

Charity registration number 1181649

STARFISH ASIA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

STARFISH ASIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Michael Wakely
Marjorie Murphy
Devin Scobie
Colin Wrigley
Stephen Curran
Sheila Thomas

Charity number

1181649

Principal address

32 Beck Lane
Beckenham
Kent
BR5 4RE

Independent examiner

Nigel Hewson FCA DChA
Hewsons
Chartered Accountants
80 Woodhurst Avenue
Orpington
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Bankers

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STARFISH ASIA

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

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 constitution, the Charities Act 2011 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)" (effective 1 January 2019).

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.

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 ensure that activities contribute to the aims and objectives they have set.

Pakistan is facing a serious challenge to ensure all children, particularly the most disadvantaged, attend, stay and learn in school. It was reported in the Pakistani DAWN newspaper in September 2021 that **"Out of all children in Pakistan between the ages of five to 16 years, 32 per cent, i.e. one third, are out of school. This amounts to an estimated total of over 20 million."** The often marginalised Christian minority, who are amongst the poorest section of society and often discriminated against, have little realistic access to education from the national or provincial governments. The problem has been exacerbated, and poverty has increased, due to COVID-19, resulting in a crisis for millions of families.

The selection of beneficiaries is carried out by the executive of the Board of Starfish Pakistan, an independent registered Trust in Pakistan, whose trustees are respected members of the Pakistan Christian community. During this financial year there has been a strengthening of the board with a new chairman and an extra member being elected.

Starfish Pakistan is also responsible for the distribution of grants to the supported projects. Grants are paid monthly to locally registered trusts which oversee schools and other institutions run by trusted Pakistani Christian leaders. The principal criteria are that the selected schools support the poorest families in the community, and that evidence is provided that the aims and objectives of the charity are being implemented and achieved. 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. This agreement came to an end at the end of May and is currently under review.

Starfish Asia in the UK engages few volunteers. The Executive Trustee, Michael Wakely and his wife continue to work without pay as volunteers. Two employees now work for the charity. Robert Bavington was appointed Chief Executive in September 2021 and Elizabeth Ellis works part-time as Administrator. All are fully approved by, and answerable to, the Trustees.

Achievements and performance

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

Financial review

The trustees report a deficit on general funds for the year of £46,283 (2021- deficit of £27,944).

The charity aims to maintain a balance of unrestricted net current assets equivalent to a minimum of 3 months support, which currently equates to around £85,000. The balance held in unrestricted net current assets at the end of this year was £108,288. The charity continues to seek to increase support to more projects in Pakistan as funding allows.

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 2022

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 processes and 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.

In December 2019 Starfish Pakistan applied for registration with the Economic Affairs Division of the Government of Pakistan. This was finally approved in October 2020, and an MOU signed granting Starfish Pakistan the right to receive funds from overseas until December 2023.

Reduction in supporter donations: Whilst Starfish Asia does not make any unconditional grant commitments, every attempt is made to grant to each supported school or project 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 fluctuation of the UK pound is a constant risk, partly mitigated by the steady devaluation of the Pakistani Rupee. While helpful for the UK charity, this results in increasing poverty in Pakistan, where inflation is running at above 15%. We are thankful that the general fund reserves have been healthy throughout the year under review.

Fundraising risk: Starfish Asia continues to stand (by God's grace) on donations from individuals, Trusts and Churches / organisations. The levels of commitment have generally stayed stable although a couple of larger donors have discontinued their support. Now that we are more stable again these may decide to return and new supporters are actively being pursued.

Plans for future periods

The Chief Executive Officer's Report contains a section on plans for the future.

Structure, governance and management

The charity is a charitable incorporated organisation.

The trustees who served during the year and up to the date of signature of the financial statements were:

Michael Wakely

Marjorie Murphy

Devin Scobie

Colin Wrigley

Stephen Curran

Robert Bavington

Sheila Thomas

(Resigned 2 September 2021)

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

Robert Bavington was appointed Chief Executive Officer in September 2021, upon which he resigned his position as a trustee.

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

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Relationship to Starfish Pakistan: Starfish Pakistan is an independent Trust registered in Pakistan with its own Board of Trustees and financial audit. Starfish Asia provides funds to Starfish Pakistan on the basis of a signed 'Partnership Agreement'. This agreement is for a period of 5 years and ran out in May 2022. A new agreement is currently being reviewed.

Salaries and benefits: Robert Bavington began working for the charity in January 2021 and was formally appointed Chief Executive Officer in September 2021. His salary has been set by the trustees and will be reviewed on an annual basis. Elizabeth Ellis continues to work part-time on a salary decided by the trustees. Accountancy charges were paid on an hourly rate to William Ottinah, Accountant up until January 2022. His role has now been taken up by Susie Arther of GSG Sorted. The charity has no trading subsidiaries. No employment benefits have been paid to either staff or trustees.

Overseas expenditure: Funds transferred overseas, exclusively to Pakistan, have all been sent via regulated Bank transfer from the Starfish Asia account, held with HSBC, UK, 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. This also applies to transfers made to The Elisabeth Memorial Welfare Trust (EMWT) with whom we have begun working and have a Partnership Agreement.

All funds sent to Starfish Pakistan (a Registered Trust) and EMWT are subject to annual audit and to the checks and balances set in place by the trustees of the respective trusts. Most funds are transferred as restricted funds designated for specified projects. According to the rules of the 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 receives few funds from outside the UK, with the exception of occasional income from the USA.

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

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

Devin Scobie
Chairman

24 August 2022

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CHIEF EXECUTIVE OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

Overview

The current reporting period started with a time of turmoil and transition but there is now more stability and much to be positive about. We see the hand of God in the midst of some dark times and see his leading as we come out the other side.

- Through the year, until June 2021, schools and colleges closed, then opened and closed again. There was much confusion and exams were postponed. Throughout, Starfish Pakistan has continued to provide salaries for teachers.
- From around September 2021 the school situation has stabilised and is now more or less back to normal. The year has been dominated with the government's drive for "One Nation, One Curriculum" which is now in doubt since the fall of Imran Khan's coalition.
- A knock on effect of the Pandemic was the high pass rate for Matric. This put pressure on the scholarship scheme and highlighted the need for A more robust system of granting scholarships.
- This financial year has seen the completion of Starfish Asia's biggest building project, the Holy Shepherd Grammar School, Karachi. Despite everything going well to begin with, the pandemic and sharp rise in costs etc. has meant a 6-month delay in completing the work and a sizeable overspend on behalf of Zor Engineers. We are thankful to God for His provision of extra funding to cover these costs and to enable the work to finally be completed.
- November 2021 saw the first visit to Pakistan for two years. This was followed by a visit in March 2022 for Mike, Rob and one of our major donors.

Transition and change and stability

-The UK Board: The Board continues to have meetings via Zoom, cutting costs and challenging the need for geographical proximity. This year has seen a coming together in vision and purpose after a number of turbulent years. There is a broad depth in experience and expertise and with The possible addition of Nathan Javed, who will observe a Board meeting in September, This could add a much needed "Pakistani Christian" dimension.

- UK leadership and staff team: With Rob Bavington's appointment as Chief Executive of Starfish Asia UK, the transition process moves forward. He continues to work closely together with Mike and Kerstin Wakely and increasingly with Liz. Much of this year has unavoidably been taken up with making the transition work well and to prepare the ground for a different future moving from the hitherto volunteer run organisation to one with potentially 3 employees in the UK. Although there is still work to be done on defining roles and responsibilities, the charity is in a very stable situation with regards to "people power".

- Change in Pakistan: The Starfish Pakistan Board appointed Rev. Danishmand Wasti and his wife Jasmine to lead the work in Pakistan after the resignation of Anser Javed (and his wife Kashi). This has obviously also impacted on the work of Starfish Asia (UK) as new relationships and working patterns needed to be established. It is a great joy to see Danishmand's interpersonal skills coming through and releasing / encouraging Pakistani staff into new responsibilities and ways of working. The addition of Jasmine as "Head of Academics" has also brought extra stability and expertise on the education side. The long held belief that there was too much work for the small team in Lahore to manage has also moved into some action with the addition of 2 new staff members plus a driver. With these changes Starfish Pakistan remains independent, is not administered on behalf of Starfish Asia and there is nothing in the constitution of Starfish Pakistan which gives Starfish Asia a substantial degree of influence over the affairs of Starfish Pakistan.

Blessing and continuity

Everything that Starfish Asia is able to achieve is dependent on three things. Firstly, the amazing overall care and sovereign control of God, of which we are regularly aware. Secondly, the constant generosity of our donors, supporters and friends, without whose partnership nothing would be possible. Thirdly, the dedication and hard work of the staff, volunteers, project leaders and teachers in all the schools and projects we support in Pakistan. We give thanks to God for them all.

In 2021-2022, in spite of the difficulties referred to above, we have helped about 9,000 children receive an education with Christian values and Bible teaching. In this year, we have been able to:

STARFISH ASIA

CHIEF EXECUTIVE OFFICER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

- Provide support to 46 schools with regular financial help, especially for teachers' salaries. We also continue to support 6 homes and centres for children with special needs.
- Provide significant improvements to a number of school buildings, notably The Education School, Gurjanwala, Zeenat School in Lahore and Star Shine School, Lahore. The later was able to be done through a generous donation from St. Mungo's church. This also has given funds for smaller school improvement projects. The year has also seen the completion of the New Life School in Bahawalpur and the Gordon School in Khanpur.
- Furthermore, the Holy Shepherd School in Karachi has been rebuilt, a major construction job carried out by Zor Engineers. The building is now handed over although a couple of smaller jobs remain to be finished off.
- Provide furniture and equipment to 35 schools, with new toilets, desks and chairs, fans and electricity back-up, computers etc.
- Give fee scholarship awards to more than 200 students with a very high number coming from Starfish supported schools.
- Provide sets of textbooks to our 46 schools and 9,000 students in 2022 plus supply students with the Bible Curriculum books.
- During the course of this year Danishmand has been able to visit ALL of the projects at least once with a number receiving several visits. There have also been a couple of Project leader gatherings helping to build new relationships with our partners and form a more unified vision for the future.

Achievements in Pakistan

Consolidation and Quality

1. Coming out of lockdown many schools have taken time to find their feet again and a number of students seem to have dropped out of education. Many of the administrative practices which were in place before seem to have been forgotten or abandoned in a number of schools. Jasmine and Danishmand have sent a very clear message that we want to work together to see pupil numbers increase, as well as improvements in the quality of education and administration.
 2. A number of "failing schools" have been high-lighted and the team are conducting more regular visits and contact as a way of supporting and initiating improvement.
 3. The EDKASA online programme which had served well over lockdown has proved to be difficult to continue in our schools. Problems with connectivity, teacher enthusiasm for the concept and its relative high cost has led to the partnership being stopped. Alternative ways of improving the provision of Maths / Science in schools is being looked into.
 4. With a drive for improved quality of administration Starfish Pakistan has employed a book-keeper who will visit schools, look at their accounting processes, make recommendations and encourage transparency.
 5. We remain committed to improving every aspect of the schools we support and have introduced the "Star school" concept to give a clearer idea of what areas of school life need to be improved for children's education to flourish. This was shared with all the project leaders at the latest gathering in early May.
 6. Starfish Pakistan has also proposed a salary scale for increased stipends to our supported teachers. This has been weighted to incentivise better qualifications (and there with hopefully) better teaching and longevity. This will be a challenge to increase our levels of fund-raising.
 7. Since the OTS scheme stopped in Starfish supported schools and nothing substantial has replaced it, Starfish Asia (UK) has started a partnership with The Elizabeth Memorial Welfare Trust. Through Walter Waheed, 5 non-starfish supported schools are now having regular discipleship training with OTS trainers, as well as receiving Bible curriculum books and training in how to use them.
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STARFISH ASIA

CHIEF EXECUTIVE OFFICER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

Plans for the future

Starfish Asia remains primarily committed to the 46 schools and 6 homes or centres for the disabled and marginalised. Our level of support for each of these needs to be reviewed and adjusted according to their individual situations. Under the leadership of Danishmand, his wife Jasmine and the office staff, Starfish Pakistan will continue to champion many other low-cost Christian schools in Pakistan – through teacher training, books or material support in the form of furniture and equipment depending on availability of funds. Our emphasis remains help to those from poor families mainly (but not exclusively) from the deprived Christian community in Pakistan. The challenge is bigger than ever before and as such significant investment will be required in terms of office base as well as personnel in order to enable the good work to continue and to expand to other schools who are also in need of support.

Three priorities stand before us in the coming year:

1. Material: In written partnership with each project leader, we will aim to provide the best possible infrastructure for each school and home: classroom décor and furniture, books, electricity back-up, fans, clean water, toilets and washroom facilities, etc. A good study environment enhances dignity, respect and confidence.
2. Academic: For all students in supported schools, we aim to provide the best possible good teaching practice, which requires training and monitoring, as well as motivating, inspiring and rewarding teachers and staff. A staff development programme is being prepared in co-operation with a professional team of trainers.
3. Spiritual: We will ensure pastoral care, as well as Bible study provision and materials, for all staff – as well as training in the use of Bible teaching materials for students. We aim to do all we can to ensure a strong spiritual and biblical foundation for the coming generation of Pakistani Christians.

Finally

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.

.....
Rob Bavington
Chief Executive Officer
Dated: July 2022

STARFISH ASIA

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF STARFISH ASIA

I report to the trustees on my examination of the financial statements of Starfish Asia (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Nigel Hewson FCA DChA

Hewsons
Chartered Accountants
80 Woodhurst Avenue
Orpington
Kent
BR5 1AT

Dated: 6 September 2022

STARFISH ASIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	297,015	229,771	526,786	331,748	310,382	642,130
Investments	4	35	-	35	105	-	105
Total income		297,050	229,771	526,821	331,853	310,382	642,235
<u>Expenditure on:</u>							
Raising funds	5	2,360	-	2,360	709	-	709
Charitable activities	6	340,973	243,027	584,000	359,088	305,627	664,715
Total resources expended		343,333	243,027	586,360	359,797	305,627	665,424
Net expenditure for the year/ Net movement in funds		(46,283)	(13,256)	(59,539)	(27,944)	4,755	(23,189)
Fund balances at 1 April 2021		154,571	102,780	257,351	182,515	98,025	280,540
Fund balances at 31 March 2022		108,288	89,524	197,812	154,571	102,780	257,351

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 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	11	17,366		14,873	
Cash at bank and in hand		243,304		247,591	
		<u>260,670</u>		<u>262,464</u>	
Creditors: amounts falling due within one year	12	<u>(62,858)</u>		<u>(5,113)</u>	
Net current assets			197,812		257,351
Income funds					
Restricted funds	13		89,524		102,780
Unrestricted funds			108,288		154,571
			<u>197,812</u>		<u>257,351</u>

The financial statements were approved by the Trustees on 24 August 2022

Michael Wakely
Trustee

STARFISH ASIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	17		(4,322)		(30,102)
Investing activities					
Investment income received		35		105	
Net cash generated from investing activities			35		105
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(4,287)		(29,997)
Cash and cash equivalents at beginning of year			247,591		277,588
Cash and cash equivalents at end of year			243,304		247,591

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Starfish Asia is a charitable incorporated organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act 2011 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

This assessment is undertaken in light of the recent developments arising from the coronavirus (COVID19) pandemic. The charity does not expect significant reductions in donated income and is immediately able to reduce outgoings on funding given to schools and projects in Pakistan via Starfish Pakistan.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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 Income

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.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.5 Expenditure

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.

Fixed assets costing less than £500 are written off as an expense in the in the year in which the expenditure is incurred.

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 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.

1.7 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.

1.8 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.

1.9 Retirement benefits

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

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.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	273,350	229,771	503,121	276,685	303,151	579,836
Legacies receivable	-	-	-	25,849	-	25,849
Tax recoverable	23,665	-	23,665	29,214	7,231	36,445
	<u>297,015</u>	<u>229,771</u>	<u>526,786</u>	<u>331,748</u>	<u>310,382</u>	<u>642,130</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	<u>35</u>	<u>105</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
<u>Fundraising and publicity</u>		
Other fundraising costs	<u>2,360</u>	<u>709</u>
	<u>2,360</u>	<u>709</u>

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities

	Education and poverty relief 2022 £	Education and poverty relief 2021 £
Staff costs	20,462	28,835
Management expenses, Starfish Pakistan	43,800	40,434
Office and administration expenses	21,942	19,844
Travel and subsistence	2,469	1,371
Bank charges	678	763
	<u>89,351</u>	<u>91,247</u>
Grant funding of activities (see note 7)	470,995	558,131
Share of support costs (see note 8)	19,055	10,073
Share of governance costs (see note 8)	4,599	5,264
	<u>584,000</u>	<u>664,715</u>
Analysis by fund		
Unrestricted funds	340,973	359,088
Restricted funds	243,027	305,627
	<u>584,000</u>	<u>664,715</u>

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Grants payable

	Education and poverty relief 2022 £	Education and poverty relief 2021 £
Grants to institutions:		
School Books and Bibles	32,093	12,741
Scholarships	32,304	29,774
Talent Ministry	10,204	13,017
Blair Trust Model Schools	23,569	23,350
Holy Shepherd Grammar School	77,809	88,924
COVID 19 compassion aid	-	55,452
Ghuri Education Development Society	11,075	17,428
Edkasa	15,892	17,504
Dean Public School	9,238	42,584
Light School (AoG)	-	18,370
Other	258,811	238,987
	<u>470,995</u>	<u>558,131</u>

All grants, with the exception of some building costs, are paid to Starfish Pakistan who arrange local distribution of funds. The larger schools, projects and resources are listed above.

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	19,055	-	19,055	10,073	10,073
Accountancy	-	4,095	4,095	-	5,264
Meeting expenses	-	504	504	-	-
	<u>19,055</u>	<u>4,599</u>	<u>23,654</u>	<u>10,073</u>	<u>15,337</u>
Analysed between					
Charitable activities	<u>19,055</u>	<u>4,599</u>	<u>23,654</u>	<u>10,073</u>	<u>15,337</u>

Governance costs includes independent examiner charges of £1,900 (2021- £1,900) for fees in connection with his report, £2,250 (2021- £2,250) for accountancy and payroll costs and £55 prior period over provision (2021- £1,114 under provision).

9 Trustees

In accordance with the governing document, during the year Robert Bavington received remuneration for his operational role of £19,866 (2021- £4,336). and pension contributions of £596 (2021- £130).

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Trustees

(Continued)

During the year two trustee was reimbursed travel and training expenses amounting to £980 (2021- two trustees reimbursed travel and training expenses of £495). Devin Scobie was paid £500 compensation for loss of income ((2021- £500).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Operational	1	1
Administrative	1	1
	<u>2</u>	<u>2</u>

Employment costs

	2022 £	2021 £
Wages and salaries	38,366	38,455
Other pension costs	1,151	453
	<u>39,517</u>	<u>38,908</u>

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

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	14,853	12,498
Prepayments and accrued income	2,513	2,375
	<u>17,366</u>	<u>14,873</u>

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	1,444	1,357
Other creditors	57,133	206
Accruals and deferred income	4,281	3,550
	<u>62,858</u>	<u>5,113</u>

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 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			Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	Balance at 31 March 2022
	£	£	£	£	£	£	£
Five Model Schools	5,453	19,600	(24,993)	60	24,000	(23,819)	241
School Books and Bibles	2,054	17,276	(10,406)	8,924	10,887	(27,011)	(7,200)
Scholarships	5,673	29,800	(22,913)	12,560	23,476	(29,823)	6,213
Bible Curriculum	-	14,633	-	14,633	-	(9,760)	4,873
Building Fund	32,317	55,504	(66,444)	21,377	6,650	(27,927)	100
Staff and Spiritual Development	-	-	-	-	38,353	-	38,353
Light for Life Ministries, Sheikhupura	2,206	9,000	(9,504)	1,702	9,000	(8,989)	1,713
Edkasa	-	12,000	(7,534)	4,466	12,000	(10,991)	5,475
Covid19 support	-	55,452	(55,452)	-	-	-	-
Ian Pratt Improvement Projects	-	15,000	(6,523)	8,477	5,000	(10,394)	3,083
School Upgrades	-	-	-	-	10,202	(10,130)	72
Star Shine School	-	-	-	-	13,660	(6,384)	7,276
The Voice of Children School	1,000	1,000	(575)	1,425	13,100	(11,065)	3,460
Other support for schools in Pakistan	49,322	81,117	(101,283)	29,156	63,443	(66,734)	25,865
	<u>98,025</u>	<u>310,382</u>	<u>(305,627)</u>	<u>102,780</u>	<u>229,771</u>	<u>(243,027)</u>	<u>89,524</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.

At the year end overdrawn restricted fund balances totalling £7,368 arose due to receipt of donor funds arriving shortly after the year end. This was covered by a loan from unrestricted funds.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Current assets/(liabilities)	108,288	89,524	197,812	154,571	102,780	257,351
	<u>108,288</u>	<u>89,524</u>	<u>197,812</u>	<u>154,571</u>	<u>102,780</u>	<u>257,351</u>

15 Financial commitments, guarantees and contingent liabilities

Starfish Asia continues to support many projects and related costs of which monthly funding has been committed. The monthly commitment amounts to £34,006. The commitments are in Pakistani Rupee PKR8,161,667, exchange rate PKR240/£1 at 31 March 2022.

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.

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>20,462</u>	<u>28,836</u>

Transactions with related parties

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

There were no donated goods or services in the year.

During the year donations of £12,960 (2021- £12,968) were received from trustees and related parties.

STARFISH ASIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17	Cash generated from operations	2022 £	2021 £
	Deficit for the year	(59,539)	(23,189)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(35)	(105)
	Movements in working capital:		
	(Increase) in debtors	(2,493)	(548)
	Increase/(decrease) in creditors	57,745	(6,260)
		<u> </u>	<u> </u>
	Cash absorbed by operations	<u><u>(4,322)</u></u>	<u><u>(30,102)</u></u>
18	Analysis of changes in net funds		
	The charity had no debt during the year.		