



Starfish®
GREATHEARTS FOUNDATION
LIFE, HOPE AND OPPORTUNITY

STARFISH GREATHEARTS FOUNDATION

(company number 4528018 – a company limited by guarantee)

Report of the Trustees and Financial Statements

for the year ended 31 March 2019



STARFISH PARABLE

An old man has a habit of early morning walks on the beach. One day, as he looked along the shore, he saw a human figure moving like a dancer. As he came closer he saw that it was a young woman and she was not dancing but was reaching down to the sand, picking up starfish and very gently throwing them into the ocean.

“Young lady”, he asked, “Why are you throwing starfish into the ocean?”

“The sun is up, and the tide is going out, and if I do not throw them in they will die.”

“But young lady, do you not realise that there are miles and miles of beach and starfish all along it? You cannot possibly make a difference.”

The young woman listened politely, paused, and then bent down, picked up another starfish and threw it into the sea, past the breaking waves, saying:

“It made a difference for that one.”

(Adapted from the story “The Star Thrower” by Loren Eisely)

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www.starfishcharity.org

CHARITY INFORMATION

Constitution

Starfish Greathearts Foundation (“Starfish”) is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Registered Company Number

4528018

Registered Charity Number

1093862

Patrons

Dame Janet Suzman
Sir Mark Moody-Stuart

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year end were as follows:

Edward Cottrell (Chairman)

John O’Donovan (resigned December 4 2019)
Tracy Dunley Owen
Sally Keeble
James Siswick
Chris Kotze
Katherine Smithson
Carla van Rensburg
Matthew Houlton (appointed December 4 2019)
Ursula Schliessler (appointed December 4 2019)

Board of Advisors

The Board of Advisors are not Trustees but serve as advisors to the Trustees. The Board of Advisors are drawn from respected members of the community in the United Kingdom.

Hendrik du Toit
Gordon Hamilton
Thras Moraitis
Paul Seligman
Caelim Parkes
John Lazar

Management

Elinor Middleton – Chief Executive Officer
Liz Skipper, Interim Chief Executive Officer, maternity cover from July 2019

Company Secretary

John O’Donovan (resigned December 4 2019)
Matthew Houlton (appointed December 4 2019)

Independent Examiner

Nicola Wakefield FCA
Mazars LLP
Times House
Throwley Way
Sutton
Surrey, SM1 4JQ
United Kingdom

Bankers

Metro Bank
One Southampton Row
London
WC1B 5HA

Investec Bank plc
30 Gresham Street
London, EC2V 7PG
United Kingdom

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Solicitors

Legal advice is provided pro bono by a solicitor at Ashurst LLP

Registered office

Investec Bank plc
30 Gresham Street
London, EC2V 7PG
United Kingdom



REPORT OF THE TRUSTEES

This report together with the financial statements of Starfish for the year ended 31 March 2019 has been prepared in accordance with the Financial Reporting Standard, effective 1 January 2015, Companies Act 2006, Statement of Recommended Practice (SORP), applicable UK accounting standards (FRS 102), and the Memorandum and Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction to Starfish

Starfish was formed in response to the unfolding tragedy of children orphaned or made vulnerable by the HIV/AIDS epidemic in South Africa.

Starfish was founded in London by a group of young professionals in 2001 and registered with the Charity Commission as a charity in England and Wales in 2002 (registered charity number 1093862).

Starfish is a company limited by guarantee governed by its Memorandum and Articles of Association (company number: 4528018).

Vision and Mission

Starfish Greathearts Foundation exists to change the lives of orphaned or vulnerable children in communities affected by both HIV and AIDS, and poverty in South Africa.

Our vision is a future where vulnerable children receive the life, hope and opportunities they deserve.

Our mission is to empower people to deliver professional and sustainable services to orphaned or vulnerable children in communities affected by both HIV and AIDS, and poverty.

We achieve this by funding programmes and strengthening the capacity of community based organisations to provide quality care to children with a holistic focus on health, wellbeing, education and child protection. We work with local partners to identify innovative solutions to meet their changing needs.

Appointment of Trustees

The criteria that the Board take into account in appointing people as Trustees is whether they possess skills that will be useful to the Board and that can be used to fill gaps in the experience, knowledge or contacts of the Board and can contribute meaningfully to the work of Starfish.

Trustees Induction and Training

The Company Secretary explains the roles and responsibilities of being a Trustee to each new Trustee and provides them with relevant Charity Commission publications on Trustee duties and responsibilities. The Chairman of the Board explains to each new Trustee how the Board operates and what is expected from each Trustee. Ongoing training is provided on an ad hoc basis.

Organisation

The Directors of Starfish are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees shall not be less than three in number, but are not subject to any maximum. The Trustees meet at least four times a year. The Trustees elect from among their number, on an annual basis, a Chairman, whose responsibilities for chairing the Trustees' meetings are set out in the Articles of Association. The Trustees receive guidance from the Board of Advisors. The Board of Advisors is a body of experienced individuals who provide guidance and advice to the Trustees on request.

The day to day management of the charity is undertaken by the Chief Executive Officer. The Chief Executive Officer provides strategic and operational leadership of Starfish UK with one Community Fundraiser to support the income generating operation.

Financial and investment management continues to be provided by volunteers with relevant expertise.

Related Parties

A sister charity to Starfish is registered in South Africa as a non-profit organisation and Section 21 company, and is referred to in this report as "Starfish SA". Starfish SA was established by founding members of Starfish with the express purpose of sharing the Starfish vision in South Africa and enabling delivery to the children we support. Projects supported by Starfish are identified, managed, monitored and evaluated by Starfish SA.

Additionally, Starfish USA is a corporation and is registered as a charitable organisation under Section 501(c)3 of the US Internal Revenue Service (EIN 20-3622548). The team share the same Starfish vision and deliver their work through Starfish SA. These charities are not under common control with Starfish and so not consolidated in these financial statements. There is, however, a Global Steering Committee in place to provide oversight and ensure good governance across the Starfish entities.

Risk Management

The Trustees consider risks at each meeting and a comprehensive review is carried out annually. The latest risk assessment review was undertaken in March 2019.

As part of this process, the Trustees have implemented a risk management strategy, which comprises:

- An annual review of the risks which Starfish may face
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on Starfish should any of those risks materialise

OBJECTIVES AND ACTIVITIES

The charitable objects, for which Starfish is incorporated, as set out in the Memorandum and Articles of Association, are as follows:

- The relief of poverty, sickness and distress
- The preservation and protection of health
- The advancement of education

- The provision of facilities for recreation and leisure time activities for the occupation of persons who have need for such facilities by reason of their youth, disablement, poverty or social and economic circumstance in the interests of social welfare and with the object of improving their conditions in life
- And in particular, but without prejudice to the generality of the foregoing, for the benefit of children and young persons in South Africa

In pursuit of these objects, Starfish focuses upon supporting children in South Africa orphaned or left vulnerable by the HIV/AIDS pandemic, specifically by the following activities:

- Inspiring people to give their time, money, skills, experience and other resources
- Engaging all who express interest in joining Starfish
- Enrolling individuals and organisations as committed partners
- Enabling and leveraging the potential of all who give of their time, money, skills, experience and other resources
- Providing leadership that focuses and supports the Starfish organisation, while developing and protecting the brand and vision

These activities find expression in a single overall charitable activity with the objects of raising funds to support projects identified and managed by Starfish SA.

The Crisis

South Africa has one of the highest numbers of HIV positive people of any country in the world. In 2018 the total number of people living with HIV within South Africa was estimated to be 7.7 million, 280,000 of which are children, of whom only 58% are on treatment. It is also estimated that 3 million children residing in South Africa have been made vulnerable or orphaned as a direct result of the virus. The country accounts for a third of all new HIV infections in southern Africa. Orphans are particularly vulnerable to HIV because of economic and social insecurities; they are often at risk of being forced into sex in exchange for support, and typically become sexually active earlier than other children. In 2018, there were 240,000 recorded new HIV infections and 71,000 South Africans known to have died from AIDS-related illnesses (avert.org, 2019).

Females experience an unequal burden of the virus, and account for more than half the total number of people living with HIV in eastern and southern Africa. Approximately 2,000 females aged 15-24 are infected with HIV per week, two and a half times more than their male counterparts (SANSP, 2018). It is estimated that one fifth of South African women in their reproductive ages (12-49 years) are HIV positive (SSA.gov, 2018). In the years since the virus first appeared, the communities we work in have lost entire generations of parents, carers and teachers.

HIV prevalence remains high at 20.4% of the general population, with the greatest concentration (12.2%) in the KZN region where many of our projects are based.

Inequality is still deepening and South Africa ranks amongst the most economically unequal economies in the world. The HIV/AIDS epidemic can affect the economy in a number of ways, such as, through the reduction of labour force, healthcare

expenditure, negative impact on child growth and development, diverting of public investment, as well as exacerbating income inequality by decreasing the growth rate of per capita income. The children we care for are those who suffer the most from this stark reality.

Negative health indicators are particularly high within the KwaZulu-Natal region where most of our work takes place. Our community partners report a lack of healthcare, education, and nutritional services within these areas.

The Response

By challenging perspectives and beliefs, Starfish seeks to mobilise and inspire individuals in their various fields of influence to bring life, hope and opportunity to these children and their communities. In this way, Starfish is developing a global community – a community heightened in its awareness of the problems of the HIV and AIDS pandemic, and determined to overcome them.

ACHIEVEMENTS AND PERFORMANCE

The financial performance of Starfish in the United Kingdom is displayed in the accompanying financial statements on pages 8 to 18. Starfish SA financial information is accounted for separately.

Income

Income for this financial year was £273,677 (£323,822 in 2018). The drop income is reflected across both our events and trust and foundation streams. In 2019/20 we will continue to focus on the historic mix of community and events fundraising as well as redoubling our efforts to secure new income from corporates, individuals, trusts and foundations. We hope to continue to grow our individual donor income stream and have put in place a strategy to support this growth. In order to ensure that our outgoings are minimal the team in the UK continues to benefit from pro bono office space and there are only 2 paid staff members.

Charitable Trusts and Foundations

Starfish secured grants totalling £41,374 in 2018/19 (2018: £93,971) from charitable trusts and foundations. The drop in income from the prior year reflects our supporter's funding cycles, with a number of our partners working on a 3 year application schedule which we benefited from in 2018.

Corporate Donations

We received notable corporate donations this year, totalling £38,457 (2018: £1,601, see note 2). This was largely restricted to the purchase of a new wellness wagon, thanks to our partnership with Altro. We continue to enjoy substantial support from employees at a number of major companies and invaluable support from Investec, our host.

Donated Goods and Facilities

Investec provided Starfish with pro bono office space valued at £47,091 (2018: £29,000, see note 6b), enabling Starfish to ensure that more donations are restricted to charitable work by operating with exceptionally low UK overheads.

Individual Donations

Total donations received during the year through payroll giving, standing orders and single donations amounted to £60,971



(2018:£67,725). We were pleased that this income stream remains healthy, largely due to the generosity of major donors, giving restricted funds to support our projects. We will be focusing on increasing this stream further in 2019/20.

Sporting Initiatives

Sporting activities raised £47,251 (2018:£68,719). We have noted a downward trend in take up for some of our traditionally popular sporting activities and we are diversifying our income streams accordingly. Starfish's very first fundraising initiative and income generation was from our sporting campaign: Greathearts. This campaign forms a fundamental part of the charity even forming part of our name. Starfish now delivers a portfolio of fundraising sports initiatives and the money is ploughed back into helping the most vulnerable children.

Expenditure

Direct staff costs relate to the employment costs of the Global Chief Executive Officer, and a Fundraising Officer. All salary costs are direct staff costs and there are no support staff costs.

Investec plc continued to provide Starfish with pro bono office space and facilities ensuring that the organisation maintains exceptionally low administration costs. This has been recognised in donations, income and costs.

Charitable expenditure includes funds donated to Starfish SA to cover Starfish UK's share of the Programme Team costs, which is an essential part of programme delivery and management.

Charitable expenditure was £280,775 for the year (2018: £226,768). We were thrilled to be able to increase the money allocated to projects and reach more vulnerable children.

PUBLIC BENEFIT PROVIDED AND SUMMARY OF KEY INITIATIVES UNDERTAKEN BY STARFISH

The Charity's Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission. All Trustees gave their time voluntarily and received no benefits from the Charity. No trustee reclaimed any expenses from the charity during the current or previous year.

For the year ending 31 March 2019, Starfish undertook a number of key activities within the framework of the aims set out in the charity's governing document to provide public benefit to children and young persons in South Africa. More specifically, the beneficiaries of public benefit provided by Starfish for the year were children that have been made vulnerable or orphaned by the HIV/AIDS crisis in South Africa. The activities of Starfish for the year were undertaken with the objective of supporting the advancement of education, preservation and protection of health, and the relief of poverty, sickness and distress.

Globally, funds from all Starfish offices supported more than 13,500 children.

In summary, these programme activities included nutritional support, facilitation and provision of education welfare services and training to increase the overall quality of care provided to children. These activities are as follows:

- Health and Education Crisis Intervention

Starfish supports children with food parcels to enable them to stay alive during times of crisis. Many children are left to look

after sick and dying parents and are unable to access basic resources needed to survive. Newly orphaned children are often left to fend for themselves with no support structure around them. Food parcels represent a vital lifeline that enables children to hold onto the hope of a brighter future while we work with them to link them into long term support structures, social services and enable them to receive government welfare grants. The parcels typically contain maize meal, beans, peanut butter, sugar and salt to enable a family of four to survive for a month.

Emergency food parcels also enable staff to build up a relationship with the children. The parcels are used as a short term, but vital lifesaving tool to enable families and children to survive until we can link them to a more secure and sustainable source of food such as vegetable gardening and government grants.

As well as enabling orphaned children to apply for school fees exemption, our projects also crucially provide the necessary support around education such as the provision of school uniforms, shoes, stationery and books. Without these, children would not be able to attend school despite the fact that school represents the one sustainable means of building independent and economically active lives. We provide the necessary support to enable children to continue their education following the death of their parents. This is vitally important to enabling children's lives to stabilise, initiating the rebuilding process.

In July 2014 Starfish launched a brand new initiative as part of the Wellness Programme. A mobile clinic offering testing and care to some of the most vulnerable children in rural areas. The Wellness Wagon was launched to mitigate some of the challenges to accessing care, including lack of provision, inadequate staffing and medical resources, school absenteeism and unaccompanied children not being taken seriously by health officials.

Results confirmed the need for services with 67% of children referred for follow up care. A second wagon was launched in 2015 to provide care in the Eastern Cape and a third was launched in 2019 in partnership with Altro, who are donating materials and expertise.

- Support for Community Based Organisations

It is widely accepted, based on experience of organisations in South Africa and throughout the rest of the continent where large populations of AIDS orphans exist, that the best models of care for vulnerable and orphaned children are found within the children's communities, not in institutions.

The huge numbers of children orphaned by HIV/AIDS in South Africa needing support means that neighbourly support is no longer enough. As a response, community members are getting together to assist children and their families within their communities. Community initiatives can provide various kinds of assistance including parenting, protection, and psychosocial support as well as material assistance.

However, these community groups require assistance to effectively care for children. They need support to deliver the best responses, reaching the most vulnerable children over the long term. Starfish invests in the futures of thousands of children across South Africa making sure they have the tools they need to become independent young adults. We do this through community based organisations (CBOs) working at grassroots level. We believe that by empowering these organisations with our knowledge, financial resources and training, vulnerable children, their families and communities

will be strengthened. Our support is flexible and can be adapted by the projects themselves. This enables individual communities to develop their own solutions to the challenges they face.

The service packages our project partners provide typically includes:

- Nutritional support through sustainable food gardening and hot meals
- Day care and pre-school for infants and young children
- Psychosocial care for traumatised children
- Homework support and training for older children
- Safe and caring environments in which children can play and socialise
- Government grant facilitation for child headed households and foster care families
- Caregivers giving direct support for child headed households until we can link children to foster care families
- Healthcare services

- Capacity Building

There are thousands of CBOs that work to support orphaned children and adults at risk due to HIV/AIDS. These organisations deliver a range of education and health support services. However, donors and the government are unable to work with these CBOs because they have no formal framework, infrastructures such as bank accounts, or non-profit organisation registration. Staff and volunteers require training and skills around budgeting and financial management, fundraising, business plans and codes of conduct.

Starfish has undertaken to increase the capacity and sustainability of project partners. This year we have continued to direct our work in this important area through ad hoc training courses following assessment of individual needs of organisations and the ongoing support of Programme Managers.

Programme Managers are experienced individuals not only conducting monitoring of projects, but also providing the necessary support around the development of key skills. We have found that this combination of ad hoc but focussed training alongside support delivered by Starfish staff is proving exceptionally beneficial with projects considerably increasing their reach and quality of programmes delivered. Training ranges from finance and management to social care courses. In 2019/20 there will be an even greater emphasis on training with a special focus on primary care in order to ensure the best medical support for vulnerable children.

FINANCIAL REVIEW

Policy on Reserves

Income funds are split between restricted and unrestricted funds. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. This may be a specific project, geographic area or type of work such as health, education or child protection services. Unrestricted funds have been split into Operational Reserves, the Designated Projects Fund and the residual unrestricted funds.

Operational Reserves

The Trustees closely monitor the level of Operational Reserves available to ensure there is sufficient financial flexibility in place. The Trustees' policy is that there should be Operational

Reserves of approximately £80,000 (2018: £80,000) so as to cover at least six months of staff and administration costs. The remaining Unrestricted Reserves available at 31 March 2019 were £nil (2018: £2,895).

Designated Projects Fund

The Trustees review the charity's need for project reserves annually in line with the guidance issued by the Charity Commission. The Trustees believe that in order to safeguard the charity's services and projects in South Africa in the event of delays in the receipt of grants, or any shortfall in fundraising income, the organisation needs a Designated Projects Fund, which will enable Starfish to fulfil its immediate short term charitable commitments. The Fund balance is £103,155 (2018: £181,417).

Grant Making Policy

Available funds raised by Starfish UK are remitted to Starfish SA. The granting of funds is determined by Starfish SA and Starfish UK in line with the organisation's project funding strategy, which is approved by Starfish UK, approval at project committee meetings as well as adequate compliance by the project partner in regards to auditing and reporting.

Investment Policy

Under the Memorandum and Articles of Association, Starfish has the power to make any investment which the Trustees see fit. Starfish aims to achieve an acceptable sterling investment return whilst ensuring sufficient cash is available to meet the operating costs of Starfish and project commitments. Starfish aims to minimise currency risk associated with project commitments as and when clarity exists as to the terms and timing of amounts to be transferred.

Starfish has primary banking relationships with Investec Bank Plc ("Investec") Metro Bank and Virgin Money. Surplus cash funds are placed with Investec, Metro Bank and Virgin Money during the year and interest received from these placements was £1,713 (2018: £1,301).

Brexit Disclosure

The uncertainty relating to Brexit is not expected to present significant risks to the Charity. The main exposure relates to foreign exchange movements, as some income and costs. This risk is managed with prudent expenditure plans to allow for currency fluctuations, and regular reviews to ensure action is taken to reduce expenditure in the event of unforecast cost increase or in the case of income reduction.

Trustees' Responsibility in Relation to the Financial Statements

Company law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Future Plans

We are grateful for the continued support from individual donors; a tribute to the Charity's founding principles and a belief that each one of us can make a difference. Plans for the year ahead include a continued focus on increasing income from charitable trusts, foundations and companies as well as support for our team of individual fundraising volunteers. Events and campaigns planned for 2019/20 include a number of events to engage individuals, awareness raising campaigns and a sporting events' portfolio to generate new income.

The Trustees have approved a schedule of periodic disbursements to project partners in South Africa for the period to 31 March 2020.

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.



.....
Edward Cottrell, Chairman, on behalf of the Trustees

17 December 2019

REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES

I report on the financial statements of the charity for the year ended 31 March 2019, which are set out on pages 8 to 18.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the charity's trustees as a body. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

N J Wakefield

Nicola Wakefield FCA

Mazars LLP

Times House, Throwley Way, Sutton, Surrey SM1 4JQ

Date: 20 December 2019

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2019

(including Income and Expenditure Account)

	Notes			Year ended 31 March 2019	Year ended 31 March 2018
		Unrestricted funds £	Restricted funds £	Total £	Total £
Income					
Donations	2	101,426	94,997	196,423	217,505
Activities for Raising Funds					
- Starfish Events	3	75,541	-	75,541	105,016
- Interest Received		1,713	-	1,713	1,301
Total Income		178,680	94,997	273,677	323,822
Expenditure					
Cost of Raising Funds	4	103,543	-	103,543	107,407
Charitable Expenditure	5	156,294	124,481	280,775	226,768
Total Expenditure		259,837	124,481	384,318	334,175
Net movement in Funds		(81,157)	(29,484)	(110,641)	(10,353)
Fund Balances Brought Forward	12	264,312	79,646	343,958	354,311
Fund Balances Carried Forward	12	183,155	50,162	233,317	343,958

All results were derived from continuing activities. There were no recognised gains or losses for the year ended 31 March 2019.

The comparative split between restricted and unrestricted funds in 2018 is shown in note 14.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 10 – 18 form part of these financial statements.

BALANCE SHEET

as at 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
Tangible Fixed Assets	9	-	-
Current Assets			
Debtors	10	3,991	8,668
Cash at Bank	13	239,726	337,789
		243,717	346,458
Creditors: Amounts Falling Due Within One Year	11	(10,400)	(2,500)
Net Current Assets		233,317	343,958
Net Assets		233,317	343,958
Income Funds			
Unrestricted			
Operational Reserves	12	80,000	80,000
Designated Projects Fund	12	103,155	181,417
Unrestricted Reserves	12	-	2,895
Restricted	12	50,162	79,646
Total Funds		233,317	343,958

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2019.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.
- (b)

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved on behalf of the Board of Starfish Greathearts Foundation.



Edward Cottrell
Chairman

17 December 2019

The notes on pages 10 – 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019

1. Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention, the Companies Act 2006, the Statement of Recommended Practice (SORP), and applicable UK accounting standards.

Fund Accounting

Unrestricted Funds

Unrestricted Reserves are available for use at the discretion of the Trustees in furtherance of the general objectives of Starfish and have not been designated for other purposes.

Designated Projects Fund and Operational Reserves are unrestricted funds earmarked by the trustees for particular purposes. For more details please see our reserves policy on page 5.

Restricted Funds

Restricted funds are to be used in accordance with specific restrictions imposed by donors. The aim and use of the restricted funds are set out in the notes to the financial statements.

Income

All income is accounted for on a receivable basis.

Donations

Donations are received from individuals and corporations. Starfish reclaims *Gift Aid* from the Inland Revenue where appropriate documentation has been received from the donor.

Starfish Events

Funds raised from Starfish events are accounted for on a receivable basis and are stated on a gross basis as expenses related to these events are included in expenditure.

Expenditure

All expenditure is accounted for on an accruals basis and, in accordance with the requirement of the SORP, has either been classified directly to or allocated as appropriate support costs over the Foundation's two main activities under the SORP of:

- Cost of raising funds
- Funding of Starfish SA

Grants Policy

All available funds raised by Starfish UK are remitted to Starfish SA based on their project funding strategy, which is approved by Starfish UK.

Statement of Cash Flows

A statement of cash flows has not been prepared as Starfish qualifies as a small company and is therefore exempt from the requirements to produce a statement of cash flows.

Donated Services

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

Interest Received

Interest is included when receivable by Starfish.

Tangible Fixed Assets

Computer equipment purchased during the year is capitalised and depreciated on a straight line basis over the estimated useful life of three years.

Software development costs that meet the requirements for capitalisation are depreciated on a straight line basis over the estimated useful life of three years.

Foreign Exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019 (continued)

2. Donations

	Year ended 31 March 2019 £	<i>Year ended 31 March 2018 £</i>
Charitable Trusts and Foundations	41,374	93,487
Individual Donations	60,971	67,725
Corporate Donations	38,457	1,601
Donated Facilities	47,091	29,000
Donated Marketing Support	-	4,837
Donated Accountancy Support	-	4,656
Donated office move	-	700
Gift Aid Reclaim	8,530	15,499
	<u>196,423</u>	<u>217,505</u>

Donated Facilities refers to the in kind donation of office space in lieu of rental by Investec Plc, a company by which a number of trustees are employed (see Note 15). This relationship was initiated in November 2007. Donated Marketing Support refers to the in-kind donation of Striata and marketing material designs by pro bono designers.

3. Income from Starfish Events and Fundraising Initiatives

	Year ended 31 March 2019 £	<i>Year ended 31 March 2018 £</i>
Sports Initiative	47,251	68,719
Wine Tasting	18,804	22,719
World Aids Day	-	806
Other Beneficiary Events	7,632	6,265
Breakfast Run	-	6,507
Dinners of Hope	741	-
Starfish Day	1,113	-
	<u>75,541</u>	<u>105,016</u>

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019 (continued)

4. Cost of Raising Funds

	<i>Direct costs</i>	<i>Support costs</i>	Year ended 31 March 2019	<i>Year ended 31 March 2018</i>
	£	£	£	£
Cost of Raising Funds	71,7452	31,791	103,543	107,407
Direct Staff Costs (Note 6a)			34,099	38,861
Cost of Starfish events			13,093	23,640
Support Costs			32,323	23,430
Cost of Community Fundraising			-	-
Cost of Sports Initiative			24,028	21,476
			<u>103,543</u>	<u>107,407</u>

Donated services of £47,091 (2018: £38,493 see Note 2) are included in the cost of raising funds.

5. Charitable Activities

	<i>Direct costs</i>	<i>Support costs</i>	Year ended 31 March 2019	<i>Year ended 31 March 2018</i>
	£	£	£	£
Funding of Starfish SA and other programmes				
- Health and Education Crisis Intervention	185,924	-	185,924	132,743
- CBO Support and Capacity Building	19,307	-	19,307	28,699
Activities within the UK	45,962	27,082	73,044	63,066
	<u>251,193</u>	<u>27,082</u>	<u>278,275</u>	<u>224,508</u>
Governance Costs	2,500	-	2,500	2,260
	<u>253,693</u>	<u>27,082</u>	<u>280,775</u>	<u>226,768</u>

Governance costs include independent examiner's fees of £2,500 (2018: independent examiner's remuneration of £2,260).

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019 (continued)

6. Support Costs

a) Staff Costs

	Year ended 31 March 2019 £	<i>Year ended 31 March 2018 £</i>
Wages and Salaries	72,079	72,346
Social Security costs	7,593	8,372
Other Staff Costs	818	1,428
	<hr/>	<hr/>
	80,490	82,146
Less staff costs relating to cost of raising funds	(34,099)	(38,861)
	<hr/>	<hr/>
Staff costs relating to charitable activities	46,391	43,285
	<hr/> <hr/>	<hr/> <hr/>

The average number of employees for the year was two (2018: two), both of whom are employed in furthering the charitable aims of the organisation.

No employees earned more than £60,000 during the year under review (2018– nil).

b) Administration

	Year ended 31 March 2019 £	<i>Year ended 31 March 2018 £</i>
Rent on Premises	47,091	29,000
General Expenses including:		
- Other	11,784	14,961
	<hr/>	<hr/>
Total Support Costs	58,875	43,961
	<hr/> <hr/>	<hr/> <hr/>

Rent on premises is donated by Investec Bank Plc, other includes pro bono support costs.

NOTES TO THE FINANCIAL STATEMENTS at 31 MARCH 2019 (continued)

7. Taxation

As a charity Starfish is exempt from taxation of its income and gains within Section 505 Taxes Act 1988 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent they are applied to its charitable objectives. No tax liability has arisen in the year.

8. Trustees' Remuneration

The Trustees have waived their right to any emoluments from Starfish. No trustee received any reimbursed expenses during the year (2018 - £nil).

9. Tangible Fixed Assets

	Computer Software £	Computer Hardware £	Total Assets £
Cost			
At 01 April 2018 and 31 March 2019	2,959	1,665	4,624
	=====	=====	=====
Accumulated Depreciation			
At 01 April 2018 and 31 March 2019	2,959	1,665	4,624
	=====	=====	=====
Net Book Value as at 31 March 2019	-	-	-
	=====	=====	=====
Net Book Value as at 31 March 2018	-	-	-
	=====	=====	=====



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NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019 (continued)

10. Debtors

	31 March	<i>31 March</i>
	2019	<i>2018</i>
	£	<i>£</i>
HMRC for Gift Aid	3,991	8,668

11. Creditors: amounts falling due within one year

	31 March	<i>31 March</i>
	2019	<i>2018</i>
	£	<i>£</i>
Accrued Expenses	10,400	2,500

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019 (continued)

12. Statement of Funds

	<i>At</i> <i>1 April</i>				<i>At</i> <i>31 March</i>
	<i>2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Unrestricted					
Operational Reserves	80,000	-	-	-	80,000
Designated Projects Fund	181,417	-	(16,588)	(61,674)	103,155
Unrestricted Reserves	2,895	178,680	(243,249)	(61,674)	-
Restricted	79,646	94,997	(124,481)	-	50,162
Total Funds	343,958	273,677	(384,318)	-	233,317

The unrestricted funds include the Operational Reserves, Designated Projects Fund and Unrestricted Reserves. The Operational Reserves of £80,000 (2018: £80,000) will cover six months of staff and administration costs.

The Designated Projects Fund is held to safeguard the charity's services and projects in South Africa in the event of delays in the receipt of grants, or any shortfall in fundraising income. This will enable Starfish to fulfil its immediate short term charitable commitments. A transfer of £61,674 has been made out of this fund in 2019 (2018: £10,788 was transferred to the fund).

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of the restricted funds are set out in the table below:

	<i>Balance at</i> <i>1 April</i>			<i>Balance at</i> <i>31 March</i>
	<i>2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Anonymous Trusts for the Wellness Wagon	14,679	48,222	(55,401)	7,500
IFP Donation for KZN	37,500	30,000	(37,500)	30,000
Anonymous Donation for KZN	7,351	11,224	(7,351)	11,224
Restricted donations of £5,000 or less	20,116	5,551	(24,229)	1,438
	79,646	94,997	(124,481)	50,162

Restricted funds are to be used solely for the purpose for which they were awarded. This may be a specific project, geographic area or type of work such as health, education or child protection services.

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2019 (continued)

13. Analysis of Net Assets between Funds

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	31 March 2019 Total
	£	£	£
Debtors	3,991	-	3,991
Cash at Bank	189,564	50,162	239,726
Creditors: Amounts Falling Due Within One Year	(10,400)	-	(10,400)
Net assets	183,155	50,162	233,317

14. Unrestricted and Restricted Funds Split 2018

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	Year ended 31 March 2018 Total
	£	£	£
Income			
Donations	93,132	124,373	217,505
Activities for Raising Funds			
- Starfish Events	105,016	-	105,016
- Interest Received	1,301	-	1,301
Total Income	199,449	124,373	323,822
Expenditure			
Cost of Raising Funds	107,407	-	107,407
Charitable Expenditure	107,193	119,575	226,768
Total Expenditure	214,600	119,575	334,175
Net movement in Funds	(15,151)	4,798	(10,353)
Fund Balances Brought Forward	279,463	74,848	354,311
Fund Balances Carried Forward	264,312	79,646	343,958



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15. Related Parties

Starfish Greathearts Foundation, registered in South Africa (Section 21 company registration number: 2003/002865/08) ("Starfish SA") is the sister charity of Starfish Greathearts Foundation ("Starfish"), registered in England and Wales. Starfish SA has the same charitable objects as Starfish.

During the period under review there was charitable expenditure of £205,231 (2018: 161,442) from Starfish to Starfish SA to further the charitable objects of Starfish SA. These will enable Starfish to fulfil its immediate short term charitable commitments. At the year-end amounts due from/to Starfish SA was £nil (2018: £nil).

During the year two Trustees (being Chris Kotze and John O'Donovan) were full time employees of Investec Bank plc, with which Starfish has an arm's length banking relationship. The Starfish team are also hosted by the bank.

16. Guarantors

Starfish is a company limited by guarantee. In the event of a winding-up, the liability of each of the members is limited to £1. At 31 March 2019 the Members of the company were all Trustees as listed in the Trustees Report.

17. Post Balance Sheet Events

There have been no significant events between the balance sheet date and the date of this Report.