

## **THE BEACON EQUITY TRUST**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 MARCH 2016**

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 2016 are available on the Companies House website at [www.companieshouse.gov.uk](http://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 regularly 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.

## **THE BEACON EQUITY TRUST**

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### **FOR THE YEAR ENDED 31 MARCH 2016**

### **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 develop leadership potential in young people and 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 continue to build our educational platform, we have this year expanded the schools programme by implementing Partnership Agreements with 2 top, local education system (8-4-4) secondary schools – Starehe Boys’ Centre and Alliance Boys High School. As a result we are now offering a Beacon Scholarship for Schools at 11 schools in Kenya, and a Beacon Scholarship for University at two world class universities.

#### **(a) The Beacon Scholarship for Schools**

The essential structure we operate for the Schools Scholarship 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 2 Beacon Scholarships for Schools, one at Greensteds International Secondary School, and one at St. Andrew’s Turi Prep School.

#### **(b) The Beacon Scholarship for University**

The operating structure for The Beacon Scholarship at University is similar 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 works 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 new Beacon Scholarship for University, to The London School of Economics. The outstanding candidate achieved five 'A- Levels' with extremely high grades (4A\* 1A) and will begin his studies towards a BSc in Actuarial Science in September 2016. Our Cambridge Scholar who is currently studying Engineering and is at Trinity College achieved a First in her first undergraduate year, and became a 'Junior Scholar' at Trinity.

**(c) Leadership Development**

We considerably upgraded our Leadership Trainings this year, and introduced some new initiatives as well as developing a formal structure for Leadership Workshops (now held every February, April, and August).

In **February** we focus on Personal Leadership Skills Development. We commissioned an expert in youth development to produce a training template for a one-day 'Public Speaking' Workshop. This ran very successfully, and we have now commissioned 4 additional templates to be run in rotational sequence every February. The templates under development are: Emotional Intelligence; Negotiation Skills; Creativity & Lateral Thinking; and Self-management & Motivation.

We also engaged an expert in youth teambuilding skills in youth to run a Teamwork Workshop in **April** focused on 'Creating a Team & Leadership'. The workshop is based on structured outdoor activities and is run at a Wilderness Camp near Nairobi. This also proved highly successful, and together with the expert supplier we have developed a four-part Workshop strategy focused on Teamwork to run in rotational sequence in April each year. The themes will be: Creating a Team & Leadership; Building a Team; Improving Team Performance; and Empowering a Team.

Finally, as part of their leadership development, Scholars are required to undertake a service-led 'Citizenship Project' in the community. This could range from working in a children's home to educating young people about clean water. Scholar projects are then presented at a Leadership Symposium at the end of **August**. The intention of the Citizenship Projects is for Beacon Scholars to develop an understanding of ethical leadership through direct involvement in a service project. At the Symposium, a Community Leader is invited to make a Keynote Speech followed by individual Citizenship Project Presentations by each Beacon Scholar. This initiative proved very successful and will be carried forward every year in the summer.

**(d) Operational Capacity**

Our new Kenya Representative (part-time) was unfortunately called away due to the premature birth of her son during our prime scholar recruitment season in February, placing direct 'hands-on' operational responsibility on

Trustees. Fortunately we were able to quickly recruit a highly qualified replacement who has a Doctorate in Education from Cambridge.

### **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 at Trinity College, Cambridge. New UK Co-ordinator and Kenya Beacon Rep
- 2015 – seventeen scholars in total; two additional local education system secondary schools signed; first Beacon Scholar at LSE; new 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 also intend to expand into neighbouring countries in sub-Saharan Africa. 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 – as a 'change-maker'. 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, running Leadership Workshops, 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. This year there were several calls for funds for parents in financial distress (total used: £1,538), which enabled Scholars to continue their education uninterrupted. 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.

Approved by order of the board of trustees on 14 December 2016 and signed on its behalf by:



A Sood Trustee