

Charity Registration No. 1099672 (England and Wales)

Charity Registration No. SCO46364 (Scotland)

STARFISH ASIA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

STARFISH ASIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Michael Wakely Hugh Osgood David Wright Juliet Woodman Geoff Larcombe Marjorie Murphy Devin Scobie	(Appointed 13 June 2017)
Charity number (England and Wales)	1099672	
Charity number (Scotland)	SCO46364	
Principal address	32 Beck Lane Beckenham Kent BR3 4RE	
Independent examiner	Nigel Hewson FCA DChA Hewsons Chartered Accountants 80 Woodhurst Avenue Orpington Kent BR5 1AT	
Bankers	HSBC Bank plc 141 High Street Beckenham Kent BR3 1BX	

STARFISH ASIA

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STARFISH ASIA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The trustees present their report and accounts for the year ended 31 March 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's declaration of trust dated 2 June 2003 and supplemental deed dated 1 September 2003, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects are the relief of poverty, sickness and distress, the advancement of education and the advancement of the Christian faith in Pakistan and other countries of South Asia.

Universal free primary education has long been a tenet of the educational system in the United Kingdom but this is not the case in Pakistan where a high proportion of the poorest, especially among minority communities, have no realistic access to education. Starfish Asia seeks to serve those communities which for social and cultural reasons are not able to access public social or educational facilities. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning the future activities of the charity. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The Executive Trustee's Report sets out the significant activities, changes and developments during the year.

Starfish Asia does not engage volunteers in any great number. The Executive Trustee and his wife, Mr and Mrs Wakely, work with no remuneration in a volunteer capacity. One volunteer, Margaret Robson, undertakes part-time responsibility in data management and administration. All are fully approved by, and answerable to, the Trustees. Starfish Asia has no paid employees.

The selection of beneficiaries is carried out by the Board of Starfish Pakistan, an independent registered Trust in Pakistan whose trustees are respected members of the Pakistan Christian community, working in close consultation with its Director, Mr Anser Javed.

The Executive Trustee is normally invited to attend its Board meetings whilst in Pakistan reviewing projects. Starfish Pakistan is also responsible for the distribution of the grants to the supported schools. All grants are paid to locally registered trusts which oversee schools and other institutions run by trusted Pakistani Christian leaders. The principal criteria is that the selected schools support the poorest families in the community, and evidence provided that the aims and objectives of the charity are being implemented and achieved. Starfish Pakistan accounts are audited annually. There is constant and regular interaction between Starfish Pakistan and Starfish Asia, especially in regard to the disbursement of restricted funding made to approved projects. The relationship between Starfish Asia and Starfish Pakistan is documented in a Partnership Agreement updated in June 2017.

Achievements and performance

The Executive Trustee's Report sets out the significant achievements and performance during the year.

Financial review

The trustees are pleased to report a surplus for the year of £28,873 (2016: deficit of £16,724).

Starfish Asia aims to maintain a minimum of £50,000 in cash unrestricted funds in order to meet urgent and stressful situations as they arise overseas. Due to the erratic currency fluctuations in 2016, this level of funding reserves was not maintained throughout the year. Considerable strain has been placed on funds due to the fall in the value of sterling against the Pakistan Rupee since June 2016. At the year end the level of cash unrestricted funds was £41,888 and restoring sufficient reserves is a priority for the charity in the coming months.

STARFISH ASIA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Risk within Pakistan: The most significant operational risk concerns the selection of beneficiaries and the distribution of grants within Pakistan. The trustees consider that the arrangements made with the trustees of Starfish Pakistan are sufficient to ensure that grants are made only to those schools which meet the criteria of providing basic education and care in a Christian context to the poorest in society.

While the charity does not make any unconditional grant commitments, every attempt is made to grant to each supported school a monthly amount which meets an agreed proportion of its costs. To achieve this, the charity stresses in all of its literature the need for regular committed giving by its own supporters and the trustees are provided with detailed management accounts which report progress and performance.

Currency fluctuation risk: The constant fluctuation of the UK pound is a constant risk, as funding commitments to projects are made in local currency. The severe drop in the value of the pound due to Brexit in June 2016 put a huge strain on charity resources. The consequence has been two-fold: 1. Income rose significantly during the year to cover much of the deficit. 2. Our emergency buffer has been severely depleted. This is under constant review by the Board and efforts are in place to reverse the trend and restore the buffer in the coming year.

Starfish Asia will continue to work responsibly with the 40 projects to which we are currently committed – and also respond to the multiple opportunities given to us through the data of the 2016 Christian Schools' Survey. Further details of future plans are outlined in the Executive Trustee's report.

Plans for the future are included in the Executive Trustee's Report.

Structure, governance and management

The charity is a trust as set out in its declaration of trust dated 2 June 2003 and supplemental deed dated 1 September 2003.

The trustees who served during the year were:

Michael Wakely

Hugh Osgood

David Wright

Juliet Woodman

Geoff Larcombe

Graham Duncan

(Resigned 13 June 2017)

Marjorie Murphy

Devin Scobie

(Appointed 13 June 2017)

New trustees are appointed by the existing trustees and serve for 4 years after which they may put themselves forward for re-appointment. The induction and training of new trustees into the work of the charity and into their duties and responsibilities as trustees is undertaken by the Executive Trustee and the Chairman of the Trust. The trust deed provides for a minimum of 3 trustees.

Future succession plans have been a feature of Board discussions during the year and the Board initiated a staff appraisal in 2016 to review current staffing positions and needs together with plans for future leadership succession.

The executive of the Trust is responsible to the regular oversight of the Board, which consists of seven trustees. The Executive Director is also a Trustee and designated Executive Trustee, currently Mr Michael Wakely.

STARFISH ASIA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Management decisions and the daily conduct of the Trust including fund-raising, partnership decisions related to the projects in Pakistan, etc. are taken by the Executive Trustee, subject to the Trust's policies and the final oversight of the Board. Decisions of Policy, appointment of staff and major financial commitments are made by the Board.

The trustees meet about four times each year. They agree the broad strategy and areas of activity of the charity, including consideration of grant making, reserve and risk policies and performance. They receive regular reports of visits to supported schools by the Executive Trustee and by others who have visited the projects in Pakistan. All of the trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in the notes to the accounts.

Starfish Pakistan is an independent Trust registered in Pakistan with its own Board of trustees and financial audit. Starfish Asia (UK) provides funds to Starfish Pakistan on the basis of a signed 'Partnership Agreement'.

On 26 February 2016 Starfish Asia was registered as a cross-border charity with the Office of the Scottish Charity Regulator (no. SC046364). Starfish Asia is represented in Scotland by Mr Devin Scobie, appointed a Trustee in June 2017 and resident in Edinburgh.

Reference and administrative information is provided on the page following the cover sheet.

The trustees' report was approved by the Board of Trustees.

Michael Wakely

Trustee

Dated: 8 December 2017

STARFISH ASIA

EXECUTIVE TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The year 2016-2017 witnessed several developments that have had far-reaching implications for the work of Starfish Asia in both the UK and Pakistan.

- In January 2016 we initiated a Survey of low-cost Christian Schools in Pakistan. Teams went out into the Christian areas of cities and villages mainly in Punjab and Karachi to find and then collect data on schools serving the poor in Christian communities. Working together with Idara-e-Taleem-o-Aagahi, the Survey report was published in October and launched officially in a ceremony in Lahore.

- In June 2016 the UK held a referendum on its future relationship to Europe. The result was Brexit and a serious fall in the value of the pound, which affected us severely. Amazingly, though our costs rose immediately by about 10-20%, our income also rose during the year, resulting in our best year ever.

- The Starfish Asia Trustees conducted an appraisal of our staff, which had several consequences. Firstly, we regretfully said farewell to Ian and Fiona who resigned in November. Secondly, this led to a closer link with Scotland and a welcome to Devin Scobie from Edinburgh who has joined The SA Board. Thirdly, we were joined in Beckenham by Margaret Robson as a volunteer administrative assistant – an invaluable help as we upgraded our database systems and addressed the challenges of the new data protection laws.

- Scotland: In October, sponsored by Mr. James Dornan, MSP and Co-convenor of the Cross-Party Group in the Scottish Parliament on Pakistan, Starfish Asia held a reception in the Scottish parliament building. Anser Javed paid his first visit to the UK to speak at the meeting and then visit partners and supporters in both Scotland and England. The visit was very successful.

Significant Charitable Activities

1. Teacher Training: In June 2016 Starfish Pakistan arranged three 3-day training workshops for Christian teachers in the cool hill-top town of Murree. 75 teachers benefitted from training conducted by Anser and Kashi (Starfish Pakistan directors) with help from Ian and Fiona Anderson.

2. Celebrating Success: In August Starfish Pakistan held a reception for Christian students who had gained an A and A+ category in their matriculation exams. It was aimed at celebrating the success of Christian students. Sixty students qualified for an award, and 45 attended the ceremony. All with more than 80% pass marks received medals and shields. Those with more than 90% were also given a cash prize.

3. Shama School building: Funds were provided for the construction of a single-storey building for the Shama School in a brick-kiln community in Kot Radha Kishan, the area where two Christian kiln workers were murdered in 2014. The building was officially opened and dedicated in March 2017.

4. The Christian Schools Survey: The Survey, For a better World, was published in October in Pakistan. It can be downloaded and read at <http://starfishasia.com/2016/for-a-better-world/> The implications of the Survey report are far-reaching for those who are concerned for the future of the Christian community in Pakistan. The launch of the Survey was well reported by the local Press. Regrettably, though the Report was mailed and given to many Christians leaders, both internationally and locally, interest was very limited. However, it provides us with a database of up to 700 Christian schools for the poor, and we are actively engaged in responding to the opportunities provided to us.

5. In January 2017 Starfish Pakistan launched the Pakistan Association of Christian Teachers. Details and application invites were sent to all schools on the Survey database. Response was slow but steady. PACT provides a platform for future contact and relationship, and a forum for the community to engage in issues of common concern.

6. Together with PACT came the launch of a 16-page quarterly magazine, Uraan (Fly! Or Inspire!). 4,000 copies of the magazine were mailed to 600 schools. Response has been varied. The fourth edition (November 2017) will be mailed, some by registered post, to 3,000. It provides advice to improve teaching practice, raises morale and inspiration for teachers and advises on issues specific to Christians in the teaching profession.

STARFISH ASIA

EXECUTIVE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7. Those who responded to the invitations from Uraan and PACT were invited to send teachers for training workshops in Murree in June. 75 teachers came from so-called "Survey schools" and were enriched by the sessions and contact with other Christian teachers from similar schools. Further training events are being arranged in other cities.

8. A visitation schedule has been initiated to develop a relationship with other schools contacted through the Survey. As of October 2017 about 20 schools have been visited, and where possible furniture has been provided where needed, and other resources sought, to raise the standards of the schools. A further 100 schools will be visited in the coming months.

9. Funds have been received to provide Bible Curriculum books for primary school classes to 40,000 students in many schools. The books are being offered free to low-income Christian schools. These books have been developed by Starfish Asia in English and Urdu and are published by Nirali Kitaben in Lahore.

Starfish Asia in Scotland

The event in the Scottish parliament in October 2016 was attended by many of the supporters of Starfish Asia in Scotland. It also cemented a relationship with several MSPs that is still developing.

Following the resignation of our SA representatives in Edinburgh, Mr Devin Scobie became a trustee and took responsibility for developing the links with our Scottish constituency and the Scottish government. A special brochure was printed for his use and he is building firm connections with partners, churches, supporters and the Scottish Government.

In June 2017 Allan Grant ran the West Highland Way Race (96 miles from Milngavie (north of Glasgow) to Fort William and raised more than £4,000 to provide a van to take teachers to school in a village near Khanewal in central Pakistani Punjab.

Review of financial development

Sterling has stabilised since the collapse of the pound in June 2016 and other UK political uncertainties, but (in October 2017) still lies 20% lower than its highest rate against the Pakistani rupee, which remains more or less tied to the US dollar.

Starfish Asia funds have been hit by the fluctuations of the currency and the working buffer has been reduced well below its acceptable level. This remains a serious concern for the coming year. General funds account for the bulk of our support which goes largely to teachers' salaries (we currently support about 350 teachers and a further 100 school staff) and school rents. Overheads remain very low in the UK, as we pay no salaries or rents. In Pakistan admin costs have risen and account for about 7% of the funds sent to Pakistan.

Restricted fund receipts for various aspects of the project have improved:

- Funding for scholarships have remained steady, enabling us to give approximately £2,000 each month to about 150 young men and women doing advanced study or vocational training. A few higher study awards have enabled promising students to gain a PhD and to study for masters degrees.

- A grant for the Bible Curriculum books is enabling us to provide text books for more than 40,000 primary school children. This project is ongoing.

- Funding for school furniture has enabled us to provide several hundred chairs and desks, construct two toilets, provide TV, beds and material repairs for several homes for disabled children – and several other projects for school improvement.

- We were able to provide school textbooks to about 7,000 students in March 2017.

STARFISH ASIA

EXECUTIVE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Summary

In spite of the expansion of our reach through the opportunities presented by the Christian Schools Survey, Starfish Asia remains committed to the regular support of 36 primary and high schools and seven homes or centres for disabled and disadvantaged children. Our emphasis remains help to those from poor families mainly (but not exclusively) from the deprived Christian community in Pakistan.

We continue to work on the quality of projects that we support. We are not content to provide funding to failing schools but aim to transform them into schools that produce positive results. This includes more training for teachers and a greater emphasis on schools and communities taking greater responsibility for funding the education of their children. We are also concerned to work harder at the maintenance of a Christian ethos and values in the education process. We acknowledge the co-operation of other Trusts and charities with most of whom we maintain a close and transparent relationship.

Plans for the coming year

Response to the Schools Survey: We plan to visit up to 300 of the schools surveyed, collecting up-to-date data and establishing a relationship of mutual benefit. We anticipate being able to help most of those schools with at least:

- Bible Curriculum books for primary school students
- Teacher training
- Association of Teachers membership and Uraan magazine
- Basic equipment (toilets, blackboards, desks/chairs) as funds permit

Raising Standards: Starfish Asia will continue to support schools for the poor, especially monitoring standards and achievements in the 40 projects to which we are currently committed. We will always bear in mind Christian values, improved teaching standards and material facilities. To this end we will accelerate our teacher training programme and increase our provision of basic school facilities in schools for the poor.

Model Schools: In 2016-2017 we will launch a standard of excellence to which we aim to raise all the schools that we support. This is outlined in a document entitled Starfish Pakistan Model Schools. It includes:

- Schools taking responsibility for parent-teacher relations, reduced drop-out rate, organized fee collection, quality of teaching and ambition for improvement.
- This will be matched by our commitment to help raise teachers' salaries, improve school facilities, provide training for teachers and ensure that every child has the needed school books.

Expanding our reach: These standards will be applied to all the schools we support, though for new schools accessed through the Survey, many of which have the barest minimum of equipment and the lowest of salaries, we will have to work hard to bring them to the standard we aspire to.

These are our goals and we know they can only be attained by the grace of God and the extraordinary generosity of our donors, supporters and friends – and also by the heroic hard work and dedication of our staff and all the teachers in the schools and projects we are committed to in Pakistan.

Submitted with gratitude:

Mike Wakely
Executive Trustee
8 December 2017

STARFISH ASIA

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STARFISH ASIA

I report on the accounts of the charity for the year ended 31 March 2017, 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 accounts. 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) or under Regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations) and that an independent examination is needed. The charity is preparing accrued accounts and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- (i) examine the accounts under section 145 of the Charities Act 2011 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act);
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts 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 accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act and section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act, section 44(1) (b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Nigel Hewson FCA DChA

Hewsons
Chartered Accountants
80 Woodhurst Avenue
Orpington
Kent
BR5 1AT

Dated: 8 December 2017

STARFISH ASIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	3	373,631	126,533	500,164	448,603
Investments	4	22	-	22	28
Total income		<u>373,653</u>	<u>126,533</u>	<u>500,186</u>	<u>448,631</u>
<u>Expenditure on:</u>					
Raising funds	5	6,721	-	6,721	4,650
Charitable activities	6	353,684	110,908	464,592	460,705
Total resources expended		<u>360,405</u>	<u>110,908</u>	<u>471,313</u>	<u>465,355</u>
Net incoming/(outgoing) resources before transfers		13,248	15,625	28,873	(16,724)
Gross transfers between funds		(300)	300	-	-
Net income/(expenditure) for the year/ Net movement in funds		<u>12,948</u>	<u>15,925</u>	<u>28,873</u>	<u>(16,724)</u>
Fund balances at 1 April 2016		<u>34,472</u>	<u>24,785</u>	<u>59,257</u>	<u>75,981</u>
Fund balances at 31 March 2017		<u><u>47,420</u></u>	<u><u>40,710</u></u>	<u><u>88,130</u></u>	<u><u>59,257</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

STARFISH ASIA

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		-		166
Current assets					
Debtors	13	9,012		7,239	
Cash at bank and in hand		82,598		57,129	
		<u>91,610</u>		<u>64,368</u>	
Creditors: amounts falling due within one year	14	<u>(3,480)</u>		<u>(5,277)</u>	
Net current assets			88,130		59,091
Total assets less current liabilities			<u>88,130</u>		<u>59,257</u>
Income funds					
Restricted funds	15		40,710		24,785
Unrestricted funds			47,420		34,472
			<u>88,130</u>		<u>59,257</u>

The accounts were approved by the Trustees on 8 December 2017

Michael Wakely
Trustee

STARFISH ASIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	18		25,447		(15,731)
Investing activities					
Interest received		22		28	
Net cash generated from investing activities			22		28
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			25,469		(15,703)
Cash and cash equivalents at beginning of year			57,129		72,832
Cash and cash equivalents at end of year			82,598		57,129

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Charity information

Starfish Asia is a charitable trust.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 March 2017 are the first accounts of Starfish Asia prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least a further 12 months. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation. Income tax recoverable from restricted fund donors is included in unrestricted funds where permission has been given.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

In accordance with the Charities SORP (FRS 102), general volunteer time of those who provide support is not included in the accounts, however, refer to the trustees' annual report for more information about their contribution.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Grants and donations payable are taken into account at the earlier of when they are paid or become legally enforceable.

Other than the normal commitments under contracts of employment there are no contractual or constructive obligations to future expenditure at the balance sheet date. Where the trustees have authorised expenditure which is not yet legally enforceable or become constructive obligations amounts are set aside into funds designated for the purpose.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets costing less than £500 are written off as an expense in the year in which the expenditure is incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and equipment	4 years
---------------------	---------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	372,115	126,533	498,648	447,393
Donated goods and services	1,516	-	1,516	1,210
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
For the year ended 31 March 2016	<u>301,714</u>	<u>146,889</u>		<u>448,603</u>

4 Investments

	2017	2016
	£	£
Interest receivable	<u>22</u>	<u>28</u>

5 Raising funds

	2017	2016
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	<u>6,721</u>	<u>4,650</u>
	<u>6,721</u>	<u>4,650</u>
For the year ended 31 March 2016		
Fundraising and publicity		<u>4,650</u>

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Charitable activities

	2017 £	2016 £
Staff costs	35,462	36,899
Depreciation and impairment	166	326
Management expenses, Starfish Pakistan	34,976	32,266
Office and administration expenses	9,960	10,446
Travel and subsistence	2,376	1,973
	<u>82,940</u>	<u>81,910</u>
Grant funding of activities (see note 7)	376,738	376,215
Share of governance costs (see note 8)	4,914	2,580
	<u>464,592</u>	<u>460,705</u>

7 Grants payable

	2017 £	2016 £
Grants to institutions:		
Fellowship of Christ Schools	37,031	16,804
Talent High School	17,292	17,943
Holy Shepherd Grammar School	16,843	19,539
Ghuri Wisdom High School	16,469	15,631
Friend's Public School	15,645	14,999
Kingdom of Heaven School	15,233	14,459
Scholarships	14,288	36,047
School Books and Bibles	13,142	17,598
Other	230,795	223,195
	<u>376,738</u>	<u>376,215</u>

All grants are paid to Starfish Pakistan who arrange local distribution of funds. The larger schools, projects and resources are listed above.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

8 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Accountancy	-	4,914	4,914	2,580	Governance
	-	4,914	4,914	2,580	
Analysed between Charitable activities	-	4,914	4,914	2,580	

Governance costs includes independent examiner charges of £1,700 (2016- £1,500) for fees in connection with his report, £1,800 (2016- £1,080) for accountancy and payroll costs and £1,414 (2016- £nil) prior year under provision.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Operational	2	2
Administrative	1	1
	3	3

Employment costs

	2017 £	2016 £
Wages and salaries	35,142	36,279
Social security costs	-	591
Other pension costs	320	29
	35,462	36,899

There were no employees whose annual remuneration was £60,000 or more.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 April 2016	5,532
At 31 March 2017	<u>5,532</u>
Depreciation and impairment	
At 1 April 2016	5,366
Depreciation charged in the year	166
At 31 March 2017	<u>5,532</u>
Carrying amount	
At 31 March 2016	<u>166</u>

12 Financial instruments

The charity has no financial instruments measured at amortised cost. All financial instruments are included in current assets or liabilities and are measured at the cash or other consideration expected to be paid or received and have not been discounted.

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	8,103	6,207
Prepayments and accrued income	909	1,032
	<u>9,012</u>	<u>7,239</u>

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	-	2,697
Accruals and deferred income	3,480	2,580
	<u>3,480</u>	<u>5,277</u>

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2017 £
	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	
School Books and Bibles	-	13,192	(13,142)	-	50
Scholarships	5,147	10,077	(12,649)	-	2,575
Teacher Training	2,395	10,000	(5,709)	-	6,686
New Testament Commentaries	-	9,701	(9,701)	-	-
Star Public School	550	8,585	(7,995)	-	1,140
Other support for schools in Pakistan	16,693	74,978	(61,712)	300	30,259
	<u>24,785</u>	<u>126,533</u>	<u>(110,908)</u>	<u>300</u>	<u>40,710</u>

The larger restricted funds are listed above and are all for the support of schools in Pakistan and all paid to Starfish Pakistan who arrange local distribution of funds.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2017 are represented by:			
Current assets/(liabilities)	47,420	40,710	88,130
	<u>47,420</u>	<u>40,710</u>	<u>88,130</u>

17 Related party transactions

Remuneration of key management personnel

No remuneration was received by management personnel during the year (2016- £nil).

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Three return flights to Pakistan were undertaken by Mr and Mrs Wakely at their own expense. The cost of these, estimated at £1,516 (2016- £1,210) has been included in income as donated goods and services.

During the year donations of £10,590 were received from trustees and related parties.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

18 Cash generated from operations	2017 £	2016 £
Surplus/(deficit) for the year	28,873	(16,724)
Adjustments for:		
Investment income recognised in statement of financial activities	(22)	(28)
Depreciation and impairment of tangible fixed assets	166	326
Movements in working capital:		
(Increase)/decrease in debtors	(1,773)	320
(Decrease)/increase in creditors	(1,797)	375
Cash generated from/(absorbed by) operations	<u>25,447</u>	<u>(15,731)</u>