

THE GRASSROOTS TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH APRIL 2017

THE GRASSROOTS TRUST

TRUSTEES	M Price – Chairman R Anderson Mrs K Hedges R Sweatman S Boreham S Corley Mrs P Ford J Walker
DIRECTORS	Hugo and Sharon Anson
TREASURER AND SECRETARY	A Myall
REGISTERED ADDRESS:	8 Meadow Way Rowledge Farnham Surrey GU10 4DY
CHARITY REGISTRATION NUMBER	1060034 (England & Wales) SC046121 (Scotland)
INDEPENDENT EXAMINER	P Kittle FAIA FFA/FIPA FFTA FCIE 37 Fraser Close Chelmsford Essex CM2 OTD

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THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2017

The Objects

To advance the Christian Gospel in accordance with the statement of faith set out in the schedule appended to the Charity's declaration of Trust dated 20th December 1996 and to relieve poverty, sickness and distress throughout the world. There is no ambition to advance Grassroots as such, but only to advance the whole gospel, alleviating poverty and demonstrating Jesus to the world.

Achievements during the year

Tanzania:

As a Trust, we endeavour to work alongside passionate faithful locals on the ground who care about the places where God has placed them. This is especially the case in Tanzania, where over 70 volunteers and part-time staff help serve poor children and families on a weekly and sometimes daily basis. Between them they provide over 3000 meals a week for the 2400 children on the sponsorship programme and others. They also serve in many other ways, motivated by love, compassion and the ambition to be like Jesus to their community.

The sponsorship programme based in Mbeya, for what Grassroots is best known, has continued throughout the year, with some young adults graduating with good degrees, whilst other young children in extreme poverty are taken on before they go to school and given milk every day, as well as the weekly nutritious meal. In the UK, some sponsors have come and gone, but most stay for many years. We do not advertise the work in the UK except through word of mouth and yet we have many key supporters who promote the work, finding new sponsors in their churches, workplaces and families. These people are vital to the work. Many people also continue to sponsor through Benita in Romania, who successfully transfer the money they raise straight to Tanzania under the management of our team in the UK.

During this financial year our partner organisation, the "Grassroots Trust Fund of Tanzania" was finally made up of exclusively Tanzanian trustees; something that was celebrated in both Tanzania as well as the UK. The Director of the work in Tanzania: Richard Mwaswala regularly sends back photos and video of the work that goes on 52 weeks of the year so it shows to our UK supporters what it really is: a team of Tanzanians serving their neighbours.

We are now working in 13 centres in the Mbeya region, with more new schemes potentially starting soon. Children sponsored in each area are able to go to their local school and the local feeding programmes (StarTime) set up to provide a healthy meal and an exciting Christian experience for the children. Other centres may well start in the future but only after much consideration, research and prayer. We feel that we do not wish centres to grow too big and prefer to have a manageable number of children in a greater number of centres, than mega-centres serving hundreds of children.

There are two doctors who provide medical services and support all the sponsored children as part of the scheme. Thankfully as a result of the mosquito nets that we have handed out to the sponsored children over the years and the government educational programme the incidences of malaria are decreasing. It does seem, however, that HIV is still not falling in the Mbeya region. We give out extra support to the children with HIV, helping them get the medication that they need as well as the better nutrition (often consisting of a daily pastoral visit and an egg) that is vital.

This year we launched an appeal for food, the main concern that the leaders in Tanzania have for the people. Whilst it is not an official famine, the result of global financial problems and poor weather mean that those in the Mbeya area and especially the rural villages often struggle to find enough for just one meal a day. The money that we raised in the appeal will be used over the next 3 years to provide food for these areas in addition to the support that the children already receive. Swaya (one of the centres we work in) has been particularly badly hit and as a result we have been able to promise a nutritious daily meal.

THE GRASSROOTS TRUST
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We remain committed to using 100% of the money given by children's sponsors for the support of the children. We also continue to see the benefit of taking people and volunteers from the UK and elsewhere to help interview the children and gather data for the sponsors. We had successful trips this year in July (with a school from the UK), November and March. (<http://grassroots.org.uk/tanzania>)

Kenya:

The "Good Neighbours" project in the former rock mining district of Theta (also known as Juda) is run along the same lines as our main Tanzania project, and works in partnership with the school in the area: "Judah Excellence School" (renamed from "El Shaddai"). We are looking at helping the children in this poor area to get healthier, fed, clothed and educated. The school remains a friendly place and very accommodating for our visiting teams and some of our volunteers were able to take lessons in school when they visited in May as well as interview the children.

We have been able to raise some support to help the local community to rebuild the bridge, which will make it much easier for the villagers and local Boda boda motorbike drivers (who pushed the project through) to get to the town of Ruiru for work.

We remain involved with Watu Wa Maana Street Children's Centre, where we sponsor 26 children. The centre works hard at providing a caring and secure environment for children who have had to endure many extreme problems in their young lives and they are often asked by the local authorities to take on specific children. At the same time, they remain committed to the rehabilitation of the boys and girls into society taking place as they mature into adults. (<http://grassroots.org.uk/kenya>)

Romania:

We had a very successful trip to Romania in September, building another house for a poor family. Over the course of the year two other houses were built (by local Romanians) with money raised in the UK for poor families and we are hopeful that a similar number will be able to be built this year. At the same time as the building was going on, the team also travelled around the area of Bistrita visiting and interviewing our sponsored children.

During this year we have been greatly encouraged by the number of new sponsors supporting children in Romania to the extent that we have again asked Lidia Murza in Romania to take on more children as we have needed to meet the demand. This means that now we are able to support 171 children: an increase of over 250% in the last 4 years. The children receive everything they need to attend school (such as uniform and equipment), a medical certificate and a place at a Christian summer camp. (<http://grassroots.org.uk/romania>)

Tragically on the morning of 14th September 2017, during the 2017/18 building and sponsorship trip, one of cars carrying four of the volunteers who were due to help build two more houses crashed into a tree. The driver was killed and the other three passengers were seriously injured. The Romanian emergency services were quickly on the scene and after time in Romanian hospitals the injured were flown home after 4 days and the trip was aborted. We reported this serious incident to the Charity Commission.

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2017

India:

There are now over 300 children from the Dalit caste who live around the open sewers of the city of Chennai who come to a homework club run by Kevin and Deborah Kamalraj and the team of Sovereign King Ministries. Some 260 of these children are sponsored through Grassroots. They are provided with food, medical care and extra educational support as well as shoes and important school equipment. The UK interview team were well received again in January and we were told exciting stories of how many of the children were involved in the Christmas celebration in the church, dancing before God and the congregation at a time when a number of people were baptised. In the last year it has been encouraging to see a number of men turn their back on alcohol addiction in this community, though this is still a major issue for many families who often all live together in one small room.

The new SKM church building is now open and is a real blessing to the community, set as it is in between the slums alongside the sewers and the more affluent areas of Chennai. SKM still need to pay off some of the building costs, but they have been given gracious favour by the contractor. (<http://grassroots.org.uk/india>)

Tenerife:

The ministry of the Living Room continues to be led by Rachel Scott, but is now overseen and owned by the local church. Grassroots continues to have some standing orders come into our bank to support the work which we pass on to Tenerife Family Church. (<http://www.thelivingroom.es/>)

Malawi:

Les and Kathie Craske moved out to Malawi in May 2011 and have settled for the long term in the country. They (along with their committed UK supporters) have continued to support a pre-school while at the same time develop other projects in the village of Tayali where they moved from Samuti. These include helping deaf secondary school children, craftwork with the local women and children and youth ministry. They also promote conservation agriculture called "Farming God's Way" and many farmers are seeing their yields increasing as a result. The Malawian charity that they have set up for the work locally is called TEE22SIX and in Precious & Peter Kamanage, Bishop Alinafe Kalemba and Luis Miguel Paulo they have some solid local Christians on the board. (<http://www.tee22six.com>)

Peru:

The "Hope and Song to Freedom" project's aim is to support ladies who are either in prison (many of whom have been subject to human rights abuses) or recently released. The support comes through facilitating evangelism amongst fellow inmates and helping the women and their families get their lives back on track. The women in prison are given nutritious food and a bible study when they are visited every Wednesday. There are children in the prison as well who are taken nappies and medication.

For the recently released the project provides help with paperwork, life after prison and temporary secure accommodation. The local volunteers also run a friendly Saturday Christian children's club for the children of the women who have been released and others.

The leader of project in Peru, Miriam Brena Torres visits the UK from time to time to promote the work. She is hosted by the UK HSF leaders: Liz and Andy Lake. (<http://hopesongfreedom.org.uk/>)

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2017

FISCH:

FISCH is a project directed in the UK by Rich & Lissie Gercke originally working amongst street children in Iringa in Tanzania. They have developed the support for the project amongst UK Christians and have now set up their own independent charity, benefitting from Grassroots help in their first few years. The standing orders that are still coming in to Grassroots for FISCH are being passed directly onto this charity now and will stop very soon. (<http://www.gofisch.org/>)

Egypt:

Grassroots continued to support UAFEC (United Action for Egyptian Christians) as they have tried to work together to pray for and support Christians in Egypt and those Egyptian Christians exiled in other parts of the world such as Georgia. We have also had contact with a missionary working with the Egyptian Anglican church, and continue to support her scheme for a micro-finance project in her community, which has enabled a number of families to get on their feet in starting and renewing business.

In October, Hugo Anson visited the project and walked and prayed in an official tour to commemorate the anniversary of the opening of the Suez Canal.

General Christian ministry:

Hugo and Sharon Anson are continuing to be involved in other work around the UK, and especially in their local area around the office in Farnham, Surrey. Hugo has continued to take his long red rope symbolising Jesus' blood as well as God's mercy, around the various places that he has visited during the year, including visiting the Grassroots' project in Chennai, India and Kosovo, where he was visiting a friend's church he met whilst praying and walking in Egypt. (<http://prayereverywhere.org.uk>)

Grassroots has also continued to support Wendy Adams during the year. Wendy, who is now employed by the charity "Stop the Traffik" has some funds within Grassroots to continue her work helping trafficked women as well as support coming in to help her live in the South East whilst working for the charity.

Other Business:

The charity is in good financial condition with more flexible unrestricted funds and more standing orders coming in for our main sponsorship schemes than we have had before. We have seen our giving decrease over the year, but this decrease was expected and the trustees and directors were not unduly worried. Changes in ABTA rules mean volunteers coming on trips are now purchasing their own air tickets and arranging their own travel insurance. The substantial giving to help SKM in India pay for their building and serve the community in the midst of severe flooding was also not needed.

In the wake of the Brexit vote in June 2016 the exchange rate plummeted and unfortunately this has affected the amount we are able to send overseas, as we send the amount raised in sterling to India, Kenya and Romania. It has also increased our costs in sending the entire sponsorship to Tanzania, which we budget for in Tanzanian schillings. Some generous people have increased their giving because of this exchange rate fall, but nevertheless we are pleased the rate stabilised somewhat towards the end of the financial year.

Andy Myall has continued working part-time as an employed finance manager and administrator. Whilst, Ruth Boreham continued to work one day a week, sometimes coming in for two days when she can and the workload is high.

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2017

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide insurance cover and reasonable policies are in place to provide assurance against fraud and error. The Board has formulated a Risk Register to help regular review and manage areas of potential risk. In addition, policies and procedures to support management and control are in place with specified review dates.

Public Benefit

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission. They have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the Trust's aims and objectives and in planning future activities as demonstrated above.

Reserves policy:

We aim to keep at least £50,000 in a higher interest account or bond at any time, although some of this will be restricted fund money yet to be used. However, should all the restricted funds require money at the same time, the money is there to be used, Grassroots restricted funds never run into negative.

We are committed to paying for food and education in Tanzania. Three months of bills in Tanzania amounts to approximately £25,000. Most of the money for these bills are raised and come out of restricted funds, however in order to meet our obligations we endeavour to make sure that we have at least £25,000 in our unrestricted (main) fund at all times, as our reserves.

We are also aware that the economic situation could get worse quite quickly and so we are now being more careful to ensure we do not keep more than £75,000 in any particular financial institution.

Mark Price
Chairman

Date: 14th October 2017

**INDEPENDENT EXAMINER'S REPORT TO
THE TRUSTEES OF GRASSROOTS TRUST**

This report on the accounts of the trustees for the year ended 30th April 2013, which are set out on pages 7 to 14, is in respect of an examination carried out under Section 43 of the Charities Act 1993.

Respective responsibilities of the trustees and examiner

As the members of the trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (The 1993 Act) does not apply.

It is my responsibility to:

- Examine the accounts (under section 43(3) 9(a) of the 1993 Act)
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7) 9(b) of the 1993 Act); and
- To state whether in particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners under Section 43(7) 9(b) of the Act. That examination includes a review of the accounting records kept by the trustees and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect requirements

- to keep accounting records in accordance with Section 41 of the 1993 Act; and
- to prepare accounts which accord with accounting records and comply with the accounting requirements of the 1993 Act

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.

P Kittle FAIA FFA/FIPA FFTA FCIE
Public Accountant
37 Fraser Close
Chelmsford
Essex CM2 0TD

Date: 19th October 2017

THE GRASSROOTS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH APRIL 2017

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS 2017 £	2016 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	153,130	236,661	389,791	452,880
Activities for generating funds	3	2,324	1,884	4,208	4,045
Income from investments	4	1,561	-	1,561	1,452
TOTAL INCOMING RESOURCES		157,015	238,545	395,560	458,377
RESOURCES EXPENDED					
Charitable Activities	5	146,280	225,152	371,432	447,892
Governance Costs	6	576	-	576	594
TOTAL RESOURCES EXPENDED		146,856	225,152	372,008	448,486
NET MOVEMENT IN FUNDS BEFORE TRANSFERS		10,159	13,393	23,552	9,891
Transfers		(228)	228	-	-
NET MOVEMENTS IN FUNDS FOR THE YEAR		9,931	13,621	23,552	9,891
Balances brought forward At 1st May 2016		178,323	94,510	272,833	262,942
BALANCES CARRIED FORWARD At 30th April 2017		188,254	108,131	296,385	272,833

The notes on pages 9 to 14 form part of these accounts.

THE GRASSROOTS TRUST
BALANCE SHEET – 30TH APRIL 2017

	Notes	2017		2016	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS	7		804		1,072
CURRENT ASSETS					
Cash at bank and in hand		296,181		272,361	
LIABILITIES					
Amounts falling due within one year	8	600		600	
		—		—	
NET CURRENT ASSETS			295,581		271,761
NET ASSETS			<u>296,385</u>		<u>272,833</u>
			—		—
FUNDS					
Unrestricted			188,254		178,323
Restricted			108,131		94,510
			<u>296,385</u>		<u>272,833</u>
			—		—

Approved by the Committee of Trustees and signed on its behalf by:

M Price
Chairman

Date of Approval: 14th October 2017

The notes on pages 9 to 14 form part of these accounts.

THE GRASSROOTS TRUST

NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2017

1 PRINCIPAL ACCOUNTING POLICIES OF THE GRASSROOTS TRUST

The financial statements have been prepared under historical cost convention and in accordance with the Financial Reporting Standard for Small Entities (effective January 2007), the Statement of Recommended Practice ‘Accounting and Reporting by Charities’ issued in March 2005 (SORP 2005) and the Charities Act 1993.

The principal accounting policies of the Trust are set out below.

Fund accounting

The Trust's general reserves consist of reserves which the Trust may use for its purpose at its own discretion.

The Trust's restricted funds are those on the use of which the donor has imposed restrictions, which are legally binding.

Income

General income relates to transactions, which are unallocated to departmental activities.

Interest, rental and dividend income is credited when receivable to income and expenditure account.

All voluntary income is included in the financial statements on receipt.

Restricted income is credited to the restricted fund balance on receipt. Expenditure fulfilling the restrictions is charged against the restricted fund on an accruals basis.

Donations under gift aid plus the associated income tax recovery are recognised as income when received.

Legacies to which the charity is entitled are included in the statement of financial activities unless they are incapable of measurement.

Intangible income is valued and included in income to the extent that it represents goods or services, which would otherwise be purchased. An equivalent amount is charged as expenditure. Voluntary help is not included as income.

THE GRASSROOTS TRUST**NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2017**

(Continued)

Fixed assets and depreciation

Fixed assets are included in financial statements at historical cost less depreciation.

Donated assets are recognised in financial statements on receipt.

Depreciation is calculated to write down the cost of all tangible fixed assets (other than freehold property) over their expected useful economic lives. The periods or rates generally applicable are:

Leasehold property and improvements	- Over the remaining life of the lease
Motor vehicles	- 4 years reducing balance
Computer equipment	- 3 years reducing balance
Fixtures and fittings	- 5 to 10 years reducing balance

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

The Trust has charitable status and is afforded the tax exemptions set out in the Income and Corporation Taxes Act 1988.

Foreign currencies

Income received from overseas in foreign currencies is translated at the rate of exchange ruling at the transaction date. Similarly for payments made.

THE GRASSROOTS TRUST**NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2017**

(Continued)

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2017 £	2016 £
Gifts and donations	153,130	236,661	389,791	452,880

3 ACTIVITIES FOR THE GENERATION OF FUNDS:

Funds generated by:

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2017 £	2016 £
Merchandise	2,324	1,884	4,208	4,045

4 INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2017 £	2016 £
Bank interest	1,561	-	1,561	1,452

THE GRASSROOTS TRUST**NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2017****5 CHARITABLE ACTIVITIES**

	Unrestricted Funds	Restricted Funds	TOTAL FUNDS 2017 £	2016 £
Grants and gifts to individuals	69,042	208,187	277,229	282,947
Grants and gifts to institutions and charities	21,181	16,716	37,897	99,369
Travelling	24,388	-	24,388	36,322
Payroll Expenses	17,112	-	17,112	17,384
Small equipment and repairs	4,730	-	4,730	3,297
Books, printing, postage & stationery	4,230	67	4,297	2,978
Insurance	3,352	-	3,352	3,311
Professional fees	388	-	388	153
Telephone and utilities	168	20	188	339
Bank charges	1,421	162	1,583	1,435
Depreciation	268	-	268	357
	<hr/> 146,280	<hr/> 225,152	<hr/> 371,432	<hr/> 447,892
				<hr/>
6 GOVERNANCE COSTS				
Independent review	576	-	576	594
TOTAL RESOURCES USED	<hr/> 146,856	<hr/> 225,152	<hr/> 372,008	<hr/> 448,486
				<hr/>

The number of employees during the year was 2 (2016: 2)

No Employee received more than £50,000 in emoluments during the year (2016: Nil)

THE GRASSROOTS TRUST**NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2017**

(Continued)

7 FIXED ASSETS

	Office Equipment	Total
	£	£
COST		
At 1st May 2015	16,029	16,029
Disposals in year	-	-
	<hr/>	<hr/>
At 30th April 2016	16,029	16,029
	<hr/>	<hr/>
DEPRECIATION		
At 1st May 2016	14,957	14,957
Charge for the year	268	268
	<hr/>	<hr/>
At 30th April 2017	15,225	15,225
	<hr/>	<hr/>
WRITTEN DOWN VALUE		
At 30th April 2017	804	804
	<hr/>	<hr/>
At 30th April 2016	1,072	1,072
	<hr/>	<hr/>
8 CREDITORS:		
amounts falling due within one year		
	<u>2017</u>	<u>2016</u>
	£	£
Accruals	600	600
	<hr/>	<hr/>

THE GRASSROOTS TRUST**RESTRICTED FUNDS YEAR ENDED 30TH APRIL 2017**

	<u>TANZANIA</u>	<u>KENYA</u>	<u>ROMANIA</u>	<u>INDIA</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
INCOMING RESOURCES						
Donations and gifts	129,221	22,388	31,763	38,535	14,754	236,661
Merchandise	-	-	-	-	1,884	1,884
	<u>129,221</u>	<u>22,388</u>	<u>31,763</u>	<u>38,535</u>	<u>16,638</u>	<u>238,545</u>
RESOURCES USED						
Grants	116,693	20,885	31,000	38,950	17,375	224,903
Travelling	-	-	-	-	-	-
Small equipment & repairs	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Books, printing, postage & stationery	37	-	13	-	17	67
Telephone and utilities	20	-	-	-	-	20
Payroll expenses & prof. fees	-	-	-	-	-	-
Bank charge & depreciation	75	68	8	-	11	162
	<u>116,825</u>	<u>20,953</u>	<u>31,021</u>	<u>38,950</u>	<u>17,403</u>	<u>225,152</u>
NET INCOMING RESOURCES	12,396	1,435	742	(415)	(765)	13,393
Transfers	(1,018)	1,246	-	-	-	228
	<u>11,378</u>	<u>2,681</u>	<u>742</u>	<u>(415)</u>	<u>(765)</u>	<u>13,621</u>
Balances at 30.4.16	23,450	9,574	30,999	22,100	8,387	94,510
Balances at 30.4.17	<u>34,828</u>	<u>12,255</u>	<u>31,741</u>	<u>21,685</u>	<u>7,622</u>	<u>108,131</u>