

THE BEACON EQUITY TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report. The financial statements of the charity for the year ended 31 March 2013 are available on the Companies House website at www.companieshouse.gov.uk. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06952392 (England and Wales)

Registered Charity number

1132994

Registered office

Sandells House
Cliftons Lane
Reigate
Surrey
RH2 9RA

Trustees

A Sood
Mrs A M Sood
C J Sood

Company Secretary

A Sood

Independent examiner

John Williams and Co
Chartered Accountants
Chart House
2 Effingham Road
Reigate
Surrey
RH2 7JN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, as defined by the Companies Act 2006, incorporated on 9 November 2009, and registered as a charity on 26 November 2009. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Trustees

There are two active Trustees - Ajay Sood and Antonia Sood. A third Trustee, Chetan Sood, is a passive Trustee and is aware of his duties and obligations as a Trustee. The Trustee appointments are representative of the Sood family funding source, and as new sources are identified the Trustee structure is expected to change to introduce non-related parties.

Traditional business, legal and management skills are represented in the current Trustees, as well as past experience of work in the third world aid sector focusing on Sub-Saharan Africa. The Trustees also visit Kenya once a year to maintain contact with local developments, market the charity, and meet scholars and Heads of schools.

Risk management

Given the risk of corruption in developing countries, all disbursements are managed directly by a Trustee in the United Kingdom. Accounts are filed at Companies House following preparation and review by UK chartered accountants.

Parental submissions to prove financial need are extensive and require tax and payroll records for validation. Our financial disclosure process ensures, as rigorously as possible, that fraud and misrepresentation risks are minimised.

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OBJECTIVES AND ACTIVITIES

Purposes and aims

Our charity's main purpose as set out in the objects contained in the company's Memorandum of Association, is to promote the education of people under the age of 25 through scholarships and grants anywhere in the world.

The aim is to provide access to local world-class schools and international universities for especially talented and gifted children who in the future will have the confidence and ability to become leaders in their chosen fields in their home country; such an education would otherwise be significantly beyond their parents' means.

Strategies to deliver our aims

We have partnered with three Preparatory Schools and two Secondary Schools across Kenya, all of which are private and fee-paying. These are the top British Curriculum schools in Kenya. We have focused on British Curriculum Schools because they are highly sought-after by many parents in Kenya. Their emphasis on intellectual stimulation/inquiry and on all-roundedness are features that are seen as crucial to the development of the leadership skills which Kenya so desperately needs; parents say that, in contrast, the Kenyan curriculum is very dense with a huge volume of learning to be covered, which means that much of the teaching is based on rote learning, and may not encourage these thinking and leadership skills.

1. The Model

Over four years we have worked with local educators and developed a scholarship funding model with our partner schools whereby school fees for children with leadership potential are split three ways: 1/3 school, 1/3 parents, 1/3 BET.

2. Assessment

Scholarship awards are made on the strength of many factors including academic performance, achievement in sport, music or drama, social influence and communication, and citizenship. Applicants are rigorously assessed by a trained educator against these 'leadership criteria'. Parents are means-tested to ensure financial need. Applicants must re-apply every year for continuation of their scholarship.

3. Mentoring

Partner schools are expected to provide a mentor for each scholar and report on that scholar's progress against targets set in each of the leadership criteria. Reports are sent to Trustees for their review every school term.

Historical timeline

- 2009 – BET charity founded; 5 partner schools signed; initial two scholarships awarded
- 2010 – consultant (local educator) joins as local representative and introduces standardised assessment tools; improved application procedures and new financial disclosure tool built; three new scholarship awards, now a total of five scholars
- 2011 – eight scholars in total + 2 scholars sponsored in state schools; website www.beaconscholarship.com built
- 2012 – ten scholars in total; exploratory discussions begin for tertiary component

Development plan

Our analysis shows that given current annual funding we can sustain a total of around 15 scholars in 5 schools. We have therefore limited the number of new scholarships awarded each year to two.

In order to vertically build our educational platform we have embarked on a review of tertiary educational options for scholars. Visits to Kenyan universities and discussions with local educators have convinced us that the way to fulfil our aims of the best quality education for future leaders is to look outside Kenya. We have therefore entered into discussions with 6 leading UK universities for an undergraduate scholarship, with a funding model similar to the one in place for schools.

Finally, because our intention is to build leadership at a local level, we embarked on a roadshow to several major organisations in Kenya to test the possibility of two-year paid internships for scholars following their undergraduate degree. Four companies including Coca-Cola, BAT Industries, Equity Bank and Co-op Bank gave BET positive expressions of interest.

Public Benefit

The aim is that eventually a Beacon Scholar will make a real difference to their country's development by attaining a significant leadership position, from which they can positively impact the lives of many others. We aim for a multiplier effect: rather than investing in educating thousands, we educate a handful of exceptional children with real leadership potential who will, in turn, influence thousands through their actions. It is our belief that a high quality education for gifted and talented children whose parents are financially needy will enable the realisation of this vision.

FINANCIAL REVIEW

Cost management

We have continued to contain our costs, and ensured that the major part of our funds is spent on the education of scholars. Trustees donate their time, and our administrative costs are limited to consultancy fees for our representative in Kenya, and financial advice. As the number of scholars grows and development into tertiary materialises, it is our expectation that administrative costs should fall to no more than 15% of total expenditure.

Funding sources and their stability

The source of funds continues to be a single annual private donation from the Sood family, and in the future we will seek to diversify our funding sources. This single source of donor funding which is under our sole control will continue into the foreseeable future, and we will look to broaden from this base.

Reserves policy

A financial review has been commissioned with a view to implementing a policy of reserving funds for future liabilities, i.e. the continuation of scholarships for their natural length. The reserve is being calculated on the basis of continuation of each current scholar's award until the end of their education at their current school stage.

ON BEHALF OF THE BOARD



A Sood Trustee

11 December 2013

Date