

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

For

FAITH WELFARE TRUST

FAITH WELFARE TRUST

GENERAL INFORMATION
for the Year Ended 30 September 2017

ADDRESS: The Old Vicarage
Acklington
Morpeth
NE65 9BL

ACCOUNTANTS: 60 North Accounts Ltd
Hillside Cottage
Voe
Shetland
ZE2 9PT

NOTES:

1. These accounts have been prepared on a receipts and payments basis in accordance with the SORP 2015 Accounting and Reporting by Charities and the Charities Act 2011.
2. All funds received from donors are unrestricted.

FAITH WELFARE TRUST

Independent Examiner's Report to the trustees of Faith Welfare Trust

I report on the accounts of the charity for the year ended 30 September 2017, which are set out on pages 2 and 3.

Respective responsibilities of 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 this year under S144 (2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011
- to follow the procedures laid down in the general direction given by the Charity Commission under section 145 (5) (b) of the Act; and
- to state whether 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 Commission. 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 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, 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, the requirements:

- to keep accounting records in accordance with section 130 of the Act; and
- to prepare accounts in accord with the accounting records and to comply with the accounting requirements of the 2011 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.

Rosalind Nicol

R Nicol ACCA

Independent Examiner

20 May

2018

60 North Accounts Ltd

Hillside Cottage

Voe

Shetland

ZE2 9PT

FAITH WELFARE TRUST

RECEIPTS AND PAYMENTS ACCOUNT for the Year Ended 30 September 2017

GENERAL FUND	2017	2016
Income Receipts:		
From Voluntary Sources		
Legacy	0	0
Donations	51321	13938
Donations under Gift Aid	20273	18234
Gift Aid: Tax Claims	5289	0
From Assets:		
Deposit Interest	484	862
TOTAL RECEIPTS	77366	33034
Payments:		
Charitable Activity Direct Expenditure		
Transfers to Nambikkai Illam Trust	56000	45000
Management and Administration		
Telephone, Fax, Postage & Stationery	160	500
Travel		0
Accountancy	75	175
Bank Charges	25	50
	260	725
TOTAL PAYMENTS	56260	45725
Net Receipts (Payments)	21106	-12691
Bank Deposit and Current Account Balances at 30 September 2016	80592	93283
Bank Deposit and Current Account Balances at 30 September 2017	<u>101698</u>	<u>80592</u>

FAITH WELFARE TRUST


STATEMENT OF ASSETS AND LIABILITIES As at 30 September 2017

MONETARY ASSETS:	2017	2016
Bank Current Account	19777	663
Bank Deposits	<u>81922</u>	<u>79929</u>
	101698	80592
DEBTOR: Tax on gift aid	<u>4795</u>	<u>5289</u>
TOTAL CURRENT ASSETS	<u><u>106493</u></u>	<u><u>85881</u></u>

LIABILITIES:

Accountancy	75	75
Other expenses	<u>0</u>	<u>0</u>
	<u><u>75</u></u>	<u><u>75</u></u>

The statement of accounts are approved by the Board of Trustees

_____)	Tessa Sayers
)	
) Trustees	
)	
)	Alistair Coomer

Dated: 2018



Faith Welfare Trust

Annual Report 2016-17

FAITH WELFARE TRUST

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Registered Charity number 327557

Faith Welfare Trust

Annual Report for year ending September 30, 2017

Introduction

Faith Welfare Trust (FWT) is constituted by Trust Deed, established in 1987. It provides support to 2 homes (one for girls, one for boys) for deprived children near Chennai, South India, and Faith School in Rajahmundry, Andhra Pradesh state, India, 350 miles to the North. The objects of the charity are: to promote the welfare of disadvantaged and/or destitute children and young people in the area of benefit (India); and to support disadvantaged children and young people in the area of benefit in their education and training.

The trustees have regard to both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit. Our work is in accordance with both these guidelines and the main objects set out in the trust deed.

Governance

Long-standing trustee Joy Rafferty-Smith resigned from the board of FWT in April 2017. The trustees record their thanks for the many years she has offered sound advice and been actively involved in FWT and the projects in India. The Trustees of FWT for the year 2016-17 comprise:

Brian Tugwell, Elsie Tugwell, Alistair Coomer, Chris Sayers, Tessa Sayers, John Fisher, Rachel Fisher, Joy Rafferty-Smith (until April 2017), Helen Webster/Midda.

Tessa Sayers is the chair of trustees and she and Chris Sayers have the role of "managing trustees". They arrange the twice-yearly trustee meetings and oversee the financial affairs of the charity, banking and acknowledging all donations received, keeping records of these in a spreadsheet and reconciling this with the bank statements. They ensure that Gift Aid is claimed and prepare the annual accounts for the independent examiner. They carry out the annual return for the Charity Commission.

John and Rachel Fisher prepare the twice-yearly newsletter and their contribution is much appreciated by the trustees and also the supporters who often comment favourably on the content and presentation of the newsletters. Printing and mailing is done by John and Rachel Fisher and Joy Rafferty-Smith and her husband Karl. Joy's experience and skills as a medical doctor have been useful in informing the discussions of the trustees about health matters related to the work in India.

Brian and Elsie Tugwell play a major role in liaising with the charity's projects in India as they are based in India for 6 or 7 months each year. They attend the meetings of Nambikkai Illam Trust whenever possible and are in regular contact with the staff at the children's homes and Faith School. They keep the other trustees informed of any changes or developments.

Helen Webster got married in July 2017 and from then on is known as Helen Midda. Her experience and qualifications as a school teacher and her first-hand knowledge of the children's homes and school in India make her advice especially relevant to the operation of FWT.

Alistair Coomer has been on the board of trustees from the charity's inception and this long-term view, together with financial and managerial experience, are very beneficial to the governance of FWT.

The trustees usually meet twice a year (spring and autumn). Due to their geographical dispersal in the UK, it is not practical to meet in person more often, but correspondence is conducted by email on relevant matters arising between meetings, to inform and consult with trustees. The governing document does not specify the number of trustees but there are usually 8-9 at any one time and when vacancies arise, potential new trustees are invited by the existing board. They are usually existing supporters of FWT.

Each year, some trustees usually visit the school and homes in India to see for themselves how things are and chat to the staff and trustees of the Nambikkai Illam Trust (NIT), the Indian charity that manages the homes and school. In the year from Oct 2016 to Sept 2017, Chris and Tessa Sayers visited the children's homes in November/December 2016 and Brian and Elsie Tugwell visited the homes and Faith school on numerous occasions during their spell in India from Autumn 2016 to Spring 2017. The costs of all visits were met by the trustees themselves and no expenses associated with visits to India were charged to FWT funds. None of the Trustees received any remuneration for their services.

The homes are managed locally by the trustees of the Nambikkai Illam Trust (NIT), based in Chennai, who meet approximately every 2 months to deal with strategic and practical issues as they arise. The chair of trustees is R Prabakaran, a lawyer, who has been on the board of trustees for over 20 years. The other trustees comprise Dr Esther (a GP), Mrs Soundrakumari (retired children's hostel warden), Mr Dhyaneswar, Mr Dinakaran (local school teacher) and Dr Livingstone (retired teacher at Madras Christian College). NIT holds a bank account at ICICI bank to which FWT sends funds as necessary to meet the costs of the homes and Faith School. Minutes of their meetings are sent to FWT trustees as well as copies of their bank statements and their audited accounts. The wardens of the homes send a monthly breakdown of income and expenditure to both NIT trustees and FWT trustees as well as regular summaries of what has been happening at the homes.

Faith School is managed locally by Dr Samuel Moses and his wife Kamala. As of last year a board of advisers was set up to give a wider forum for strategic discussions and to help oversee the operation of the school as it increases in size. Its members are mainly experienced educationalists, a doctor and an economist. Chris and Tessa Sayers visited the school and met Dr Moses, Kamala and the advisers during their trip to India in December 2016. Brian and Elsie Tugwell also visited during the year. The school's management and finance arrangement are overseen by trustees of Nambikkai Illam Trust who arrange for appropriate funds to be sent from the main Nambikkai Illam bank account to the school.

Nambikkai Illam Children's Homes

FWT supports 2 children's homes near Sriperumbudur, just outside Chennai, Tamil Nadu State, South India. The accommodation comprises:

- Junior and Senior Boys Home at Vengadu village
- Junior and Senior Girls Home at Navalur village

The two homes are less than a mile apart. From the beginning of the year until May 2017 42 children were accommodated at the Homes (19 girls and 23 boys). In

June 2017, 21 boys and 18 girls were resident at the homes – 3 boys left to return to their families and one left to start work having completed his college qualification. 2 new younger boys joined. 3 of the older girls left the home having completed 10th standard public examinations to rejoin their families. 2 new younger girls joined. The restriction, placed by the social board such that we could only receive new applicants from the Kanchipuram district (the local district), remained in force despite hopes that it might be lifted. The children attend the local primary and secondary schools and are taken there by bus each day. The older children are found appropriate further education or training when appropriate and, where possible, continue to live at the homes.

Shalini was warden until February 2017 when she left to get married. Sudha continued as assistant warden of the girls' home during the whole year. Chandra and his wife Sumathi continued to be warden and assistant warden of the boys' home, having held these posts for around 13 years.

Members of the Church of God in Pernampet assist with the spiritual development of the children and visit the Homes regularly. A Sunday service for all the children is held each week at the church hall in Navalur. In addition, other Christian activities take place from time to time, such as a weekend “camp” run at the homes by a local Scripture Union group, which is much enjoyed by the children. When FWT trustees visit the homes they also help with talks, activities and singing.

During 2016-7, the normal level of payments (adjusted for inflation) was made towards the running of the Homes, staff wages, food, clothes, school materials, transport, and so on.

SIPCOT, the development agency, had informed NIT in April 2015 that they would require a plot of land adjacent to the boys' home where the boys currently have small gardens. As last year, there has been no activity by SIPCOT on this plot of land in the current year. They proposed rather inadequate compensation which the NIT trustees are still disputing. This compulsory purchase, while unwelcome, should not impact on the day-to-day life at the home as the accommodation and main play area are not affected. As ever, the situation is being monitored closely, particularly by Mr Prabakaran, the chair of NIT trustees, so that we get maximum notice of any new developments.

Faith School, Rajahmundry

The Faith Public School opened at the start of the academic year in June 2004, with the aim of providing a free English medium education for poorer students who would not otherwise be able to afford to go to school. Those who can afford it pay the normal fee. Its classes go from lower kindergarten to 7th standard, providing an education for children from the ages of 4 (lower kindergarten) to 13 (7th standard). All pupils are provided with a nutritious free lunch every day. The school is gaining a good reputation locally and it started the year with 320 on the roll. This was reduced to 240 for new admissions in June as FWT were unable to meet the higher costs incurred by admitting extra students, due to exchange rate fluctuations. The children are mainly from Hindu families, with some Muslim children also attending. They receive some Christian teaching and singing at their assembly every day and the ethos of the school is generally Christian.

Fund raising

The vast majority of FWT's funds continues to be raised through standing orders from individual supporters and one-off donations by individuals and collections from various churches in the United Kingdom and North America, together with boxes in

shops, stalls at fetes, sponsored walks and the like. All one-off donations are acknowledged with a personal letter of thanks. Supporters worldwide receive one or two copies of the FWT newsletter each year to keep them updated about events at the homes and school and reporting the progress the children are making. There is also a website and a Facebook page which are updated intermittently. Online donations are collected using BT MyDonate which has comprised an increasing share of the income. FWT does not operate any individual child sponsorship scheme.

FWT had a fundraising drive this year as unfavorable exchange rate changes from June 2016 meant that around 25-30% more money in sterling was needed to supply the same amount of rupees. In the light of these extra costs it was realised that funding levels could not sustain the homes and school in the long term and many fund raising efforts were undertaken during the year. This was very successful and improved the charity's financial position and its ability to meet its commitments in India.

Over the year from October 2016 to September 2017, income was £77,366, of which £5289 was gift aid payment from HMRC and £483 was bank interest. Outgoings were £56,260, of which £56,000 went directly to India to fund the school and homes and the remainder was spent on administrative costs. Funds in FWT bank accounts at the end of the financial year 2016-7 total £101,698.

Reserves

The policy of the Trustees is to hold adequate reserves of funds to ensure that standing commitments to support the trust's projects can be met for at least a year. This extended period is because if it were decided to stop funding the homes or school, alternatives would have to be found for all the children currently supported and this could not be done quickly.

It is important that a regular flow of funds to the projects is maintained as a high proportion of the disbursed funds go towards food, salaries, clothing and medical costs. After consideration, trustees decided that reserves sufficient to fund the homes and school in India for a year should be held. If FWT were unable to continue raising funds, this would allow alternative accommodation/schooling to be found for our beneficiaries or alternative funding to be sought. A shorter period would risk leaving vulnerable children without suitable homes or education. The agreed amount was £60,000, as this year's expenditure was £56,000.

This reserve can also act as a contingency fund against major disasters, as the region around the Nambikkai Illam children's homes has been subject to earthquakes on more than one occasion. There is also a risk of damage during the monsoons, which occur each year. While insurances are maintained, in the event of a natural disaster it would be many months before the homes could be repaired and re-built, so it is deemed prudent to retain a reserve against this eventuality.

In addition, no written guarantee has been received from SIPCOT that they will not require some or all of the land currently occupied by the boys' home, although nothing has been heard from them for some years. It is therefore prudent to keep reserves to at least cushion that eventuality until such a guarantee can be obtained.

The current balance is higher than the reserve amount, which enables longer term plans to be made for the work in India.

Future Developments

The Trustees plan to carry out the following development of FWT's work:

- Continue to monitor staffing levels and competence at the children's homes to ensure appropriate capacity and capability of staff running the two homes.
- Encourage trustees in India to increase the number of children at the homes.
- Monitor the effectiveness of the Board of trustees of Nambikkai Illam Trust and the advisory committee at Faith School and recommend courses of action to improve, if appropriate.
- Give guidance to Faith School management about the annual budget that FWT can sustainably fund.
- Encourage trustees in India to continue to explore supplementary local sources of funding and to consider ways to cut costs.
- Continue to increase the number of standing order donors to strengthen the predictable income stream to FWT by widening the supporter base to include a younger generation of Church of God members and those not involved with Churches of God.
- Keep the higher profile of FWT with North American churches.

Declaration

The trustees declare that they have approved the FWT annual report above.

Signed on behalf of the Trustees:

Signature(s)		
Full name(s)		
Position		
Date		

