

Friends of TREAD

in partnership with TREAD India Trust
Trinity Rural Educational Association for Development

Annual Report 2021/22

Charity Registration Number: 1081400 **Inland Revenue Number:** XR 41597

Trustees: Alex Dart, Jerry Dart (Chair) Jane Davies, Matti Shannon

Treasurer: Jane Davies

Examiner of Accounts: Jan Hillman

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Website: www.friendsoftread.org

Bank: National Westminster, Havelock Road, Hastings

STRUCTURE AND GOVERNANCE

Friends of TREAD (Trinity Rural Educational Association for Development) was registered as a trust in July 2000 and currently we have four trustees. The office was relocated to share office space with B&A Church Bristol, B&A Church have also offered administration support free of charge to Friends of TREAD. Charity overheads are minimal as all work is carried out by the trustees and other supporters on a voluntary basis. Expenses incurred are costs of governance and generating funds including administration of the charity and the basic expenses for two trustees to visit TREAD India Trust each year.

OBJECTIVES AND AIMS

Friends of TREAD exists to further the work of TREAD India Trust by supporting various projects and has the following objects and aims:

- To relieve need, hardship and distress for people of Telengana, Chhattisgarh and Odisha South India
- To further the education of children and young people.
- To provide and maintain technical training and vocational institutes
- To provide financial assistance for children and young people upon leaving their place of study
- to prepare them for the workplace so that they are able to live independent lives
- To preserve and safeguard the health of persons of any age in these regions providing
- necessary medical aid and to found and maintain medical institutions.

PARTNER ORGANISATION AND PROJECTS

TREAD India Trust is a charity whose headquarters is based in Bhadrachalam, Telangana in South India. Although TREAD is based firmly on Christian foundations it seeks to help children of any religion, caste or creed and two of its trustees are Hindu and Jain; the charity's work is targeted at children, young people and their families. The charity was founded in 1999. Its Director is Vasanth Raj who had worked with his father who founded the charity for some years before being appointed as Director.

Projects supported are:

Child Development Centres (to further education of children and young people)

These centers were purchased and developed through donations from Friends of TREAD, they provide care before and after school with meals, activities and homework supervision. The children have vaccinations against common diseases and receive additional medical care when necessary. The local primary schools have been transformed with improved attendance rates and extra teachers provided by the government. They also receive health and well being education .

Trinity Child Development Centre, Kudunure, Telengana.

Opened in 2000, currently 76 children attend this day care centre.

Sarah Child Development Centre, Podia, Odisha

On a 3.5 acre site. This centre which opened in 2002, currently 70 children attend this project.

Hannah Child Development Centre, Dubathota, Chhattisgarh.

In an isolated, poverty-stricken forestry tribal village opened in 2004. Currently 70 children attend this project

David Child Development Centre, Girkinpalli, Odisha

opened in November 2005. Currently 60 children attend this project

Vulnerable Families Programme To relieve need, hardship and distress and further education) This project provides care for vulnerable children, young adults and semi-orphans and includes an educational assistance programme for promising students from poor families. It is funded exclusively by Friends of TREAD on a sponsorship basis. The youngsters live with a carer (who could be a relative or neighbour) or sometimes one surviving parent. If there is nobody to care for the child, one of the TREAD trustees will take responsibility for him/her, whilst the child attends a weekly boarding school/hostel nearby. There are currently 16 youngsters benefiting from this project.

FRIENDS OF TREAD ACTIVITIES

With the regular standing orders given so faithfully by many of its supporters, one-off donations are regularly received and are invaluable to “top-up” the projects or pay for some of the regular management and infrastructure costs incurred in India. These donations come from both individuals and organisations such as churches. Many of these donations are eligible for Gift Aid to be reclaimed and this additional income has been very beneficial. We also receive donations through website schemes, e-bay, easyfundraising and donations through Charity Aid Foundation. The trustees sometimes give presentations to clubs or groups, hold fundraising events or take part in sponsored activities, although this year due to Covid 19 fundraising activities have been very limited. Some people prefer donations to be made to Friends of TREAD rather than receive gifts to mark special occasions.

ACHIEVEMENTS AND NEWS

With the Covid 19 pandemic restricting foreign travel it was not possible for trustees to visit India. Tread India Trust and Friends of Tread made the difficult decision to temporarily close all the projects to normal activities to ensure we complied with Covid recommendations. The staff at Tread India have taken the opportunity to extensively refurbish the projects including new play equipment at Sarah Child Development Centre. They distributed emergency food and hygiene supplies each month through the year to families of Children normally at our centers and some of the most vulnerable families in the villages. Distributing over 3500 food parcels during the year. Friends of Tread have been able to financially support the Covid emergency provisions and keep all the staff employed whilst observing safe practices to protect the staff and the children they serve.

PUBLICITY/FUNDRAISING

Our website www.friendsoftread.org is kept up to date and includes our policies for privacy along with forms for gift aid and data protection. It is a tool to highlight news on fundraising as well as to provide information on all the TREAD projects. It links to our blog Postcards from India which gives a snapshot of life in the areas where TREAD works whilst our Facebook page and Twitter account continue to bring news snippets and photos of TREAD projects.

FUTURE PLANS

We are looking forward to being able to reopen all our centres as soon as it is safe to do so, we are aiming to open in June 2022 to coincide with the new academic year in India. We will concentrate on our four Child Development Centres which we see as our core activity. Supporting the staff to ensure these are centres of excellence. We want to remain able to react quickly to changing circumstances as we have throughout the Covid pandemic adapting to changing needs and providing the best service we can to the communities we serve.

Friends of TREAD (Charity 1081400)

Statement of Financial Activities for the year ended 31st March 2022

Income

Income was almost identical to the previous year, although there have been some small changes in where money has been received from. Fundraising and appeals were again lower than pre-pandemic accounts, however significantly higher than last year's accounts. A pivot to digital appeals supplemented this income.

The Trustees agreed a piece of work prompted by the pandemic, to review the restricted or designated nature of some donations. From which it has been agreed:

- All new donations will be set up to be legally unrestricted, while still within the mission aims of the charity.
- Designated and restricted funds are being treated the same through this process.
- Previously restricted and/or designated funds would be honored, and where possible found uses for, to minimize the quantity of restricted funds in reserve.
- Donors over time would be communicated with to enquire if they would be happy to move their donations, from designated to general. (ongoing)

The above was agreed to allow the charity a greater flexibility to continue its work throughout a global pandemic.

Over the course of the year there has been some turnover in regular donors, this was expected and budgeted for.

The trustees agreed to open a second bank account with Natwest as they were advised that the original wasn't capable of being set up for internet banking.

The original has been kept open for the sake of historic donors while all new donors are being directed to the new account. All money is now in the two NatWest Current accounts.

There is a defunct Euro Bank account which is empty, which the trustee's are attempting to close down.

As ever we are so grateful to our donors for their faithful support during a very difficult year. We are especially grateful to B & A Church Bristol, for all their support; to the previous trustees for their time & support in hand over and to Jan Hillman for the Independent examination of the accounts.

Expenditure

As a result of the temporary closure of the projects due to the Covid-19 pandemic there were a number of changes to the grants to TIT India.

The full budget for salaries, food, hygiene products and vulnerable people was sent. While the sites remained closed to children for the second financial year, the staff were working to make them ready to receive back students.

The money which would normally be sent to provide food for the children was sent each month to provide food and hygiene supplies for the family of each project child and a small number of elderly in each village.

We were able to provide a Christmas gift through a donation from B&A Church.

It was recognised that all 4 sites were in need of some much needed maintenance, we were able to fund this from reserves and budget surplus with the sites not being open.

New play equipment has been purchased and installed at one site, financed partly from an appeal and partly from reserves.

The administration costs for FOT were very low this year as it has not been possible for a trustees visit due to the restrictions on travel.

Over the course of the year grants have returned to being sent on a bi monthly basis and from next year will be sent quarterly incurring reduced bank charges.

Statement of Financial Affairs

	Note	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	2022 Total £	2021 Total £
INCOME AND ENDOWMENTS						
Donations and Legacies						
Individual Donations	2	29023	0	10,398	39421	40,448
Churches and Schools	3	5000	0	0	5000	3,263
Gift Aid Recovery	4	2262	0	804	3066	8,224
Other Trading Activities						
Appeals and Fund-Raising Events	5	0	0	2885	2885	33
Investments						
Bank Interest		0	0	0	0	2
Other income		0	0	0	0	154
Total Incoming Resources		36285	0	14,087	50372	52,124
EXPENDITURE						
Cost Of Generating Funds			0	0	0	-496
Expenditure on Charitable Activities						
Grants to TREAD India Trust	6	-33598	0	-19,521	-53119	-40,351
Core salary to Director TREAD India		-3972	0	0	-3972	-2,648
UK Administration Costs	7	-416	0	0	-416	-278
Consultancy Fees (El Shaddai)		0	0	0	0	0
Total Expenditure		-37986	0	-19,521	-57507	-43,773
Incoming/(outgoing) resources (Net)		-1701	0	-5,434	-7135	8,351
Transfers between funds		-672	-2609	3281	0	0
Net Resources from Financial Year		-2373	-2609	-2,153	-7135	8,351

Balance Brought Forward 1 April 2021		33,550	2,609	13,471	49,630	41,279
		32393				
BALANCE CARRIED FORWARD 31 MARCH 2022		31,177	0	11,318	42,495	49,630

Balance Sheet as at 31st March 2022

	2022	2021
		£
Current assets		
Investments (short-term)	-	-
Cash at bank and in hand	42,495	47,930
Accounts receivable (note 9)	<u>0</u>	<u>1,700</u>
Accounts Payable	<u>-</u>	<u>-</u>
Net assets	<u>42,495</u>	<u>49,630</u>
Represented by		
Funds		
Unrestricted funds:-		
General funds	31,177	33,550
Designated funds (Note 10)	0	2,609
Restricted funds (Note 11)	<u>11,318</u>	<u>13,471</u>
Total funds	<u>42,495</u>	<u>49,630</u>

The financial statements on pages 3 to 9 were approved by the trustees on _____ and signed on their behalf by:

Jerry Dart
Chairman

Notes forming part of the financial statements for the year ended 31st March 2022

1. Principal Accounting Policies

- Friends of TREAD is a public benefit entity within the meaning of FRS102. The financial statements have been prepared under the Charities Act 2011 in accordance with the applicable accounting standards and the current (2016) Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS102))
- The financial statements have been prepared under the historical cost convention. The financial statements include all transactions, assets and liabilities for which Friends of TREAD are responsible in law.
- In the financial year ending March 22, the trustees have changed from accruals reporting to cash on handing reporting.
- Income is recognised in the period in which it is received. Income is deferred only when the charity has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.
- Expenditure is included when incurred.
- Funds held by the charity are **unrestricted general funds** which can be used in accordance with the charitable objects at the discretion of the trustees, **designated funds** which historically were set aside by the trustees out of unrestricted general funds for specific purposes or projects have ceased, all brought forward designated funds were moved to restricted to honor the commitment of their initial placement, but moving forward new designated funds will cease to be implemented, and **restricted funds** that can only be used for particular restricted purposes within the objects of the charity; restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Project 200+ originally a designated fund is now funded from within general funds. In light of the global pandemic, FoT's Trustee's are aiming to reduce the creation of new restricted funds.

2. Individual Donations

Project	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	2022 Total £	2021 Total £
Individual Donations					
Orphan Assistance Programme	-	-	2832	2832	4,068
Grace Tailoring Institute, Podia	-	-	0		1,857
Trinity Day Care Centre, Kud.	-	-	7386	7386	8,661
Project 200+	-	-	-		13,648
Development Fund	-	-	180	180	180
Consultancy Fund	-	-	-		-
General Fund	29,023	-	-	29,023	12,034
Total Individual Donations	29,023	-	10,398	39,421	40,448

Project 200+ is now funded from within General Income.

3. Donations From Churches and Schools

Historically some churches and schools fund raised on our behalf this year a financial gift was given from a church but was specifically given for a restricted use. (Christmas Gift) So it is contained within the restricted gifts section.

B&A Church Bristol gave £5000 as part of their ongoing support to general funds as a mission partner of the church.

4. Gift Aid Recovery on Individual Donations.

Project	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	2022 Total £	2021 Total £
Orphan Assistance Programme	-	0	262	262	918
Grace Tailoring Institute, Podia	-	0	0	0	414
Trinity Day Care Centre, Kud.	-	0	524	524	1,620
Project 200+	-	0	0	0	2,676
Development Fund	-	0	18	18	45
General Fund	2262	0	0	2,262	2,551
Total Gift Aid Recovery	2262	0	804	3066	8,224

Project 200+ is now funded from within General Income.

The change from accruals to cash on hand means that Gift Aid received is less than previous year. But will even back out on the second year of the new system of reporting.

5. Appeals and fund-raising events

	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	2022 Total £	2021 Total £
Easy Fundraising and Amazon Smile	-	-	-		33
Playground Appeal	-	-	1185	1185	-
Christmas Gift Pledge	-	-	1700	1700	-
Total			2885	2885	33

6. Grants to TREAD India Trust

New Cost Lines	Old Cost Lines	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	2022 Total £	2021 Total £
3.1 Development	TDCC Roof Repairs			3480	3480	750
3.6 Grace	Grace Tailoring Institute, Podia	0	0	0	0	2,454
3.7 Library		0	0	0	0	0
3.8 Transport				913	913	
3.9 One off appeals				2885	2885	
4.81 Appeal Top-up, One off requests		2032			2032	
4.72 Vulnerable Persons Salaries	Orphan Assistance Programme			1,316	1,316	3,355

4.73 Vulnerable Persons support				2,066	2,066	
4.20 TDCC - Food & Hygiene	TDCC Project Running Costs			4,388	4,388	6,713
4.21 TDCC - Admin & Office				101	101	
4.22 TDCC - Utilities				207	207	
4.23 TDCC - Staff Salaries				3,072	3,072	
4.25 TDCC - Children Support				10	10	
4.26 TDCC - Repairs and Maintenance				0	0	
4.24 TDCC - Travel	Petrol For Jayraj			1083	1,083	133
4.30 Sarah - Food & Hygiene	Project 200+ Running Costs	4261			4,261	22,465
4.31 Sarah - Admin & Office		279			279	
4.32 Sarah - Utilities		1417			1417	
4.33 Sarah - Staff Salaries		4419			4,419	
4.34 Sarah - Travel		170			170	
4.35 Sarah - Children Support		0			0	
4.40 David - Food & Hygiene		2817			2817	
4.41 David - Admin & Office		114			114	
4.42 David - Utilities		732			732	
4.43 David - Staff Salaries		4419			4419	
4.44 David - Travel		310			310	
4.45 David - Children Support		0			0	
4.50 Hannah - Food & Hygiene		3717			3,717	
4.51 Hannah - Admin & Office		98			98	
4.52 Hannah - Utilities		675			675	
4.53 Hannah - Staff Salaries		3368			3,368	
4.54 Hannah - Travel		172			172	
4.55 Hannah- Children Support		0			0	
4.36 Sarah - Repairs and Maintenance	Project 200+ Repairs	48			48	4,172
4.46 David - Repairs and Maintenance		0			0	
4.56 Hannah - Repairs and Maintenance		3400			3400	

4.70 Admin India	Computer for Heps	637			637	250
4.91 Bank Charges		513			513	
	Taxes	0				59
Total Grants to TREAD India Trust		33598	0	19,521	53,119	37,147

7. Cost of Generating Funds (Admin UK)

	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	2022 Total £	2021 Total £
Website support	0	-	-	0	46
Trustee Indemnity Insurance	320	-	-	320	320
Stationery and Postage	8	-	-	8	39
Printing Christmas Cards	0	-	-	0	91
QuickBooks Subscription	65			65	
Card Reader	23			23	
Total Cost of Generating Funds	416	-	-	416	496

8. Transfer of Funds

As agreed by trustees designated funds would be honored as restricted funds. Transfer to implement that.

9. Accounts Receivable

Previous accounting years had been done on an accrual basis, Trustees made a decision to move to cash in hand basis. Meaning there are no longer Gift Aid accruals to take into consideration. They will instead form part of next year's accounts.

10. Designated Fund Balances

Have been set to £0, As agreed by trustees designated funds would be honored as restricted funds. Transfer to implement that and appear below.

11. Restricted Fund Balances after transfers from General (Unrestricted) Fund

New Cost Lines	Old Cost Lines	Previously Restricted of Designated	Balances brought forward 1/4/21	Income	Expense	Net movement within year	Balances carried forward 31/3/22
			£	£	£	£	£
Library	Library	Restricted	15			0	15
	Development Fund	Designated	2548				-
	Consultancy Fees	Designated	61				-
3.1 Development			2609	199	-3480	-3281	-672
3.8 Transport	Development fund (Transport)	Restricted	2,556	0	-913	-913	1,643
3.2 Vulnerable Persons	Orphan assistance programme	Restricted	2,708	3093	-3382	-289	2,419
3.3 Vulnerable Persons Reserve	Orphan assistance reserve	Restricted	592	0	0	0	592
3.4 TDCC	TDCC running	Restricted	7,299	7910	-8861	-951	6,348
3.5 TDCC Reserve	TDCC Reserve fund	Restricted	10	0	0	0	10
3.6 Grace	Grace Tailoring	Restricted	291	0	0	0	291
3.9 One off appeals	N/A	N/A	0	2885	-2885	0	0
Transfer from General funds							672
Totals			16080	14087	-19521	-5434	11318

Payments to Trustees

No payments were made to trustees

Independent examiner's report on the accounts

**Report to the trustees/
members of** Friends of TREAD

**On accounts for the year
ended** 31st March 2022 **Charity
no (if any)** 1081400

Set out on pages 3-9

**Responsibilities and
basis of report**

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31st March 2022
As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").
I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent
examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

Signed: **Date:**

Name: Jan Hillman

**Relevant professional
qualification(s) or body** Former Chartered Accountant

Address: 26 Fenton Road, Bishopston, BS7 8ND