

*Scottish Charity No. SCO36103*

**ECRAD**

Trustees' Report and Financial Statements

Year Ended 30 June 2022

# **ECRAD**

## **Charity information**

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Year ended 30 June 2022

### **Trustees**

Ronald Copeland	Trustee and Treasurer
Peter Wood	Trustee and Chair
Sandy McDougall	Trustee
Robert Glen	Trustee

### **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](http://www.ecrad.org)

# ECRAD

## Report of the Trustees

Year ended 30 June 2022

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 30 June 2022.

### Status of Charity and Governing Document

ECRAD is 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 charity 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 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 led by its founder Malison Nda.

### 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 10. The Statement of Financial Activities on page 5 reflects a deficit for the year and net outgoing resources of £862 (2021 deficit of £25).

#### *Reserves*

The charity's General Fund - that is unrestricted reserves not designated or tied up in fixed assets - amounted to £15,215 at 30 June 2022 (2021 £14,353). Overall reserves, including balances on restricted funds, amounted to £15,215 (2021 £14,353).

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. The safeguarding of children is a key priority of ECRAD. The work in Malawi upholds Christian values of care and requirements within Malawi for the care of children in education. ECRAD UK is also developing its own policy for safeguarding to cover expectations for ECRAD Malawi and any individuals involved in fundraising or work parties abroad.



## ECRAD

### Report of the Trustees

Year ended 30 June 2022

#### Achievements and performance

The main areas of 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 400 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. During 2022 ECRAD maintained the feeding programme of circa 600 children on a daily basis.

ECRAD maintains full responsibility for the primary school. A secondary school has been established with official accreditation still being worked towards. Progress has been slower than anticipated due to lack of funds. The last remaining requirement before accreditation can be awarded is the completion of a teacher's accommodation. Construction work is now complete, and accreditation can now be applied for ahead of the new school term on 10<sup>th</sup> October 2022. Once accreditation has been achieved the school can then attract more pupils on a fee-paying basis providing a valuable source of income for ECRAD. The chicken project continues to provide a good source of income. Currently there are 1,800 chicks/chickens, if it can grow and sustain a level of 4,000 chicks that potentially gets ECRAD to a self-sustaining level.

The two primary school blocks were destroyed during severe weather in early 2022. Currently classes are being conducted outside. ECRAD purchased a brick making machine in 2021 which will be well used in the production of bricks to be used in rebuilding the primary school blocks. Estimated rebuild cost of one block is £7,100.

ECRAD has established a local church that has been meeting in Derek's Diner. There is a congregation of 47. It is anticipated that the church will be officially registered in 2023 and will be called "Synagogue Community Church of God". The church has 3 workers. 1 worker focussed on Evangelism. 1 focussed on Administration and 1 Pastor.

#### Plans for Future Periods

- Accreditation for the secondary school to be finally achieved and fund raise towards the cost of rebuilding one primary school block.
- Develop the chicken project.
- Electricity is coming to Zioya and there will be connection to ECRAD. This would mean that buildings could be used in evening and potentially for other purposes than the school.
- The land at Linthipe continues to be discussed, with no immediate plans in place.

#### 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.

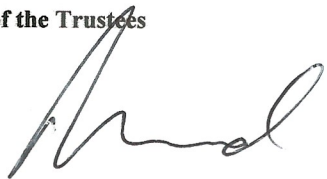
In preparing those financial statements, the trustees are required to:

- 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: 24-02-23



# ECRAD

## Report of the Trustees

Year ended 30 June 2022

### 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 2022, 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.

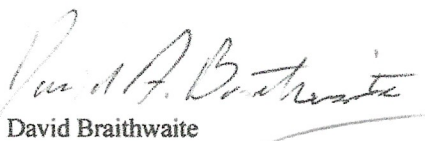
#### Independent examiner's statement

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  
23 February 2023

# ECRAD

## Report of the Trustees

Year ended 30 June 2022

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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  
24 February 2023

# ECRAD

## Report of the Trustees Year ended 30 June 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary Income:</i>					
Donations and Gifts	2	43,998	-	43,998	36,759
Bank Interest		-	-	-	-
Tax reclaim		3,778	-	3,778	3,758
Activities for generating funds	3	-	-	-	-
<b>Incoming resources from charitable activities:</b>					
Grants		-	-	-	-
<b>Total incoming resources</b>		<b>47,776</b>	<b>-</b>	<b>47,776</b>	<b>40,337</b>
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Voluntary income	4	-	-	-	-
Charitable activities	4	46,327	-	46,327	39,084
Governance costs	4	-	-	-	-
<b>Other resources expended</b>					
Bank, tax and other charges	4	587	-	587	1,278
<b>Total resources expended</b>		<b>46,914</b>	<b>-</b>	<b>46,914</b>	<b>40,362</b>
<b>Net incoming resources before transfers</b>		<b>862</b>	<b>-</b>	<b>862</b>	<b>(25)</b>
Transfers	14	-	-	-	-
<b>Net movement in funds</b>		<b>862</b>	<b>-</b>	<b>862</b>	<b>(25)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		14,353	-	14,353	14,378
<b>Total funds carried forward</b>		<b>15,215</b>	<b>-</b>	<b>15,215</b>	<b>14,353</b>

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



# ECRAD

## Report of the Trustees Year ended 30 June 2022

### Balance Sheet as at 30 June 2022

	Notes	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	9	-	-
Investments	10	-	-
		-	-
<b>Current Assets</b>			
Debtors	11	1,804	1,931
Cash at bank and in hand		13,411	12,422
		<u>15,215</u>	<u>14,353</u>
<b>Creditors: amounts falling due within one year</b>	12	-	-
<b>Net Current Assets</b>		15,215	14,353
<b>Net Assets</b>	12	<u>15,215</u>	<u>14,353</u>
<b>Represented by:</b>			
Unrestricted Funds	14	15,215	14,353
Restricted funds	14	-	-
<b>Total Funds</b>		<u>15,215</u>	<u>14,353</u>

Approved by the trustees on 24 February 2023 and signed on its behalf by the undernoted:



**P Wood**  
Trustee/Chairman



**R Copeland**  
Secretary/Treasurer

# ECRAD

## Notes to the Financial Statements

Year ended 30 June 2022

### 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 2022

### 2. Donations and Gifts

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Freewill Offerings	-	-	-	-
Private Gifts	20,502	-	20,502	23,345
Church Gifts	6,791	-	6,791	2,492
Trust Gifts	16,705	-	16,705	14,500
	<b>43,998</b>	<b>-</b>	<b>43,998</b>	<b>40,337</b>

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

2022 £Nil (2021: £Nil)

### 4. Total Resources Expended

	Basis of allocation	Irrigation Project	General Support	Personal Support	Information & Communication	Governance	2022	2021
							Total	Total
		£	£	£	£	£	£	£
<b>Costs directly allocated to activities</b>								
Volunteer Expenses / refunds	Direct	-	-	-	-	-	-	-
College Fees	Direct	-	50	-	-	-	50	50
Transfers to Malawi	Direct	-	46,327	-	-	-	46,327	39,084
Transfers Malawi – Borehole	Direct	-	-	-	-	-	-	-
Books		-	-	-	-	-	-	570
Fund raising expenses	Direct	-	-	-	-	-	-	-
<b>Support costs allocated to activities</b>								
Insurance	Usage	-	-	-	-	282	282	282
Bank and transfer Charges	Transactional	-	255	-	-	-	255	225
Fees and other	Transactional	-	-	-	-	-	-	150
Tax	Direct	-	-	-	-	-	-	-
<b>Total resources expended</b>		<b>-</b>	<b>46,632</b>	<b>-</b>	<b>-</b>	<b>282</b>	<b>46,914</b>	<b>40,361</b>



# ECRAD

## Notes to the Financial Statements

Year ended 30 June 2022

### 5. Net Incoming Resources for the Year

This is stated after charging:	2022	2021
	£	£
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.

### 7. Trustee Remuneration & Related Party Transactions

None of the trustees received any remuneration during the year and all provided their services on a voluntary basis. 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 as well as payment to cover funds taken out to pass on directly to ECRAD Malawi as part of a visit and/or work party. 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. Unrestricted donations received directly from trustees and their related parties after tax reclaimed were £6,000 (2021 £6,000).

Malison Nda, who oversees the activities of ECRAD in Malawi and is a member of the board of directors of the charity in Malawi, previously received personal support funded from specific donors. Payments to Malison have covered all area of support which is distributed by ECRAD Malawi and there is no specific support for Malison who has been self-funded in his role.

### 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

	2022	2021
	£	£
Trade Debtors	-	-
Other debtors and prepayments	1,804	1,931
Total	<u>1,804</u>	<u>1,931</u>

### 12. Creditors: Amounts Falling Due within One Year

	2022	2021
	£	£
Trade Creditors	-	-
Other creditors and accruals	-	-
Total	<u>-</u>	<u>-</u>

# ECRAD

## Notes to the Financial Statements

Year ended 30 June 2022

### 13. Analysis of Net Assets Between Funds

	General Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	-	-	-
Investments	-	-	-
Current assets	15,215	-	15,215
Current liabilities	-	-	-
<b>Net assets at 30 June 2022</b>	<b>15,215</b>	<b>-</b>	<b>15,215</b>

### 14. Movements in Funds

	At 30 June 2021	Incoming Resources (inc.gains)	Outgoing Resources	Transfers	At 30 June 2022
	£	£	£	£	£
<b>Restricted funds:</b>					
Secondary School Fees	-	-	-	-	-
Borehole Trust Gift	-	-	-	-	-
<i>Total restricted funds</i>	-	-	-	-	-
<b>Unrestricted funds:</b>					
General funds	14,353	47,776	(46,914)	-	15,215
<i>Total unrestricted funds</i>	<b>14,353</b>	<b>47,776</b>	<b>(46,914)</b>	<b>-</b>	<b>15,215</b>
<b>Total funds</b>	<b>14,353</b>	<b>47,776</b>	<b>(46,914)</b>	<b>-</b>	<b>15,215</b>

#### Purposes of Restricted Funds

There were no restricted funds for the financial year ending 30 June 2022.

#### Purposes of Designated Funds

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