

INTERNATIONAL AID TRUST
FINANCIAL STATEMENTS
31 DECEMBER 2020

Company Registration Number 04167908
Charity Number 1086597

INTERNATIONAL AID TRUST
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

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INTERNATIONAL AID TRUST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 December 2020. The Trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP FRS102).

OBJECTIVES AND ACTIVITIES

International Aid Trust is a Christian Humanitarian Aid Charity, which has evolved since 1991 when a small group of Christians started to take Bibles and aid to the former USSR. It is an independent organisation initially constituted as an unincorporated Charity (1996) and subsequently as a Company Limited by Guarantee (2001). The governing document defines our objects as:

- a. The relief of persons who are in conditions of need, hardship or distress and who are aged or sick and in particular by the supply of financial material and medical aid and by the provision of personnel to provide assistance.
- b. The advancement of the Christian faith.

The Trustees have had regard to the Charity Commission's guidance on public benefit. Our strap line "Christian Compassion for a Hurting World" describes every aspect of our ministry and drives the way in which we seek to provide public benefit in every area in which we work.

International Aid Trust provides direct financial and in-kind relief; but our aim is to pursue projects which facilitate self-help and sustainable improvements to quality of life in order to break the chain of being born into poverty. We do this by modelling the practical and spiritual Gospel of Jesus Christ through:

- a. Providing life's basic essentials for those with nothing.
- b. Providing respite holidays for needy children, including Christian teaching, medical checks and treatment, physical exercise, good fun and motivation to build their hope for a better future.
- c. Providing direct financial aid for basic food, shelter and medical needs to individuals and families in extreme poverty.
- d. Providing and supporting foster homes for small groups of rescued homeless children where they can be cared for and taught life skills in a Christian environment.
- e. Shipment of humanitarian aid to communities, hospitals and individuals in many parts of the world.
- f. Vocational training via self-help projects.
- g. Evangelism and Church-Planting.
- h. Practical help through gifts in kind to needy families and individuals in the UK.
- i. Training and mentoring in warehousing skills at our Headquarters.

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ACHIEVEMENTS AND PERFORMANCE

UK - Retail

Like all of the Retail Sector, Charity Shops have suffered hugely from the Lockdowns since March 2020. All our shops had to be closed on 23rd March, immediately cutting off our biggest source of income for the work of the Charity. The Lockdown gave us the opportunity to examine critically the past performance and potential of each of our 19 shops and to agree a strategy to focus on only the best performing shops. As soon as the Government advised the timing and conditions for re-opening in mid-June, we implemented a staggered re-opening of 11 shops and then began the process of negotiating with Landlords for early termination of leases on the remainder. Another consequence of this was that, regrettably, we had to make four staff redundant, with one further redundancy in 2021.

The consequence of the Lockdowns - two in 2020 and a third in the first half of 2021 - has been additional costs for our shops, the loss of four months trading and much reduced turnover from June 2020 onwards from the reduction in high street footfall. Government Grants for the Retail Sector made it possible for us to retain the 11 shops we now have. And thanks to the sterling efforts of our staff and volunteers and huge help from our supporters we have been able to ride the storm and come out of it leaner and fitter. Whether our shops will return to overall profitability has yet to be seen; so we are, in the meantime, investing more effort into our online sales platform.

UK – Warehouse

We have been aware for some time that our Longton Warehouse was much bigger than our present needs. Negotiations with our Landlord to reduce our footprint did not bear fruit. So through the agency of a long-term supporter, we were able to lease a temporary warehouse from September 2020 on a peppercorn rent and to vacate the Longton site by mid-December with an agreed settlement with the Landlord.

Clearing the Longton site was a huge effort: we packed and sent four shipments overseas; we moved our furniture and records to our new Office in Croft Mill; and it gave us a great opportunity to recycle a large amount of materials that we couldn't ship overseas in time. What remained then had to be transferred to our temporary warehouse. We are indebted to several supporters who helped with that and to our Warehouse Staff who worked tirelessly for several weeks to achieve the deadline imposed by our Landlord.

The loss of our permanent Warehouse combined with the Lockdowns has had a number of other consequences:

- a. Our long-term partnership with the Rotary Shoebox Scheme came to an end. But it gave them the opportunity to move to a dedicated facility much nearer their own base.
- b. In 2020 we were able to respond to a much smaller number of referrals, indeed in March, to all intents and purposes it ended. So, local charities, social services and other organisations all suffered too by not being able to help the people in need.

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- c. A big "hit" is that we have not been able to benefit from volunteers provided by CSV, the Probation Service, HMP Kirkham and other organisations working with young people not in mainstream education.
- d. The work has also stopped with the local prisons who were able to refurbish wheelchairs, bicycles and other items for us so that they could be re-used.
- e. It also stopped us providing training in warehouse skills for those who were keen to acquire such qualifications.

In 2020, despite the lockdown, we were able to pack and load 108.5 tons of high-quality humanitarian aid with a value of over £1,000,000. Much of this is for our own projects, but over 60% is in partnership with other charitable organisations, for whom we make available our expertise in managing shipments of aid.

Ukraine

Ongoing problems of corruption mean that many young Ukrainians are still leaving to work in other nations, although this has been curtailed somewhat by the Pandemic. But it is so encouraging to hear that many who were helped in the earlier years of our ministry in Ukraine are now fulfilling leadership roles in the ongoing work and in some cases founding ministries of their own, including such projects as Sports for Deprived Children, Hospital Visits, Romany Support, Poor Family Care, Orphanage Visits, Ex-Offenders programmes, Day Camps and Youth Outreach.

We reinstated full support for our ministries in Ukraine in June 2021. Our support for a number of Rehabilitation Centres and their associated self-help projects continues. and we have seen successes in concrete block-making, bakery, fish farming, agriculture.

The Family Sponsorship Programme has been fully reviewed and ongoing support focussed on those Families which need the greatest support, most of whom live in rural communities.

The home visits our volunteers make to the terminally ill are also invaluable; they are often the only visitors these people receive. But these were forbidden throughout Lockdown.

The three home children's centres and the seven orphanages that receive our support have also suffered through the epidemic as, again, we were not allowed to visit. This is really sad because the love and care has produced many thriving young adults. Some of these who came to us as unwanted children are now making a real difference in their own country. Our homes do a lot to help themselves with some small holding farming and fishing.

Our wedding boutique where young women from Doraghinka Foster Home sew the dresses was also closed by Lockdown measures. Our retirement home in Moltavilovka continues to be a real haven and sets a standard for others in the country - some residents even comparing it to heaven!

The IAT Shoebox scheme is another great way of reaching detached communities in the countryside and breaking the ice with village communities. Despite the constraints of Lockdown we were able to send 11,520 boxes in 2020 compared with 14,440 in 2019.

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Moldova

Our tremendous ministry here amongst some of the very poorest people in Europe is led by Pastor Victor who has six villages in his care. The aid we send has made a huge difference to these struggling families and we hope to increase the help we provide through Rose Foulds, a Trustee and one of our volunteer coordinators, who looks after Moldova for the Trust. The programme has been frustrated somewhat because of the often-changing regulations concerning humanitarian aid allowed into the country, and now the Lockdown. But we managed to send one shipment of aid towards the end of 2020.

Belarus.

The Government there have stopped us sending any further humanitarian aid and continuing difficulties with the authorities have forced us to cease work in Belarus.

Romania

Our close partnership with Prison Fellowship Romania has also been set back, after some great success. The work they do with some of poorest in the Transylvania region and other parts of the country is improving lives in so many different ways: health care, education and general living conditions. We don't just help materially but also by encouraging recipients to take control of their own futures by self-determination and having pride and respect in their neighbourhood and nation. We have provided much-needed equipment, food, clothing, medical supplies, furniture, educational material and children's toys. So much is being achieved through this ministry and we see real tangible improvements each time we visit that encourages us to want to do more. It's a wonderful and effective ministry that we shall continue to support.

India

The persecution of Christians, together with Covid, is affecting many churches throughout India. However, our work in six states was flourishing before the Pandemic, and it will be again. Our National Director, Bishop Kota, was leading a great and growing team of pastors, teachers and church planters and we have every faith in his leadership.

The Bible School program is now being done by Zoom, with several of the students gathering together a success in Secunderabad. A group of 12 graduates have been appointed as "Bible Master". They will each teach 12 students and when these 12 have graduated more will be chosen to teach further groups of 12. It is progressing really well.

Since 2009 International Aid Trust India has been instrumental in establishing over 70 churches and 30 house groups throughout the south of India. Regular theological training was provided for the pastors through monthly seminars in Secunderabad and Hyderabad. And we are very hopeful of this ministry continuing to grow. We currently support over 30 pastors, but would love to be able to support more. In 2020 8 regional conferences for pastors were organised by Zoom meetings, involving over 150 pastors. More are planned for 2021.

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Some of ministry has had to cease completely because of Covid, and they include,

- 1) Free Medical Camps that were held every month consisting of teams of doctors, dentists, nurses, dispensers and clerical staff. Hundreds of poor people are now missing receiving the only medical attention they could hope for. If medication was needed it was provided free of charge on site. The costs for this were covered by "Hands of Hope" which is a branch of Joyce Meyer Ministries for which we are very grateful indeed.
- 2) Our two schools in India, one in Secunderabad, "Living Hope School" and one in Karnataka called "Little Buds"
- 3) And our Hands of Dorcas tailoring training school, which makes a big difference to the lives of so many poor women who formerly did rag picking on rubbish dumps, as they learn skills to provide for their families.

They were doing so well with limited resources and we hope to restart them as soon as possible.

Sierra Leone

Thanks to the tremendous support of a number of churches and grant-making trusts we have been able to continue full funding of all our projects in Sierra Leone.

Covid has so far not been as big a problem as it is other nations, and we thank God for that.

From small beginnings in 2010 our work in the Lunghi Region of Sierra Leone has grown tremendously. Our New Hope School has repeatedly been given accolades by the Education Authorities, and for the fourth year running came second out of thirty district schools and was awarded excellent marks. We now have some 360 plus students; whose level of attainment means they are often the highest performing children when they leave to go on to high school. The school also operates various after school clubs that are very popular and so much appreciated.

Our Family Sponsorship Programme now supports 30 families as well as a full-time Midwife, Marion. She holds ante-natal and post-natal clinics on site and also runs mobile clinics in the more remote areas. This is having significant impact on infant mortality rates.

Our "Hands of Dorcas" sewing project has brought a great deal of joy to those benefitting from it as well as to the teachers, staff and those of us who have visited and seen the change in these young women. The training takes up to two years and includes basic literacy and numeracy skills. The 2020 Trainees were able to make face coverings at the start of the Pandemic for all the staff and children in the school.

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Our New Hope Church is based at the school and has gone from strength to strength and is now highly respected within the community. Rev Michael, our director is very highly respected, as is his wife Alice who is our Headmistress of the school.

Our training of evangelist missionaries to reach out into remote areas is proving to be a very positive move. Small groups are now growing in nine other villages and townships.

Emmanuel House, our rescued children's home situated about one mile from the school, was dedicated In March 2019. This project came in response to the big increase in orphans since the recent Ebola crisis. It is currently home to 28 orphan children with two house parents. On Wednesday evenings the main room is now used as a church for the local community, with about 80 people attending. We dug our own well in the grounds that also serves the local village. Here we also hold mobile clinics here led by our Midwife and Nurse.

Prison Ministries

Our ministry to prisoners in Ukraine has also had a serious setback from the Pandemic. But we hope to restart this work in the summer of 2021.

Future plans

The potential for more projects, particularly in India and Sierra Leone is truly enormous. But we have been severely limited in the last few years by lack of funds, particularly because of rising costs and reducing profits in our Charity Shops.

We are looking at various ways to diversify our fundraising and at what opportunities there are in the new economic climate to increase our ability to fund more work.

Acknowledgements

During the Lockdowns we have received so much help from our supporters. And with the economy re-opening gradually through 2021 we look forward to benefitting again from the efforts of around 500 volunteers in the UK and over a thousand volunteers overseas in our various ministries. Plus countless others who donated goods either to our charity shops in the UK or to our Warehouse for shipping overseas. Without all these we could not begin the work of showing Christian Compassion for a Hurting World.

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YEAR ENDED 31 DECEMBER 2020

Financial Review

The results for the year and the financial position of the Charity as at 31 December 2020 are set out in the Financial Statements on page 14 to 28.

Over 80% of our income normally comes from the sterling efforts of the staff and volunteers in our charity shops. The Lockdowns as a result of the Covid-19 Pandemic have therefore had a disproportionate effect on our finances in 2020 and into 2021. Instead of a reasonably steady flow of income from 19 shops, we have had to depend on four different Government Grant Schemes for the largest part of our income. And when we have been allowed to re-open our shops, we have found income to be highly variable from week to week and from place to place - much of it driven by changes in footfall in different high streets. This has made any kind of forecasting somewhat challenging. And it has made us extremely cautious about how quickly to spend the Government Grants when we have little idea how long it will take for the Charity Shop Sector to recover.

At the time of the first Lockdown in March 2020 the recovery strategy adopted by the Trustees in 2016 and revised in 2018 was bearing fruit: our forecasts showed that we would eliminate our borrowing from restricted funds by the end of 2020. The Trustees monitored our financial situation through the second quarter of 2020 and, in the light of the impact of the Lockdown, agreed that we should accelerate much of the remaining actions in the recovery plan - making use of the Government Grants to ensure that we could bear the up-front costs of closing eight more shops and moving our Head Office to Croft Mill. We also concluded that, in order to secure the future of the Charity, we would have to suspend support of all our overseas projects other than those in Sierra Leone, where there was no prospect of locally sourced support in the meantime, and suspend payment of shop rents while our shops were forced to close.

These somewhat drastic measures have already borne fruit:

- Our ongoing cost base has been reduced significantly;
- Of our remaining 11 shops, most are already performing as well as they did before the first Lockdown;
- We have been able to resume full support of all our existing overseas projects.

This has encouraged us to look at the long-term business model of the Charity and in particular at how we should fund our overseas projects in future. To that end we have recently engaged the services of an Operations Consultant and an e-Commerce Facilitator. And now that visits can resume, our Community Ambassador is setting up an intensive programme of visits to local churches and schools with a view to broadening our support base.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Income	£0.84M	£0.99M	£1.10M
Expenditure	£0.75M	£0.99M	£1.09M

The position at the end of 2020 meant that the balance sheet position was £100,021 (2019: £13,963) and the free reserves of the Charity at year end -£11,816 (2019: -£42,165).

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This seemingly amazing improvement does, however, give a somewhat distorted picture of our finances. We have taken full advantage of the Government-sponsored grants and loans available, including the Coronavirus Job Retention Scheme (so-called Furlough payments), and much of this has now been consumed in underpinning closed shops and - since they were allowed to re-open in April 2021 - shops which have not yet returned to profit. We also have a liability arising from non-payment of rent during the period our shops were forced to close, although several of our landlords have agreed to cancel some or all of this liability. Our latest forecasts suggest that our position at the end of 2021 will remain healthy, although our overall financial position will still be highly dependent on successful retail trading.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The organisation is a Charitable Company Limited by Guarantee. The Company was established in 2001 under a Memorandum of Association which establishes the objects and powers of the Charitable Company and is governed under its Articles of Association. In the event of the Company being wound up, members are required to contribute an amount not exceeding £10.

Recruitment and Appointment of Management Committee

The Directors of the Company are also Charity Trustees for the purpose of charity law and under the Company's Articles are known as members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Management Committee, the Trustees, are appointed by resolution of the present Trustees for a period of three years.

Trustee Induction and Training

The existing Trustees are already familiar with the practical work of the Charity, having been involved in various ways with the Charity before being invited to become Trustees. If there is any need for new Trustees to be given any training, this is arranged with the other Trustees. All Trustees have to have a DBS check before being admitted.

Reserves Policy

We channel as much of our funds to our overseas projects as possible, merely maintaining sufficient reserves to ensure day-to-day liquidity; but it is our desire to re-build our free reserves to cover one month's salaries and rents; £62,300. Our free reserves are negative £11,816 at the year end. Please see note 20 for the Trustees' comments on going concern. The Trustees believe the measures we have taken would have brought our free reserves in line with the policy by the end of 2020. However the Coronavirus Pandemic has introduced massive uncertainties, which may well mean it will take a year or more longer to achieve this.

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Risk Management

The Management Committee has conducted a review of the major risks to which the Charity is exposed. System and procedures have been established to manage the risks the Charity faces:

<u>Principal Risks & Uncertainties</u>	<u>Strategies to manage these</u>
Accidents in the Warehouse	A local Health and Safety company assist and advise on best practice and conduct quarterly inspections.
Terrorism and piracy	All personnel travelling abroad carry adequate travel insurance and consult FCO advice.
Safety and integrity of humanitarian aid shipments	Only trusted carriers and routes are used. Goods are only shipped to known and trusted recipients.
Protection of children and vulnerable persons	All Trustees are DBS checked; and the Charity's Child Protection Policy is promulgated by appropriate signage.
Property leases	Leases are generally short term or with adequate break clauses.
Cash flow	Sufficient reserves are held to maintain day-to-day liquidity.
Integrity of grants	Grant-making criteria used in selecting recipients include: <ul style="list-style-type: none">a. within the objects and current policiesb. Past commitments and investmentc. Previous successful relationship, to minimise risks of aid being diverted for uses outside our control or for fraudulent purposes.d. Maintaining a balance of recipients by age, gender, ethnic groups, region and denomination.

Fundraising

We do not engage in traditional fundraising. Our approach has always been to build long-term relationships with supporters - both individual and corporate - who contribute to the work of the charity in a variety of ways, including monetary. Our new "Community Ambassador" role has been designed to build on this principally by visiting churches, community groups and schools to explain what we do and to encourage engagement in support of particular projects. Our charity shops are our principal means of raising funds by seeking to offer donated clothing and other goods for sale at competitive prices. Our shop managers take responsibility for ensuring that all customers are treated with care and respect; and several of our shops have benefitted from placements of vulnerable adult volunteers.

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We do not work with a professional fundraiser or commercial participator. Nor do we subscribe to any fundraising regulation scheme.

In 2017 the Trustees agreed a fundraising policy that applies to all staff and volunteers to ensure that all fundraising is done in sympathy with the aims and objectives of the charity and in line with the requirements of the 2016 Charities Act. Compliance with this is monitored by the Senior Management Team.

Organisation Structure

The Charity's headquarters is in Lancashire, where there is an Office and a large Warehouse. There are also local area groups and representatives in other parts of the UK.

Day-to-day management is conducted by the CEO in conjunction with the Office Manager, Retail Manager, Warehouse Manager and Finance Manager. Significant decisions are reported to the Trustees, and all Trustees meet with the CEO at least four times each year.

The pay of staff other than the CEO is set by a panel of Trustees, who review pay levels annually and make recommendations to the Trustees. The pay of the CEO is reviewed annually by the Chair of Trustees.

National Directors are employed overseas who have many years' experience in the humanitarian aid field.

Rev Bernard Cocker is also President of International Aid Trust in Ukraine through which projects are funded and maintained. In India we operate as New Jerusalem Ministries. IAT Sierra Leone has been registered as a charity in Sierra Leone. These charities have been constituted to simplify negotiations with government authorities, for aid shipments, ministry projects and charitable donations.

We raise funds through a network of 19 charity shops in the UK which sell goods predominantly donated by the public; but goods are also donated by private companies with permission to sell them.

INTERNATIONAL AID TRUST

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YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also Directors of International Aid Trust for the purposes of company law, are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant information of which the Charity's independent examiner is unaware; and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant information and to establish that the Charity's independent examiner is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

SIGNED ON BEHALF THE BOARD:

Alexander Taylor (Chairman) Date: 15th September 2021

INTERNATIONAL AID TRUST

REFERENCE & ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2020

Charity Name International Aid Trust

Charity Registration Number 1086597

Company Registration Number 04167908

**Registered Office
and Operational Address** The Galleries, Croft Mill
43 Pall Mall
Chorley, Pr7 3LT

Trustees

Mr A R Taylor	Chair
Mr T D Leach	Health & Safety Representative
Dr C Crawforth	
Mr P Cook	
Mrs Rose Foulds	

Senior Management Team

Rev Bernard Cocker	CEO and Founder
Mrs Alison Hammerton	Office Manager
Mrs Nina Haydon	Retail Manager
Mr Paul Hamilton	Warehouse Manager – Resigned 7 th May 2021
Mr David G Jones	Finance Manager

Independent Examiner

Joshua Kingston BSc ACA, Burton Sweet Limited, Chartered Accountants & Business Advisers, The Clock Tower, 5 Farleigh Court, Old Weston Road, Flax Bourton, Bristol BS48 1UR

Bankers

Royal Bank of Scotland, Edinburgh
Virgin Money, Lancaster
Santander, Bootle

Solicitors

Blackhust Budd Solicitors, 22 Edward Street, Blackpool, FY1 1BA

INTERNATIONAL AID TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

YEAR ENDED 31 DECEMBER 2020

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We draw attention to note 20 in the financial statements and the financial review in the Trustees' report, which indicates that the charity has negative free reserves of £11,816. These conditions, along with the other matters (which include a review of future forecasts and post year end performance) as set forth in note 20, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern.

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.

Joshua Kingston BSc ACA
Burton Sweet Limited
The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date: 15th September 2021

INTERNATIONAL AID TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
	Note				
Income from:					
Donations and legacies	2	434,596	66,147	500,743	208,912
Other trading activities	3	336,480	194	336,674	786,410
Investments		106	-	106	47
Total income		771,182	66,341	837,523	995,369
Expenditure on:					
Raising funds - gifts and donations	4	16,917	-	16,917	22,434
Raising funds - trading	4	496,559	-	496,559	634,104
Charitable activities	4	172,528	65,461	237,989	333,636
Total expenditure		686,004	65,461	751,465	990,174
Net income/(expenditure)	6	85,178	880	86,058	5,195
Transfers between funds	17	(14,869)	14,869	-	-
Net movement in funds		70,309	15,749	86,058	5,195
Reconciliation of funds:					
Total funds at start of year	17	(22,763)	36,726	13,963	8,768
Total funds at end of year	17	47,546	52,475	100,021	13,963

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing

The notes on pages 17 to 28 form part of these financial statements

See note 9 for fund-accounting comparative figures

INTERNATIONAL AID TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

Company number: 04167908

	Note	2020 £	2019 £
Fixed Assets			
Tangible assets	10	59,362	19,402
Current Assets			
Debtors	11	22,128	32,097
Cash at bank		160,111	15,127
		<u>182,239</u>	<u>47,224</u>
Creditors : Amounts falling due within one year	12	<u>(97,413)</u>	<u>(52,663)</u>
Net Current Assets		84,826	(5,439)
Creditors: Amounts falling due after more than one year	13	(44,167)	-
Net assets		<u>100,021</u>	<u>13,963</u>
Funds			
Unrestricted funds	18	47,546	(22,763)
Restricted funds	18	52,475	36,726
		<u>100,021</u>	<u>13,963</u>

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476,

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the trustees on 15 September 2021 and are signed on its behalf by:

.....
Alexander Taylor
Chair

The notes on pages 17 to 28 form part of these financial statements

INTERNATIONAL AID TRUST
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Note	£	£
Net cash inflow from operating activities	15	148,315	11,252
Non-operational cash flows:			
Investing activities			
Payments for tangible fixed assets		(48,084)	(7,023)
Proceeds from the sale of fixed assets		480	600
Investment income		106	47
		<u>(47,498)</u>	<u>(6,376)</u>
Financing activities			
Loan increase/(decrease)		44,167	(22,000)
Net cash inflow for the year	16	<u><u>144,984</u></u>	<u><u>(17,124)</u></u>

The notes on pages 17 to 28 form part of these financial statements

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

- (a) The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006, the Financial Reporting Standard 102 (FRS102), and the requirements of the Charities Statement of Recommended Practice (SORP FRS102) based thereon.

The charity is a public benefit entity as defined under FRS102.

There are material uncertainties related to the trading conditions of International Aid Trust that cast doubt on the charity's ability to continue as a going concern. The Trustees do still consider it appropriate to prepare these accounts on a going concern basis, see note 20 for further explanations.

- (b) Income from donations and gifts is included in income when these are receivable, except as follows:

I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;

II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

Donated services and facilities are included at the value to the charity if this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Clothing and other items for resale through the charity's shops are recognised as income within other trading activities when they are sold due to the impracticalities of estimating the value of such stock items upon receipt.

Investment income is included when receivable.

Income from other trading activities is accounted for when earned.

A valuation for humanitarian aid received for distribution is excluded from the accounts due to a lack of a reliable estimate. An estimate is disclosed in the Trustees' report but not recognised in the accounts.

- (c) Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds comprise the costs associated with attracting gifts and donations and the costs of trading for fundraising purposes including the charity's shops and fundraising events.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and

Governance costs include the costs relating to meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity. These are included within support costs.

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (*continued*)

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 4.

Redundancy payment expenditure is recognised at the point when employment is ended and when the amount is calculable.

- (d) Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- straight line over the length of the lease
Shop and office equipment	- 25% p.a reducing balance
Motor vehicles	- 25% p.a reducing balance

Assets with a cost exceeding £1,000 are capitalised.

- (e) Rentals payable under operating leases are charged against income on a straight line basis over the lease term.
- (f) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the Trustees.
- (g) Restricted funds 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. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.
- (h) Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All exchange gains/losses are recognised in the SOFA.

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

	Unrestricted	Restricted	Total Funds	Total Funds
			2020	2019
	£	£	£	£
Donations and legacies	92,093	61,462	153,555	168,394
Job retention scheme grants	116,835	-	116,835	-
Local restriction support grants	14,340	-	14,340	-
Retail, hospitality and leisure grants	195,000	-	195,000	-
Gift Aid	16,328	4,685	21,013	40,518
	<u>434,596</u>	<u>66,147</u>	<u>500,743</u>	<u>208,912</u>

Prior year comparatives

	Unrestricted	Restricted	Total Funds
			2019
	£	£	£
Donations and legacies	107,054	61,340	168,394
Gift Aid	32,762	7,756	40,518
	<u>139,816</u>	<u>69,096</u>	<u>208,912</u>

3 Income from: Other trading activities

	Unrestricted	Restricted	Total Funds	Total Funds
			2020	2019
	£	£	£	£
Shop sales	316,216	194	316,410	741,242
Office & warehouse sales & recycling credits	20,264	-	20,264	45,168
	<u>336,480</u>	<u>194</u>	<u>336,674</u>	<u>786,410</u>

The prior year comparatives were all represented by unrestricted funds

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

4 Total expenditure

	Raising funds - gifts and donations	Raising funds - trading	Collection, handling & storage of aid	Overseas aid deliveries, projects & ministry	Governance	2020	2019
	£	£	£	£	£	£	£
Grants (note 5)	-	-	-	65,276	-	65,276	104,050
UK staff costs	16,917	274,308	41,832	16,917	-	349,974	415,931
Subsistence & travel	-	2,153	794	219	-	3,166	6,811
Transport, ferries & documentation	-	23	5	23,344	-	23,372	26,568
Advertising & promotional expenses	-	-	-	-	-	-	2,698
Legal, audit & accountancy	-	5,103	1,033	1,103	3,450	10,689	13,207
Premises costs & other associated costs	-	187,713	46,527	10,308	-	244,548	346,591
Communications, IT, stationery	-	13,968	1,840	2,125	-	17,933	22,277
Transport, handling & processing costs	-	1,061	18,172	6	-	19,239	37,735
Depreciation and loss on disposal	-	4,059	2,709	877	-	7,645	4,334
Irrecoverable VAT	-	437	89	94	-	620	472
Bank charges	-	7,734	974	295	-	9,003	9,415
Exchange gain or loss	-	-	-	-	-	-	85
	16,917	496,559	113,975	120,564	3,450	751,465	990,174

Prior year comparatives

	Raising funds - gifts and donations	Raising funds - trading	Collection, handling & storage of aid	Overseas aid deliveries, projects & ministry	Governance	2019
	£	£	£	£	£	£
Grants (note 5)	-	-	-	104,050	-	104,050
UK staff costs	19,786	326,728	49,631	19,786	-	415,931
Subsistence & travel	-	6,261	470	80	-	6,811
Transport, ferries & documentation	-	62	15	26,491	-	26,568
Advertising & promotional expenses	2,648	50	-	-	-	2,698
Legal, audit & accountancy	-	7,598	1,168	1,071	3,370	13,207
Premises costs & other associated costs	-	262,011	81,006	3,574	-	346,591
Communications, IT, stationery	-	17,017	3,061	2,199	-	22,277
Transport, handling & processing costs	-	2,418	34,872	445	-	37,735
Depreciation and loss on disposal	-	2,942	726	666	-	4,334
Irrecoverable VAT	-	320	79	73	-	472
Bank charges	-	8,639	404	372	-	9,415
Exchange gain or loss	-	58	14	13	-	85
	22,434	634,104	171,446	158,820	3,370	990,174

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

5 Grants payable

	2020	2019
	£	£
IAT New Jerusalem Ministries	4,583	18,250
IAT Good Samaritan Foundation Odessa, Bethany Church		
Minsk, Moltavilovka Church Kiev	14,083	35,733
Sierra Leone New Hope School	44,525	41,350
Various small recipients	2,085	8,717
Total grants payable	<u>65,276</u>	<u>104,050</u>

Of the grants made above, £500 (2019: £nil) relates to grants made to individuals; the remainder were grants made to institutions.

6 Net income/(expenditure) for the year

This is stated after charging:

	2020	2019
	£	£
Depreciation and loss on disposal	7,645	4,334
Independent Examiner's remuneration		
- independent examination	1,990	1,950
- accounts preparation	1,460	1,420
- other services	278	134

No Trustees received any remuneration or were reimbursed for expenses during the year or during the prior year.

Donations from Trustees, key management personnel and related parties were £11,675 (2019: £24,776).

7 Staff costs and numbers

The aggregate payroll costs were:

	2020	2019
	£	£
Wages and salaries	329,716	393,258
Social security costs	12,198	17,585
Pension	3,346	3,702
Redundancy payments	4,714	1,386
	<u>349,974</u>	<u>415,931</u>

No employee received emoluments of more than £60,000.

The total employment benefits received by key management personnel were £118,735 (2019: £132,478).

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

7 Staff costs and numbers (*continued*)

The average headcount of staff during the reporting period was 28 (2019: 32).

In addition, a great amount of time, the value of which is not reflected in these financial statements, is donated by thousands of volunteers throughout the UK & abroad.

8 Taxation

The charity is exempt from corporation tax on its charitable activities.

9 Fund-analysis comparative figures

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Income from:			
Donations and legacies	139,816	69,096	208,912
Other trading activities	786,410	-	786,410
Investments	47	-	47
Total income	926,273	69,096	995,369
Expenditure on:			
Costs of generating funds			
Raising funds - gifts and donations	22,434	-	22,434
Raising funds - trading	634,104	-	634,104
Charitable activities	199,894	133,742	333,636
Total expenditure	856,432	133,742	990,174
Net income/(expenditure)	69,841	(64,646)	5,195
Transfers between funds	(34,890)	34,890	-
Net movement in funds	34,951	(29,756)	5,195
Reconciliation of funds:			
Total funds at start of year	(57,714)	66,482	8,768
Total funds at end of year	(22,763)	36,726	13,963

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Leasehold Improvements £	Shop & office equipment £	Motor Vehicles £	Total £
Cost				
At 1 January 2020	7,023	50,393	36,219	93,635
Additions	39,089	-	8,995	48,084
Disposals	-	(12,211)	(20,624)	(32,835)
At 31 December 2020	<u>46,112</u>	<u>38,182</u>	<u>24,590</u>	<u>108,884</u>
Depreciation				
At 1 January 2020	-	42,141	32,092	74,233
Disposals	-	(11,238)	(18,257)	(29,495)
Charge for the year	-	2,064	2,720	4,784
At 31 December 2020	<u>-</u>	<u>32,967</u>	<u>16,555</u>	<u>49,522</u>
Net book value				
At 31 December 2020	<u>46,112</u>	<u>5,215</u>	<u>8,035</u>	<u>59,362</u>
At 31 December 2019	<u>7,023</u>	<u>8,252</u>	<u>4,127</u>	<u>19,402</u>

11 Debtors

	2020 £	2019 £
Other debtors	8,267	11,619
Prepayments & accrued income	13,861	20,478
	<u>22,128</u>	<u>32,097</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,281	10,203
Other creditors	55,332	1,193
Taxes and social security costs	3,517	5,897
Accruals & deferred income	3,450	3,370
Other loans	25,000	32,000
Bank loan	5,833	-
	<u>97,413</u>	<u>52,663</u>

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loan	44,167	-
	<u>44,167</u>	<u>-</u>

The Bank Loan is a Bounce Bank Loan repayable over 10 years under the Government-sponsored Bounce Bank Loan Scheme.

14 Commitments

At 31 December 2020 the company had total commitments, under non-cancellable operating leases paid as follows:

	Land & buildings	Total 2020	Total 2019
		£	£
Within one year	120,146	120,146	177,052
Between two & five years	<u>117,296</u>	<u>117,296</u>	<u>186,546</u>

The operating lease payments recognised as an expense in the year amounted to £107,619 (2019: £245,496).

At 31 December 2019 the company had total commitments, under non-cancellable operating leases paid as follows:

	Land & buildings	Total 2019
		£
Within one year	177,052	177,052
Between two & five years	<u>186,546</u>	<u>186,546</u>

15 Reconciliation of net movement in funds to net cash inflow from operating activities

	2020	2019
	£	£
Statement of Financial Activities: Net movement in funds	86,058	5,195
Investment income	(106)	(47)
Depreciation	4,784	4,334
Loss on disposal of tangible fixed asset	2,860	448
Movement in creditors: current liabilities	44,750	5,264
Movement in debtors	9,969	(3,942)
Net cash inflow from operating activities	<u>148,315</u>	<u>11,252</u>

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

16 Analysis of change in cash during the year

	2020	2019	Change
	£	£	£
Cash at bank	<u>160,111</u>	<u>15,127</u>	<u>144,984</u>
	2019	2018	Change
	£	£	£
Cash at bank	<u>15,127</u>	<u>32,251</u>	<u>(17,124)</u>

17 Movement in funds

	At 1 Jan				At 31 Dec
	2020	Income	Expenditure	Transfers	2020
	£	£	£	£	£
Restricted funds					
Family sponsorship	1,913	19,043	(14,083)	-	6,873
Harvest orphanage	1,330	-	-	-	1,330
India	625	2,925	(3,583)	-	(33)
Sierra Leone New Hope School	23,169	37,919	(44,577)	17,499	34,010
Children's holiday camps	4,089	4,248	-	(3,000)	5,337
Philippines	612	-	-	-	612
Bibles	1,138	358	(1,000)	-	496
Nepal	1,573	-	-	-	1,573
Reach International	1,993	500	(500)	-	1,993
Small grants	-	1,348	(1,718)	370	-
Small other funds	284	-	-	-	284
	<u>36,726</u>	<u>66,341</u>	<u>(65,461)</u>	<u>14,869</u>	<u>52,475</u>
Unrestricted funds					
Fixed asset designated fund	19,402	-	(4,784)	44,744	59,362
Free reserves	(42,165)	771,182	(681,220)	(59,613)	(11,816)
	<u>(22,763)</u>	<u>771,182</u>	<u>(686,004)</u>	<u>(14,869)</u>	<u>47,546</u>
Total funds	<u>13,963</u>	<u>837,523</u>	<u>(751,465)</u>	<u>-</u>	<u>100,021</u>

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

17 Movement in funds (continued)

Prior year comparatives

	At 1 Jan 2019 £	Income £	Expenditure £	Transfers £	At 31 Dec 2019 £
Restricted funds					
Family sponsorship	2,515	16,231	(35,733)	18,900	1,913
Harvest orphanage	1,330	-	-	-	1,330
India	1,564	3,633	(18,250)	13,678	625
Sierra Leone New Hope School	20,224	33,041	(44,167)	14,071	23,169
Children's holiday camps	7,077	13,012	-	(16,000)	4,089
Philippines	612	-	-	-	612
Bibles	1,780	1,138	(1,780)	-	1,138
Nepal	1,573	-	-	-	1,573
Reach International	1,993	-	-	-	1,993
Small grants	-	2,041	(6,282)	4,241	-
Projects in Romania	27,080	-	(27,080)	-	-
Small other funds	734	-	(450)	-	284
	<u>66,482</u>	<u>69,096</u>	<u>(133,742)</u>	<u>34,890</u>	<u>36,726</u>
Unrestricted funds					
Fixed asset designated fund	17,761	-	(4,334)	5,975	19,402
Free reserves	(75,475)	926,273	(852,098)	(40,865)	(42,165)
	<u>(57,714)</u>	<u>926,273</u>	<u>(856,432)</u>	<u>(34,890)</u>	<u>(22,763)</u>
Total funds	<u>8,768</u>	<u>995,369</u>	<u>(990,174)</u>	<u>-</u>	<u>13,963</u>

Purpose of restricted funds

Family sponsorship - IAT's scheme linking sponsors in the UK to needy families and individuals in Eastern Europe.

Harvest orphanage - Orphanage in Sri Lanka for children orphaned by the 2004 Boxing Day Tsunami or from the Tamil uprising.

India (New Jerusalem Ministries) - Education, orphans and ministry to the poor across four states in Southern India, including sponsorship of a number of church pastors.

Sierra Leone New Hope School - Educating, feeding, health care and pastoral work in the community; sponsorship of a number of families; construction of homes for families to host children orphaned by the recent Ebola outbreak in West Africa.

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

17 Movement in funds (*continued*)

Children's holiday camps - Providing summer holidays for needy children in Ukraine. The transfer from this fund in the year was due to a donor giving permission for the funds they had donated over a number of years to be derestricted to other activities within the charity's objects. These funds were transferred to free reserves.

Philippines - Provision of humanitarian aid and relief of suffering caused by natural disasters in the Philippines.

Bibles - Provision of Bibles to India.

Nepal - Provision of humanitarian aid and relief of suffering caused by natural disasters in Nepal.

Reach International - a partner church working principally in Belarus to relieve suffering and poverty.

Small grants - small grants to needy individuals and families wherever we work.

Projects in Romania - support of partner charities in Romania, principally by providing warehouse and transport facilities for the shipment of humanitarian aid.

Small other funds - through donations and one-off donations which do not fit within existing funds. The transfer from this fund reflects costs incurred in our Warehouse in 2019 in support of a partner charity working in Mexico.

18 Analysis of net assets between restricted and unrestricted funds

Year-end 31 December 2020	Tangible Fixed assets £	Cash at bank £	Other Current assets £	Long term Creditors £	Total £
Restricted funds	-	52,475	-	-	52,475
Unrestricted funds					
Fixed asset designated fund	59,362	-	-	-	59,362
Free reserves	-	107,636	(75,285)	(44,167)	(11,816)
	<u>59,362</u>	<u>160,111</u>	<u>(75,285)</u>	<u>(44,167)</u>	<u>100,021</u>

INTERNATIONAL AID TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

18 Analysis of net assets between restricted and unrestricted funds (*continued*)

Year-end 31 December 2019	Tangible Fixed assets £	Cash at bank £	Other Current assets £	Long term Creditors £	Total £
Restricted funds	-	36,726	-	-	36,726
Unrestricted funds					
Fixed asset designated fund	19,402	-	-	-	19,402
Free reserves	-	(21,599)	(20,566)	-	(42,165)
	<u>19,402</u>	<u>15,127</u>	<u>(20,566)</u>	<u>-</u>	<u>13,963</u>

The total amount of cash at bank is £15,127 at the year-end with no overdraft utilised. The £36,726 reflects the total restricted fund balance and the (£21,599) reflects the cash balance borrowed from restricted funds.

19 Company limited by guarantee

The company is limited by guarantee and as such has no issued share capital. In the event of the company being wound up the liability of the members is limited to £10 each.

20 Going concern basis

At the time of the first Lockdown in March 2020 our recovery strategy was bearing fruit: our forecasts showing that we would eliminate our borrowing from restricted funds by the end of 2020. The Trustees remain confident that the impact of the Government-sponsored grants for which we have been eligible, combined with the measures we have taken in the last 15 months, will allow us to maintain that improvement throughout 2021 and beyond, and therefore consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.