

Charity Registration No. 1099672 (England and Wales)

Charity Registration No. SCO46364 (Scotland)

STARFISH ASIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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	
Auditor	Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF	
Bankers	HSBC Bank plc 141 High Street Beckenham Kent BR3 1BX	

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STARFISH ASIA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their report and financial statements for the year ended 31 March 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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.

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 on general funds for the year of £25,021 (2017: £12,948).

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. Thanks in part to the devaluation of the Pakistani Rupee and the growing value of the pound, together with continued generous giving, we have restored the general fund reserves and are now in a position to increase support to more projects in Pakistan.

At the year end the level of cash unrestricted funds was over £65,000, which has continued to increase through the summer months. The trustees have 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.

STARFISH ASIA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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. This is under constant review by the Board and we are thankful that the general fund reserves have been restored since October 2017.

Starfish Asia will continue to work responsibly with the 46 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.

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)

Trustee membership: 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.

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. 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 or other 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.

Future succession plans continue to be a concern and a feature of Board discussions during the year and a current structural review by the Board is underway, with a view to the future of the charity.

STARFISH ASIA

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Relationship to Starfish Pakistan: 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'.

Registration in Scotland: In 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 June 2017 and resident in Edinburgh.

Salaries and Benefits: In the year 2017-18 Starfish Asia had no salaried employees. Accountancy charges were paid on an hourly rate to Mr William Ottinah, our Accountant. The charity has no trading subsidiaries. No employment benefits have been paid either to staff or trustees.

Overseas Expenditure: Funds transferred overseas, exclusively to Pakistan, have been exclusively sent via regulated Bank transfer from the Starfish Asia UK account in HSBC to the Starfish Pakistan account in Faysal Bank, Lahore. No cash is hand-carried or transferred by any other means overseas. No funds are sent by any means direct to projects or personal accounts.

All funds sent to Starfish Pakistan (a Registered Trust) are subject to annual Audit and to the checks and balances set in place by the Trustees of Starfish Pakistan. Most funds are transferred as Restricted Funds designated for specified projects. Shoukat Ashraf, senior audit officer of Govt of Pakistan in Ministry of Defence, is working as Internal Auditor of Starfish Pakistan. According to the rules of the Pakistan Audit, no funds (with a few monitored exceptions) are transferred to any personal accounts.

The trustees are satisfied that the charity's risk management policy and procedures adequately address the risks to the charity arising from its activities where it operates.

Income from outside the UK: Starfish Asia UK receives very few funds from outside the UK, with the exception of occasional income from Starfish Asia USA. Occasional funds are received from known individual donors in Australia, Switzerland, etc.

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

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

David Wright

Trustee

Dated: 23 October 2018

STARFISH ASIA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2018

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and in Scotland 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 charity and of the incoming resources and application of resources of the charity for that year.

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 the Charities SORP;
- 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 the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They 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.

STARFISH ASIA

EXECUTIVE TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The year 2017-2018 witnessed several notable developments in the work of Starfish Asia in Pakistan, in brief:

- Three of the schools we have supported for many years have been “graduated” (mainly for inability to observe basic accountability requirements), aiming to continue without the subsidies provided by us. A fourth is under review.
- We have given greater focus to poorer schools, mostly contacted through our 2016 Survey, with the goal of raising their standards and their morale. We have initiated a so-called “Model School” programme.
- As our financial situation has improved, we are reviewing teachers’ salaries and are planning to increase the level of support especially to teachers.
- Aware of the high drop-out rate in Pakistan schools (a national statistic is that 50% leave school before completing Primary education) we are focusing on reducing the drop-out rate.
- Through our scholarship programme and other initiatives we are raising the ambitions of Christian students to aim higher in their ambitions.

Financial review

As much of our work in the UK involves financial development, we are pleased to report a significant turn-around in our situation. Summer 2017 was very hard for us, as income dropped and we were only just able to meet our regular project commitments. At the end of October our general fund reserves were down to £2500. Then the Pakistan government allowed the rupee to float and the pound rallied, income over Christmas (and ever since) increased and 2018 has allowed us much greater flexibility to invest in higher salaries, new projects and improvements in many run-down Pakistani schools.

Progress in 2017-18

In the 2016-17 report we laid out our plans for the coming year. This is a record of our progress:

1. Response to the Schools Survey: Staff of Starfish Pakistan planned to visit up to 300 of the schools surveyed, collecting up-to-date data and establishing a relationship of mutual benefit. In the past year we have provided some help to 112 low-income schools, which 66 were contacted through the Survey. Starfish Pakistan is still working on visits to Christian schools, compiling a list of needs and providing immediate help where possible. They ensure that all teachers are receiving the Teachers’ magazine and the Bible Curriculum books are available to all who request them.

2. Model Schools: In March 2018 we launched what we call Model Schools – a programme to ensure a standard of excellence through co-operation. Starfish Pakistan has provided essential facilities (classroom upgrade, including construction of new classrooms in two schools, toilets, electricity back-up, text books, etc.) to five schools contacted through the Survey. A further five schools are in process of being selected. In addition we guarantee a reasonable regular salary to the teachers. The Model Schools in turn undertake regular fee collection and responsibility for rent and all other expenses.

3. Teacher Training: The Survey revealed the paucity of qualifications and training for teachers in almost all of the 604 Christian schools surveyed. We saw this as a call to increase our focus on basic teacher training for inexperienced and unqualified teachers.

In June 2017 105 teachers attended one of four 3-day workshops for teachers in Murree (the cool summer hill station). Dr Steve Curran from AE Tuition (UK) joined Anser and Kashi as the trainers. “My visit to Murree was inspirational,” he said. A further 29 teachers attended a workshop for teachers from three schools in Karachi in November. Again in May 2018 80 teachers attended workshops on “Classroom Management” in Kasur, Khanewal and Karachi. A further schedule for training is under development.

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EXECUTIVE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Geraldine from Singapore write: "With God's help, Kashi and I were able to conduct three 3-day workshops on Early Math and Lesson Planning in Lahore, Gujranwala and Karachi. Anser also contributed a valuable session on Strengths, Weaknesses, Opportunities & Threats (SWOT). In total we had 90 teachers coming from 20 different Christian schools."

4. Scholarships and successes: 190 young men and women are receiving regular scholarships for higher studies, either in College for academic qualifications, or in the residential Christian Technical Training Centre in Gujranwala for training on vocational skills (engineering, computer, draughtsmanship, etc.).

5. Inspiring ambition: The plan was to produce a brochure for Class 9 and 10 students on Career options for Pakistani Christians. This is still under production. Meanwhile two inspirational programmes were arranged to reward the successful and inspire the capable. A Schools Speech Competition was held in May 2017 (and again in 2018) to which 16 low-income Christian schools were invited to enter 2 candidates. Each was given a topic for a 3-minute speech. The results amazed the judges, for the confidence and ability displayed by young people from very disadvantaged backgrounds. A further programme was organised in November 2017 for the highest Christian achievers in the annual matric exam. Each was given an award – and Rs.5,000 for all who gained more than 90% marks.]

6. School equipment: The Survey revealed hundreds of schools operating in the most unsuitable and run-down premises. 13% of schools claimed they had no toilet. Many had no books, furniture, electricity, etc. This opened up a world of opportunity for change. We are grateful for a grant that is enabling us to provide toilets for schools. We have just helped to renovate the toilet in the Church of Pakistan Cathedral School in Gojra. We have provided school furniture to about 10 schools.

7. Text books: In March text books were provided to 55 schools. 9,108 children received a free set of books for the coming academic year – a total of 45,540 books. In addition about 10,000 Bible Curriculum books were provided free to be used by Christian children in their school Bible class.

8. School construction: In response to several gifts for school building, land was purchased in Narang Mandi and a school building plan drawn up. Construction is delayed by a land dispute but we hope it will soon be resolved. Funds are also available for probable purchase and construction of another school in Johore Town, Lahore, Extra classrooms were added to the Marjorie School of Hope in Faisalabad and in the New Life School in Chak 65/5-L near Sahiwal.

We acknowledge with gratitude the generosity of several Trusts and Foundations, both large and small, as well as the extreme generosity of several individuals who have remained faithful to our core commitment to the Christians of Pakistan.

Events of the year

All Parties Parliamentary Group for Pakistani Minorities: We are grateful to Mr Morris Johns of the APPG in parliament for awarding a Certificate of Appreciation to Starfish Asia for "Outstanding Dedication and Commitment to uplift the Pakistani religious minorities". This was followed on 6 June 2018 by a Consultation on the Education Crisis facing Pakistan's Minorities, to which Anser Javed, Starfish Pakistan director, was invited as a speaker. Anser spent three weeks in the UK, including Scotland and Northern Ireland, mainly visiting supporters of the charity.

Scotland: We are grateful to our Scottish Trustee, Devin Scobie, for his proactive service in relating to the Scottish Government on behalf of Pakistan's Christians. He attended and spoke at the AGM of the Cross Party Group on Pakistan where he met with the re-elected Co-conveners, Murdo Fraser MSP and James Dornan MSP. "It was a good meeting and lots of goodwill shown." Further meetings are planned.

Database and GDPR: With much help from our volunteer assistant, Mags Robson, we have completed the transfer of our database to a new system. Furthermore, we have been working for six months to prepare for the introduction of the GDPR (General Data Protection Regulation). This has led to the loss of about 200 from our mailing list, but the loss has been offset by the benefits and savings.

STARFISH ASIA

EXECUTIVE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

In Pakistan

Agape Home: Flooding and the laying of new sewage lines caused major disturbance for the Agape Home care-centre for Children with Special Needs. Farzana and Imran have survived months of chaos with dignity and determination. Azra from Agape Home won third prize in her category for her drawing in the Toyota Dream Car competition. Several children from Agape Home participated and all received a certificate.

Waheedabad School: A new van for teacher transport was provided to the school, thanks to the fund-raising efforts of Allan Grant from Glasgow who ran the West Highland Way Race for the project.

Matric Results: In August 2017 107 students passed their Class 10 Matric exams from High Schools receiving regular support from Starfish Asia. All were offered scholarships to help them pursue higher studies or vocational training.

Addressing the drop-out catastrophe: In July 2018 Anser gathered about 35 school heads to discuss measures to be taken to reduce the drop-out rate in Christian schools. This will be a priority for the coming year.

Summary

In spite of the many opportunities presented by the Christian Schools Survey, Starfish Asia remains committed to the regular support of 40 primary and high schools and six 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.

The quality of the projects that we support is a priority for us – this includes addressing the terrible drop-out rate that deprives many children of the lift out of poverty that a proper education can bring. 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

Model Schools: Development of the Model School concept will be given a higher priority in 2018-19, with shared responsibility and incentives for success

- 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
Dated: 2 November 2018

STARFISH ASIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF STARFISH ASIA

Opinion

We have audited the financial statements of Starfish Asia (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. 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 charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

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; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

STARFISH ASIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF STARFISH ASIA

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 directors 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 charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

STARFISH ASIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF STARFISH ASIA

Other matters which we are required to address

The corresponding figures are unaudited. Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Caladine Limited

13 November 2018

**Chartered Certified Accountants
Statutory Auditor**

Chantry House
22 Upperton Road
Eastbourne
East Sussex
BN21 1BF

Caladine Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

STARFISH ASIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	394,868	227,668	622,536	500,164
Investments	4	40	-	40	22
Total income		<u>394,908</u>	<u>227,668</u>	<u>622,576</u>	<u>500,186</u>
<u>Expenditure on:</u>					
Raising funds	5	1,415	-	1,415	6,721
Charitable activities	6	368,472	161,157	529,629	464,592
Total resources expended		<u>369,887</u>	<u>161,157</u>	<u>531,044</u>	<u>471,313</u>
Net income for the year/ Net movement in funds		25,021	66,511	91,532	28,873
Fund balances at 1 April 2017		47,420	40,710	88,130	59,257
Fund balances at 31 March 2018		<u><u>72,441</u></u>	<u><u>107,221</u></u>	<u><u>179,662</u></u>	<u><u>88,130</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 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	12	12,635		9,012	
Cash at bank and in hand		172,427		82,598	
		<u>185,062</u>		<u>91,610</u>	
Creditors: amounts falling due within one year	13	(5,400)		(3,480)	
Net current assets			179,662		88,130
			<u>179,662</u>		<u>88,130</u>
Income funds					
Restricted funds	14		107,221		40,710
Unrestricted funds			72,441		47,420
			<u>179,662</u>		<u>88,130</u>

The financial statements were approved by the Trustees on 23 October 2018

Michael Wakely
Trustee

STARFISH ASIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	18		89,789		25,447
Investing activities					
Interest received		40		22	
Net cash generated from investing activities			40		22
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			89,829		25,469
Cash and cash equivalents at beginning of year			82,598		57,129
Cash and cash equivalents at end of year			172,427		82,598

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements 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.

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 financial statements.

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 2018

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
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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 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.

1.8 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.

1.9 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.

1.10 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 2018

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 2018	Total 2017
	£	£	£	£
Donations and gifts	359,585	168,668	528,253	468,942
Legacies receivable	-	59,000	59,000	-
Donated goods and services	724	-	724	1,516
Tax recoverable	34,559	-	34,559	29,706
	<u>394,868</u>	<u>227,668</u>	<u>622,536</u>	<u>500,164</u>
For the year ended 31 March 2017	<u>373,631</u>	<u>126,533</u>		<u>500,164</u>

4 Investments

	2018	2017
	£	£
Interest receivable	<u>40</u>	<u>22</u>

5 Raising funds

	2018	2017
	£	£
Fundraising and publicity		
Other fundraising costs	<u>1,415</u>	<u>6,721</u>
	<u>1,415</u>	<u>6,721</u>

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

6 Charitable activities

	2018 £	2017 £
Staff costs	-	35,462
Depreciation and impairment	-	166
Management expenses, Starfish Pakistan	42,283	34,976
Office and administration expenses	14,744	9,960
Travel and subsistence	2,515	2,376
	<u>59,542</u>	<u>82,940</u>
Grant funding of activities (see note 7)	464,687	376,738
Share of governance costs (see note 8)	5,400	4,914
	<u>529,629</u>	<u>464,592</u>

7 Grants payable

	2018 £	2017 £
Grants to institutions:		
Fellowship of Christ Schools	28,717	37,031
Talent High School	17,821	17,292
Holy Shepherd Grammar School	23,150	16,843
Ghuri Wisdom High School	18,913	16,469
Friend's Public School	17,594	15,645
Kingdom of Heaven School	17,131	15,233
Scholarships	23,745	14,288
School Books and Bibles	6,081	13,142
Adam (Academy) Christian School	36,408	5,390
Abba Home	16,078	9,881
Caritas Pakistan (Ananias)	15,514	12,913
Waheedabad Middle School	17,314	9,881
Other	226,221	192,730
	<u>464,687</u>	<u>376,738</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 2018

8 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Accountancy	-	5,400	5,400	4,914	Governance
	-	5,400	5,400	4,914	
Analysed between Charitable activities	-	5,400	5,400	4,914	

Governance costs includes audit fees of £3,600 (2017- independent examiner charges of £1,700) for fees in connection with his report, £1,800 (2017- £1,800) for accountancy and payroll costs and £nil (2017- £1,414) 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.

During the year two trustees were reimbursed travel expenses amounting to £714 (2017- £nil).

10 Employees

Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Operational	-	2
Administrative	-	1
	-	3

Employment costs

	2018 £	2017 £
Wages and salaries	-	35,142
Other pension costs	-	320
	-	35,462

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 2018

11 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.

12 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	9,353	8,103
Prepayments and accrued income	3,282	909
	<u>12,635</u>	<u>9,012</u>

13 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals and deferred income	5,400	3,480
	<u>5,400</u>	<u>3,480</u>

14 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:

	Balance at 1	Movement in funds		Balance at 31
	April 2017	Incoming	Resources	March 2018
	£	resources	expended	£
School Books and Bibles	50	5,500	(5,550)	-
Scholarships	2,575	13,563	(15,763)	375
Teacher Training	6,686	12,600	(7,311)	11,975
Bible Curriculum	5,518	21,599	(4,945)	22,172
Building Fund	-	59,000	(29,000)	30,000
School Construction Fund	-	10,000	-	10,000
Light for Life Ministries Sheikhpura	2,347	7,900	(8,274)	1,973
Other support for schools in Pakistan	23,534	97,506	(90,314)	30,726
	<u>40,710</u>	<u>227,668</u>	<u>(161,157)</u>	<u>107,221</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.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Current assets/(liabilities)	72,441	107,221	179,662
	<u>72,441</u>	<u>107,221</u>	<u>179,662</u>

16 Financial commitments, guarantees and contingent liabilities

Starfish Asia continues to support many projects of which monthly funding has been committed. In total, this commitment amounts to £23,300 (commitments are in Pakistani Rupee PKR 3,776,000, exchange rate PKR 162/£1 at 31 March 2018) per month. There is no legal obligation to continue this funding and the level of regular funding may decline if sufficient reserves are not available. Funds will be paid to Starfish Asia Pakistan who will distribute these monies to the agreed entities. Continued funding is dependent on evidence being provided showing the aims and objectives of the charity are being implemented and achieved. Monthly commitments will be funded from current reserves and future income.

17 Related party transactions

Remuneration of key management personnel

No remuneration was received by management personnel during the year (2017- £nil).

Transactions with related parties

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

Two return flights to Pakistan were undertaken by Mr and Mrs Wakely at their own expense. The cost of these, estimated at £724 (2017- three flights £1,516) has been included in income as donated goods and services.

During the year donations of £13,220 were received from trustees and related parties.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

18	Cash generated from operations	2018	2017
		£	£
	Surplus for the year	91,532	28,873
	Adjustments for:		
	Investment income recognised in statement of financial activities	(40)	(22)
	Depreciation and impairment of tangible fixed assets	-	166
	Movements in working capital:		
	(Increase) in debtors	(3,623)	(1,773)
	Increase/(decrease) in creditors	1,920	(1,797)
	Cash generated from operations	89,789	25,447
19	Analysis of changes in net debt		
			2018
			£
	Opening net funds		
	Cash and cash equivalents		82,598
	Changes in net debt arising from:		
	Cash flows of the entity		89,829
	Closing net funds as analysed below		172,427
	Closing net funds		
	Cash and cash equivalents		172,427
