

THE BEACON EQUITY TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2015

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 2015 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 principal Trustees - Ajay Sood and Antonia Sood. A third Trustee, Chetan Sood, 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 up to twice a year to maintain contact with local developments, market the charity, and meet scholars and Heads of Beacon School Partners.

Risk management

Given the risk of corruption in developing countries, all disbursements are managed directly in the United Kingdom and overseen by a Trustee. 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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FOR THE YEAR ENDED 31 MARCH 2015

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

Following the development plan to vertically build our educational platform we have this year implemented Partnership Agreements for tertiary education with 2 top international universities. As a result we are now offering a Beacon Scholarship for Schools, and a Beacon Scholarship for University.

(a) The Beacon Scholarship for Schools

Building on our partnership presence with three Preparatory Schools and two Secondary Schools we have signed Partnership Agreements with 4 new Secondary Schools: Brookhouse Secondary School, Greensteds International Secondary School, Hillcrest Secondary School, and International School of Kenya, so that we now have partnerships with 9 Beacon Schools. These are the top British Curriculum/IB schools in Kenya. The essential structure we operate is as follows:

1. The Model

School fees for children with leadership potential are split three ways: 1/3 Beacon School, 1/3 Parents, 1/3 The Beacon Equity Trust (BET). Parents are means-tested to ensure financial need. Applications from families with Gross Household Income outside Ksh 2-8m are discouraged. Applicants must re-apply every year for continuation.

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 and monitored by a trained educator against these 'leadership criteria'.

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.

This year we awarded 3 Beacon Scholarships for Schools, one each for scholars entering Brookhouse Secondary, St. Andrew's Turi Senior School, and International School of Kenya. The standard of the applicants was very high. One Scholar withdrew out of the programme (his parental financial situation improved considerably by virtue of fully-funded education support from an employer).

(b) The Beacon Scholarship for University

Partnership Agreements have been reached with Cambridge University and The London School of Economics and Political Science to offer a Beacon Scholarship towards a 3-4 year undergraduate degree every year, starting in September 2015, to a Kenyan student aged 18-21 with leadership potential. The operating structure is along similar lines to that of The Beacon Scholarship for Schools.

1. The Model

The scholarship covers tuition fees, living costs and one return economy airfare a year. Costs are shared three ways: 1/3 Beacon Partners, 1/3 Parents, 1/3 The Beacon Equity Trust (BET). Parents are means-tested to ensure financial need. Applications from families with Gross Household Income outside Ksh 2-10m are discouraged. Applicants must re-apply every year for continuation.

2. Assessment

Applicants must first obtain an offer from the university of their choice and then apply for a Beacon Scholarship for University. 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 against these 'leadership criteria'.

3. Mentoring

Mentoring is undertaken in the UK, initially by the Trustees personally. Target reporting against leadership criteria will work in the same way as with the Schools Scholarship above.

4. Condition

Successful applicants are required to sign an undertaking to return to Kenya within one month of degree completion and to remain in Kenya for at least one year.

This year we awarded one Beacon Scholarship for University, to Trinity College Cambridge. The outstanding candidate was Head Girl at Beacon School Greenstedts International, achieved five 'A- Levels' with extremely high grades (4A* 1A) and will begin her studies towards an MEng in October 2015. We also signed a new Donor-sponsor for the University Scholarship – Nairobi International School.

(c) Operational Capacity

In response to continued growth, we added a UK Co-ordinator (part-time) to our operational infrastructure. The position has been filled by a candidate who has worked in administration and compliance, latterly in a London-based fund management company. Duties for this post are being fulfilled in a voluntary capacity.

Our Kenya Representative (part-time) resigned from her post in order to pursue fuller time business interests. We were fortunate to be able to quickly recruit a highly qualified replacement who has been an active educationalist for the last fifteen years, and is currently working on a project to improve the quality of Early Grade Literacy across Kenya.

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 built;
- 2012 – ten scholars in total; exploratory discussions begin for tertiary component;
- 2013 – eleven scholars in total; first Beacon Scholar, Natasha Khanyola (2009), gains admission to University of Manchester to study Engineering; Beacon Scholarship for University launched.
- 2014 – fourteen scholars in total; 4 additional partner senior schools signed; first Beacon Scholar for University starts at Trinity College, Cambridge. New UK Co-ordinator and Kenya Beacon Rep

Development plan

In the longer term it is our intention to expand the number of International Universities and the range of Partner Beacon Schools, particularly secondary. We will be looking for external donors to help us achieve this aim.

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 and the UK Co-ordinator 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 continues, it is our expectation that administrative costs should fall to less than 15% of total expenditure.

Funding sources and their stability

The source of funds continues to be primarily a single annual private donation from the Sood family, and in the future we will seek to diversify our funding sources. This principal source of donor funding will continue into the foreseeable future, but we will look to broaden from this base by seeking additional external donors.

Hardship Fund

The Hardship Fund reached its minimum level of £20,000 this year through public donations. To date there have not been any calls on funds due to financial distress of parents. Uses for donations to the Hardship Fund are strictly governed by a Constitution.

Reserves policy

We have a policy of reserving funds for future liabilities, i.e. the continuation of scholarships for their natural length. The reserve is calculated on the basis of continuation of each present Beacon Scholar's award until the end of their education at their current school stage.

ON BEHALF OF THE BOARD



A Sood Trustee

04.12.2015

Date