

SENTEBALE
REPORT & ACCOUNTS
YEAR ENDED 31 AUGUST 2019

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FOUNDING PATRONS' FOREWORD

In the 13 years since Sentebale was founded the organisation has gone from strength to strength. We are very proud of all that has been achieved. From small beginnings, the organisation is now firmly established in Lesotho – with a strong base at the unique 'Mamohato Centre – and has a growing presence in Botswana.

Our flagship clubs and camps programme reaches some of the most remote communities in Southern Africa, providing essential life skills and psycho-social support to children living with HIV. It is delivered in a fun, friendly and safe environment ensuring children gain the knowledge to lead long, healthy and productive lives.

Recent years have seen huge strides forward in the treatment of HIV, with mass provision of anti-retrovirals saving millions of lives. In addition the prevention of mother to child transmission has led to a dramatic and welcome drop in the number of children living with HIV. So there is real positive change, but nonetheless Lesotho and Botswana remain two of the countries worst affected by HIV in the world. Now is the time to redouble our efforts to end the scourge of HIV and to support a generation of children and young people who have been so terribly affected.

Sentebale has continued to support a wide range of programmes that tackle both the symptoms and the root causes of HIV/AIDS. These programmes range from offering basic care to vulnerable children, through community based partners, to helping secondary students remain in school with bursaries. Sentebale is supporting young people to be empowered and have a voice through the Let Youth Lead programme, and is helping young women improve their livelihoods through the WORTH micro-banking programme.

Personally we remain committed to playing an active role in the life of Sentebale and to supporting its work long into the future. In August, Prince Seeiso joined the second Let Youth Lead Summit in Gaborone, Botswana – it was inspiring to hear how much Sentebale is supporting this incredible network of youth leaders. In September Prince Harry visited Kasane, Botswana and heard first-hand from young people the difference that the clubs and camps were making in their lives.

Last summer we came together for the Sentebale Hampton Court Palace Concert where UK and Lesotho artists shared the stage to raise awareness, and Let Youth Lead advocates spoke passionately and movingly on the importance of breaking the stigma of HIV. We will continue to speak out nationally and globally to ensure the scourge of HIV is not a forgotten epidemic.

Sentebale means 'Forget me not' in Sesotho – and your continued support ensures that the true vision of the charity to remember vulnerable young people is brought to life. We are so grateful.

Thank you,

Prince Harry and Prince Seeiso

MESSAGE FROM OUR CHAIRMAN

Last year witnessed the further growth and development of Sentebale with strong fundraising, matching the previous year. We have been able to build a broad funding base – with support from individuals, foundations, companies and institutional donors.

We continued our 'Sentebale Nights' programme of events and, in January, Cirque du Soleil premiered Totem at the Royal Albert Hall in the presence of Duke and Duchess of Sussex. In June, Rita Ora headlined our Sentebale Audi Concert at Hampton Court Palace, which was a celebration of both Western and African music and culture. In May another successful ISPS Handa Polo Cup was held in Rome with Prince Harry and Sentebale Ambassador Nacho Figueras taking to the field.

In February 2019, Cathy Ferrier stepped down as CEO after seven very successful years and we welcomed Richard Miller as the new CEO and Graham Leigh as COO. We wish them well leading the charity forward and believe Sentebale has a strong future.

I would like to thank the team in Lesotho, Botswana and London for all their hard work and commitment to our vision. The Board of Trustees has again given strong support and wise guidance to the Charity and we are fortunate to be able to draw on their wide-ranging skills and experience.

Please do take time to read the report which highlights our achievements over the year. I want to thank all our generous supporters – without you we couldn't have made such a difference in the lives of so many vulnerable children and young people.

Johnny Hornby

MESSAGE FROM OUR CEO

I joined Sentebale in May 2019 as its new CEO and it is a privilege to lead such a well-respected charity. I have worked in community-based development in Southern Africa over many years, so I know the vital role Sentebale plays supporting some of the poorest communities. Sentebale – both on the ground and in speaking out and sharing its experience globally – makes a unique contribution to the worldwide fight against HIV.

Shortly after starting as CEO I visited our work in Lesotho. One Saturday morning I traveled out of Maseru to visit a local health clinic where a Sentebale club was being held for children living with HIV. It was heart-warming to meet some of the children who are benefitting from the love, support and care of the Sentebale team.

I was also inspired to meet so many young leaders at our Let Youth Lead Summit in Gaborone last August. These young people are challenging stigma and discrimination and their voices are being heard across Botswana through their weekly programme on Radio Duma FM and their own social media channels.

It is important, given the changes in the world and the region we work, to look to the future and consider how best Sentebale should evolve. We need to review lessons from our work over the years and listen to young people's views on what we do best and what type of support would be most valuable in the future. This process will lead to the development of a new strategy, ensuring we remain relevant, fit for purpose and best placed to achieve the greatest impact.

Thank you for your warm welcome during my first few months. I know I can count on so many committed and engaged supporters and a highly motivated staff team. I look forward to Sentebale achieving even more in the years ahead.

Richard Miller

THE HIV LANDSCAPE

UNAIDS 2020 Fast Track Targets

- ◆ 90% of people living with HIV know their status;
- ◆ 90% of people living with HIV who know their status are receiving treatment;
- ◆ 90% of people on treatment have suppressed viral loads.

Globally, 1.6 million adolescents (10-19) are living with HIV. Huge global progress has been made in tackling the epidemic but, whilst AIDS-related deaths have been halved since 2000, HIV deaths amongst adolescents are rising. In sub-Saharan Africa, four out of five new HIV infections among 10 – 19 year olds are among girls. Since 2010, the number of children (0–14) acquiring HIV has been reduced by 49% in Lesotho, and over 70% in Botswana (Source: UNICEF 2018 and UNAIDS 2019).

In Botswana

- ◆ Less than 500 children aged 0-14 were newly infected by HIV in 2018.
- ◆ Over 95% of pregnant women living with HIV are receiving antiretroviral medicine
- ◆ 38% of children aged 0-14 living with HIV are receiving antiretroviral therapy.

In Lesotho

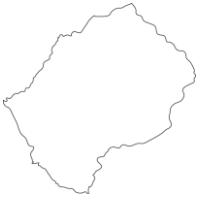
- ◆ 1,300 children aged 0-14 were newly infected by HIV in 2018.
- ◆ 77% of pregnant women living with HIV are receiving antiretroviral medicine.
- ◆ 70% of children aged 0-14 living with HIV are receiving antiretroviral therapy.

“Every week 6,200 adolescent girls and young women acquire HIV. Despite progress in HIV prevention for adolescent girls and young women, we are leaving too many of them behind, especially those who face intersecting forms of stigma, discrimination and inequality. They face high risks of acquiring HIV and STIs, unwanted pregnancies, unsafe abortions, and being subjected to gender-based violence and harmful practices. Only by putting communities at the centre of our efforts, and investing in community-led, women-led and youth-led responses will we be able to deliver a better world for today's younger generations, and those to come.”

- Winnie Byanyima, UNAIDS Executive Director, 2019

YEAR IN NUMBERS

In LESOTHO



11 years of delivery of interventions supporting children and adolescents living with HIV together with their caregivers

101 monthly clubs running

1,152 children attended camps

97 Peer Educators facilitated social behaviour change communication sessions to adolescents in their communities and encouraged them to test for HIV

36,348 out-of-school youth reached by Comprehensive Sex Education curriculum

468,915 condoms distributed

In BOTSWANA



47 monthly clubs reaching 1,258 adolescents

70 young leaders (15 – 24 years old) brought together during Let Youth Lead HIV Summit in Gaborone

2,000 students in five schools reached through a peer education outreach activity led by youth advocates

12 weeks of 'Radio Positive' under a partnership with Botswana's leading private radio station, Duma FM

OUR VISION AND STRATEGY

The Duke of Sussex first visited Lesotho during his gap year in 2004. He fell in love with the beauty of the 'Mountain Kingdom' but was also shocked to see that so many children's lives had been affected by HIV/AIDS or shattered by the loss of one, or both, parents. It was on that visit, with Prince Seeiso, that he conceived the idea of a charity responding to the needs of the young people he met.

Two years later Prince Harry and Prince Seeiso set up Sentebale. The Princes chose the word 'Sentebale' as the name of the charity as it means 'forget-me-not' in Sesotho, the official language of Lesotho.

The word 'Sentebale' represents the continuation of the work that both Princes' late mothers started, to help children robbed of their childhoods by extreme poverty and the ravages of HIV and AIDS. Sentebale is also a pledge to Lesotho – the plight of its vulnerable children will never be forgotten.

Sentebale has been working to change the tide of the HIV/AIDS epidemic in Southern Africa by empowering children and young people with the knowledge to tackle the issues that affect them. In 2016 Sentebale expanded its work into Botswana and, most recently, started a small pilot project in Malawi.

Our vision To work in partnership to transform positively the lives of the world's most vulnerable children.

Our mission To become the leading organisation in the provision of psychosocial support for children living with HIV in Southern Africa..

Our Approach Sentebale works with local grass-roots organisations and communities to help the most vulnerable children, the victims of extreme poverty and the HIV/AIDS epidemic. Together, we are making a big difference to these children's lives by improving their access to quality care and education and by encouraging children and adolescents to know and manage their HIV status

"Providing psychosocial support to adolescents living with HIV is essential."

- World Health Organisation

CAMPS & CLUBS PROGRAMME:

Support for children and young people living with HIV

Programme objectives

- ◆ To improve psychosocial wellbeing of children and young people living with HIV so as to support their own coping mechanisms
- ◆ To improve the clinical outcomes of children and adolescents living with HIV

Sentebale's flagship programme supports children and adolescents (10 to 19 years) living with HIV and their families or caregivers, through the delivery of week-long residential camps, monthly Saturday clubs at local healthcare clinics and caregiver days.

The meetings create opportunities for children to connect with each other, their caregivers, their medical care providers as well as other responsible adults in their communities. They enable children and their caregivers to gain the knowledge and skills required to manage the children's HIV status. These connections are instrumental in helping children feel supported and motivated and thus more likely to take their medication and remain healthy.

Sentebale works with all of those involved in giving psycho-social support to strengthen their capacity to cope with challenging and stressful circumstances. This has been achieved by facilitating affirming activities for children in clubs, caregiver sessions and through training teachers, nurses and community leaders in approaches that influence social and emotional wellbeing.

WHAT IS PSYCHOSOCIAL SUPPORT?

Psychosocial support is a continuum of care and support which influences both the individual and the social environment in which people live. It addresses the social, emotional and psychological wellbeing of a person and strengthens their capacity to deal with stressful events or crises. It may be preventive or curative and involve care and support offered by caregivers, family members, friends, neighbours, teachers, health workers and community members on a daily basis or at intervals. It is characterised by ongoing respectful, nurturing relationships that communicate understanding, unconditional love and tolerance.

Achievements In Lesotho

- ◆ Activities implemented in all districts covering more than 106 health facilities, including in the most remote regions.
- ◆ 13 weeks of camps.
- ◆ 101 clubs a month.
- ◆ 5,554 total number of children and adolescents reached – up nearly +20%.

Highlight of the year

Working in partnership with different agencies in Lesotho, such as EGPAF and Baylor, to provide full clinical support to the camp programme. The services were provided at no cost to Sentebale and included specialist mental health support staff.

Amo's story

Amo, now aged fifteen, was orphaned when he was still a baby and is now living with an older relative. He attends clubs locally in Mophale's Hoek district and was invited to attend Camp at the 'Mamohato Centre. Amo fell ill weeks before camp but hid this as he was so keen to attend. His health deteriorated whilst at camp and Tseppe, a Sentebale programme officer and the attending medical team at camp helped to get him hospitalised.

It came to light that one of the drugs in his regimen had made him anaemic. A blood transfusion was not available but his medications were changed and he recovered his strength.

His 'grandmother' believes that Amo would not have survived if it were not for Sentebale's staff and the medical support provided. Sentebale is committed to working with the Ministry of Health in supporting best practice in clinics across the country. Amo said he was thankful for the space he was given at camp, the fun and the food provided.

Achievements In Botswana

- ◆ Third year of provision of psychosocial support services to adolescents living with HIV together with their caregivers across the country.
- ◆ All activities planned were delivered as expected, including the formation of 10 new clubs.
- ◆ 6 weeks of camps held.
- ◆ 1,523 total number of children and adolescents reached – up nearly +20%.
- ◆ The children's health care providers have been exposed to the Sentebale interventions and some positive outcomes have been reported. It has led to better care and understanding of the children in some of Botswana's hardest to reach areas.

Highlights of the year

Our partnership with the District Health Management Teams (DHMTs) continued to blossom in Botswana. Healthcare workers including Peace Corps volunteers are actively involved in the formation and administration of clubs.

Achievements In Malawi

Sentebale joined forces with GAIA in June 2018 to deliver a pilot programme called MAWA Girls. The aim of this was to improve girls' health and well-being through education and psychosocial support in southern rural Malawi, an HIV hotspot. Activities included school sports, girls' clubs and camps, parent and community stakeholders' meetings.

- ◆ 94% of girls (338 out of 360) attended all but one of the nine club session programme.
- ◆ 119 girls attended three weeks of camp.
- ◆ 28 teachers and youth leaders were trained as mentors.

Technical support was provided by Sentebale Lesotho to the MAWA Girls programme.

LESOTHO & BOTSWANA

LET YOUTH LEAD

The Let Youth Lead programme was launched in March 2017 and provides a platform for young people to voice their challenges – from addressing the lack of youth-friendly health services and limited sexual and reproductive health taught in schools, to engaging policy makers and strengthening leaders' commitment to improving services for young people. It enables young people's interests to be represented on regional, national and international platforms and ensures their voice is widely heard.

Programme objectives

- ◆ All young people in Southern Africa know and manage their HIV status
- ◆ Promote peer-to-peer support
- ◆ Empower young people as advocates who can lobby governments to address their challenges

Achievements In Lesotho

Youth advocates have been engaging and working with local health facilities and community dialogues have taken place in 30 community councils. Teams use national minimum standards to assess services for young people, adolescents and scorecards measure the quality of sexual and reproductive health and rights (SRHR) services. Good practice, gaps, challenges are highlighted and suggestions made as to how work could be improved.

These dialogues include parents and caregivers, so as to lobby their support for young people to access sexual and reproductive health and rights (SRHR) services. Advocates now form part of the National Technical Working Group for adolescents and young people, making recommendations for the Government to take into account during adolescent and youth programming.

Highlight of the year

UNICEF has been funding the use of a social accountability tool which has influenced the quality of health services delivered to young people in Lesotho. All partner health facilities worked with Let Youth Lead to develop plans that addressed challenges young people identified. These included changing work hours in order to accommodate more young people, especially those that go to school, and working with young people to mobilise and take up health services.

Pheto's story

Pheto Kutumela, 29, has been working as a Sentebale Let Youth Lead advocate for a year. The father of a little girl aged two, Pheto lives in Ha Makunyapane, Thaba-Tseka district, where he has been volunteering his time to improve services for young people.

"I volunteered because I wanted to help people. I don't see this as work, I just want to transform people's lives. I have seen that in the work Sentebale does – it transforms youth's lives. What I like about Sentebale is that I see they come up with interventions and initiatives that try to bring young people closer to the services regardless of sex, origins or background."

Achievements In Botswana

The second Let Youth Lead HIV Summit was successfully hosted in August 2019. This brought together 70 young people and 20 stakeholders to discuss solutions to end HIV through a youth-led response. The Advocacy program has gained impetus through powerful peer-to-peer activities, such as a school outreach program involving 2,000 students in five schools.

Other activities included training advocates in radio broadcasting skills through continued partnership with the leading private radio station in Botswana, Duma FM.

Radio Positive aired every Saturday morning for one hour for 12 weeks, with advocates directly involved in the choice of topics. Text messages and calls were received during the programme and read out live on air.

One young listener's message said:

"I am also HIV positive. Ever since I got to know I have the virus I started to doubt myself. I felt like it's the end for me. I even stopped going to check ups and taking my medication. Last Friday I went to the clinic and the doctor said I'm too weak and might die soon if I don't take my medication. But after (I heard what the advocates spoke about during the show) I realised I should not give up easily. I really thank you."

Bothle Mooketsi, a LYL advocate shares her personal experience of presenting Radio Positive:

"The moment that had the most impact for me was during the show when we were talking about the importance of having support from family for people living with HIV. One man called and highlighted how important it was for us to have this conversation because parents can't discuss these issues with their children. I told him that parents need to create a safe zone so their children know they can come to them when faced with any difficulty. It was a pivotal moment because it highlighted that parents and children have to first be willing to have these hard conversations... to raise up these questions and highlight where we need assistance. If we don't speak we will never be able to bring impact in the fight against HIV/AIDS."

Highlight of the year

Advocates were invited to the Botswana First Lady's consultative Youth HIV Fora and The Champions of an HIV Free Generation – a group including former heads of state chaired by Botswana's third President Festus Mogae.

LESOTHO YOUTH HUB

Youth Hub is a programme funded by PACT in Lesotho that provides adolescents and young people with accurate information on Sexual Reproductive Health and HIV prevention, identifying those with HIV and linking them to treatment – all through a peer-to-peer support and trained Peer Educators, Paralegals, and Empowerment Workers.

Programme Objectives:

- ◆ To promote positive sexual and reproductive health rights behavioural change in adolescents and young people (in and out of school)
- ◆ To improve livelihoods of adolescent girls and young women (15-24 years old)
- ◆ To facilitate parental engagement sessions in the communities

Khosi's story

Khosi, a 15 year old orphan from Theba-Tseka district, was adopted by his uncle when he was three. His Uncle Rameno now cares for 13 children, including nine of his own.

After Khosi failed to attend school for weeks his School Principal got in touch with one of Sentebale's Youth Hub Paralegals. Teachers found out he had been sent to herd cattle. The paralegal intervened and she explained it was every child's right to be in school and spoke of involving the authorities, which persuaded the family to allow Khosi to return to school. His uncle said he is now happy the young boy is in class, as he understands the importance of education.

The School Principal said the young boy is excelling and said he "would have not returned without Sentebale's intervention". Since Sentebale is an external partner to the community it means it is taken more seriously and respected.

"A herd boy's life is difficult: it's a lonely life where you have to watch cattle and make sure that they are grazing and stay in a makeshift house when the animals stay in the kraal. I had accepted that this was possibly my fate, as I am an orphan. This lady (paralegal) spoke to my teachers who confirmed I wasn't in school, and then called my uncle. Through other herd boys in the area, my uncle passed on a message for me that I am to return to school. When I got this message, I was very happy. I've re-adjusted to school and I'm in Grade 10 now waiting for exam results. I think I'll get a First Class."

Achievements In Lesotho

- ◆ 31,494 of in-school youth and 36,348 of out of school youth were reached with a Comprehensive Sex Education (CSE) curriculum.
- ◆ A herd boys component was introduced to complement out of school interventions and 563 herd boys were reached with Social Behaviour Change Communication

sessions. Topics included HIV, STIs, voluntary medical male circumcision, relationships rights and responsibility, cultural norms and human rights.

- ◆ 2,235 parents/caregivers were reached with parental sensitisation sessions in the communities. Volunteers facilitated sessions, encouraging parents/caregivers to support young people to attend CSE sessions.
- ◆ Adolescent girls and young women's livelihoods were improved through enrolment in 304 micro-savings programmes, from which the 2,857 active members were able to borrow money to start small businesses. Group members saved M96,885 (£5,060) and 152 small businesses were established.
- ◆ Paralegals' interventions reached 4,662 adolescents and young people and made a total of 588 referrals. These included for HIV testing services, the Child and Gender Protection Unit for domestic violence and the Ministry of Social Development to get young people back to school.

LESOTHO

CARE & EDUCATION for vulnerable children and adolescents

In Lesotho, 110,000 children and young people have lost both parents to HIV (UNAIDS, 2018) and are living with their grandparents, or other relatives, who are often too old to provide for them.

Disabled children and young people are less likely to access education than those without disabilities, and very few receive the specialist care they need. Poverty leaves them vulnerable and exposed to the risk of abuse, early marriage, pregnancy, transactional sex and substance abuse.

Through Care for Vulnerable Children (CVC) Sentebale supports five community partners in Lesotho with capacity-building, financial and technical support. This enables them to provide shelter, food, care and education for some of the most vulnerable children including those living with HIV, orphans, and children affected by severe and multiple disabilities.

Through the Secondary School Bursary (SSB) programme, Sentebale provides bursaries across Lesotho for vulnerable young people who otherwise would not be able to afford to attend school.

Achievements In Lesotho

- ◆ 182 students in secondary schools, and 1 tertiary student.
- ◆ 3 students graduated from University in September and one student ranked within Lesotho's Top 10 students in the Form E exams (final year of secondary).

Lefa's story

Lefa Khusu, from Mokhotlong, was forced to leave school when he was 15, despite being a high achieving student. His only employed parent lost his job and his family were left destitute and could not afford his school fees.

"Most of the time we'd go to our primary school hungry and with insufficient accessories to carry out our daily schooling tasks. Due to the circumstances, I had to drop out of school and stayed at home for three years – I had no passion, and I was full of anger."

Fortunately, Lefa obtained a sponsorship from Sentebale, and came in the Top 10 brightest students in Lesotho in his end of high school exams.

"For excellence in academics one must be mentally stable, free from stress and negativity, but our country faces a lot of problems financially and young people can't afford the basics. In my case, I couldn't afford to go to school so I might have gone to work in the fields or a farm and my talent could have gone down the drain. With Sentebale's support that is not going to happen – I am going to be a very successful individual in the future."

Now 22, and in his first year at university studying pharmacology, Lefa would like to become a neurologist.

SPOTLIGHT ON: FUNDRAISING

Cirque du Soleil

In January, Sentebale joined forces with the world's largest contemporary circus producer, Cirque du Soleil, for the premier of TOTEM at The Royal Albert Hall in London. It was a night of spectacular entertainment, raising vital funds and awareness for our life-changing work.

ISPS Handa Sentebale Polo Cup

In May, in the beautiful surroundings of the Roma Polo Club, The Duke of Sussex and Ambassador Nacho Figueras played together in the ISPS Handa Sentebale Polo Cup in front of distinguished guests from around the world. This flagship event has been running for nine years in different locations across the globe, having raised over £6.5 million to date.

Sentebale Audi Concert

In June, Sentebale teamed up with a historic night of music and performance at the Hampton Court Palace, Surrey. Headlined by Rita Ora, the concert brought together Western and African acts who entertained an audience of 3,000 guests and helped raise funds and awareness of our work. During the concert, which was attended by the charity's Co-Founding Patrons, the Duke of Sussex and Prince Seeiso Bereng Seeiso, Sentebale youth advocates from Lesotho and Botswana called for an end to HIV-related stigma.

Challenge Events

Throughout the year, Sentebale received support from a host of fundraisers who were committed to raising funds through a number of events – from the Prudential Ride London to summiting Mont Blanc. In April, team Sentebale took to the pavement to run the challenging 26.2 mile Virgin Money London Marathon, with our star runner, Mark Albertson, donning the Sentebale blues. In June, we received support from staff at The&Partnership and other participants to raise funds as they took on the Blenheim Triathlon.

INSTITUTIONAL FUNDING

In Lesotho and Botswana institutional funders support multi-annual interventions among core target groups. Vital funds enable our work to be significantly scaled up and, by working in partnership with a wide range of stakeholders, maximum impact is achieved.

In Lesotho

Catholic Relief Services (CRS)

The 4Children Orphans and Vulnerable Children project has four implementing partners, including Sentebale, and aims to improve well-being and resilience of the most vulnerable children and adolescents. Its core interventions help prevent HIV infections and identify children living with HIV, linking them to care, treatment, protection and socio-economic services.

PACT

This programme focusses on adolescent girls and young women, aged 11-24, in four districts. It aims to increase access to HIV/AIDS and TB education resources, to increase the number of HIV testing services and increase linkages to care. HIV and TB positive patients are supported to suppress their HIV viral load and to increase parental engagement and community mobilization.

UNICEF

This project supports Let Youth Lead to improve the quality of health services for adolescents and young people.

In Botswana

National AIDS and Health Promotion Agency (NAHPA)

NAHPA supports 10 clubs and care giver groups.

Diamond Empowerment Fund (DEF)

DEF supports the Let Youth Lead (LYL) programme to grow with innovative outreach activities such as peer-to-peer education in schools, radio programmes and the LYL Summit.

FUTURE PRIORITIES AND THE IMPACT OF COVID-19

As this Annual Review is finalised the world has been hit hard by the devastating impact of Covid-19, causing huge loss of life and untold damage to people's livelihoods. It is likely that the worst is yet to come in Southern Africa and Sentebale teams are redesigning programmes to effectively meet the needs of vulnerable children, young people and communities in this new context.

The health and well-being of our staff and volunteers is critically important and a risk assessment has been carried out so we can best protect them as well as support ongoing programme implementation. Staff are currently working from home – equipment and mobile phone airtime has been provided to enable this. The expertise and trust that Sentebale has built up over years, in responding to HIV, is highly relevant in supporting community level response to Covid-19. Sentebale is ready to step up to the new challenges posed by Covid-19 and the increased needs amongst vulnerable communities.

Impact on programmes

Camps and clubs are currently suspended and will only be resumed when the operating environment can support them and governments allow – this is reducing our programme expenditure. The lockdown and restrictions on movement across Southern Africa, mean our teams are unable to travel to communities or convene groups of young people. In the meantime, advice and support on protection from Covid-19 and HIV is being given to young people through mobile phone calls and other ways, such as radio programmes, are being explored to reinforce messages. Practical support is being offered to health workers, where possible, such as assistance with travel to those in serious need or living in hard-to-reach areas. The situation will continue to be monitored, programmes adapted and all supporters and stakeholders will be kept updated.

Impact on fundraising

As with so many other charities, event-based fundraising has been significantly affected and events have been postponed – some may take place in the next financial year and so affect this year's income. Donors who give us restricted income are being asked if they can derestrict donations or make them more flexible and some have already agreed to this. All institutional donors are being engaged, with revised plans and approaches explained and their response has been very supportive. Institutional donors have agreed to continue to meet staffing and other ongoing costs and are counting, for instance, mobile phone contact towards agreed targets.

Future priorities

It will be difficult, or even impossible in some areas, to plan activities until the trajectory of the pandemic and government responses are known. However the development of a new five-year strategy will continue, although consultation with key stakeholders is challenging in this new context. The starting point for strategy development has been listening to the voices of the children and young people in Botswana and Lesotho, and an initial workshop took place in January 2020 to review feedback and begin shaping the strategy. In addition consideration is being given as to how best to maximise the potential of the Mamohato Children's Centre and increase its self-sufficiency. In Botswana the new campsite will be completed. A broad fundraising base from individuals, trusts, foundations and institutions will continue to be targeted, to help build a healthy mix of funding. Winning new institutional funding and multi-year grants remain a priority.

Impact on Finances

Steps have been taken to protect the organisation's long-term capacity by reviewing budgets, reducing expenditure and modelling cost-effective approaches to achieving objectives. The modelling for the 2019/20 financial year shows a significant impact by the Covid-19 pandemic on what was forecast to be a strong financial year. It is expected this will be a short-term impact but the situation will be kept under review and it is expected the financial position will recover within the next 12 months. The increase in the proportion of core activities that can now be met from restricted grants has reduced dependence on unrestricted funds. Fundraising successes in the first half of the year have improved cash reserves and donors have been supportive in derestricting funds for the second half of the financial year. It is therefore our judgement that the current reserves policy should remain unaltered.

Given the unprecedented nature and inherent uncertainty surrounding the Covid-19 crisis, it is not possible to know the full extent and duration of the pandemic and there is potential for greater impact.

Going concern status in relation to Covid-19

The Trustees have reviewed a summary of risks and mitigating actions taking account of the changed operating environment caused by Covid-19. Programmatic adaptations have been made, donors have been contacted to confirm their willingness to either derestrict funding or support adapted programming, and a full 12-month preliminary budget to April 2021 has been constructed. This demonstrates Sentebale is a going concern by detailing reasonable expectations of income plus the minimum expenditure required to meet all obligations to stakeholders. The impact on finances above has been assessed on the basis of our best projections and the assumptions made in preparing the 12-month budget reflect current knowledge and government guidance.

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Coutts
Diamond Empowerment Fund
Duma FM
EGPAF- Lesotho
George the Poet
Getty Images
Global Fund
Henry Whitford
Historic Royal Palaces
INALA
International AIDS Society
Investec Bank
ISPS Handa
JMCMRJ Sorrell Foundation
Joss Stone
Laura Main
Laura Wright
Lesotho Ministry of Education and Training
Lesotho Ministry of Health

Lesotho Ministry of Social Development
Lessons for Life
Life Plus
Mandarin Oriental
Masa Square Hotel
Morena Leraba
Nacho Figueras
Nelsons
O3 Beverages
Orrick
Patrick Wilson
PEPFAR
Princess & Ko
Quintessentially Foundation
Rita Ora
Roma Polo Club
Royal Salute
Solider Med
St Regis Hotels & Resorts
The & Partnership
The Anglo American Group
Foundation
The Global Fund/PACT
The James, Paris and Deborah Burrows
Foundation
The Mandarin Oriental
The Marshall Foundation
UNAIDS
UNICEF- Lesotho
US Polo Association

And a special mention to all the volunteers, and the communities, including children and young people who partner with us in all programmes.

COMPANY DIRECTORY

BOARD OF TRUSTEES

Johnny Hornby (Chairman)

Tim Boucher

Dame Nicola Brewer

The Rt Hon The Baroness Chalker of Wallasey

Mark Dyer, MVO

Dr Tsitsi Chawatama

Damian West

Professor Baron Peter Piot (Appointed July 2019)

CHIEF EXECUTIVE

Richard Miller (Appointed May 2019)

Company Secretary

Richard Miller

REGISTERED OFFICE

17 Gresse Street, 6 Evelyn Yard Entrance, London, W1T 1QL

PRINCIPAL ADDRESSES

17 Gresse Street, 6 Evelyn Yard Entrance, London, W1T 1QL

Lhaseng, Ha Ramarame, Thaba-Bosiu, Lesotho

Ground Floor, Morojwa Mews (East), CBD, Gaborone, Botswana

COMPANY NUMBER

05747857

CHARITY NUMBER

1113544

AUDITOR

Buzzacott LLP, 130 Wood Street, London EC2V 6DL

BANKERS

HSBC Private Bank (UK) Limited, 78 St James's Street, London SW1A 1JB

Standard Bank Lesotho, 1st Floor Bank Building, Kingsway Road, Maseru, Lesotho

First National Bank, First Place Plot 54362, New CBD, Gaborone, Botswana

SOLICITORS

Bates Wells, 10 Queen Street Place, London EC4R 1BE

FINANCIAL REPORT

The results for the period are set out in the statement of financial activities at page 41. The position of the charity at the end of the period is shown in the balance sheet at page 42.

During the year, Sentebale secured income of £3.93m, compared with the previous year (2018: £3.55m). Of the total income in the financial year, £2.95m was unrestricted income (2018: £2.38m), and £977k was restricted to current programmes (2018: £1.17m). Included in the total income is £719k of gifts in kind (2018: £512k).

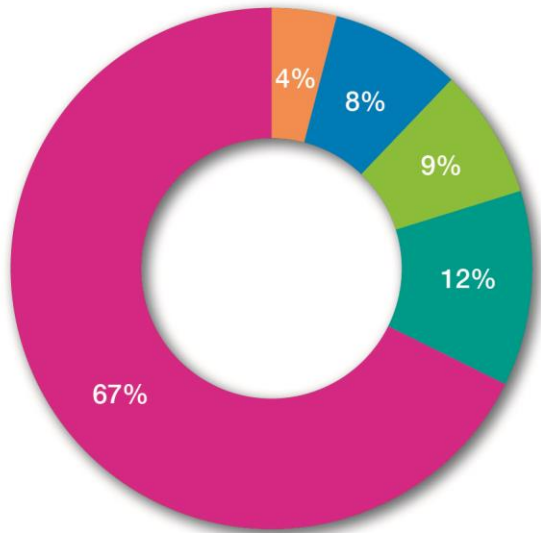
The total expenditure in the year was £4.35m (2018: £3.88m), in line with budgeted expenditure.

Fundraising costs accounted for £1.42m (2018: £817k), an increase of £603k. £655k of the fundraising costs was attributable to gifts in kind related to the Sentebale Polo Cup and Audi Concert. Whilst this Gifts in Kind figure affects the reporting of our ratios of fundraising costs to funds raised, it is a cost which is entirely carried by our event partners.

The amount spent on charitable activities was £2.93m (2018: £3.06m), reflecting a decrease of £134k (4.4%) over the previous year. This was mainly due to exchange rate fluctuations so, while spending on a reported basis has fallen, the in-country spending in local currency has remained level.

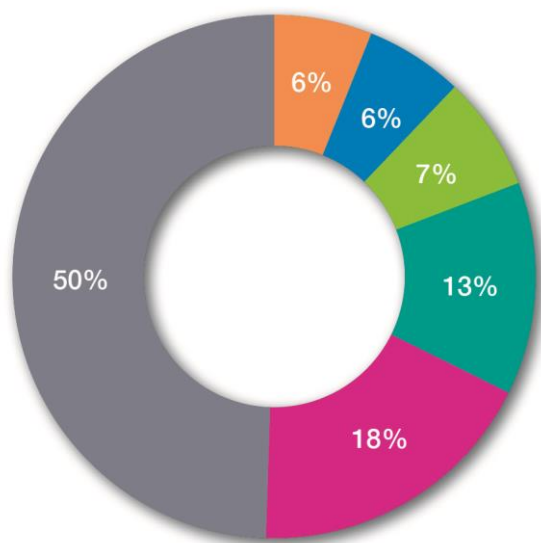
The net assets on the balance sheet at the year end were £1.96m (2018: £2.38m). These are represented by unrestricted general funds of £267k (2018: £792k), unrestricted designated funds related to the 'Mamohato Children's Centre of £964k (2018: £1.21m), and restricted programme funds of £725k (2018: £381k).

FINANCES AT A GLANCE



Charitable Activities

- 4% Advocacy
- 8% Mamohoto Children's Centre
- 9% Community Care
- 12% Education, training and leadership
- 67% HIV/AIDS



Income

- 6% Corporate donors
- 6% General donations
- 7% Trusts & foundations
- 13% Institutional funding
- 18% Gifts in kind
- 50% Events

FINANCIAL POLICIES

Investment policy

Where appropriate, surplus cash funds are held in fixed term investment accounts in order to maximise the revenues on these funds, while ensuring they are available when required.

Reserves policy and going concern

The reserves policy and going concern status are kept under regular review and is a matter of high priority for the trustees, especially given the impact of the Covid-19 pandemic. The reserves policy is that a minimum of one-quarter of total annual expenditure on unrestricted project disbursements and charitable activities, and general overheads should be maintained – representing a median target range now determined at £270k. While unrestricted reserves stood at £267k, the level of free reserves at the balance sheet date, being unrestricted general funds excluding unrestricted tangible fixed assets (not including the 'Mamohato Children's Centre) was £128k (2018: £672k).

This is below target reserves due to timing issues related to a donation of £173k from the American Friends of Sentebale received in December 2019; a substantial proportion of which relates to donations raised by the American Friends of Sentebale during the financial year ended 31 August 2019 but which were not passed through to Sentebale during the same period.

Going concern status

The trustees have considered the level of reserves required in order to ensure that the charity can meet expenditure that has already been committed, future core costs, and budgeted future grant commitments, out of existing reserves and future fundraising. The trustees' assessment is that, while future fundraising is not guaranteed, it is likely to be sufficient to meet all of the charity's planned expenditure and the financial statements have been prepared on a going concern basis accordingly. The trustees have considered contingencies for spending if the level of fundraising income varies. In the context of reasonable fluctuations in fundraising income, the trustees consider the level of reserves held to be adequate to meet committed and core expenditure.

As part of this assessment the trustees have considered the impact of the Covid-19 pandemic on the future operations and going concern status of the charity, as detailed on pages 20-21. Accordingly, the attached financial statements have been prepared on the going concern basis.

Grants policy

The trustees apply all funds available for charitable purposes to the pursuit of ensuring the successful delivery of the charity's objectives.

Community partner disbursements are approved by the trustees, depending on the nature of the project or needs of the child and the effectiveness of the grant in achieving the objectives of the charity.

Fundraising Policy

Sentebale's fundraising activities adhere to the following principles:

- Fundraising activities carried out by Sentebale will comply with all relevant laws;
- Sentebale commits to transparency and accountability in its fundraising communications;
- All funds raised through restricted fundraising activities will be spent entirely on activities relating to the stated appeal;
- In all cases funds will be spent in accordance with the organisation's mission and purpose;
- All personal information collected by Sentebale will be treated as confidential and will not be shared with third parties without the direct permission of the individual;
- Sentebale does not engage in telephone or door-to-door fundraising;
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of Sentebale;
- Financial contributions will only be accepted from companies, organisations and individuals the Board of Trustees considers ethical;
- Sentebale is registered with and abides by the Fundraising Regulator's code of conduct;
- A strict child protection policy is in place which is fundamental to all of our programmes and operations;
- There have been no complaints in connection with fundraising;
- Sentebale requires from staff, and any fundraising partners, the highest standards of ethics when requesting funds. This includes the protection of the general public, with particular emphasis on children and vulnerable adults, from unreasonable intrusion on privacy or pressure to give. All fundraising activities and partnerships are overseen by the Director of Fundraising. Any complaints relating to fundraising standards should be sent to info@sentebale.org and will be reviewed by the Director of Fundraising.

Key management personnel

Key management personnel are:

The Trustees

Chief Executive Officer (CEO)

Chief Operating Officer and Director of Fundraising

Country Director, Lesotho

Deputy Country Director, Lesotho

Country Director, Botswana

The CEO proposes the remuneration levels of the other executive key management personnel, which is approved by the Board of Trustees. The CEO's remuneration is set and agreed by the Board of Trustees. Sentebale has a salary structure with banding by role, and this is used by the senior management team to decide and make future recommendations to the Board of Trustees on remuneration levels.

Structure, governance and management

Sentebale does not have share capital and is a company limited by guarantee. The company is constituted by its Memorandum and Articles of Association (dated 3 April 2006), as amended by special resolution (dated 25 December 2008). Operations in Lesotho are carried out by what under Lesotho law is a tax-exempt Branch Office of a Foreign Company. Operations in Botswana are carried out under Botswana law as a tax-exempt charitable trust.

Sentebale's Board of Trustees

The Board of Trustees governs the organisation in line with its Articles of Association, vision, mission, values, aims and charitable objectives and provides overall policy direction. The Board is responsible for compliance with the legal and statutory requirements of a UK charity.

The Chairman leads the Board of Trustees and the day-to-day management of the charity is delegated to the Chief Executive who is also Secretary and is responsible for all legal filings.

Professor Baron Peter Piot was appointed to the Board of Trustees on 18th July 2019.

There were no other changes to the Board during the year ended 31st August 2019 and up to the date of approval of these financial statements.

Trustees serve initially for two terms of three years each and then may be asked to continue to serve for an additional three year term or longer if there are exceptional reasons. The trustees have identified and reviewed the major risks to which the charity is exposed and have established a risk assessment procedure to identify and anticipate these risks and to consider further risks that may arise. The trustees believe that implementation of agreed actions and procedures have significantly reduced the probability and impact of these risks to an acceptable level.

The trustees are unpaid and details of the trustees' expenses are disclosed in Note 6 to the accounts. Indemnity insurance for the trustees was provided during the period at a cost of £2,745.

Policy and Procedures for the Induction and Training of Trustees

Prospective trustees will be invited to interview for the role through a combination of competitive open interviews and approaches to recognised experts, including through the charity's own networks or head-hunters. A panel consisting of the Chairman, existing trustees and the Chief Executive will approve all appointments to the Board. Trustees will receive an induction and any training deemed necessary by the Chairman and candidate at the appointment stage. From time to time all Trustees will receive training and briefing, as charity governance regulations are updated in order for them to carry out their duties effectively.

Managing Risk

Sentebale works with vulnerable children and young adults in developing countries with political instability and insecurity, which means that a level of risk is inevitable. We have an active risk management process in place to ensure appropriate steps are taken to manage and mitigate risk across the organisation. The Board of Trustees and the executive have been clear that the areas where risk should be very carefully assessed relate to the health, welfare and security of people and the reputation of Sentebale. The Board of Trustees has overall responsibility for ensuring Sentebale has a system of internal control, management and audit to manage risk effectively.

The most significant risks in this reporting period were:

1. Financial viability of the organisation due to lack of income diversity or cashflow challenges, impacting the reputation of Sentebale and its ability to meet its income objectives.

Work has been ongoing this year to develop new event formats to generate unrestricted funds; to win new institutional grants which contribute to the core costs of the organisation; to develop a new offer to major donors; and to grow income from new challenge events.

2. Financial Systems: Risk of incorrect financial reporting to Board and management impacting on decision-making and inaccurate donor reporting leading to donor dissatisfaction and possible claw-backs.

As part of a transition to new leadership at a global level and in Lesotho, we began an in-depth internal assessment of our policies and procedures, as well as our capability and capacity to comply with them. We started with Lesotho and will complete the process with Botswana and the UK in the coming year. We continue to maintain close relationships with our funders and maintain appropriate monitoring and controls which meet their requirements.

3. Damage caused to the credibility and thereafter the reputation of the organisation as a result of insufficient safeguarding measures and protection of children, poor transparency of funding sources, or any failure to deliver high quality charitable activities.

This risk is mitigated through internal and external programme audits, monitoring of Child Status Index of community partners, ongoing review of safeguarding policies and practice, and appropriate due diligence in relation to funding sources.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Sentebale for the purposes of company law) are responsible for preparing the Trustees' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware;
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD

Johnny Hornby
Chairman, Board Of Trustees
21th May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENTEBALE

Opinion

We have audited the financial statements of Sentebale (the 'charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of Covid-19

We draw attention to the trustees' report, which describes the operational and economic disruption the charity is facing as a result of the Covid-19 pandemic. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditors-responsibilities. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London EC2V 6DL

21th May 2020

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted Funds		Restricted Funds	Total Funds 31 Aug 2019	Total Funds 31 Aug 2018
		General	'Mamohato Children's Centre	Programmes		
	Note					
Income from: Events		£000	£000	£000	£000	£000
Events		1,944	-	-	1,944	1,634
Donations and legacies						
General donations		121	-	128	249	298
Corporate donors		75	-	166	241	225
Trusts & Foundations		93	-	172	265	426
Institutional Funding		-	-	511	511	452
Legacies		-	-	-	-	2
Gifts in kind		719	-	-	719	512
		1,008	-	977	1,985	1,915
Total income		2,952	-	977	3,929	3,549
Expenditure on: Raising funds	2	1,424	-	-	1,424	817
Charitable activities	3					
'Mamohato Centre		-	241	-	241	302
HIV/AIDS		1,557	-	407	1,964	1,822
Community Care		226	-	21	247	264
Education, training and leadership		225	-	130	355	418

Sentebale - 2018-2019 annual report and accounts.

Advocacy		45	–	75	120	255
Total charitable activities		2,053	241	633	2,927	3,061
Total expenditure		3,477	241	633	4,351	3,878
Surplus/(deficit) of income over expenditure and net movement in funds	4	(525)	(241)	344	(422)	(329)
Reconciliation on of funds						
Total funds brought forward at 1 September 2018		792	1,206	381	2,379	2,708
Total funds carried forward at 31 August 2019		267	965	725	1,957	2,379

All amounts relate to continuing activities of the charity.

The notes at pages 41 to 55 form part of these financial statements. Detailed comparative information for the previous year is shown at note 8.

BALANCE SHEET AS AT 31 AUGUST 2019

	Notes	Total funds 31 Aug 2019	Total funds 31 Aug 2018
		£000	£000
Fixed assets			
Tangible assets	9	1,248	1,332
Current assets			
Debtors	10	259	521
Cash at bank and in hand		839	869
		1,098	1,390
Creditors: amounts falling due within one year		(389)	(343)
Net current assets	11	709	1,047
Net assets		1,957	2,379
Funds			
Unrestricted funds	13		
General funds		267	792
Designated fund: 'Mamohato Centre		965	1,206
Restricted funds	14		
Programmes		725	381
TOTAL FUNDS		1,957	2,379

Sentebale (charity number 1113544). Company number 05747857.

Johnny Hornby
Chairman, Board of Trustees
7th May 2020

STATEMENT OF CASH FLOWS: YEAR TO 31 AUGUST 2019

	2019	2018
	£000	£000
Cash flows from operating activities		
Net cash provided by operating activities	220	205
Cash flow from investing activities		
Purchase of property, plant and equipment	(206)	(25)
Net cash used in investing activities	(206)	(25)
Change in cash and cash equivalents in the reporting period	14	180
Cash and cash equivalents at the beginning of the reporting period	869	753
Change in cash and cash equivalents due to exchange rate movements	(44)	(64)
Cash and cash equivalents at the end of the reporting period	839	869
Net movement in funds for the reporting period (as per the statement of financial activities)	(422)	(329)
Adjustments for:		
Depreciation charges	292	355
Exchange rate movements	42	79
Decrease in debtors	262	130
Decrease in creditors	46	(30)
Net cash provided by operating activities	220	205
Cash in hand	839	869
Total cash and cash equivalents	839	869

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. PRINCIPAL ACCOUNTING POLICIES

A. Basis of accounting

These financial statements have been prepared for the year to 31 August 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand.

B. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge; and
- the allocation of office overheads and governance costs between charitable expenditure categories;
- estimates in respect of accrued expenditure.

Critical accounting estimates and areas of judgement in relation to events connected to the Covid-19 crisis:

1. An assessment was carried out into the degree of confidence applied to projected fundraising activities planned for the coming 12 month period. Findings were as follows:

a. There remains a heavy reliance on income from our major fundraising event, the Sentebale Polo Cup. Nonetheless, key supporters and participants have been kept fully aware of developments and have reiterated their commitment and

willingness to adapt to changing event dates, formats and other material changes in the event.

b. No other fundraising events involving mass gatherings were planned until the autumn which, barring force majeure should give sufficient time for restrictions on mass gatherings to be lifted

2. An assessment was carried out into the unrestricted cash reserves and the assumptions made on the rate of depletion of these reserves.

a. The cash position going in to the 2020/21 financial year will be sufficient to cover the reduced cost base achieved through the review of programme activities and associated costs

3. An assessment was made of the “headroom” which may be achieved by performing as expected against income targets compared to the minimum commitment of operational costs across Lesotho, Botswana and the UK. Findings were as follows:

a. There remains sufficient control over costs to enable the charity to keep operating costs to a bare minimum.

4. A review was undertaken of the contribution to overheads provided by institutional and other restricted donations which, if removed due to the Covid-19 response, would create an extraordinary liability on the charity. Findings were as follows:

a. A small portion of core staff salaries in Lesotho are funded by institutional partners. These partners have made recent recommitments to their support which provide confidence that these funds will not be withdrawn.

b. The absolute value of this contribution was not of material concern.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Trustees have therefore committed to monthly reviews of these estimates and judgements, as well as wider financial performance, in order to monitor and revisit any material changes in circumstances which could have an impact on the going concern.

C. Assessment of going concern

As described in the trustees' report, the trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have concluded that there are no material uncertainties regarding the charities ability to continue operating for the foreseeable future and accordingly have prepared these financial statements on the going concern basis. As set out on page 36 of the Trustees' report, the trustees have considered the impact of the global coronavirus pandemic on the charity and have concluded that while it is not possible to know the full extent and duration of the impact of Covid-19, and there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

D. Income recognition

Income is accounted for when receivable.

Donations and legacies are recognised either when there is a contract for receipt and Sentebale considers that any outstanding conditions under the contract have been met, or when Sentebale has become entitled to a future payment and its amount can be ascertained with reasonable probability. Funds received in one accounting period for expenditure that must take place in subsequent accounting periods are not accounted for as income but are carried forward in creditors as deferred income.

Income from institutional funders is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income for funds requested in advance are deferred to the extent that it relates to specific future periods either via explicit or implicit time conditions within the grant agreement.

Event income includes receipts from fundraising events as well as any insurance receipts if events are cancelled. The income is recognised when a commitment has been made or paid and the event has taken place.

Donated services are recognised as income at the value that the charity would have paid to otherwise obtain the resources concerned.

E. Expenditure recognition

Expenditure is accounted for on an accruals basis.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered.

F. Expenditure allocation

Expenditure is analysed in the statement of financial activities in accordance with the purposes for which the funds are applied. Where expenditure does not fall clearly into one category, it is allocated to the appropriate headings on a reasonable percentage basis.

The basis of allocation is determined on the approximate proportion of costs applicable to each category based on time spent on each activity.

Expenditure on raising funds includes fundraising and event costs, as well as marketing, PR and website development.

Costs of charitable activities represent staff costs, Sentebale programme costs, partner disbursements, support and other direct costs associated with undertaking the activities and objects of the charity.

Governance costs of the charity, which are included within support costs, comprise those costs relating to strategic rather than day-to-day management of Sentebale's activities. This includes such items as audit costs, legal advice and constitutional and statutory requirements.

G. Partner disbursements

Financial support to partners is recognised in the statement of financial activities when approved by the Trustees as part of the budget process and a Memorandum of Understanding has been signed with the partner. The charity monitors the grants according to agreed budgets and payments are issued on a quarterly basis. Cancelled commitments are credited to the statement of financial activities when the cancellation has been ratified by the Trustees.

H. Foreign exchange

During the period, the reported income and expenditure for Lesotho and Botswana was translated at the monthly average rates of exchange.

Any adjustments are made for balance sheet items at the prevailing rate of exchange. The rate applied on 31 August 2019 for Lesotho was £1 = 18.47 Maloti (2018: £1 = 19.01 Maloti) and for Botswana was £1 = 13.47 Botswana Pula (2018: £1 = 13.93 Botswana Pula). The average exchange rate in 2019 for Lesotho was £1 = 18.24 Maloti (2018: £1 = 17.52) and Botswana £1 = 13.68 (2018: £1 = 13.59 Botswana Pula).

I. Leased assets

Rentals payable under operating leases, where substantially all the risks and reward of ownership remain with the lessor, are charged to the statement of financial activities over the period of the lease term.

J. Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation and applicable impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset to its estimated residual value evenly over its expected useful life, as follows:

Overseas property, land and buildings	20% reducing balance basis
Fixtures and fittings	5 yrs on a straight line basis
Computer equipment	3 yrs on a straight line basis
Motor vehicles	5 yrs on a straight line basis

K. Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

L. Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits.

M. Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

N. Restricted funds

These funds can only be used for purposes as specified by the donor and are listed in note 14.

O. Unrestricted funds

The unrestricted general funds are available to cover all costs of the organisation. The designated funds are monies set aside out of general funds and designated for specific purposes, although the trustees may ultimately use such funds for other purposes.

2. EXPENDITURE ON RAISING FUNDS

	Total funds 31 Aug 2019	Total funds 31 Aug 2018
	£000	£000
Events	1,385	787
Cost of generating income	1	-
Support costs	38	30
Cost of generating funds	1,424	817

The events expenditure includes £655k of Gifts in Kind (2018: £441k). Support costs include governance costs of £13k (2018: £9k).

3. CHARITABLE ACTIVITIES

Charitable activity	Related activity	Program costs	Grant funding activities	Total country costs	Support costs	Total Aug 2019	Total Aug 2018
		£000	£000	£000	£000	£000	£000
'Mamohato Children's Centre	Depreciation of Centre	241	-	241	-	241	302
HIV/AIDS	'Mamohato Camps and Network Clubs	1,584	246	1,830	134	1,964	1,822
Community Care	Care for vulnerable children	104	117	221	26	247	264
Education, Training and Leadership	Herd Boys, School Bursaries	238	86	324	31	355	419
	Advocacy	109	-	109	11	120	254
Total	31 Aug 19	2,276	449	2,725	202	2,927	3,061
Total	31 Aug 18	2,496	330	2,826	235	3,061	
Total in-country cost			2019 restated at 2018 ave. exchange rate				
	2019 Local Currency 000	2019 £000	£000	2018 Local Currency 000	2018 £000		
Lesotho (LSL '000)	30,551	1,682	1,744	30,438	1,735		
Botswana (BWP '000)	6,519	478	479	5,734	423		
Total		2,160			2,158		

Support costs include governance costs of £37k (2018: £34k) and foreign exchange gain in the year of £14k (2018: losses of £78k). The total in-country cost does not include depreciation for the 'Mamohato Children's Centre.

3. CHARITABLE ACTIVITIES (2017/18 COMPARATIVE)

Charitable activity	Related activity	Program costs	Grant funding activities	Total country costs	Support costs	Total Aug 2018
		£000	£000	£000	£000	£000
'Mamohato Children's Centre	Depreciation of Centre	302	-	302	-	302
HIV/AIDS	'Mamohato Camps and Network Clubs	1,683	-	1,683	139	1,822
Community Care	Care for vulnerable children	113	121	234	30	264
Education, Training and Leadership	Herd Boys, School Bursaries	176	209	385	34	419
	Advocacy	222	-	222	32	254
Total	31 Aug 18	2,496	330	2,826	235	3,061

4. NET INCOME

	Total funds 31 Aug 2019	Total funds 31 Aug 2018
	£000	£000
This is stated after charging:		
Auditor's remuneration:		
Audit fee to financial statements auditor – current year audit	15	15
Audit fees payable to other auditors	-	18
Other fees payable to financial statement auditor	9	-
Depreciation	292	355
Operating lease charges	95	99

5. PARTNER DISBURSEMENTS

	No of grants 2019	31 Aug 19	No of grants 2018	31 Aug 18
		£000		£000
Care for Vulnerable Children	5	116	5	122
Education, training and leadership (school bursaries)	281	87	328	209
Total partner disbursements	286	203	333	331

6. STAFF HEAD COUNT

	2019	2018
The average weekly number of persons employed by the charity expressed on a full-time equivalent basis was:		
Programme	57	33
Fundraising	2	3
Other	3	4
	62	40
Lesotho based	48	27
Botswana based	7	5
London based	7	8
	62	40

There was a significant increase in programme staff in Lesotho due to a growth in programme.

Lesotho and Botswana based staff are operational and are employed to deliver services to vulnerable children in the two countries. The difference between staff numbers on an average and full time equivalent basis is not material.

	31 Aug 2019	31 Aug 2018
	£000	£000
Staff costs comprised (UK, Lesotho and Botswana):		
Wages and salaries	912	828
Social security	34	36

Other pension costs	58	56
	1,004	920

Underlying annual salary increases were 3% in the UK and 5% in Lesotho and Botswana, in line with local inflation.

	2019	2018
	No	No
Number of employees who received emoluments over £60,000 during the year:		
£70,001 – £80,000	1	–
£130,001 – £140,000	–	1

The pension contributions for the above employee (2018: one) amounted to £7,741 (2018: £12,885).

The total employment cost of the six remunerated key management personnel as described in the Trustees' report, including employer's pension and national insurance contributions, was £316,888 (2018: four remunerated employees, £280,743).

Trustees

A donation of £500 from one trustee (2018: £10,000) was received. No travel expenses were paid to trustees in the year (2018: one trustee, £1,296). Indemnity insurance including cover for the Trustees was provided in the period at a cost of £2,745 (2018: £3,147).

A donation of £63k (2018:Nil) was received as Gifts in Kind from The&Partnership relating to the cost of office premises, office consumables and utilities.

A total donation of £178K (2018: £50K) was received from The & Partnership for its participation and contribution at the various fundraising events (Cirque du Soleil, Blenheim Palace Half Marathon and London Marathon), of which 35k was yet to be received at year end. This was received in September 2019. One Trustee of Sentebale is also global CEO and Chairman of The&Partnership.

7. TAXATION

Sentebale is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The company is also recognised as a registered charity in Lesotho and as such is entitled to exemption from Lesotho taxation. In Botswana, the company is set up as a

charitable trust, a body recognized by the Botswana Commissioner of Taxes as exempt from Income Tax.

8. COMPARATIVE INFORMATION

Statement of financial activities for the year ended 31 August 2018

	Unrestricted Funds	Restricted Funds		Total Funds 31 Aug 2018
		'Mamohato Children's Centre	Programmes	
	£000	£000	£000	£000
Income from Events:				
Events	1,559	–	75	1,634
Donations and legacies:				
General donations	192	–	106	298
Corporate donors	68	–	157	225
Trusts & Foundations	64	–	362	426
Gifts in kind	497	–	15	512
Institutional Funding	–	–	452	452
Legacies	2	–	–	2
Total income	2,382	–	1,167	3,549
Expenditure on: Raising funds	817	–	–	817
Charitable activities				
'Mamohato Centre	–	302	–	302
HIV/AIDS	654	–	1,168	1,822
Community Care	66	–	198	264
Education, training and leadership	260	–	158	418
Advocacy	219	–	36	255
Total charitable activities	1,199	302	1,560	3061
Total expenditure	2,016	302	1,560	3,878
Surplus/(deficit) of income over expenditure	366	(302)	(393)	(329)

9. TANGIBLE FIXED ASSETS

	Property, Land & Buildings	Motor Vehicles	Fixtures, fittings and equipment	Fixed Assets Under Construction	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
Balance bought forward 31 August 2018	2,215	138	204	–	2,557
Additions	–	–	14	192	206
Foreign exchange movement	–	3	3	–	6
Balance carried forward 31 August 2019	2,215	141	221	192	2,769
Depreciation					
Balance bought forward 31 August 2018	1,010	60	155	–	1,225
Foreign exchange movement	–	1	3	–	4
Charge for the period	241	26	25	–	292
Balance carried forward 31 August 2019	1,251	87	183		1,521
Net book value					
Balance bought forward 31 August 2018	1,206	78	48	–	1,332
Balance carried forward 31 August 2019	964	54	38	192	1,248

Property, Land and Buildings represents the 'Mamohato Children's Centre in Lesotho.

10. DEBTORS

	31 Aug 2019	31 Aug 2018
	£000	£000
Donations and Grant receivable	98	144
Other debtors	135	272
Prepayments	26	105
	259	521

11. CREDITORS

	31 Aug 2019	31 Aug 2018
	£000	£000
Amounts falling due within one year:		
Commitments to partners	-	61
Trade creditors	25	113
Other creditors	263	37
Accruals and deferred income	101	132
	389	343

12. MEMBERS' LIABILITY

The charity does not have share capital and is limited by guarantee. In the event of the charity being wound up, the maximum amount each member is liable to contribute is £1. There were eight members at 31 August 2019.

13. UNRESTRICTED FUNDS

	Balance 1 Sept 2018	Income	Expenditure	Balance 31 Aug 2019
	£000	£000	£000	£000
General funds	790	2,954	3,477	267
Designated funds:				
'Mamohato Children's Centre	1,206	-	241	965
Unrestricted funds	1,996	2,954	3,718	1,232

General funds represent all unrestricted income received and are used to undertake the work of the charity.

14. RESTRICTED FUNDS: PROGRAMMES

	Balance 1 Sept 2018	Income	Expenditure	Transfer between funds	Balance 31 Aug 2019
	£000	£000	£000	£000	£000
HIV/AIDS – Youth Hub	151	201	143	–	209
HIV/AIDS – other	139	666	264	(25)	516
Community Care	(24)	45	21	–	–
Advocacy	54	21	75	–	–
Education, training and leadership	61	44	130	25	–
Restricted funds	381	977	633	–	725

Restricted funds relate to donations received for specific projects and held at the year end.

Restricted funds: comparative Information

	Balance 1 Sept 2017	Income	Expenditure	Balance 31 Aug 2018
	£000	£000	£000	£000
HIV/AIDS – Youth Hub	300	250	399	151
HIV/AIDS – other	302	606	769	139
Community Care	99	74	197	(24)
Advocacy	-	90	36	54
Education, training and leadership	73	147	159	61
Restricted funds	774	1,167	1,560	381

Restricted funds relate to donations received for specific projects and held at the year end. The negative restricted fund was as a result of expenditure incurred in advance of secured funding post year end.

15. NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total funds 31 Aug 2019
	General	'Mamohato Children's Centre	Programmes	
	£000	£000	£000	£000
Fixed assets				
Tangible – assets	139	965	144	1,248
Current assets				
Debtors	63	–	196	259
Cash at bank and in hand	386	–	453	839
Creditors: amounts falling due within one year	(321)	–	(68)	(389)
Net current assets	128	–	581	709
Net assets	267	965	725	1,957

Net Assets between funds – comparative information

	Unrestricted Funds		Restricted Funds	Total funds 31 Aug 2018
	General	'Mamohato Children's Centre	Programmes	
	£000	£000	£000	£000
Fixed assets				
Tangible – assets	126	1,206	-	1,332
Current assets				
Debtors	254		267	521
Cash at bank and in hand	687	-	182	869
	941	-	449	1,390
Creditors: amounts falling due within one year	(275)	-	(68)	(343)

Net current assets	666	-	381	1,047
Net assets	792	1,206	381	2,379

16. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the charity's future minimum lease payments under non-cancellable operating leases was as follows:

	2019	2018
	£000	£000
Amounts due in one year	38	49
Amounts due between two and five years	-	31
	38	80

17. CAPITAL COMMITMENTS

At 31 August 2019 the total of the charity's capital commitments was as follows:

	2019	2018
	£000	£000
Construction work in progress for Botswana campsite at Tonota	37	132

During the prior and current year a grant was made available to develop leased land at Tonota in Botswana, for the purpose of creating a permanent venue for holding camps. The first phase of the construction was completed in December 2018 while the second phase is ongoing.

18. RELATED PARTY TRANSACTIONS

Other than those described in note 6, the charity had no transactions with related parties.