

## **THE BEACON EQUITY TRUST**

### **REPORT OF THE TRUSTEES**

#### **FOR THE YEAR ENDED 31 JULY 2019**

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 2019 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.

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.

Also in place are:

1. Safeguarding Policy, which all staff, contractors and non-school Mentors have to read and sign.
2. Privacy Policy complying with the EU General Data Protection Regulation (GDPR).
3. Pay Policy for Independent Contractors and Consultants.

## **THE BEACON EQUITY TRUST**

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### **FOR THE YEAR ENDED 31 JULY 2019**

### **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 seven new Beacon Scholarship for Schools, five in Kenya and two in Tanzania. The shortlist for candidates was again very strong, and we had to be selective among some very good prospects. Two of our younger Scholars from the previously exited Prep School programme gained Beacon Scholarships to Partner Beacon Secondary Schools on merit.

#### **(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 signed a new University partner – Imperial College London – bringing our UK Partner Universities to six. We awarded five new Beacon Scholarships for University, one to each of Cardiff, Surrey, and Imperial, and two to Bristol. For the first time we awarded University Scholarships to candidates from outside Kenya; awards were made to two Scholars from Uganda. The new Scholars will be studying Medical Biosciences, Civil Engineering, Education, and Law. All achieved outstanding 'A-Level' results. Two of our University Scholars graduated this year: our senior Cambridge Scholar graduated from Trinity College with an MEng (Distinction) and joined McKinsey & Company in London; our LSE Scholar studying Actuarial Science obtained a First overall and secured an internship at UAP (Old Mutual) in Nairobi.

**(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. We held workshops in Nairobi and Arusha (for Schools Scholars) and in London (for University Scholars).

In **April**, we run a Teambuilding Workshop with an expert third party supplier. We had 40 participants, including shortlisted candidates who joined 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 UK Beacon Representative, a Kenyan now resident in the UK with experience in UK university administration. We also recruited a UK Transitions Mentor to help university Scholars transition into UK universities and to guide them on future employability.

#### **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.
- 2018 – thirty-one scholars in total; 11 University Scholars including 5 new, of which 2 from Uganda; 20 Schools Scholars, including 7 new of which 5 from Kenya and 2 from 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 and the UK, 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. We have this year managed to contain operating costs due to enhanced workflow and cashflow planning and closer expense management (we introduced a Pay Policy for Independent Contractors and Consultants).

**Funding sources and their stability**

The source of funds continues to be primarily a single annual private donation from the Sood family and associated entities, 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: £5,313.32, of which £4,105.93 is due to be repaid in 2019/20, and £1,207.39 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 2019 and signed on its behalf by:



A Sood Trustee