

THE BEACON EQUITY TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2018

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 July 2018 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.

We have also this year put in place a Safeguarding Policy, which all staff, contractors and non-school Mentors have to read and sign.

THE BEACON EQUITY TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 JULY 2018

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 to further expand both the schools and university programme.

(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 above US\$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 six new Beacon Scholarship for Schools, two in Kenya and four in Tanzania. The shortlist for candidates was the strongest ever, and we had to be selective among some very good prospects. One Beacon Scholar at school-level obtained a fully funded scholarship to Princeton University (with no further Beacon involvement). We signed two partner schools in Uganda, expanding the list of top schools in the region to 12. After many issues with our two local 8-4-4 system schools in Kenya, we decided to exit the 8-4-4 programme.

(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 contributes towards 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 above US100k 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

Target reporting against leadership criteria works in the same way as with the Schools Scholarship above. Mentoring is undertaken in the UK, initially by the Trustees personally, but as numbers of Scholars grow this year we have started to put in place an 'Away Country Mentor' scheme for UK university Scholars, to complement the 'Home Country Mentor' scheme. Each Beacon Scholar for University is paired with an Away and a Home Country Mentor, for pastoral care and access to local and away country networks.

4. Condition

Successful applicants are required to sign an undertaking to return to their home country within one month of degree completion (unless otherwise agreed with BET) and to remain in their home country for at least one year.

This year we awarded five new Beacon Scholarships for University, one to each of our University Partners. The new Scholars will be studying Aerospace Engineering, Neuroscience, Mathematics & Economics, Law, and Social Policy. All achieved outstanding 'A-Level' results. One new Scholar graduated from our Schools Programme; she has been a Beacon Schools Scholar for 5 years. Our senior LSE Scholar studying Actuarial Science obtained a First in his second year (following a First in his first year) and secured a summer internship in a Kenyan Insurance firm. Our senior Cambridge Scholar obtained a summer internship at management consultants McKinsey & Co, which then turned into a full-time job offer following her graduation in summer 2019.

(c) Leadership Development

Our Leadership Workshops (held every February, April, and August) were smooth-running and well attended.

In **February** we focus on Personal Leadership Skills Development. For the first time this year we held workshops in both Nairobi (for Schools Scholars) and in London (for University Scholars).

In **April**, when we run a Teambuilding Workshop with an expert third party supplier, we had a record number of 40 participants, because we invited shortlisted candidates to join Beacon Scholars on the day. The Teambuilding Workshop also therefore serves as an Assessment Centre for new scholarship candidates, and their performance is evaluated against that of existing Scholars.

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. This year, we had a very focused series of presentations because of the larger number of Scholars doing summer projects. All presentations are filmed, and a video of each Scholar's presentation appears on the Scholars tab of the website.

(d) Operational Capacity

This year we recruited a new Kenya Representative, and promoted the incumbent to a new role: 'Regional Coordinator' to oversee and implement our rollout into Tanzania and Uganda. The new Kenya Representative is

the ex-Headmistress of Kibera Girls School, and is highly experienced in dealing with youth. We also recruited as a Projects Consultant a Kenyan with a Master's in Education from Oxford; his role has been to improve and enhance existing processes, as well as develop strategies for university expansion and further country rollouts.

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 (8-4-4) 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
- 2017 – twenty-six scholars in total; 8 University Scholars including 5 new university Scholars; 6 new Schools Scholars, including one each into 4 new Beacon Partner Schools in Tanzania.

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 representatives 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. This year operating costs have risen due to consultant costs for expansion planning.

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 from 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 July 2018 and signed on its behalf by:



A Sood Trustee