

Scottish Charity No. SCO36103

ECRAD

Trustees' Report and Financial Statements

Year Ended 30 June 2015

ECRAD

Charity information

Year ended 30 June 2015

Trustees

Derek Wood	Trustee and Chair (Deceased 20 January 2016)
Ronald Copeland	Trustee and Treasurer
Charlotte Copeland	Trustee (appointed 20 January 2016)
Peter Wood	Trustee (appointed 2 February 2016)

Treasurer

Ronald Copeland

Address

3 Hall Place
Stepps
Glasgow
G33 6EE

Bankers

Bank of Scotland
167-201 Argyle Street
Glasgow
G2 8BU

Independent Examiner

David Braithwaite

Scottish Charity No.

SC036103

Website

www.ecrad.org

ECRAD

Report of the Trustees

Year ended 30 June 2015

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 30 June 2015.

Status of Charity and Governing Document

ECRAD was established by Trust Deed, adopted on 6 June 2008. ECRAD is a Scottish Charity (No. SC036103).

Charitable Objectives and Aims

The aims and objectives of the church as stated in the Trust Deed are:

- Promote the advancement of the Christian faith in Malawi by raising financial and spiritual support in the United Kingdom;
- To relieve poverty and suffering among the indigenous peoples of Malawi;
- To demonstrate in prayerful and practical ways, Christ's love to widows, orphans and street children in Malawi by providing shelter, food and education;
- To assist with the education of orphans in Malawi and to give them access to further training in order to acquire skills for work;
- To educate the indigenous people of Malawi in matters relating to HIV and Aids and to promote financial and spiritual support to Christian ministries, government and community leaders in seeking to combat HIV and AIDS.

The charity in the past has also supported a School of Learning offering Diploma and Degree courses in Business Administration, Human Resources and Theology for mature students.

Trustees and Related Parties

The charity has a board of trustees which must have a general meeting at least once within a calendar year and other regular meetings as the trustees see fit. The board of trustees is responsible for the direction and operation of the charity. The Office Bearers who served during the year and to the date of this report are detailed in the Church Information on page 1. The charity is complemented by its relationship with ECRAD in Malawi which was established to direct the operations in Malawi. This is a registered Non-Governmental Organisation (NGO) in Malawi and is lead by its founder Malison Ndaou.

Appointment of Trustees

New Trustees are nominated for appointment by the existing Trustees. There is no fixed term for Trusteeship. Prior to their appointment, new Trustees would be familiar with the charities values, its aims and objectives. As part of their induction programme, new Trustees will be required to understand their statutory responsibilities as Trustees of the charity. Under requirements of the constitution the number of trustees shall not be less than two although the trustees may from time to time register an increase of members as they see fit. All trustees participate on a voluntary basis

Financial review

Principal sources of funding

The charity receives its funding from donations by supporters, trusts and various voluntary fund raising activities.

Results for the year

The financial statements for the year are set out in pages 5 to 12. The Statement of Financial Activities on page 5 reflects a surplus for the year and net incoming resources of £1,167 (2014 £334).

Reserves

The charity's General Fund - that is unrestricted reserves not designated or tied up in fixed assets - amounted to £3,748 at 30 June 2015 (2014 £3,143). Overall reserves, including balances on restricted funds, amounted to £4,999 (2014 £3,832).

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested should be available for immediate distribution to meet the needs of activities in Malawi.

Statement on Risk

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to reliance on key individuals as well as oversight of the use of funds within Malawi. The trustees are satisfied that processes are in place to mitigate their exposure to the major risks.

ECRAD

Report of the Trustees

Year ended 30 June 2015

Achievements and performance

The main areas of our charitable activity involve raising funds for the work of ECRAD in Malawi. ECRAD Malawi activities concentrate on services which promote Empowerment of local people, Counselling, Relief and Development. ECRAD is a Christian charity and shares the Christian Gospel in word and deed, working in Malawi with orphans, and people whose lives have been adversely affected by HIV/AIDS.

The work of ECRAD in Malawi offers both practical and spiritual help to those in need and seeks to reach out with compassion and Christian love to promote beneficial lifestyle changes. ECRAD is providing for the ongoing welfare needs (food, shelter, school fees, medical care, and education) of some 100 plus orphaned children. This is either directly through our support of the primary and nursery school at Zioya (which provided education and a daily meal to the orphan children) or through the support and payment of fees for orphaned children at Secondary school. The site also has 2 acres of irrigated land for crops, pigs and poultry production.

Donation income during the period was also used to repair a number of buildings that were damaged as a result of storms within the local area. This remains an ongoing concern for the trustees as damage has affected the local site at Zioya as well as surrounding homes where the orphans are accommodated.

ECRAD also supported a programme of bible teaching for pastors in the rural community. An intensive five day conference was held on the Zioya site in October 2014 attended by 93 delegates. Bibles were given to all who attended as well as an attendance certificate.

Plans for Future Periods

Malawi has been the subject of recent storms and flooding. The existing ECRAD site is especially prone to storm damage and based on meteorological advice we are actively seeking a new location within the surrounding area that will be more suitable for the long term stability of the charitable work. The trustees are in favour of a move, although this is subject to the appropriate land becoming available within our budget.

The plan would be to relocate and rebuild the existing school together with a new, modern, safe and reliable kitchen. This would operate as a new base to expand the existing work supporting orphaned children in the local area. Plans remain in their infancy and fund raising is ongoing in order to achieve these short term aims.

Trustees' Responsibilities for the financial statements

Charity law requires the Trustees to prepare statements of account for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 proper accounting records which are sufficient to show and explain the charity's transactions and to disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that any statements of accounts comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustees

P Wood
Chair

Dated: 22 March 2016

ECRAD

Report of the Trustees

Year ended 30 June 2015

Independent Examiner's Report to the Trustees of ECRAD

I report on the accounts of the charity for the 12 month period ended 30 June 2015, which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out 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 seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

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

David Braithwaite
Chartered Accountant
22 March 2016

ECRAD

Report of the Trustees

Year ended 30 June 2015

	Notes	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary Income:</i>					
Donations and Gifts	2	30,821	2,250	33,071	33,329
Bank Interest		-	-	-	-
Tax reclaim		4,371	562	4,933	3,839
Activities for generating funds	3	-	-	-	-
Incoming resources from charitable activities:					
Grants		-	-	-	-
Total incoming resources		35,192	2,812	38,004	37,168
Resources expended					
Costs of generating funds:					
Voluntary income	4	-	-	-	-
Charitable activities	4	34,330	2,250	36,580	36,521
Governance costs	4				
Other resources expended					
Bank, tax and other charges	4	257	-	257	313
Total resources expended		34,587	-	36,837	36,834
Net incoming resources before transfers		605	562	1,167	334
Transfers	14	-	-	-	-
Net movement in funds		605	562	1,167	334
Reconciliation of funds					
Total funds brought forward		3,143	689	3,832	3,498
Total funds carried forward		3,748	1,251	4,999	3,832

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

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Report of the Trustees

Year ended 30 June 2015

Balance Sheet as at 30 June 2015

	Notes	£	2015 £	2014 £
Fixed Assets				
Tangible assets	9	-	-	-
Investments	10	-	-	-
			-	-
Current Assets				
Debtors	11	4,933		7,732
Cash at bank and in hand		66		990
			<u>4,999</u>	<u>8,722</u>
Creditors: amounts falling due within one year	12		-	(4,890)
Net Current Assets			4,999	4,830
Net Assets	12		<u>4,999</u>	<u>3,832</u>
Represented by:				
Unrestricted Funds	14		3,748	3,143
Restricted funds	14		1,251	689
Total Funds			<u>4,999</u>	<u>3,832</u>

Approved by the trustees on 22 March 2015 and signed on its behalf by the undernoted:

P Wood
Trustee/Chairman

R Copeland
Trustee/Treasurer

ECRAD

Notes to the Financial Statements

Year ended 30 June 2015

1. Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost convention, and under the guidelines laid down in the Statement of Recommended Practice - Accounting and Reporting by Charities and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Basis of financial statements

The financial statements have been prepared on an accruals basis.

Charitable Income

All voluntary income is accounted for when received. Income from tax recoveries on Gift Aid and bank interest are accounted for on the accruals basis.

Statement of Financial Activities

For the purpose of the Statement of Financial Activities as shown on page 5, funds are defined as follows:

Unrestricted funds comprise donations and other income received for the objects of the church without further specified purpose and are available as general funds.

Designated funds represent unrestricted funds which have been earmarked by the Trustees for particular purposes.

Restricted funds comprise income which has been received for the objects of the church and specified for a restricted purpose within these objects by the donor.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the legal, audit fees and costs linked to the management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in Note 4.

Tangible fixed assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 4 years.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

ECRAD

Notes to the Financial Statements

Year ended 30 June 2015

2. Donations and Gifts

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Freewill Offerings	-	-	-	-
Private Gifts	26,072	2,812	28,884	25,083
Church Gifts	2,775	-	2,775	1,946
Trust Gifts	6,345	-	6,345	6,300
	35,192	2,812	38,004	33,329

3. Incoming Resources from Activities to further the Charity's Objects

2015 £Nil (2014: £Nil)

4. Total Resources Expended

	Basis of allocation	Irrigation Project	General Support	Personal Support	Information & Communication	Governance	2015 Total	2014 Total
		£	£	£	£	£	£	£
Costs directly allocated to activities								
Volunteer Expenses / refunds	Direct	-	4,258	-	-	-	4,258	10,589
Other Transfers	Direct	-	-	-	-	-	-	6,881
Transfers to Malawi	Direct	-	30,072	-	-	-	30,072	15,600
Personal Support	Direct	-	-	2,250	-	-	2,250	3,450
Fund raising expenses	Direct	-	-	-	-	-	-	-
Support costs allocated to activities								
Legal & Professional	Usage	-	-	-	-	-	-	-
Bank and transfer Charges	Transactional	-	257	-	-	-	257	313
Fees and other	Transactional	-	-	-	-	-	-	-
Tax	Direct	-	-	-	-	-	-	-
Total resources expended		-	34,587	2,250	-	-	36,837	36,834

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Notes to the Financial Statements

Year ended 30 June 2015

5. Net Incoming Resources for the Year

This is stated after charging:	2015	2014
	£	£
Independent Examiners Remuneration	-	-

6. Staff Costs and Numbers

There are no staff costs associated with the activities of ECRAD in the UK as all members work on a voluntary basis. The only payments made to Trustees would be to cover expenses.

7. Trustee Remuneration & Related Party Transactions

No members of the board received any remuneration during the year. The only payments to trustees have been in relation to reimbursement of expenses incurred as part of fund raising activities and support of the charity work. No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

Malison Nda, who oversees the activities of ECRAD in Malawi and is a member of the board of directors of the charity in Malawi, received personal support of £2,250 (2014 - £3,450) during the financial period. Malison's support is funded from specific donors who have explicitly requested their funds to be used for this purpose.

8. Taxation

As a charity, ECRAD is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity with the exception of tax charged on bank interest received.

9. Tangible Fixed Assets

ECRAD has no tangible assets.

10. Investments

ECRAD has no investments.

11. Debtors

	2015	2014
	£	£
Trade Debtors	-	-
Other debtors and prepayments	4,933	7,732
Total	<u>4,933</u>	<u>7,732</u>

12. Creditors: Amounts Falling Due within One Year

	2015	2014
	£	£
Trade Creditors	-	-
Other creditors and accruals	-	4,890
Total	<u>-</u>	<u>4,890</u>

ECRAD

Notes to the Financial Statements

Year ended 30 June 2015

13. Analysis of Net Assets Between Funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	-	-	-
Investments	-	-	-
Current assets	3,748	1,251	4,999
Current liabilities	-	-	-
Net assets at 30 June 2015	3,748	1,251	4,999

14. Movements in Funds

	At 30 June 2014	Incoming Resources (inc.gains)	Outgoing Resources	Transfers	At 30 June 2015
	£	£	£	£	£
Restricted funds:					
Personal support	689	2,812	2,250	-	1,251
Irrigation Project	-	-	-	-	-
<i>Total restricted funds</i>	689	2,812	2,250	-	1,251
Unrestricted funds:					
General funds	3,143	35,192	34,587	-	3,748
<i>Total unrestricted funds</i>	3,143	35,192	34,587	-	3,748
Total funds	3,832	38,004	36,837	-	4,999

Purposes of Restricted Funds

Personal Support: The fund represents personal donations by individuals to support Malison Ndaui who works for ECRAD in Malawi.

Purposes of Designated Funds

There are currently no designated funds set up by the trustees.