

THE BEACON EQUITY TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2017

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 2017 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.

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 East Africa 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.

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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 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

Continuing to follow the development plan, we have this year started the process of building a platform for expanding both the schools and university programme. We commissioned research to validate our strategies and interventions from a PhD student at Johns Hopkins University. He constructed a clear framework called a Theory

of Change for our programme, validated our interventions, and delivered some key findings on 'Youth Leadership Development' to help guide our further development.

(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 Partner 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 US\$ 20-80k 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 one new Beacon Scholarship for Schools, at Brookhouse Secondary School. Although we had a shortlist of 6 candidates for the scholarship, following our assessment process only one candidate qualified against our leadership criteria. Two existing Beacon Scholars gained either full or near full school-funded scholarships to continue their secondary education at private schools in the UK. The UK schools have agreed to implement Beacon mentoring and monitoring processes.

(b) The Beacon Scholarship for University

The operating structure for The Beacon Scholarship at University is similar to that for 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 Partner Universities, 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 US\$20-100k 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 their home country within one month of degree completion and to remain in their home country for at least one year.

This year we awarded one new Beacon Scholarship for University, to Trinity College, Cambridge. The outstanding candidate achieved five 'A- Levels' with extremely high grades (4A* 1A) and will begin her studies towards a BSc in Engineering in September 2017. Our Cambridge Scholar who is currently studying Engineering and is also at Trinity College achieved a First in both her first two undergraduate years, and became a 'Senior Scholar' at Trinity. Our Scholar at London School of Economics also achieved a First in his first undergraduate year of study towards a degree in Actuarial Science.

(c) Leadership Development

We have developed a formal structure for Leadership Workshops (held every February, April, and August).

In **February** we focus on Personal Leadership Skills Development. We have commissioned 5 templates to be delivered in rotational sequence every February: Public Speaking; Emotional Intelligence; Negotiation Skills; Creativity & Lateral Thinking; and Self-management & Motivation.

In **April** we run a Teambuilding Workshop with an expert third party supplier on one of four themes: Creating a Team & Leadership; Building a Team; Improving Team Performance; and Empowering a Team. The workshop is based on structured outdoor activities and is run at a Wilderness Camp near Nairobi. We also invite short-listed candidates to the Workshop, and observe their performance as part of the candidate recruitment process.

In **July and August**, 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.

(d) Operational Capacity

Our Kenya Representative (part-time), who has a Doctorate in Education from Cambridge, was inducted into the programme this year and proved to be a very good addition to the team.

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
- 2016 – nineteen scholars in total; second Scholar at Cambridge; two Beacon Scholars in UK private schools

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.

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

This year there were some calls for funds for parents in financial distress (total used: £3,593, of which £3,383 was repaid, and £210 written off) 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 31 October 2 017 and signed on its behalf by:



A Sood Trustee