUB**

Sentebale provides adolescent-friendly HIV Testing & Counselling Services (HTS) and HIV prevention services in Lesotho, with young people (18 to 24 year olds) at the heart of delivering this work.

These young people are called our peer educators. The programme has supported 26 Ministry of Health facilities, with over 48,000 people having been educated on health and HIV, and one third of them testing for HIV. Of all those tested, only 2% were found to be HIV-positive. Of those who tested positive by Sentebale between the ages of 10-19 years, 100% now attend our monthly Saturday clubs.

If any of them stop taking their medication or attending clinic, they are identified and the team ensures they stay on treatment; all of those children Sentebale identified as defaulting from their medication were tracked back onto their treatment this year.

Peer educators also focus specifically on educating children and young people in schools and through youth clubs. Topics range from regular life skills sessions, to HTS, to HIV knowledge competitions between different schools, with the main focus of all activities being the importance of HIV prevention.

Sentebale has also supported local Community Based Organisations (CBOs) to deliver quality services to vulnerable children and adolescents and their families within Maseru. In this project, over 8,000 children and their caregivers were reached, with over 1,500 having been referred onto HTS as part of the project.

Monaheng – a 21-year-old Sentebale peer educator, tells us his thoughts:

I am no longer ashamed of being called an HIV-positive person, because I feel I have survived all the storms. I am no longer blaming my mum – I think she lacked knowledge and understanding and maybe the environment was not conducive to let her talk and even access treatment that could have saved me from getting HIV.

"I no longer feel discriminated in the society after knowing that HIV is not a death sentence but the beginning of a more positive life."

**HIV REMAINS NO. 1 CAUSE OF DEATH IN 10-19 YEAR OLDS IN AFRICA**

**ADOLESCENTS INCREASINGLY DYING HIV-RELATED DEATHS DECREASING FOR ALL OTHERS**

**IN 2015 NEARLY 7,500 YOUNG WOMEN AGED 15–24 YEARS ACQUIRED HIV EVERY WEEK**

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**PROGRESS AGAINST OUR AIMS**
**Beyond Treatment:**

The Importance of Psychosocial Support in Achieving Viral Suppression

Providing psychosocial support to adolescents living with HIV is essential.

*World Health Organisation*

**What is Viral Suppression?**

Strong adherence to antiretroviral therapy suppresses the virus to undetectable levels within people living with HIV, helping to reduce likelihood of death, and greatly reducing the risk of transmitting the virus to others. When large proportions of people living with HIV within a community are on treatment, it has been shown to have a preventive effect within that community.

*UNAIDS, 2016*

**What is Psychosocial Support?**

Psychosocial support addresses the ongoing psychological and social problems of HIV infected individuals, their partners, families and caregivers. HIV infection can often result in stigma and fear for those living with the infection, as well as for those caring for them, and may affect the entire family. Psychosocial support can assist with informed decisions, coping better with illness and dealing more effectively with discrimination. It improves the quality of their lives, and prevents further transmission of HIV infection.

*World Health Organisation*

**Psychosocial Support for Children & Adolescents Living with HIV**

Sentebale runs week-long residential camps and monthly Saturday clubs at local healthcare clinics across Lesotho, to give children living with HIV the knowledge and the tools that they need to live physically and emotionally healthy lives.

This financial year, 12 weeks of camp were held at the ‘Mamohato Children’s Centre, serving over 1,000 children aged between 10-19 years old. In total, 55 clubs were held across all 10 districts of Lesotho; there were over 2,400 children registered. Quarterly caregiver days were held for each club. The programme is rapidly expanding, with a 72% increase in hours of psychosocial support delivered compared to the previous year.

Sentebale has participated in five technical working groups and steering committees at a national level, strengthening connections and sharing our expertise. Our model of psychosocial support for children living with HIV was presented at the 2016 International AIDS Conference in Durban.

**What Happens to Those Who Are Graduating from the Programme?**

Following graduation of 56 young people from club support this year, 88% have now been trained to be leaders at their clubs.

Sentebale’s Founding Patrons spoke at a special session on youth empowerment, titled “Ending AIDS with the Voices of Youth”. Following on from this success, a Youth AIDS Conference for over 100 people was held in partnership with UNICEF and the National AIDS Commission at the ‘Mamohato Children’s Centre in Lesotho, allowing young people to report back on the conference to their peers and national leadership from government, civil society and business, and to discuss how they can be included in the AIDS response.

Children from camp in July 2016 told us the most important thing they learnt:

"To take my medication properly and accordingly."

"We don't discriminate against others."

"I can communicate with my peers."

"Even though I'm HIV-positive, I can still live a life that is same as others."

"I can help others to have this information."
THE PROBLEMS FACING YOUTH AFFECTED BY HIV/AIDS & POVERTY IN LESOTHO

Lesotho has the world’s second highest HIV infection rate.

Source: CIA World Factbook, 2014

There will be renewed focus on adolescents and supporting intersectoral action on empowerment, education, nutrition and employment – issues critical to progress the AIDS response. UNAIDS, 2016

CARE FOR VULNERABLE CHILDREN

- One third of all children in Lesotho are orphans. (UNAIDS, 2015)
- HIV/AIDS is one of the biggest reasons for children to become orphaned in Lesotho. (UNAIDS, 2016)

SECONDARY SCHOOL BURSARIES

- Only 42% of girls and 27% of boys are enrolled in secondary school (UNESCO, 2017)
- In Lesotho, 37% of school children believe that children living with HIV should not be allowed to attend school. (Cairns, African schoolchildren’s study, 2014)
- Completion of secondary school education reduces vulnerability against HIV infection. Education is described as a key ‘social vaccine’ against HIV. (UNAIDS & Lancet Commission, 2015)

HERD BOY EDUCATION

- There are an estimated 30,000 herd boys in Lesotho. (UNAIDS, 2012)
- Almost one third of herd boys have never attended school. (UNAIDS, 2012)

SHARING BEST PRACTICE

- 72% of the population lives in rural areas. (UNICEF, 2017)
- This makes sharing of best practice difficult.

CARE & EDUCATION FOR THE MOST VULNERABLE CHILDREN

SUCCESS STORIES

- One of our community partners for children with disabilities, Thuso Centre, has been upgraded by the Ministry of Education and Training to the level of Special Education School, the first of its kind in the country.
- 100% of bursary school students sat their exams.
- Twelve of our supported children went on a once-in-a-lifetime trip; they spent a week in London and performed at the Sentebale Concert as part of a Basotho Youth Choir.

CARE FOR VULNERABLE CHILDREN

This financial year, over 1,100 vulnerable, orphaned or disabled children have been supported through our 10 community partners. Partners were encouraged to work on increasing their self-sufficiency, and reuniting children with their families where possible.

SECONDARY SCHOOL BURSARIES

Sentebale has supported over 400 secondary school students (through our main sponsor, Lessons for Life) and eight tertiary students with school bursaries to include school fees, books, toiletries, uniforms and transport costs. Life skills and careers guidance sessions were delivered, and for those graduating, an alumni network is being set up. Psychosocial support training was delivered to 50 teachers from 30 schools, to ensure better support for students in challenging situations.

HERD BOY EDUCATION

We supported over 500 herd boys through 11 night schools across Lesotho. Additional training for them delivered included Sexual Reproductive Health (SRH), HIV/AIDS education and vocational skills-based training. Herd boy teachers were also trained on lesson planning and delivery. Other important activities included 20 advocacy forums on child labour and rights, and two psychosocial support forums to help caregivers, community leaders and employers understand the vulnerability of herd boys.

SHARING BEST PRACTICE

Sentebale also supports and coordinates best practice across Lesotho through a local body called Letsema. There are over 250 CBOs who are members of Lesema, which now also covers an additional district. There were 11 regional Letsema member forums this year, covering topics such as gender-based violence, child marriage and law, protecting children’s rights and voluntary savings and loans.
On the 26th November 2015, the ‘Mamohato Children’s Centre was officially opened by His Majesty King Letsie III at Thaba-Bosiu, in Lesotho. Sentebale Founding Patrons, Prince Harry and Prince Seeiso joined His Majesty as guests came together to celebrate this momentous occasion.

The centre has become Sentebale’s flagship facility in Lesotho, and the heart of our programmes, allowing us to reach even more vulnerable children. Some highlights are:

- Twelve weeks of residential camp were held there, reaching over 1,000 children
- In the last year, double the number of children attended camp, which is four times as many children compared to when the fundraising campaign was launched to build the centre in 2012
- Seven weeks of training were held for club volunteers on running monthly Saturday clubs and psychosocial support
- All recruited centre staff are employed from the local community
- The centre has also allowed us to reduce the cost of running each camp by 35%

The centre costs £2.2 million to build. The centre consists of more than 20 buildings. Onsite facilities include activities rooms, clinic, ropes course to name just a few.
DEVELOP AS AN EFFECTIVE INTERNATIONAL ORGANISATION

SENTEBALE’S EXPANSION INTO OTHER SUB-SAHARAN AFRICAN COUNTRIES

- Following research, on 25th February 2016, the Board decided Sentebale should expand its flagship psychosocial support programme to work in Botswana
- Sentebale registered in Botswana on 19th April 2016, and appointed a Head of Programme in country on 13th June 2016
- In December 2016, 145 children were reached through weeklong residential camps in Botswana

THE TEAM & THE BOARD

- Continued to increase the capacity of the organisation, recruiting high-calibre senior managers to support the expansion. In July 2016, Matthew Pickard was appointed as International Development Director to lead the development of new country programmes

FUNDRAISING

- Delivered income of £4.4 million to support the growth of the organisation
- Diversified income streams, to build sustainability, in particular, attracting our first major institutional grants

MARKETING & COMMUNICATIONS

- Developed an advocacy programme which included three key advocacy moments in the year; the Sentebale Concert, the session at the Durban AIDS Conference on “Ending AIDS with the Voices of Youth”, and the Youth AIDS Conference in Lesotho
- Rebranded to ensure logo conveyed programme and expansion goals
- Welcomed two new ambassadors – BBC Call the Midwife actress, Laura Main and spoken word poet, George the Poet

SENTEBALE’S FUTURE

Sentebale aims to be the world’s largest network of support groups for children living with HIV and AIDS. Sentebale aims to reach even more vulnerable children, and to be operating in five countries in sub-Saharan Africa by 2020.

NUMBER OF ADOLESCENTS (10-19 YEAR OLDS) LIVING WITH HIV

- 0 – 20,000
- 20,000 – 50,000
- 50,000 – 100,000
- 100,000 – 200,000
- 200,000 +

- Sentebale presence
YOUTH HUB

Across Lesotho and Botswana, we will ensure more children and adolescents are aware of their status, initiate treatment and are able to access relevant and timely prevention services by:

- Increasing community mobilisation (door-to-door testing, school workshops etc) by Sentebale peer educators
- Increasing the number of weekend community testing events, ensuring testing services are available at the community level
- Increasing the number of young people accessing health and life skills information through youth clubs
- Working with active clubs and societies at tertiary institutions to reach young people encouraging them to know their status, initiate treatment and access appropriate prevention services
- Increasing the number of community leader training sessions to ensure communities promote a conducive youth friendly environment for adolescents
- Supporting and increasing the reach of local health facilities by training peer educators on HTC and psychosocial support skills

PSYCHOSOCIAL SUPPORT FOR CHILDREN & ADOLESCENTS LIVING WITH HIV

Across Lesotho and Botswana, we will ensure more children and adolescents are able to access the life-saving psychosocial support they need by:

- Increasing the number of monthly Saturday clubs for children and adolescents who are HIV-positive by 20%, delivering support to over 2,500 children every month
- Increasing the number of caregiver days
- Increasing the number of children and adolescents who are able to attend residential camp by 20%
- Supporting young people who are 18+ and are transitioning out of school/club to ensure they have the support they need as young adults

CARE AND EDUCATION FOR THE MOST VULNERABLE CHILDREN IN LESOTHO

- Provide long term financial support to vulnerable secondary school students to enable them to complete high school education
- Improve access to health services for herd boys
- Strengthen the capacity of school teachers and herd boy teachers to be supportive through psychosocial support training – especially of those children living with HIV
- Focus on a child-centred approach for supporting vulnerable, orphaned and disabled children, aiming to reunite with families where possible
- Enhance community participation towards children’s issues to strengthen a family environment in which children can communicate their needs and are protected from risks

DEVELOP AS AN EFFECTIVE INTERNATIONAL ORGANISATION

- Improve our Monitoring & Evaluation; we will improve our framework, and develop, test and roll out an agreed set of common tools for data collection across clubs, camps and caregiver days
- Improve our internal processes to ensure we have a robust and effective programme management system in place
- Build strong, empowered and effective Country Offices; we need to develop accountable Country offices that ‘get it right first time’, and take ownership of decisions and processes
- Build a common understanding of our shared values and an organisational culture that celebrates achievement, delivers against our goals and provides opportunities for growth
- Utilise our expertise in helping youth affected by HIV by developing an advocacy strategy and generate income to support this additional stream of work
During the year, Sentebale secured income of £4.361m, including concert revenue of £1.011m, representing an increase of 27% compared with the previous year (2015: £3.432m). Of this total income, £3.667m was general unrestricted income (2015: £2.311m), £20k was unrestricted designated fund income relating to the ‘Mamohato Children’s Centre (2015: £nil) and £674k was restricted to current programmes (2015: £1.121m). Included in the total income is £587k of gifts in kind (2015: £550k).

The total expenditure in the year was £4.271m (2015: £3.275m), of which £1.720m (2015: £0.588m) was related to costs of raising funds. The £1.132m increase is attributable to events (namely the Sentebale Concert and the Sentebale Polo Cup) which generated £1.185m of surplus. Expenditure on raising funds other than through events remained relatively static in Sterling terms at £0.370m.

The amount spent on charitable activities was £2.551m (2015: £2.687m). Actual charitable expenditure in Lesotho, in local currency, increased by 14%. Foreign exchange gains have reduced charitable expenditure presented in GBP. Charitable expenditure directly related to the vision of supporting orphans and vulnerable children and accounted for 76% of income raised (excluding income raised for the exceptional June concert of £1.011m). Fundraising costs accounted for 12% of total expenditure (excluding costs incurred for the exceptional June concert and gifts in kind). Total fundraising costs of £1.720m (2015: £588k) included £428k of gifts in kind (2015: £140k) and £742k of costs directly related to the exceptional June concert.

The net assets on the balance sheet are £2.934m (2015: £2.844m). These are represented in reserves as general unrestricted funds of £636k (2015: £629k), unrestricted designated funds relating to the ‘Mamohato Children’s Centre of £1.884m (2015: £nil) and restricted programme funds of £414k (2015: £2.215m).

The Trustees note that at the year end, the level of unrestricted funds as recommended in the reserves policy (see page 24 for details) was achieved and it is due to continue for the next financial year.
Investment policy
Where appropriate, surplus cash funds are held in fixed term investment accounts in order to maximise the revenues on these funds while ensuring they are available when required.

Reserves policy and going concern
The trustees have formally agreed a reserves policy of a minimum of one-quarter of total annual expenditure on project disbursements, charitable activities and general overheads which currently represents a sum of £500k. This is reviewed on a regular basis. The level of free reserves at the balance sheet date, being unrestricted reserves less tangible assets within the unrestricted fund, was £527k (2015: £544k) and is in line with this figure.

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 expenditure on project disbursements, charitable activities and general overheads which currently represents a sum of £500k. This is reviewed on a regular basis. The level of free reserves at the balance sheet date, being unrestricted reserves less tangible assets within the unrestricted fund, was £527k (2015: £544k) and is in line with this figure.

The trustees have considered the level of reserves required to meet committed and core expenditure.

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

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

Key management personnel
Key management personnel are:

- The trustees
- Chief Executive Officer (CEO)
- International Development Director (IDD)
- Finance Director (FD) and Country Director (CD)

The CEO proposes the remuneration levels of the other executive key management personnel, which is approved by the chairman of the board. The CEO’s remuneration is set and agreed by the board of trustees. Sentebale has recently set up a salary structure with banding by role, and this will be used by the senior management team to decide and make future recommendation to the board of trustee on remuneration levels.

Structure, governance and management
Sentebale does not have share capital and is a company limited by guarantee. The company is constituted by its Memorandum and Articles of Association (dated 3 April 2008) 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.

Sentebale’s Board of Trustees
The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity. There were no changes to the Board of Trustees in this reporting period.

The Chairman leads the Board of Trustees 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 have significantly reduced 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 £2,442. The trustees are unpaid and details of the trustees’ expenses are disclosed in Note 6 to the accounts.

Managing risk
Sentebale works in developing countries with some political instability and insecurity, which means a level of risk is inevitable. We have an active risk management process in place to ensure appropriate steps are taken to manage and mitigate risk across the organisation.

The Board of Trustees and the executive have been clear that the areas where risk should be very carefully assessed relate to the health, welfare and security of people and the reputation of Sentebale. The Board of Trustees has overall responsibility for ensuring Sentebale has a system of internal control, management and audit to manage risk effectively.

The most significant risks in this reporting period were:

1. Changes in Lesotho government, political instability and changes in government policy.
   The Lesotho team maintained close and effective relationships with relevant government departments, bodies and staff and the engaged local communities to ensure minimum disruption to ongoing programme work.

2. Loss of key/senior staff resulting in loss of knowledge and experience/operational impact of key projects and priorities.
   Potential loss of donations reliant on personal relationships with key members of staff.

3. Financial viability of the organisation due to lack of diverse income streams, impacting the reputation of Sentebale and the ability to meet its charitable objectives.
   Work to diversity income streams has been ongoing, developing new funding relationships with major donors and institutional donors.

4. Changes in legislative requirements, in particular in the fundraising environment.
   Media coverage of a few charities’ fundraising practices affected public trust of the charity sector as a whole. In all our fundraising we work diligently to comply with the Fundraising Code of Practice. Sentebale does not raise a significant percentage of funds from the general public and we do not use external agencies to contact our supporters. We welcome the introduction of the new Fundraising Regulator and support measures that will improve public trust and support for the sector.
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 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company’s auditor is unaware; 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 the corporate and 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.
Independent auditor’s report to the members of Sentebale

We have audited the financial statements of Sentebale for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor
As explained more fully in the trustees’ responsibilities statement set out in the trustees’ annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the trustees’ annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

EDWARD FINCH, SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF BUZZACOTT LLP, STATUTORY AUDITOR
130 WOOD STREET, LONDON EC2V 6DL
3RD APRIL, 2017
Statement of financial activities for the year ended 31 August 2016

<table>
<thead>
<tr>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Mamohato</td>
<td>Programmes</td>
<td></td>
</tr>
<tr>
<td>Note</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising concert</td>
<td>1,511</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>1,523</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,534</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Donations and legacies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General donations</td>
<td>262</td>
<td>-</td>
<td>42</td>
</tr>
<tr>
<td>Corporate donors</td>
<td>226</td>
<td>-</td>
<td>150</td>
</tr>
<tr>
<td>Trusts &amp; Foundations</td>
<td>87</td>
<td>-</td>
<td>473</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>558</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>1,133</td>
<td>20</td>
<td>674</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total income</td>
<td>3,667</td>
<td>20</td>
<td>674</td>
</tr>
<tr>
<td>Expenditure on:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td>2</td>
<td>1,720</td>
<td>-</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mamohato Children’s Centre</td>
<td>- 314</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>511</td>
<td>-</td>
<td>303</td>
</tr>
<tr>
<td>Community Care</td>
<td>478</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>633</td>
<td>-</td>
<td>267</td>
</tr>
<tr>
<td>Total charitable activities</td>
<td>1,622</td>
<td>314</td>
<td>615</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>3,342</td>
<td>314</td>
<td>615</td>
</tr>
</tbody>
</table>

All amounts relate to continuing activities of the charity.
The notes on pages 34 to 46 form part of these financial statements.
Detailed comparative information for the previous year is shown at note 8.
Balance Sheet
as at 31 August 2016

<table>
<thead>
<tr>
<th>Note</th>
<th>31 Aug 2016</th>
<th>31 Aug 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

**Fixed assets**

- Tangible assets: 1,993 1,874

**Current assets**

- Debtors: 220 843
- Cash at bank and in hand: 1,189 485
- Creditors: amounts falling due within one year: (468) (358)

**Net current assets**: 941 970

**Net assets**: 2,934 2,844

**Funds**

- **Unrestricted funds**: 636 629
- Designated fund: 'Mamohato Children’s Centre': 1,884 -

**Restricted funds**

- Programmes: 414 2,215

**TOTAL FUNDS**: 2,934 2,844

Approved by the trustees on 16th March 2017 and signed on their behalf by:

PHILIP GREEN, CBE
CHAIRMAN, BOARD OF TRUSTEES

Sentebale: A company limited by guarantee, Company Registration Number 05747857

---

Statement of cash flows:
year to 31 August 2016

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

**Cash flows from operating activities**

- Net cash provided by operating activities: 991 275

**Cash flow from investing activities**

- Interest received: - 36
- Purchase of property, plant and equipment: (344) (1,400)

**Net cash used in investing activities**: (344) (1,364)

**Change in cash and cash equivalents in the reporting period**: 647 (1,089)

**Cash and cash equivalents at the beginning of the reporting period**: 485 1,605

**Change in cash and cash equivalents due to exchange rate movements**: 57 (31)

**Cash and cash equivalents at the end of the reporting period**: 1,189 485

**Net movement in funds for the reporting period**

- (as per the statement of financial activities): 90 157

**Adjustments for:**

- Depreciation charges: 360 19
- Dividends, interest and rents from investments: - (96)
- Exchange rate movements: (102) 103
- Decrease in debtors: 623 214
- Increase/(decrease) in creditors: 110 (182)

**Net cash provided by operating activities**: 991 275

**Cash in hand**: 1,189 485

**Total cash and cash equivalents**: 1,189 485
Notes to the financial statements for the year ended 31 August 2016

1. Principal accounting policies

a. Basis of accounting
These financial statements have been prepared for the year to 31 August 2016. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand.

b. Reconciliation with previous Generally Accepted Accounting Practice
In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. Other than categorisation adjustments, no restatements were required.

c. Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:
- estimating the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge; and
- the allocation of office overheads and governance costs between charitable expenditure categories; and
- estimates in respect of accrued expenditure.

d. Assessment of going concern
As described in the trustees’ report, the trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

e. Income recognition
Income is accounted for when receivable.

Donations and legacies are recorded as donations receivable either when there is a contract for 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 probability.

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. The income is recognised when a commitment has been made or paid and the event has taken place.

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

f. Expenditure recognition
Expenditure is accounted for on an accruals basis.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered.

g. Expenditure allocation
Expenditure is analysed in the statement of financial activities in accordance with the purposes for which the funds are applied. Where expenditure does not fall clearly into one category, it is allocated to 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.

Expenditure on raising funds includes fundraising and event costs, as well as marketing, PR and website development.

Costs of charitable activities represent 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, which are included within support costs, 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.

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

i. Foreign exchange
During the period, the reported Income and Expenditure in Lesotho was translated at the monthly average rate of exchange.

Any adjustments are made for balance sheet items at the prevailing rate of exchange. The rate applied on 31 August 2016 was £1=18.90 Loti (2015: £1=20.44 Loti).

j. Leased assets
Rentals payable under operating leases, where substantially all the risks and reward of ownership remain with the lessor, are charged to the statement of financial activities over the period of the lease term.
k. 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:
- Overseas property, land and buildings: 20% reducing balance basis
- Fixtures and fitting: 5 yrs on a straight line basis
- Computer equipment: 3 yrs on a straight line basis
- Motor vehicles: 5 yrs on a straight line basis

l. Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

m. Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short-term deposits.

n. Creditors
Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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

p. Unrestricted funds
The unrestricted general funds are available to cover all costs of the organisation. The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

2. Expenditure on raising funds

<table>
<thead>
<tr>
<th></th>
<th>Total Funds 31 Aug 16</th>
<th>Total Funds 31 Aug 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Events – fundraising concert</td>
<td>742</td>
<td>-</td>
</tr>
<tr>
<td>Events – other</td>
<td>607</td>
<td>191</td>
</tr>
<tr>
<td>Cost of raising donations and legacies</td>
<td>248</td>
<td>229</td>
</tr>
<tr>
<td>Support costs</td>
<td>123</td>
<td>168</td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td>1,720</td>
<td>588</td>
</tr>
</tbody>
</table>

Costs of £742k were attributable to the 2016 Sentebale Concert which generated revenues of £1,011k including £20k Gifts in Kind.

The events expenditure includes £428k of Gifts in Kind (2015: £140k).
Support costs include governance costs of £7k (2015: £nil).
3. Charitable activities

<table>
<thead>
<tr>
<th>Charitable activities</th>
<th>Related activity</th>
<th>Programme costs</th>
<th>Grant funding activities</th>
<th>Total in-country costs</th>
<th>Total in-country costs</th>
<th>Support costs</th>
<th>Total August 2016</th>
<th>Total August 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Mamohato Children’s Centre</td>
<td>Centre of programmes in Lesotho</td>
<td>402</td>
<td>-</td>
<td>402</td>
<td>13</td>
<td>(88)</td>
<td>314</td>
<td>385</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>'Mamohato Camps and Network Clubs</td>
<td>711</td>
<td>-</td>
<td>711</td>
<td>14,421</td>
<td>103</td>
<td>814</td>
<td>750</td>
</tr>
<tr>
<td>Community Care</td>
<td>Care for vulnerable children</td>
<td>109</td>
<td>331</td>
<td>440</td>
<td>8,449</td>
<td>83</td>
<td>523</td>
<td>621</td>
</tr>
<tr>
<td>Education, Training and Leadership</td>
<td>Herd Boys</td>
<td>205</td>
<td>-</td>
<td>205</td>
<td>2,681</td>
<td>54</td>
<td>259</td>
<td>282</td>
</tr>
<tr>
<td></td>
<td>Letsema</td>
<td>210</td>
<td>-</td>
<td>210</td>
<td>2,793</td>
<td>54</td>
<td>264</td>
<td>281</td>
</tr>
<tr>
<td>School bursaries</td>
<td>89</td>
<td>213</td>
<td>302</td>
<td>5,410</td>
<td>75</td>
<td>377</td>
<td>368</td>
<td></td>
</tr>
<tr>
<td>Total 31 Aug 16</td>
<td>1,726</td>
<td>544</td>
<td>2,270</td>
<td>33,767</td>
<td>281</td>
<td>2,551</td>
<td>2,687</td>
<td></td>
</tr>
<tr>
<td>Total 31 Aug 15</td>
<td>1,553</td>
<td>588</td>
<td>2,141</td>
<td>29,510</td>
<td>546</td>
<td>2,687</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Support costs include governance costs of £15k (2015: £36k) and foreign exchange gains in the year of £223k (2015: losses of £200k).

The total in-country costs in local currency for the ‘Mamohato Children’s Centre does not include depreciation.

4. Net income

<table>
<thead>
<tr>
<th>Total Funds 31 Aug 16</th>
<th>Total Funds 31 Aug 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Auditors remuneration:</td>
<td></td>
</tr>
<tr>
<td>Audit fee to financial statements auditor – current year audit</td>
<td>12</td>
</tr>
<tr>
<td>Audit fee to financial statements auditor – prior year audit</td>
<td>-</td>
</tr>
<tr>
<td>Audit fees payable to other auditors</td>
<td>7</td>
</tr>
<tr>
<td>Other fees payable to financial statements auditor</td>
<td>4</td>
</tr>
<tr>
<td>Depreciation</td>
<td>360</td>
</tr>
<tr>
<td>Operating lease charges</td>
<td>71</td>
</tr>
</tbody>
</table>

5. Partner disbursements

<table>
<thead>
<tr>
<th>No of grants 2016</th>
<th>31 Aug 16</th>
<th>No of grants 2015</th>
<th>31 Aug 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care for Vulnerable Children</td>
<td>10</td>
<td>331</td>
<td>11</td>
</tr>
<tr>
<td>Education, training and leadership (school bursaries)</td>
<td>423</td>
<td>213</td>
<td>423</td>
</tr>
<tr>
<td>Total partner disbursements</td>
<td>433</td>
<td>544</td>
<td>434</td>
</tr>
</tbody>
</table>
6. Staff head count

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme</td>
<td>29</td>
<td>25</td>
</tr>
<tr>
<td>Fundraising</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Lesotho based</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>London based</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>31</td>
</tr>
</tbody>
</table>

Lesotho based staff are operational and are employed to deliver services to orphans and vulnerable children in Lesotho. The difference between staff numbers on an average and full time equivalent basis is not material.

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 2016</th>
<th>31 Aug 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>Staff costs comprised (UK and Lesotho):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>633</td>
<td>592</td>
</tr>
<tr>
<td>Social security</td>
<td>41</td>
<td>48</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>711</td>
<td>678</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£120,001 – 130,000</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

7. Taxation

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

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

The earnings of the four remunerated key management personnel as described in the Trustees’ report, including employer’s pension contributions, was £255,219 (2015: three remunerated employees, £201,792).

Trustees
No trustees were paid any remuneration or received any benefits from the charity in the year. In the year four Trustees were reimbursed travel expenses of £2,815 (2015: £7,466). Indemnity insurance including cover for the Trustees was provided in the period at a cost of £2,442 (2015: £2,096).
8. Comparative information

Statement of financial activities for the year ended 31st August 2015

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
<th>31 Aug 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programmes</td>
<td>Mamohato</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Children’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from:</td>
<td></td>
<td>Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>1,161</td>
<td>-</td>
<td></td>
<td>1,161</td>
</tr>
<tr>
<td>Donations and legacies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General donations</td>
<td>39</td>
<td>13</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Corporate donors</td>
<td>882</td>
<td>216</td>
<td>-</td>
<td>1,098</td>
</tr>
<tr>
<td>Trusts &amp; Foundations</td>
<td>33</td>
<td>480</td>
<td>6</td>
<td>519</td>
</tr>
<tr>
<td>Gifts in kind</td>
<td>147</td>
<td>320</td>
<td>83</td>
<td>550</td>
</tr>
<tr>
<td></td>
<td>1,101</td>
<td>1,029</td>
<td>89</td>
<td>2,219</td>
</tr>
<tr>
<td>Other income</td>
<td>49</td>
<td>3</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Total income</td>
<td>2,311</td>
<td>1,032</td>
<td>89</td>
<td>3,432</td>
</tr>
<tr>
<td>Expenditure on:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td>588</td>
<td>-</td>
<td>-</td>
<td>588</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Mamohato Children’s Centre</td>
<td>5</td>
<td>-</td>
<td>379</td>
<td>384</td>
</tr>
<tr>
<td>HIV / AIDS</td>
<td>407</td>
<td>343</td>
<td>-</td>
<td>750</td>
</tr>
<tr>
<td>Community Care</td>
<td>419</td>
<td>203</td>
<td>-</td>
<td>622</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>493</td>
<td>442</td>
<td>-</td>
<td>931</td>
</tr>
<tr>
<td>Total charitable activities</td>
<td>1,320</td>
<td>988</td>
<td>379</td>
<td>2,687</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>1,908</td>
<td>988</td>
<td>379</td>
<td>3,275</td>
</tr>
<tr>
<td>Surplus/(deficit) of income over expenditure</td>
<td>403</td>
<td>44</td>
<td>(290)</td>
<td>157</td>
</tr>
<tr>
<td>Transfers between funds</td>
<td>(296)</td>
<td>(16)</td>
<td>304</td>
<td>-</td>
</tr>
<tr>
<td>Net movement in funds</td>
<td>117</td>
<td>26</td>
<td>14</td>
<td>157</td>
</tr>
<tr>
<td>Reconciliation of funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total funds brought forward at 1 September 2014</td>
<td>512</td>
<td>329</td>
<td>1,846</td>
<td>2,687</td>
</tr>
<tr>
<td>Total funds carried forward at 31 August 2015</td>
<td>629</td>
<td>355</td>
<td>1,860</td>
<td>2,844</td>
</tr>
</tbody>
</table>

9. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Property, Land &amp; Buildings</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>
<td>£000</td>
</tr>
<tr>
<td>Cost or Valuation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 31 August 2015</td>
<td>1,789</td>
<td>55</td>
<td>142</td>
<td>1,986</td>
</tr>
<tr>
<td>Additions</td>
<td>298</td>
<td>15</td>
<td>31</td>
<td>344</td>
</tr>
<tr>
<td>Foreign exchange movement</td>
<td>129</td>
<td>4</td>
<td>6</td>
<td>139</td>
</tr>
<tr>
<td>Balance carried forward 31 August 2016</td>
<td>2,216</td>
<td>74</td>
<td>179</td>
<td>2,469</td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 31 August 2015</td>
<td>-</td>
<td>23</td>
<td>89</td>
<td>112</td>
</tr>
<tr>
<td>Foreign exchange movement</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>332</td>
<td>7</td>
<td>21</td>
<td>360</td>
</tr>
<tr>
<td>Balance carried forward 31 August 2016</td>
<td>332</td>
<td>32</td>
<td>112</td>
<td>476</td>
</tr>
<tr>
<td>Net book value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance brought forward 31 August 2015</td>
<td>1,789</td>
<td>32</td>
<td>53</td>
<td>1,874</td>
</tr>
<tr>
<td>Balance carried forward 31 August 2016</td>
<td>1,884</td>
<td>42</td>
<td>67</td>
<td>1,993</td>
</tr>
</tbody>
</table>

Property, Land and Buildings represents the ‘Mamohato Children’s Centre. This was shown as an asset under construction in 2015 and was brought into use in November 2015.
### 10. Debtors

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 2016</th>
<th>31 Aug 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations receivable</td>
<td>-</td>
<td>728</td>
</tr>
<tr>
<td>Other debtors</td>
<td>184</td>
<td>99</td>
</tr>
<tr>
<td>Prepayments</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>220</strong></td>
<td><strong>843</strong></td>
</tr>
</tbody>
</table>

### 11. Creditors

<table>
<thead>
<tr>
<th></th>
<th>31 Aug 2016</th>
<th>31 Aug 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments to partners</td>
<td>172</td>
<td>175</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>Other creditors</td>
<td>29</td>
<td>23</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>240</td>
<td>159</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>468</strong></td>
<td><strong>358</strong></td>
</tr>
</tbody>
</table>

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

### 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 2016.

### 13. Unrestricted funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 2015</th>
<th>Income</th>
<th>Expenditure</th>
<th>Transfer between funds</th>
<th>Balance 31 Aug 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General funds</td>
<td>629</td>
<td>3,667</td>
<td>3,342</td>
<td>(318)</td>
<td>636</td>
</tr>
<tr>
<td>Designated funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mamohato Children's Centre</td>
<td>-</td>
<td>20</td>
<td>314</td>
<td>2,178</td>
<td>1,884</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>629</td>
<td>3,687</td>
<td>3,656</td>
<td>1,860</td>
<td>2,520</td>
</tr>
</tbody>
</table>

General funds represent all unrestricted income received and are used to undertake the work of the charity. The ‘Mamohato Children’s Centre was brought into use in November 2015, with the building project completed on budget. All funds raised to support the build were utilised and the restriction over them has been discharged. The book value of the completed building is shown as a designated fund in these financial statements. The transfers between funds on completion of the project reflected the application of the restricted income as intended and accounting adjustments relating to exchange movements and allocated support costs over the life of the building project.

### 14. Restricted funds: Programmes

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 Sept 2015</th>
<th>Income</th>
<th>Expenditure</th>
<th>Transfer between funds</th>
<th>Balance 31 Aug 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>165</td>
<td>344</td>
<td>303</td>
<td>-</td>
<td>206</td>
</tr>
<tr>
<td>Community Care</td>
<td>162</td>
<td>87</td>
<td>45</td>
<td>-</td>
<td>204</td>
</tr>
<tr>
<td>Education, training and leadership</td>
<td>28</td>
<td>243</td>
<td>267</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Mamohato Children’s Centre</td>
<td>1,860</td>
<td>-</td>
<td>-</td>
<td>(1,860)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td><strong>2,215</strong></td>
<td><strong>674</strong></td>
<td><strong>615</strong></td>
<td><strong>(1,860)</strong></td>
<td><strong>414</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General</td>
<td>Mamohato</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Children's</td>
<td>Centre</td>
<td></td>
</tr>
<tr>
<td>Programs</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>103</td>
<td>1,894</td>
<td>1,993</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>220</td>
<td>-</td>
<td>220</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>603</td>
<td>-</td>
<td>586</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(296)</td>
<td>-</td>
<td>(172)</td>
</tr>
<tr>
<td>Net current assets</td>
<td>527</td>
<td>-</td>
<td>414</td>
</tr>
<tr>
<td>Net assets</td>
<td>636</td>
<td>1,894</td>
<td>414</td>
</tr>
</tbody>
</table>

16. 'Mamohato Children's Centre commitments

At 31 August 2016 the charity had the following capital commitments:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised and contracted for</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Authorised and not contracted for</td>
<td>-</td>
<td>270</td>
</tr>
</tbody>
</table>

17. Operating lease commitments

At 31 August 2016 the total of the charity's future minimum lease payments under non-cancellable operating leases was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due in one year</td>
<td>78</td>
<td>75</td>
</tr>
<tr>
<td>Amounts due between two and five years</td>
<td>105</td>
<td>183</td>
</tr>
<tr>
<td>Total</td>
<td>183</td>
<td>258</td>
</tr>
</tbody>
</table>