



RELEASE ERITREA

**Annual Report
and
Financial Statements
of
Release Eritrea**

Year ended 28th of February 2021

**Charity Number: 1136627
Company Number: 06815078**

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Release Eritrea
(A company limited by guarantee)

Legal and administrative information

Registered Charity Number: 1136627

Company House Number: 6815078

Business Address: 152 Kirkham Street
London
SE18 2EN

Registered Office: 152 Kirkham Street
London
SE18 2EN

Director: Dr. Berhane Asmelash
Director: Selam Kidane

Board of Trustees: Fecadu Abraha Chair
Eyassu Ukbai Treasurer
Selam Kidane
Dr. Berhane Asmelash
Yohannes J Alula
Eyob Haile

Bankers: Barclays Bank Plc
1 Northend
East Croydon
CR0 1TY

**Trustees Report (Incorporating the Directors' Report)
Year ended 28 February 2021**

The Trustees present their report and the financial statements for the year ended 28 February 2021. The Trustees, who are also directors of Release Eritrea (RE) for the purposes of company law and who served during the year up to the date of this report, are set out on the preceding pages.

Structure, governance and management

Governing Document

The Organization is a charitable company limited by guarantee, incorporated on 10 February 2009 and registered as a charity on 29 June 2010. The company was established under a Memorandum of Association which established 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 £1.

Recruitment and Appointment of Management Committee

The Board of Trustees of the company are also Charity Trustees for the purposes of Charity Law; they receive no financial incentives except what is eligible for a Trustee. The Operational Directors manage the day to day activities of the organisation, supported by a team of staff and volunteers for each project. The charity has a Supporters Group that meets annually to receive the report of activities and plan for the forthcoming year.

Organisational Structure

The Board of Trustees consist of Seven people all of Eritrean origin. They meet on a quarterly basis to monitor the working progress of the organisation. Two members of the Board are also the Operational Directors of the company responsible for the implementation and execution of the action plan approved by the Board of Trustees. The responsibility for running the charity's activity and ensuring the provision of services rests on the Operational Directors, and project team managers. The Operational Directors are responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

**Trustees Report (Incorporating the Directors' Report)
Year ended 28 February 2021**

Objectives and activities

Key objectives

The objectives of the company are :

- 1) The promotion of equality and diversity for the public benefit by:
 - a) advancing education and raising awareness in equality and diversity;
 - b) activities to foster understanding between people from diverse backgrounds;
 - c) cultivating a sentiment in favour of equality and diversity
- 2) The promotion of religious harmony for the benefit of the public by educating the public of different religious beliefs, including an awareness of their distinctive features and their common ground to promote good relations between persons of different faiths;
- 3) The promotion of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations) throughout the world by all or any of the following means:
 - a) Monitoring abuses of human rights;
 - b) Relieving need among the victims of human rights abuse;
 - c) Raising awareness of human rights issues;

Release Eritrea continues to promote freedom of religious worship in Eritrea and supports victims of such abuse by offering support and advocacy as well as prayers and spiritual guidance.

Through the period under report there hasn't been an improvement to human rights violations including freedom of religious worship in Eritrea. All churches not belonging the 'recognised' groups are still closed and those that are 'recognised' are also put under various forms of pressure and their operations continue to be heavily controlled.

The UN continues to be seriously concerned by the human rights violations in the country and particularly the implications for the outflow of refugees who seem to be leaving Eritrea at an unprecedented rate, to Sudan and Ethiopia and then further afield.

Release Eritrea continues to be active in all three areas of work namely:

- 1) Prayer and intercession
- 2) Practical assistance for victims of human rights violations and refugees
- 3) Advocacy

Below we provide a brief outline of the achievements in each of the above areas of work outlined above.

1. Prayer and Intercession :

Members of Release Eritrea have led and participated in various prayer events, here at home in the UK through zoom because of Covid 19.

**Trustees Report (Incorporating the Directors' Report)
Year ended 28 February 2021**

2. Practical assistance

Release Eritrea continues to provide financial and spiritual support and guidance to individual refugees, families, as well as groups and churches in the refugee communities in Ethiopia and Sudan. Currently the number of new refugees has reduced markedly in Ethiopia. This is after the war broke out in the northern part of Ethiopia in the Tigray region, the border between Eritrea and Ethiopia was completely blocked, so we had very few of them who were able to cross the border, just months before the conflict began. When the war broke out in November 2020, there were about 93,000 Eritrean refugees in Tigray. The war made them a prime target of the conflict. There were about 20000 refugees who have been reported missed by the UNHCR. A number of them were taken to Eritrea by force. Others were dispersed in the Tigray towns and Addis Ababa. Our charity has been supporting those who remained in the refugee camps about 23000 of them and to those who run to Addis Ababa and Tigray towns. We are providing support to ke this opportunity to thank all our supporters and volunteers without whose commitment and dedication any of this would have been possible. Especially to our volunteers and workers in Eritrean, Ethiopia and other project sites who have been serving the needy with a great courage and sacrifice.g, hair dressing and accounting. We also provide shelter, food, and transport for pregnant women and for those with little children. We have seen a number of our beneficiaries who have started small businesses such as hair dressing, tailoring, fast food sell corners with tea and coffee shops.

After the war broke out in Northern Ethiopia, the Tigray region, we have been supporting orphans and pregnant women and women with small children in Tigray. In one feeding area we provide one meal a day for 600 children. We have secured fund to continue feeding these children until the end of our budget year.

Release Eritrea continues to support hundreds of prisoners and their families as well as victims of religious persecution inside Eritrea. Currently, there are still hundreds of prisoners of faith whom we are aware of. In the year of 2020/21there were about 45 new arrests and over 200 were released. Some of the senior pastors have been in prison for about 17 years and about 30 prisoners are currently in prison for over 10 years. Most of the prisoners are members of the banned faith groups, such as the Baptists, Pentecostals, Free Evangelicals, and the Methodists. Some leaders and members of the registered churches are also in prison. The patriarch of the Orthodox Church is under house arrest since 2005. He is 95 years old and his health is deteriorating. Most of the released prisoners are suffering from PTSDs, so Release Eritrea is providing medical, psychological, pastoral, and financial help. Release Eritrea is at present providing financial and pastoral support for the needy families. We would like to take this opportunity to thank all our supporters and volunteers without whose commitment and dedication any of this would have been possible. Especially to our volunteers and workers in Eritrean, Ethiopia and other project sites who have been serving the needy with a great courage and sacrifice.

**Trustees Report (Incorporating the Directors' Report)
Year ended 28 February 2021**

3. Advocacy

One of the main objectives of Release Eritrea is being a voice to the voice-less in Eritrea at the moment there are tens of thousands of prisoners of conscience. A lot of them have been in prison for over 10 years. Some of our members of trustees and directors of Release Eritrea have the opportunity to highlight the causes of the prisoners of conscience to the international community. The opportunities we had was presentations to members of the UK parliament. Our directors had also numerous occasions to speak on the BBC, VICE news and other media programs. We had also the opportunity to share our visions and programs to several churches and charity organisations. Our travel and speech engagement have been restricted due to the covid-19 pandemic. Nevertheless, most of our team have the opportunity to make contacts and conferences on line.

We believe the organisation is providing vital services to victims of religious rights violation as well as to refugees who have been affected by human trafficking, to this end Release Eritrea is committed to continue to provide these services and build on them. We would like to take this opportunity to thank all our supporters and volunteers without whose commitment and dedication any of this would have been possible.

**Trustees Report (Incorporating the Directors' Report)
Year ended 28 February 2021**

Statement of Trustees' Responsibilities

The Trustees (who are also directors of RELEASE ERITREA for the purpose of Company Law) are responsible for preparing the Trustees' Annual Report statements in accordance with applicable law and United Kingdom 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:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 which 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.

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.

On behalf of the board



Fecadu Abraha
Chair, Board of Trustees Release Eritrea

Independent examiner's report to the trustees on the unaudited financial statement of Release Eritrea.

I report on the account of Release Eritrea for the year ended 28 February 2021 set out on pages 2 to 14.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purpose of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act), and that an independent examination is needed. It is my responsibility to examine the accounts under section 145 of the 2011 Act, to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5) (b) of the 2011 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 the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep proper accounting records in accordance with section 386 of the Company Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the company Act 2006 and with methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Independent examiner

Dawit Araya

7 Hasted Close, DA9 9HS

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 28 February 2021

| | Notes | Unrestricted funds £ | Restricted funds £ | 2021 Total £ | 2020 Total £ |
|---|-------|-------------------------|-----------------------|-----------------|-----------------|
| Incoming Resources | | | | | |
| Incoming Resources from generating funds: | | | | | |
| Voluntary income | 2 | 67 | 467,447 | 467,514 | 28,273 |
| Activities for generating funds | | - | - | 0 | - |
| Other Income | 3 | 201 | - | 201 | 22 |
| Total incoming resources | | <u>268</u> | <u>467,447</u> | <u>467,716</u> | <u>282,794</u> |
| Resources Expended | | | | | |
| Charitable activities | 4 | <u>1,486</u> | <u>404,222</u> | <u>405,708</u> | <u>174,633</u> |
| Total resource expended | | <u>1,486</u> | <u>404,222</u> | <u>405,708</u> | <u>174,633</u> |
| Net incoming/(outgoing)resources for the year/ Net income / (expenditure) for the year | | | | | |
| | | (1,218) | 63,225 | 62,007 | 108,161 |
| Total funds brought forward | | | | | |
| | | <u>30,684</u> | <u>130,538</u> | <u>161,222</u> | <u>53,061</u> |
| Total funds carried forward | | <u>29,466</u> | <u>193,763</u> | <u>223,229</u> | <u>161,222</u> |

The statements of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

Release Eritrea (A company limited by guarantee)

Balance Sheet
as at 28 February 2021

| | | 2021 | | 2020 | |
|--|-------|----------|----------------|----------|----------------|
| | | £ | £ | £ | £ |
| | Notes | | | | |
| Fixed assets | | | | | |
| Tangible assets | | | 4,006 | | 0 |
| Current assets | | | | | |
| Cash at bank and in hand | 5 | 219,223 | | 161,222 | |
| Creditors: amounts fallings due within one year | | <u>0</u> | | <u>0</u> | |
| Net current assets | | | <u>219,223</u> | | <u>161,222</u> |
| Net assets | | | <u>223,229</u> | | <u>161,222</u> |
| Funds | | | | | |
| Restricted income funds | 8 | | 193,763 | | 130,538 |
| Unrestricted income funds | 6 | | <u>29,466</u> | | <u>30,684</u> |
| Total funds | | | <u>223,229</u> | | <u>161,222</u> |

Balance Sheet (continued)

Trustees statements required by the Companies Act 2006 for the year ended 28 February 2021

In approving these financial statements as trustees of the company we hereby confirm:

- a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the companies act 2006
- b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the companies Act 2006 requesting that an audit be conducted for the year ended 28 February 2021
- c) that we acknowledge our responsibilities for:
 - i) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and
 - ii) preparing financial statements which are true and fair view of the state of affairs of the company as at the end of the financial year then ended in accordance with requirements of section 394 and 395, and which otherwise comply with the provision of the Companies Act relating to financial statements, so far as applicable to the company.
 - iii) The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies act 2006 relating to small companies.
 - iv) The financial statements were approved by the board on **21st Nov 2021** and signed on its behalf by



Mr Eyassu Ukbai
Treasurer

Notes to financial statements for the year ended 28 February 2021

1.1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and proceeding year.

1.2 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the statement of Recommended Practice ' Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.3 Cash flow

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cash flow statement because it is a small charity.

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

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

Grants, including grants for the purchase of fixed asset, are recognised in full in the statement of financial activities in the year in which they are receivable.

1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

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

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipments - 25% straight line

2 Voluntary income

| | Unrestricted Fund £ | Restricted Fund £ | 2021 Total | 2020 Total |
|-------------------------------|---------------------------|-------------------------|----------------|----------------|
| Donation | 67 | 52,024 | 52,091 | 509 |
| Release International CLOG | | 395,171 | 395,171 | 268,828 |
| Zionsgmeinde | | | - | 1,202 |
| Church in Chains | | 20,252 | 20,252 | 12,233 |
| Holly Trinity Wilsden | | | - | |
| | 67 | 467,447 | 467,514 | 282,773 |

Voluntary income comprises donations and grants received from various donors to carry out projects and other charitable activities.

3 Other Income

| | Unrestricted Fund £ | Restricted Fund £ | 2021 Total | 2020 Total |
|---------------|---------------------------|-------------------------|---------------|---------------|
| Bank Interest | 1 | - | 1 | 22 |
| Refund | 200 | | 200 | |
| | 201 | 0 | 201 | 22 |

4 Costs of Charitable activities - by fund type

| | Unrestricted Fund £ | Restricted Fund £ | 2021 Total | 2020 Total |
|-----------------------------|---------------------------|-------------------------|----------------|----------------|
| Charitable Expenditure | - | 404,222 | 404,222 | 169,253 |
| Management & Admin. cost | 1,486 | - | 1,486 | 5,380 |
| | 1,486 | 404,222 | 405,708 | 174,633 |

5 Analysis of net assets between funds

| | Unrestricted Fund £ | Restricted Fund £ | Total Funds £ |
|--|---------------------------|-------------------------|------------------|
| Fund balance at 28 February 2021 as represented by: | | | |
| Tangible fixed assets | 4,006 | - | 4,006 |
| Current assets | 29,466 | 189,757 | 219,223 |
| Current liabilities | - | - | £0 |
| | <u>33,472</u> | <u>189,757</u> | <u>223,229</u> |

6 Unrestricted fund

| | At 01/03/2020 £ | Incoming resources £ | Outgoing resources £ | At 28/02/2021 £ |
|-----------------------|-----------------------|----------------------------|----------------------------|-----------------------|
| Voluntary Income | 30,684 | 67 | | 30,751 |
| Other Income | | 201 | | 201 |
| Charitable Activities | | | (1,486) | (1,486) |
| | <u>30,684</u> | <u>268</u> | <u>-1,486</u> | <u>29,466</u> |

Purposes of unrestricted funds

Incoming resources generated from gifts, donations and grants which provide funding for the general use of the charity.

Resources expended on charitable activities comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives as opposed to the cost of raising funds.

7 Taxation

The charity's activities fall within the exemption afforded by the provision of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

Release Eritrea (A company limited by guarantee)

8 Restricted funds

| | At 01/03/2020 | Incoming resources | Outgoing resources | At 28/02/2021 |
|-----------------------|------------------|-----------------------|-----------------------|------------------|
| | £ | £ | £ | £ |
| Voluntary Income | 130,538 | 467,447 | | 597,985 |
| Charitable Activities | | | (404,222) | (404,222) |
| | <u>130,538</u> | <u>467,447</u> | <u>(404,222)</u> | <u>193,763</u> |

Purpose of restricted funds

8. TANGIBLE FIXED ASSETS

| Cost | Office Equipment | Total |
|---------------|------------------|--------------|
| At 01/03/2020 | 0 | 0 |
| Additions | 4,704 | 4,704 |
| Disposal | | 0 |
| At 28/02/2021 | <u>4,704</u> | <u>4,704</u> |

Depreciation

| | | |
|---------------|------------|------------|
| At 01/03/2020 | 0 | 0 |
| Additions | 698 | 698 |
| Disposal | | 0 |
| At 28/02/2021 | <u>698</u> | <u>698</u> |

Net Book Value

| | | |
|---------------|--------------|--------------|
| At 01/03/2020 | 0 | |
| At 28/02/2021 | <u>4,006</u> | <u>4,006</u> |

9 Company limited by guarantee

Release Eritrea is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be requires not exceeding £1 to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.