

THE GRASSROOTS TRUST
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH APRIL 2019

P KITTLE FAIA FFA/FIPA FFTA
Public Accountant

THE GRASSROOTS TRUST

TRUSTEES	M Price – Chairman R Anderson Mrs K Hedges R Sweatman S Boreham S Corley 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 37 Fraser Close Chelmsford Essex CM2 0TD

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CONTENTS

PAGES	1 - 4	Trustees' Report
	5	Independent Examiners Report
	6	Statement of Financial Activities
	7	Balance Sheet
	8- 13	Notes to the Accounts

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2019

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, descriptions of our activities and major incidences 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 and run in conjunction with our Tanzanian partner organisation: "Grassroots Trust Fund of Tanzania" 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. Just over half our income as a trust is Tanzania-related, either given specifically for projects within Tanzania, or in an unrestricted manner to support the costs of the work wherever they occur. We do not overtly advertise the work in the UK, but we do have many key supporters who promote the work, finding new sponsors in their churches, workplaces and families. These people are vital. 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.

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. It was hoped that Richard Mwaswala and three others would be able to visit the UK to meet supporters during the summer of 2018, but their visas were denied when the UK Visas and Immigration department totally misread the bank statement; this was particularly disappointing as no proper appeal could be made or costs refunded.

The number of children that are sponsored in Secondary education is now higher than ever. This year we have been able to provide these children with extra gifts and support to help them in their lives. This has included memory sticks, more mosquito nets, solar study lamps and sanitary pads. We look forward to giving out menstrual cups, made and sourced in Africa, to our female student in the summer of 2019.

We are now working in 16 centres in the Mbeya region, one more new scheme having started this year. Children sponsored in each area go to their local school and the Grassroots' feeding programme 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. 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.

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2019

Over the years we have been aware that a number of vulnerable families are exploited by their landlords in a country which does not have any social housing. This year we made some of our supporters more aware of this situation and the response has enabled us to build some houses for vulnerable families on the land on the outskirts of Airport village in Mbeya. We look forward to seeing these houses filled in the coming months.

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 Judah) 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 whilst some of our volunteers this year were able to support the local women struggling in poverty; as well as interview the children.

The team visited the Kiandutu slum again in Thika. The team were inspired by Peter and his congregation's love for Jesus and heart for the community and we supported them in their work.

We remain involved with Watu Wa Maana Street Children's Centre, in Ruiru, 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. For the second year, in addition to the usual support that we provide, we have been able to help the manager of the work, James Waruhui, to continue his theological degree as well celebrate his marriage to Charity; another worker at Watu Wa Maana. (<http://grassroots.org.uk/kenya>)

Romania:

After the dreadful incident last year when one of our key volunteers died in a car crash, we considered a great length whether we should return to Romania to build houses again; we were always going to return to interview the sponsored children. We analysed our policies and whilst we changed some of the ways we go about our transport in the country, we calculated that what we were doing was good and very important. There was a demand from previous volunteers to go to build in Romania again and our trustee Stuart Boreham agreed to go to lead the building team. The team worked very well together and alongside the Romanian volunteers and completed the house on time. We were well received by the local Romanians who were impressed that we returned after last year's disaster. Just before the end of the financial year Stuart spoke of the work at his church and over £20,000 came in as a result which will be the basis of funds for the next few house-builds in Romania.

The building project is managed in Romania by Iacob Murza, whilst his wife Lidia, the director of our partner Romanian organisation, Benita, has been managing the support of the sponsored children with the help of Ligia and Simona.

We continue to be able to support 171 children and this will increase to 190 children in 2019. 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>)

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2019

India:

There are now over 323 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 (SKM). Some 300 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 but there continue to be sad stories from families that are struggling with the result of alcohol addiction, debt and lack of food and employment. One of our trustees Samuel Corley was also able to visit the project, along with his son, in August. (<http://grassroots.org.uk/india>)

Malawi:

Les and Kathie Craske moved out to Malawi in May 2011 and have settled for the long term in the country. Unfortunately, the Malawian charity that they have set up for the work locally has had to be dissolved and they have handed the reins of the pre-school they were supporting to the local teacher. The SKILL Development Centre for deaf students, will remain open and Les and Kathie will continue to support the other people they have promised to, whilst they consider their long-term future.

Peru:

The "Hope and Song to Freedom" (HSF) project's supports ladies who are either in prison (many of whom have been subject to human rights abuses) or recently released. The women in prison (who sometimes have their children with them) are given nutritious food, nappies, medication and a bible study when they are visited every Wednesday.

For the recently released the project provides help with paperwork, life after prison and temporary, secure accommodation. 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/>)

Tenerife:

The ministry of the Living Room continues to be led by Rachel Scott and is 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/>)

Wendy Adams

Wendy, who has been employed by the charity "Stop the Traffik" has used some of the funds within Grassroots given to her support to help her travel in the South East to her office.

Egypt:

Grassroots have continued to support an Egyptian Anglican church who are serving their community, helping the poor where it is needed and providing a micro-finance initiative.

We are also supporting individuals within the Suez region trying to make a difference for the poor in the community, regardless of their religion or background.

Face to face:

We released the Grassroots' "Face to Face" leaflet/pdf to churches with whom we have had contact in the past to offer visits from our workers and trustees to share accounts of God at work. We are aware that some stories don't always make it to the general congregations as the stories (and for that matter the congregations) are not all on social media or on, or visitors to, our website.

Prayer Everywhere:

Hugo has continued to take his long red rope symbolising Jesus' blood and God's mercy, around the various places that he has visited during the year, this included a number of different churches across the UK. (<http://prayereverywhere.org.uk>)

THE GRASSROOTS TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 30TH APRIL 2019

Future projects:

Sharon Anson visited Laos during March and agreed to set up a child sponsorship scheme alongside the Empathy International's (charity no. 1156970) impressive Fish Aid project during the forthcoming year. (<http://empathyinternational.org.uk/>)

We have also met with Alan Cutting of the "Raising Families" project within Samaritan's Purse and we have arranged to take some of our Tanzanian team to Zambia to see the project in June 2019.

Other Business:

The charity is in good financial condition with the number of standing orders coming in for our main sponsorship schemes increasing again. We have seen our overall giving increase over the year, a lot of this down to an appeal in Equippers Church, Surrey for the Romania building project which we will spend on building new houses for those who are in desperate need during the next couple of years.

Andy Myall has continued working part-time as a finance manager and administrator. He regularly travels on trips, to engage in the wider work, as well as check the finances. Ruth Boreham continued to work one day a week, sometimes coming in for two days when she can, and when the workload is high; it has been great to have her on three trips this year. Hugo and Sharon Anson remain involved in other work around the UK, especially in their local area around the office in Farnham, Surrey

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 Trustees consider Risk Management an important part of their role, regularly reviewing and managing areas of potential risk. All our policies and procedures are regularly reviewed and updated.

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 the red. We have started an additional current account with Lloyds bank to enable greater flexibility.

We are committed to paying for our sponsorship and worker commitment in our four main projects as well as for our workers in the UK. Six months of necessary commitments in Tanzania amounts to approximately £60,000. In addition, 6 months of sponsorship and bills in the other projects amount to a further £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 always at least £85,000 in our unrestricted funds, 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 £85,000 in any one financial institution.

Mark Price
Chairman

Date: 25 September 2019

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

This report on the accounts of the trustees for the year ended 30th April 2018, which are set out on pages 6 to 13, is in respect of an examination carried out under Section 145 of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Respective responsibilities of the trustees and examiner

The charity's trustees are responsible for the preparation of the accounts; The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (The Charities Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act.
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)9(b) of the Charities 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 general directions given by the Charity Commissioner. 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 seeking 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 no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

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 130 of the Charities Act;
and

to prepare accounts which accord with accounting records and comply with the
accounting requirements of the Charities 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
Public Accountant
37 Fraser Close
Chelmsford
Essex CM2 0TD

Date: 30 September 2019

THE GRASSROOTS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH APRIL 2019

	Notes	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS 2019 £	TOTAL FUNDS 2018 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	160,237	273,848	434,085	378,079
Activities for generating funds	3	880	690	1,570	2,421
Income from investments	4	2,335	-	2,335	2,086
TOTAL INCOMING RESOURCES		163,452	274,538	437,990	382,586
RESOURCES EXPENDED					
Charitable Activities	5	153,714	240,895	394,609	389,105
Governance Costs	6	630	-	630	588
TOTAL RESOURCES EXPENDED		154,344	240,895	395,239	389,693
NET MOVEMENT IN FUNDS BEFORE TRANSFERS		9,108	33,643	42,751	(7,107)
Transfers		(4,133)	4,133	-	-
NET MOVEMENTS IN FUNDS FOR THE YEAR		4,975	37,776	42,751	(7,107)
Balances brought forward At 1st May 2018		180,896	108,382	289,278	296,385
BALANCES CARRIED FORWARD At 30th April 2019		185,871	146,158	332,029	289,278

The notes on pages 8 to 13 form part of these accounts.

THE GRASSROOTS TRUST
BALANCE SHEET – 30TH APRIL 2019

	Notes	2019		2018	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS	7		402		603
CURRENT ASSETS					
Cash at bank and in hand		332,257		243,125	
Debtors	8	-		46,150	
		<u>332,257</u>		<u>289,275</u>	
LIABILITIES					
Amounts falling due within one year	9	630		600	
		<u>630</u>		<u>600</u>	
NET CURRENT ASSETS			331,627		288,675
NET ASSETS			<u>332,029</u>		<u>289,278</u>
FUNDS					
Unrestricted			185,871		180,896
Restricted			146,158		108,382
			<u>332,029</u>		<u>289,278</u>

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

M Price
Chairman

Date of Approval: 25 September 2019

The notes on pages 8 to 13 form part of these accounts.

THE GRASSROOTS TRUST

NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2019

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 2019**

(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 2019**

(Continued)

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2019 £	2018 £
Gifts and donations	121,951	259,297	381,248	318,929
Gift Aid	38,286	14,551	52,837	46,150
Legacies and bequests	-	-	-	13,000
Total Voluntary Income	<u>160,237</u>	<u>273,848</u>	<u>434,085</u>	<u>378,079</u>

3. ACTIVITIES FOR THE GENERATION OF FUNDS:

Funds generated by:

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2019 £	2018 £
Merchandise	880	690	1,570	2,421
	<u>880</u>	<u>690</u>	<u>1,570</u>	<u>2,421</u>

4. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2019 £	2018 £
Bank interest	2,335	-	2,335	2,086
	<u>2,335</u>	<u>-</u>	<u>2,335</u>	<u>2,086</u>

THE GRASSROOTS TRUST**NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2019****5. CHARITABLE ACTIVITIES**

	Unrestricted Funds	Restricted Funds	TOTAL 2019 £	FUNDS 2018 £
Grants and gifts to individuals	74,894	218,254	293,148	294,490
Grants and gifts to institutions and charities	28,349	21,635	49,984	43,185
Travelling	20,423	783	21,206	23,666
Payroll Expenses	19,469	-	19,469	17,238
Small equipment and repairs	1,747	45	1,792	2,826
Books, printing, postage & stationery	3,900	6	3,906	2,675
Insurance	3,071	-	3,071	3,073
Professional fees	120	-	120	120
Telephone and utilities	322	-	322	210
Bank charges	1,218	172	1,390	1,421
Depreciation	201	-	201	201
	<hr/> 153,714	<hr/> 240,895	<hr/> 394,609	<hr/> 389,105

6. GOVERNANCE COSTS

Independent review	630	-	630	588
TOTAL RESOURCES USED	<hr/> 154,344	<hr/> 240,895	<hr/> 395,239	<hr/> 389,693

The number of employees during the year was 2 (2018: 2)

No Employee received more than £50,000 in emoluments during the year (2018: Nil)

THE GRASSROOTS TRUST**NOTES TO THE FINANCIAL STATEMENTS – 30TH APRIL 2019**

(Continued)

7. FIXED ASSETS

	Office Equipment £	Total £
COST		
At 1st May 2018	16,029	16,029
Disposals in year	-	-
	<hr/>	<hr/>
At 30th April 2019	16,029	16,029
	<hr/>	<hr/>
DEPRECIATION		
At 1st May 2018	15,426	15,426
Charge for the year	201	201
	<hr/>	<hr/>
At 30th April 2019	15,627	15,627
	<hr/>	<hr/>
WRITTEN DOWN VALUE		
At 30th April 2019	402	402
	<hr/>	<hr/>
At 30th April 2018	603	603
	<hr/>	<hr/>

8. DEBTORS:

	<u>2019</u> £	<u>2018</u> £
Gift aid tax repayment	-	46,150
	<hr/>	<hr/>

9. CREDITORS:**amounts falling due within one year**

	<u>2019</u> £	<u>2018</u> £
Accruals	630	630
	<hr/>	<hr/>

THE GRASSROOTS TRUST**RESTRICTED FUNDS YEAR ENDED 30TH APRIL 2019**

	<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						
Voluntary Income	129,738	24,827	51,869	51,396	16,018	273,848
Merchandise	-	-	-	-	690	690
	<u>129,738</u>	<u>24,827</u>	<u>51,869</u>	<u>51,396</u>	<u>16,708</u>	<u>274,538</u>
RESOURCES USED						
Grants	119,667	27,661	26,498	50,320	15,743	239,889
Travelling	-	-	-	-	783	783
Small equipment & repairs	-	-	-	31	14	45
Insurance	-	-	-	-	-	-
Books, printing, postage & stationery	-	-	4	-	2	6
Telephone and utilities	-	-	-	-	-	-
Bank charges	76	76	10	4	6	172
	<u>119,743</u>	<u>27,737</u>	<u>26,512</u>	<u>50,355</u>	<u>16,548</u>	<u>240,895</u>
NET INCOMING RESOURCES	9,995	(2,910)	25,357	1,041	160	33,643
Transfers	1,133	-	-	-	3,000	4,133
	<u>11,128</u>	<u>(2,910)</u>	<u>25,357</u>	<u>1,041</u>	<u>3,160</u>	<u>37,776</u>
Balances at 30.4.18	34,201	12,612	28,288	24,951	8,330	108,382
Balances at 30.4.19	<u>45,329</u>	<u>9,702</u>	<u>53,645</u>	<u>25,992</u>	<u>11,490</u>	<u>146,158</u>