

**ANNUAL REPORT
AND ACCOUNTS**

2017

DURHAM - LESOTHO DIOCESAN LINK

LEGAL and ADMINISTRATIVE DETAILS

The Durham Lesotho Diocesan Link (referred to hereafter as "The Trust") became a Charitable Trust through a Declaration of Trust on 26th March, 1990, being registered with the Charity Commission in the United Kingdom as a Charity, Ref No: 702809. It was set up to manage the finances and raise funds for the work of the Durham-Lesotho LINK, created in May 1986, which is a companionship link between the Anglican Dioceses of Durham and Lesotho for their mutual benefit.

Principal Address The Durham Lesotho Diocesan LINK (Charity No. 702809)
Durham Diocesan Office, Cuthbert House, Stonebridge, Durham DH1 3RY

President The Bishop of Durham

Trustees Mr A. Nelson, appointed chairperson September 2010
Dr. M. Wilkinson from 3 December 2002
Mrs R. Hicks from June 2007
Ven. N. Barker from 8 May 2008
Mrs Elisabeth Mary Bryant from January 2011
Mr Nigel Watson from 18 March 2015
Mr A Friswell from 20th January 2016
Mrs A Pritchard from 20th January 2016
Mrs S Egglestone from April 5th 2017

Treasurer Mr A.R Friswell

Gift Aid Secretary Mr A.R Friswell

(Trustees can be appointed at the General meetings of the Trustees)

Bankers CafBank Ltd., Kings Hill,
West Malling, Kent. E19 4TA

Auditor Mr A Dent,
9 The Oval
Houghton le Spring
DH4 5DB

The Durham-Lesotho LINK

Management Group Chair, the Chair of the Trustees, Members, All the Members
All the Trustees
Executive Officers

Joint Executive Officers The Reverends R & M Bianchi,
8, Lindisfarne, Washington. NE38 7JR Tel 0191 4170852

REPORT OF THE TRUSTEES for Year Ended 31st December 2017

1. OBJECTIVES AND ORGANISATION OF THE DURHAM-LESOTHO LINK AND THE ROLE OF THE TRUST

1.1 The Durham-Lesotho LINK in Durham and the Lesotho-Durham LINK in Lesotho were created by their respective dioceses in 1986. In spirit these are one LINK – a body fostering spiritual exchanges and mutual support between the two dioceses. In finance, administration and management they are separate.

1.2 Association between people in the two dioceses has led to several practical projects being undertaken in Lesotho, with financial help from donors in Durham, and grants from British and European authorities, together with personal involvement of Durham people in the initiation of some of the projects and activities.

1.3 The Trust, which was established in June 1986, is a registered Charity (No 702809) with legal responsibility for the appropriate application of donations and grants given to it or routed through it.

2.0 OBJECTIVES AND POLICIES OF THE TRUST

2.1 The objects of The Trust are in the Anglican Dioceses of Durham and Lesotho:

- (a) The advancement of Education
- (b) The relief of persons who are in conditions of need, hardship and distress; and
- (c) The advancement of the Anglican Christian religion

2.2 In furtherance of the objectives set out in 2.1 the Trust shall:

- (a) Provide books and journals
- (b) Undertake development projects in conjunction with other appropriate working groups and funding Agencies
- (c) Provide help and support the provision of medical facilities
- (d) Provide help and support the provision of educational facilities
- (e) Provide other such help, support of assistance as The Trustees may in their absolute discretion determine.

2.3 The direction and work of the Durham-Lesotho LINK are the responsibility of a Management Group in Durham, advised and supported by specialist Groups. The Executive Officer secures co-ordination and implementation of policies, and maintains a constant contact with Lesotho. All expenditure requires to be approved by the Management Group. All trustees are members of the Management Group enabling them to be in touch with all developments without duplication of reporting and meetings. A quorum for Management group meetings includes at least two Trustees. Any Trustee can require that a decision involving finance should be referred to the Trustees as a whole. The Treasurer, whose responsibility is essentially to the Trustees also reports to the Management Group.

2.4 The Trust Deed limits the activities of the Trust to the geographical areas of the Anglican Dioceses of Durham and Lesotho but gives the Trustees discretion in the deposit of investment of funds.

2.5 The Lesotho Durham LINK is part of the Anglican Diocese of Lesotho. It is managed by a Support Group responsible to the Lesotho Diocesan Council, employing appropriate Administrative, Accountancy and contact Management staff. The Lesotho Durham LINK is a member of the Lesotho Council of Non-governmental Organisations.

3 DEVELOPMENTS IN THE POLICY OF THE LINK

3.1 In December 1997 both Dioceses accepted the Review of the LINK undertaken by Canon Themba Vundla of the Church of the Province of South Africa and Mr John Clark of the Church of England Board of Mission. The Durham Lesotho LINK Trustees recognise that in the project field, the fundamental objective of the LINK must be to secure the establishment in Lesotho the organisation and capability to generate the initiatives to carry responsibility in obtaining their funding as well as to manage and administer the projects.

Durham Lesotho LINK – executive officers’ annual report 2017

The LINK in Lesotho has taken significant steps forward to fulfil their vision to improve and uplift lives of marginalised children and youth and be a place of Christian training and a resource centre for holistic transformation. Throughout 2017 they have continued their key social programmes with child headed households and have appointed a staff member to live and work in the community where much of this work is focussed. With a background in psycho-social support work she will mentor and support many of these families. The training aspect is developing quickly. In January one of the Durham LINK trustees, who is a nurse practitioner and trainer, delivered diabetes champions courses and trained two of the LINK staff to continue this crucial work in Lesotho. It is hoped that further healthcare training opportunities will follow. Staff were also trained as First Aid trainers by one of the EOs from Durham and a series of discipleship training courses were delivered. There are plans to roll out more of these types of training and the LINK in Lesotho is keen to draw on expertise from Durham to deliver some of them.

Lucrative team building courses are also offered on a commercial basis and the fleet of stand-up paddle boards taken out from Durham are proving a real asset for this.

The financial situation, which was a cause for concern last year, has been turned around to the point where the Lesotho LINK might be 100% self-funding within a year. This is in large measure due to the hospitality side of the work, through meals and accommodation. It was highly gratifying to see the new accommodation facility, Durham House, up and running and adding to the income stream.

An ambitious five-year strategic plan was launched in Lesotho geared to developing further the LINK’s vision. This has been facilitated in part by two new staff appointments and a re-deployment of some staff members to positions which play to their individual strengths, leading to greater job satisfaction and productivity.

The LINK in Durham has been inspired to begin its own strategic thinking. Noting the decreasing levels of financial support from parishes and individuals and noting the increasing self-sufficiency in many areas of the Lesotho LINK’s work, the trustees have agreed to reduce the Executive Officers’ hours and salaries and begin to look ahead to what the future shape of the LINK in Durham should be. The recently appointed Lesotho High Commissioner paid a courtesy visit to Bishop Paul in December in acknowledgement of the Bishop’s investment of time and energy in the visit of their Majesties from Lesotho two years ago. His Excellency also held an amiable and constructive meeting with some of the LINK trustees.

5 ADMINISTRATION AND SUPERVISION

5.1 The Trustees met on 3 occasions during the year. The Trustees wish to record their appreciation for the work carried out by the Executive Officers, who made 2 visits to Lesotho during the year. The Trustees wish to thank all of those who have assisted the work of the LINK on a voluntary basis.

5.2 It is estimated that the voluntary work carried out for the LINK by Trustees, Members of the Management Group, and other volunteers provided support to the LINK which is valued at £17,000.

5.3 The Trustees are grateful to the Diocese of Durham for continuing to give an annual grant to cover the fees and expenses of the Executive Officers and a contribution towards the UK administration costs of the LINK.

6 FINANCIAL REVIEW

6.1 The Annual Report and Accounts have been prepared in accordance with the guidance given in "Accounting by Charities"; the Statement of Recommended Practice published by the Charity Commission issued in October 2005.

6.2 The accounting policies are set out in the "Notes to The Financial Statement"

7 THE FUNDS OF THE TRUST

Whilst many of the Fund Titles are self explanatory, some need further explanation.

- a) The Designated Funds receive money that is earmarked for special purposes of limited duration.
- b) The General Fund covers Unrestricted Grants/Donations and the costs of LINK's offices in Durham and Lesotho. The net annual balance of this fund is transferred to General Reserves.
- c) The General Reserve Fund has been built up over the years to provide a resource for ongoing funding needs.
- e) The General Reserve Fund, as in previous years, received a quarterly grant from the Durham Diocesan Board of Finance (DDBF) to provide some of the funds needed to maintain the Trust.

8 THE BANK ACCOUNTS OF THE TRUST

8.1 The day to day transactions of the Trust are dealt with through a current account held with CafBank Limited.

8.2 The Deposit Account (CAF Gold Account). The interest rate on this account was 0.05%.

8.3 FINANCIAL DEVELOPMENTS IN 2015 AND BALANCE SHEET AT 31 DECEMBER 2015

Restricted Funds

Restricted Fund balances increased by £675 to £2,047 over the year.

Incoming Donations amounted to £9,782. Also £729 was transferred from General Reserve into Restricted Funds.

The total transferred to Lesotho during the year amounted to £9,835.

Designated Funds

Designated Fund balances decreased by £493 over the year.

Incoming Donations into Peer Group amounted to £1,200 with £1,693 being transferred to Lesotho during the year.

Unrestricted Funds / General Reserve

Income into General Reserve during the year was less than the cost of running the Durham Link by £50 with £16,157 being transferred to Lesotho.

After transferring £1,000 to Designated Funds(Diabetes Project) and £341 from Designated funds (Gift Aid) the net effect was a decrease in reserves of £609.

9 EVENTS SINCE 31 DECEMBER 2016

The Trustees are required to draw attention to any significant events that have occurred between the date of the Balance Sheet and the date on which the Annual Report was signed. Accordingly, the Trustees wish to report as follows :- It was agreed with the Executive Officers that, with effect from 1st January 2018, their work for the Trust would be reduced from 20 weeks to 15 weeks per year with a proportionate decrease in fees payable.

10 GRANT MAKING POLICY

The Charity makes grants from Unrestricted Funds to cover the core costs of the administration of the Lesotho Durham Link in Lesotho, South Africa, which encourages and facilitates links between the people of Lesotho and the people of the Durham Diocese. These are agreed on in advance and reviewed on an annual basis. Further Unrestricted Funds are maintained in the UK to cover contingencies arising in the UK and in Lesotho, or to contribute to specific projects as agreed by the Trustees.

Funds are also raised in the UK for specific (Restricted) projects and for specific needs of individuals in Lesotho. In respect of medium/long term projects these funds remain in the UK until funding is drawn down on an agreed basis by the Link in Lesotho. Gift Aid claimed on donations to restricted funds is added to the basic funds. Monitoring reports should be obtained from Lesotho on a regular basis.

11 RESERVES POLICY

It is the policy of the Charity to maintain unrestricted funds, which are the free reserves of the Charity at a level which equates to approximately six months unrestricted expenditure on a rolling basis. This provides sufficient funds to cover management, administration and support costs in the UK and Lesotho, and to respond to emergency applications for grants which arise from time to time from Lesotho. Unrestricted Funds were maintained at least at this level during the year. The free reserves at 31st December 2017 were £21,880. Six months unrestricted expenditure is estimated at £17,000

12 RISK MANAGEMENT

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to monitor and lessen these risks.

13 STATEMENT OF TRUSTEES RESPONSIBILITIES

Charity Law requires the Trustees to prepare accounts that give a true and fair view of the state of the affairs of the Charity and of its income and expenditure for the financial year. In doing so the Trustees are required to :

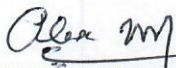
Select suitable accounting policies and apply them consistently.

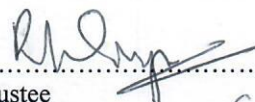
Make judgements and estimates that are reasonable and prudent.

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts of the Charity comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on September 12th 2018 and signed on their behalf by


.....
Chairperson and Trustee


.....
Trustee (Ven. Rick Simpson)

DURHAM - LESOTHO DIOCESAN LINK

Notes to the Financial Statements for the Year Ended 31st December 2017

5 Direct Charitable Expenditure

	<u>Unrestricted Funds</u>		<u>Restricted Funds</u>	<u>Total Funds</u>	
	<u>General</u>	<u>Designated</u>		<u>2017</u>	<u>2016</u>
	£	£	£		£
<u>General</u>					
Transfers to Lesotho	16,157.37			16,157.37	34,051.00
Air Fares	1,882.36			1,882.36	1,870.00
Subsistence, UK Staff	238.40			238.40	216.00
Travel & Accommodation	741.68			741.68	1,114.00
Fund Raising Costs				-	-
Purchase of Sail Boards				-	4,018.00
				-	
				-	
				-	
<u>Designated</u>					
Peers Groups		1,692.63		1,692.63	1,250.00
Lesotho Visit		-		-	-
Diabetes Project		1,000.00		1,000.00	
<u>Restricted</u>					
Donations Transferred			9,835.25	9,835.25	35,716.00
				-	
				-	
				-	
	<u>19,019.81</u>	<u>2,692.63</u>	<u>9,835.25</u>	<u>31,547.69</u>	<u>78,236.00</u>

6 Management and Administration

	<u>Unrestricted Funds</u>		<u>Restricted Funds</u>	<u>Total Funds</u>	
	<u>General</u>	<u>Designated</u>		<u>2017</u>	<u>2016</u>
	£	£	£	£	£
Executive Officers' Fees	14,425.31			14,425.31	14,248
Postage	21.20			21.20	21
Printing, Publicity & Stationery	5.00			5.00	499
Telephone	165.00			165.00	120
Bank Charges	180.00			180.00	170
Sundry				-	72
Web Site	158.00			158.00	314
Just Giving Fees				-	-
Trustees' Expenses				-	-
Donation				-	134



CHARITY COMMISSION FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

Report to the trustees/
members of

Charity Name

DURHAM - LESOTHO DIOCESAN LINK

On accounts for the year
ended

31st DECEMBER 2017

Charity no
(if any)

702809

Set out on pages

8 - 15

(remember to include the page numbers of additional sheets)

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 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 Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent
examiner's statement

My examination was carried out in accordance with 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 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 material matters have come to my attention (~~other than that disclosed below~~*) which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Charities Act or
- the accounts do not accord with the accounting records

I have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

* Please delete the words in the brackets if they do not apply.

Signed:

Date:

30-04-2018

Name:

ALAN DENT

Relevant professional
qualification(s) or body
(if any):

Address:

9 THE OVAL, HOUGHTON - LE - SPRING, TYNE + WEAR
DH4 5DB