

THE KERUSSO TRUST

Charity Number: 1145560
Charity Number: SC044848
Company Number: SC413002

(A company limited by guarantee)

Report of the Trustees and Financial Statements

for the year ended 31 December 2021

THE KERUSSO TRUST
Company limited by guarantee

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Report of the Trustees for the Year Ended 31 December 2021

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 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) second edition (October 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The Kerusso Trust is a charitable company limited by guarantee, incorporated on 12th December 2011. The company was established under a Memorandum of Association and is governed under its Articles of Association, which set out the objectives and powers of the charitable company. The Kerusso Trust was registered as a charity by the Charity Commission for England and Wales on 20th January 2012 and by the Office of the Scottish Charity Regulator (OSCR) on 7th May 2014.

Recruitment and appointment of new trustees

The directors of the company are the members and trustees of the charity for the purposes of charity law and are known as the trustees. Under the requirements of the Memorandum and Articles of Association, all trustees except Jonathan Groves are elected to serve for a period of three years after which they must retire and, being eligible, may offer themselves for re-appointment. Appointment is made by a majority vote of the trustees. All trustees are required to subscribe to the Statement of Beliefs set out in the Schedule attached to the Articles of Association. The removal of a trustee, should it be necessary, is effected by a majority vote of the trustees.

Potential new trustees are generally already familiar with the work of the charity, having been involved in some way already. New trustees are nominated by an existing trustee and appointed by a majority vote of the trustees. Once appointed, new trustees are instructed in their obligations, issued with copies of the governing documents, and documents from the Charity Commission and OSCR outlining the responsibilities of trustees and guidelines for charities working internationally. They are also familiarised with current issues, the financial position and future strategic plans of the organisation.

At the trustees meeting on 6th June 2021, Carl Counsell and Jonathan Stephens were reappointed as trustees, and Carl Counsell was reappointed as Chairman of the Board. During the year, all trustees gave of their time voluntarily and received no benefit from the charity. Costs reclaimed from the charity by trustees are set out in the notes to the accounts.

Organisational Structure and Decision Making

The Board of Trustees formally met six times during the year. Between meetings they communicated by email, telephone, video conferencing and/or face-to-face discussion. The trustees collectively set strategy, and approve the initiation, continuation and termination of significant charitable initiatives.

The Board of Trustees give guidance and support to Jonathan Groves in his role as Mission Director. The Mission Director is the CEO to whom the Board of Trustees have delegated powers for the day-to-day decision-making and management of the charity. His responsibilities include strategic leadership and vision, operational management, prayer, publicity, finance, partner relationships and expenditure of resources. Ruth Groves also serves in an executive capacity, with responsibilities that include administration, safeguarding, coordination of prayer diaries and newsletters, press and volunteer relations and policy development. The Mission Director and other staff/volunteers are all ultimately accountable to the Board of Trustees. The trustees seek informal advice whenever necessary from external volunteer advisors and other specialists, for whose contribution they express their thanks.

During the year, Jonathan Groves participated in the virtual European Leadership Forum and started their Year-Round Mentoring programme in 'Organisational Development and Fundraising'. He also attended online training workshops in charity management, online communication, and publicity. Ruth Groves participated in training workshops on 'Leadership and Safeguarding Culture' (Scotland's International Development Alliance), 'Charities and Safeguarding in an International Context' (Charity Commission of England and Wales) and 'Implementing Safeguarding in the International Aid Sector' (Future Learn).

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Report of the Trustees for the Year Ended 31 December 2021 continued

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed, which includes the additional risks for an organisation working internationally. They seek to ensure appropriate controls are in place to provide reasonable assurance against fraud and error, and insurance is in place to protect assets and staff/volunteers. We believe that these safeguards, together with maintaining our cash reserves at the levels indicated in the Financial Review section, will provide sufficient resources in the event of adverse conditions occurring.

Over the year, the trustees have reviewed about half of the policies and risk assessments of the company, and plan to review the remainder in 2022. The COVID-19 pandemic has resulted in identification of additional risks and we are continuing to monitor closely the impact of COVID-19 on our activities and patterns of income and expenditure.

Managing risks in Safeguarding has remained a priority, mindful that our ongoing funding of the Community Children's Bible Clubs and Youth Learn2Serve programme in Malawi exposes us to such risks indirectly. We have sought to manage these risks through Ruth Groves attending online training workshops, and by continued online engagement with our partners in Malawi despite being unable to visit Malawi in person this year.

Fundraising

The Kerusso Trust does not employ professional fundraisers. We have not sought to register with the Fundraising Regulator but comply with all the relevant sections of the Fundraising Regulator's Code of Fundraising Practice.

OBJECTIVES AND ACTIVITIES

Objects

The charity's purposes are set out in the company's Memorandum of Association:

The Charity's objects ("Objects") which are for the public benefit are for the advancement of the Christian faith in accordance with the Statement of Beliefs appearing in the Schedule hereto in such parts of the United Kingdom or the world as the trustees may from time to time think fit and to fulfil such other purposes, and as ancillary thereto prevention and relief of poverty, advancement of education and prevention and relief of sickness, which are exclusively charitable according to the law of England and Wales and are connected with the work of the Charity.

Activities

The Kerusso Trust is a non-denominational Christian mission charity that seeks practically to advance the Christian faith, primarily through support of training and education activities in Malawi and by engaging directly with churches and individuals in the UK. In Malawi, we work as an enabling charity, through partnerships with Malawian Christian organisations whose leaders the trustees know personally. A key goal of the charity working in Malawi is to bring transformation to the material and spiritual lives of individuals and communities in rural areas.

In Malawi:

The core work of The Kerusso Trust is enabling the training and equipping of church leaders, village chiefs and young people to become disciples of Jesus Christ and servant leaders within their local church and community. Our primary focus is providing basic contextual Bible and ministry training programmes to equip 1000s of church leaders who have had no opportunity to attend any Bible College due to poverty. We also offer Bible-based training to community leaders (village chiefs) for their influential role in society, discipleship training to young people to help build up the future generation of church leaders, and youth-led community Bible clubs for children in some remote rural areas. We support a residential Training and Resource Centre near Blantyre, which has a theological library for pastors and church leaders to use. To multiply the benefits of training, we are mentoring some of the former trainees to become trainers of others. Finally, we operate a small student sponsorship programme that provides bursaries to enable girls to attend a Christian secondary school.

In the UK:

The Kerusso Trust seeks also to proclaim the Gospel and advance the Christian faith in the UK through preaching and teaching from the Bible and sharing about the work in Malawi. We aim to encourage Christian discipleship

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Report of the Trustees for the Year Ended 31 December 2021 continued

and mutual learning by building meaningful personal relationships between UK Christians and our partners in Malawi. We share news and information about the work in Malawi and provide opportunities for UK Christians to express their care and concern for the Church and people of Malawi by praying, giving financially to the work, and serving practically.

Public Benefit

In exercising their powers and duties, the trustees have had due regard for the public benefit guidance of the Charity Commission and OSCR. All the activities of the Trust are undertaken to further its charitable purposes for the public benefit. The trustees regularly review the activities of the charity. These reviews look at the successes and challenges experienced and the outcomes for the beneficiaries we are seeking to assist. These reviews also help us ensure our planned future activities bring charitable benefit and contribute positively to the aims and objectives set.

Memberships

The Kerusso Trust was a member of the following organisations in 2021:

- The Scotland Malawi Partnership (www.scotland-malawipartnership.org)
- Global Connections (www.globalconnections.org.uk)
- Scotland's International Development Alliance (www.intdevalliance.scot)

ACHIEVEMENT AND PERFORMANCE

Achievements and Performance throughout the year

We are delighted that our core training programmes for church leaders, youth, village chiefs and children were able to resume fully in 2021, after the COVID-19 pandemic. Our mission of *'training 1000s to reach 100,000s for Christ in Malawi'* remains unaltered and have continued to be fulfilled. We give thanks to God for all the resources we have received over the year, and all that has been made possible to achieve, as set out below:

1) J-Life Malawi: Staff and Office

Our Malawian partner J-Life is a non-denominational Christian leadership training and disciple-making organisation. During the year, we have grant funded 100% employment costs of the Ministries Director, Rev Connex Ijalasi and four other members of J-Life staff, and 75% employment cost of the J-Life accountant.

2) J-Life Malawi: Church Leader Training

'Learn2Serve' is a non-denominational Biblical discipleship and leadership-training programme developed by The Kerusso Trust and J-Life Malawi in partnership. Its mission is "to train and mobilize church leaders to build Christ's Kingdom and to serve others", working with groups of 50-150 rural church leaders, both men and women.

Malawian pastors have important leadership roles in their local communities as well as their churches, yet over 90% have never attended any formal training. 'Learn2Serve' equips untrained rural church leaders with a basic set of Bible and ministry skills for use in their rural African context. It revolves around three key areas: Christian discipleship, servant leadership, and practical pastoral ministry including Biblical interpretation and preaching. The syllabus comprises four workshops each of five days' duration, with flexibility to adapt modules in response to local needs. Poverty is a major barrier preventing access to training, so we offer 'Learn2Serve' to participants free at the point of delivery, with running costs as low as possible for the sustainability and scalability of the programme.

Over the year, the J-Life team conducted nine core 'Learn2Serve' workshops at: Balaka (level 2 in April, level 3 in June, level 4 in August); Phalombe (level 2 in April, level 3 in September); Mdeka (level 3 in May); Chikwawa (level 3 in July), Sigerege (level 3 at Camp Bethel in August) and launching a new cohort at nearby Chilingani (level 1 in October). In response to requests, we also supported a one-day Marriage Seminar for church leaders at Makata, where the 'Learn2Serve' programme had been completed in previous years.

3) J-Life Malawi: Radio Ministry

In May 2021, The Kerusso Trust added radio ministry to its portfolio of core training activities. Each Friday from 7.00-7.30pm, teaching from 'Learn2Serve' is broadcast as a 30min Chichewa language programme 'Tiphunzire Kutumikira' on Transworld Radio Malawi and across the internet. What started as a response to the COVID-19 pandemic has become an exciting new ministry that reaches church leaders and others across all of Malawi.

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Report of the Trustees for the Year Ended 31 December 2021 continued

4) J-Life Malawi: Community Leader Training

‘Learn2Serve4Chiefs’ is an emerging training programme of four levels each of three days duration, followed by a one-day visionary future planning meeting. The programme which is under development is specifically designed for village headmen and senior chiefs in their local context. It provides training using biblical examples in servant leadership, community development, integrity and accountability, social justice, Christian discipleship and project planning, monitoring and evaluation. ‘Learn2Serve4Chiefs’ was launched (level 1) at Camp Bethel in 2020 and attended by chiefs from the nearby Sigerege area. In July 2021, we supported ‘Learn2Serve4Chiefs’ (level 2) at Camp Bethel and expect to develop the programme further in 2022.

5) J-Life Malawi: Youth Ministry

The Kerusso Trust continues to work with Rev Anthony Masala (Youth Discipleship Coordinator) to realise our shared vision for youth discipleship and training for church leadership. The youth programme encompasses youth outreach and evangelism, equipping pastors to disciple and mentor young people, and training young Christians to become future church leaders through ‘Youth Learn2Serve’. This ministry is focussed in areas where the pastors and church leaders have completed the core ‘Learn2Serve’ programme and understand the importance of discipleship and mentoring of the youth in the churches they lead. Over the year, the Kerusso Trust has supported two youth training events held in the Luchenza area, and two in Neno District.

6) J-Life Malawi: Children’s Ministry

The Kerusso Trust has supported the Community Children’s Bible Club (CCBC) programme since their launch in 2016. The CCBCs normally meet weekly from April to November each year, giving primary school children (aged 5-14 years) in rural villages an opportunity to hear the Good News of Jesus, and participate in Bible stories, singing, drama and team games. The clubs also encourage children to attend primary school and offer some pastoral care. After substantial primary school closures and interruptions to the CCBC programme in 2020, a full season of CCBC meetings were possible once again. We give thanks to God for the commitment of the 34 young leaders who willingly volunteer each week to make the 14 clubs happen.

7) J-Life Malawi: Vehicles

A mobile training ministry working in remote rural locations requires reliable vehicles to transport people and teaching materials. During the period, The Kerusso Trust funded the purchase of a second Toyota Hilux for use by the J-Life team.

8) J-Life Malawi: the ‘Camp Bethel’ site

Since 2015, The Kerusso Trust has funded construction of the infrastructure of the J-Life ‘Camp Bethel’ training site. Chimwemwe House (which contains offices, a training room and library), and eight houses for J-Life staff and their families have been built. The construction work has provided employment and apprenticeships for local men and women, enabling them better to support their families and send their children to school. We give thanks to God for the many testimonies of improved quality of life and Christian faith by the builders and labourers.

During the year, The Kerusso Trust has grant funded:

- Capital construction of an access bridge with permanent concrete surface at the bottom of the ‘Camp Bethel’ access road. A small amount of work remains outstanding to complete the project in 2022.
- Operational costs of The Kerusso Resource Centre library. Sadly due to COVID-19 constraints, the facility was not able to open to the public extensively in 2021. We are grateful to the Langham Partnership for their ongoing annual library grant, and to other supporters who have donated theological books.

9) J-Life Malawi: Imbwa Farm and Water Project

The Kerusso Trust seeks to encourage local sustainability by its ministry partners. The Imbwa ‘Eden Farm’ and Water Project was conceived in 2019 to bring clean drinking water, agricultural education and employment, and Christian outreach to the Imbwa community, and to generate income to help support our partner J-Life Ministries. Imbwa village is in a remote and undeveloped part of Blantyre West Rural, about 25km from ‘Camp Bethel’. The main facility was constructed in 2020 and equipped with a borehole and solar-powered water pump, farm manager’s house with solar panels and water storage tanks, and pipework to deliver irrigation water to the nearby 5-hectare farm, and potable water to the Imbwa community.

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Report of the Trustees for the Year Ended 31 December 2021 continued

At the start of the year, J-Life planted tomatoes, maize and banana trees as a pilot phase of agricultural operations. However, in March the water pump experienced an electronics fault which was not taken until July for the supplier to repair. Then in November 2021 the pump was stolen from the borehole. These incidents negatively impacted the agricultural productivity of the farm (apart from the banana trees which continue to thrive) and have impeded progress toward meeting the project goals. A security reassessment and period of consultation with J-Life and the local community are part of the current preparation for a relaunch.

10) CREATIVenergie and J-Life Malawi: 'Light for Life' Project

The Imbwa area lacks access to mains electricity, and few people could afford it even if it were available. In 2020, The Kerusso Trust entered into partnership with the UK charity CREATIVenergie in their 'Light for Life' project, to pilot sustainably managed, solar powered rechargeable battery packs. These will enable some of the church pastors and village chiefs in the Imbwa area to have mobile phone charging and home lighting facilities. During the year, CREATIVenergie continued to design, develop, and build the hardware. Lack of availability of some key electronic components following the COVID-19 pandemic has delayed shipping of hardware to Malawi until 2022.

11) School Bursary Fund

The Kerusso Trust operates an educational bursary fund through which supporters may support a girl who would otherwise not be able to afford the fees, to attend a Christian secondary school. During the year, three girls were supported to attend Mitsidi Mission Secondary School near Blantyre.

11) Academic Scholarships

The Kerusso Trust has set aside a small sum for academic scholarships to assist key trainers of the 'Learn2Serve' programme to undertake degree level studies at a Malawian university. One person received a scholarship toward part of the cost of fees during the year.

12) The Kerusso Trust visits to Malawi

Jonathan and Ruth Groves were not able to visit Malawi in 2021 due to COVID-19 restrictions in both Malawi and the UK preventing international travel. Nonetheless, they continued with planning, accountability and oversight of charitable resources by email, messaging, phone and video technology. For the same reason, it was not possible for any Kerusso Trust volunteers to visit Malawi during the year.

13) The Kerusso Trust in the UK

In addition to the ministry in Malawi, The Kerusso Trust seeks to build partnership relationships with churches and individuals in the UK, and to encourage their Christian discipleship through meaningful connections with the people and ministry in Malawi:

- Due to COVID-19, Jonathan Groves still had limited opportunities to visit UK churches to share about the work in Malawi and preach compared with before the pandemic. We are confident this situation will improve in 2022.
- We sent out a monthly email and prayer guide to subscribers, providing daily prayer points grouped into weekly themes. This information is also available by post and on Facebook. The trustees thank Ruth Groves for compiling the prayer guide, and Dave and Sue Hall for postal distribution and social media upload.
- We held a monthly evening 'Live Link' meeting by Zoom, enabling UK supporters to interact directly with members of the J-Life team alongside Jonathan and Ruth Groves. We have also hosted a monthly morning 'Prayer Hour' where supporters across the UK have gathered by Zoom to pray for the work in Malawi.

FINANCIAL REVIEW

Principal funding sources

The Kerusso Trust generates income from two main sources: donations from personal and corporate supporters (£67,862 in 2021), and investment income (£22,640 in 2021) from leasing a residential property that was gifted to the charity when it was founded. The investment income funds governance, all operational and administrative costs, and some of the charitable expenditure. Donations were used 100% to finance our charitable activities in Malawi.

Investment policy and objectives

The General Fund holds only a working current account balance. The Investment Policy applies to the Expendable Endowment Fund and is:

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- 1) To maintain the rental property asset in good condition and use it to provide a regular source of General Fund income for the future
- 2) To invest for growth without placing the capital under high levels of risk
- 3) To follow an ethical investment policy that actively avoids causing harm to others, and where possible enhances the wellbeing of individuals or communities.

Reserves policy

The trustees have examined the Charity's requirements for reserves in the light of the main risks. The trustees aim to carry sufficient general unrestricted reserves in cash to meet the committed charitable activities for three months and to conduct normal levels of maintenance on its rental property. The trustees aim to retain sufficient non-property capital assets in the Expendable Endowment Fund to fund exceptional levels of maintenance on its rental property, and to underpin future operational growth and potential staffing needs as the charity continues to develop. The General Fund may temporarily borrow or permanently expend cash from the Endowment Fund to meet commitments. In practice, the trustees aim to maintain a working cash reserve of at least £25,000 in the General Fund.

Financial Position

The Kerusso Trust reported total income in 2021 of £94,511 (£107,884 in 2020). Total expenditure for the year was £75,392 (£115,433 in 2020) of which total charitable expenditure was £69,989 (£110,445 in 2020). Charitable expenditure in 2021 was lower in 2021 than in 2020, largely due to the existence of accumulated funds at J-Life in Malawi that remained unexpended at the end of 2020 due to COVID-19 restrictions on our planned activities for 2020.

The balance of cash in the main Kerusso Trust bank account at the end of 2021 was £55,286 of which £10,228 related to Restricted Funds and £45,058 related to the General Fund (£22,434 at the end of 2020 of which £3,872 related to Restricted Funds and £18,562 related to the General Fund). Cash in the Expendable Endowment Fund remained at £12,000. Taken together, these represent a healthy level of reserves to meet ongoing regular commitments to charitable activities. The value of the Expendable Endowment Fund investments increased by £88,494 in 2021, primarily due to an increase of £80,000 resulting from a revaluation of the property.

The largest charitable beneficiary in 2021 was J-Life Ministries in Malawi. The trustees make the grant payments to J-Life at approximately quarterly intervals and seek always to maintain a working balance in Malawi equivalent to at least £10,000 (in local currency). At the end of the year, there was a balance at J-Life equivalent to £15,165 (in local currency), of which £6,230 related to Restricted Funds and £8,935 related to the General Fund (£24,673 at the end of 2020 of which £5,000 related to Restricted Funds and £19,673 related to the General Fund). Over the year, The Kerusso made new grant payments to J-Life Ministries of £63,152.

Charitable expenditure by J-Life Ministries, using funds in Malawi carried forward from 2020 plus new grants made by The Kerusso Trust during the year, was the local equivalent of £72,404 (£75,090 in 2020). This supported:

- Operational funding of core training ministries = £14,307 (£4,497 in 2020)
- Staff costs in Malawi = £21,868 (£21,125 in 2020)
- Other ministry costs = £2,343 (£4,119 in 2020)
- Purchase of additional Toyota Hilux vehicle = £16,848 (none in 2020)
- Construction projects at Camp Bethel = £11,888 (£9,705 in 2020)
- Construction of Imbwa Farm Eden Water Project = £1,408 (£22,261 in 2020)
- Security improvement projects at Camp Bethel and in the community = £3,742 (none in 2020)
- COVID-19 Response = none (£10,785 in 2020)
- Emergency Flood Relief = none (£2,597 in 2020)

Our Educational Bursary Fund supported three girls to attend a Christian secondary school (£1,739), and academic scholarships provided partial support to assist for two members of the 'Learn2Serve' team to undertake degree level theological study (£436). Other charitable expenditure in the UK and Malawi, including Governance costs were (£4,663) which is lower than in the previous year.

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Report of the Trustees for the Year Ended 31 December 2021 continued

Finally, the trustees wish to thank all churches and individuals who have supported the work of The Kerusso Trust through their interest, prayers and giving throughout the year. Special thanks are due to our volunteers in the UK who have made cards for fundraising, distributed materials and hosted Kerusso Trust meetings.

FUTURE PLANS

The Kerusso Trust's charitable objective is to promote the Christian faith, primarily by support of training and education activities in Malawi. We achieve this by working with trusted partners in Malawi, and by engaging directly with churches and individuals in the UK. Although the COVID-19 pandemic has enforced changes to some of our activities, our overall aims remain the same. With continuing uncertainty over the impact of the pandemic in both Malawi and the UK, the trustees are aware of the need for flexibility and resilience in implementing future plans. We are looking to make the best possible use of technology for communication with our partners. The first face-to-face visit to Malawi by the Kerusso Trust was carried out in April 2022, and we anticipate a further visit by some trustees later in the year.

The Kerusso Trust in Malawi (2022):

Core Training Ministries

The core training programmes are expected to operate face-to-face throughout 2022, after reductions in numbers of events and attendees over the past two years. These core ministry activities are:

- 'Learn2Serve', our flagship church leader-training programme of in-person workshops in rural areas, providing Bible-based training in servant leadership, discipleship and disciple making, interpreting, and teaching the Bible, and practical pastoral ministry skills – specifically shaped for the rural context. The core workshops are supported by refresher days, marriage seminars and mentoring.
- 'Youth Learn2Serve', a related programme aiming to develop future church leaders, and reach young people with discipleship training.
- 'Learn2Serve4Chiefs', a Bible-centred training programme in servant leadership, community development, integrity and social justice for village chiefs and other community leaders.
- Community Children's Bible Clubs at 14 village locations reaching out to over 1,000 children, with training and mentoring for the 36 young adult leaders.
- 'Learn2Serve Radio', a series of weekly 30min Chichewa language radio broadcasts on Trans World Radio Malawi. The radio programme, called 'Tiphunzire Kutumikira', makes the full 'Learn2Serve' curriculum accessible to any church leader and the general public nationwide.

Staff Support

- Fund the employment costs of the Ministries Director, Rev Connex Ijalasi, and four other members of J-Life staff and 75% employment costs of the J-Life accountant.
- Deliver safeguarding training and consultancy to the board, staff team and volunteers of J-Life Ministries as part of our long-term partnership.

Other Projects

- Support further security infrastructure improvements at the 'Camp Bethel' site.
- Complete a final section of the 'Camp Bethel' access road project.
- Work with J-Life to encourage sustainability in the Imbwa Project, helping it to generate income for J-Life and bring clean water, employment opportunities, and material and spiritual development to the Imbwa community.
- Offer educational bursaries for girls to attend Christian secondary school.
- Provide academic scholarships to help key 'Learn2Serve' trainers undertake degree level theological studies.

The Kerusso Trust in the UK (2022):

- Distribute monthly news updates and prayer diaries by email or post to subscribers, and on social media.
- Host monthly online 'Live Link' and 'Prayer Hour' meetings to help supporters engage directly the team in Malawi, and to enable collective prayer for the work in Malawi and the UK.
- Jonathan Groves to resume visits to churches in person or online to preach and share about the work in Malawi.
- Review the risks, safeguarding and other key policies, and implement any necessary changes.

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Report of the Trustees for the Year Ended 31 December 2021 continued

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC413002 (Scotland)

Registered Charity number

1145560 (England & Wales)

SC044848 (Scotland)

Registered office

43 Kingswood Crescent

Kingswells

Aberdeen

AB15 8TE

Trustees

Jonathan D Groves

A Ruth Groves

Carl E Counsell

P Nigel Bowker

Jonathan P Stephens

Colin R Deddis

Company Secretary

Jonathan D Groves

Primary Banker

TSB plc

Independent examiner


Brian Miller CA

94 Blenheim Place

Aberdeen

AB25 2DY

Approved by order of the board of trustees on 26 July 2022 and signed on its behalf by:



.....
Dr J Groves - Trustee

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Independent Examiners' Report to the Trustees of The Kerusso Trust

I report on the financial statements of The Kerusso Trust for the year ended 31 December 2021 which are set out on pages 13 to 20.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act) or under Regulation 10(1)(a) to (c) of The Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act and Sections 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 (the 2005 Act);
- follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- state whether particular matters have come to my attention.

Basis of independent examiners' report

My examination was carried out in accordance with the General Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 statements below.

Independent examiners' statement

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

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

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006 and Section 44(1)(a) of the 2005 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006, Section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations

have not been met; or

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



Brian Miller C.A.
94 Blenheim Place
Aberdeen
AB25 2DY

10 August 2021

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Company Number: SC413002

Statement of Financial Activities
for the year ended 31 December 2021

	Note	2021				2020			
		Restricted funds	Unrestricted funds	Endowment funds	Total	Restricted funds	Unrestricted funds	Endowment funds	Total
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies		13,606	54,256	-	67,862	18,547	62,953	-	81,500
Charitable activities		-	33	-	33	-	32	-	32
Other trading activities	2	-	2,014	-	2,014	-	2,009	-	2,009
Investment income	3	-	22,640	1,962	24,602	-	22,672	1,671	24,343
Total Income		13,606	78,943	1,962	94,511	18,547	87,666	1,671	107,884
Expenditure on:									
Raising funds	4	-	5,402	-	5,402	-	4,988	-	4,988
Charitable activities									
Direct service provision		-	-	-	-	-	5,217	-	5,217
Grant funding of partners		6,449	59,176	-	65,624	14,675	86,185	-	100,860
Support costs		-	4,365	-	4,365	-	4,368	-	4,368
Total Expenditure		6,449	68,943	-	75,392	14,675	100,758	-	115,433
Net gains/(losses) on investments		-	-	86,532	86,532	-	-	(43)	(43)
Net Income/(Expenditure)		7,157	10,000	88,494	105,651	3,872	(13,092)	1,628	(7,592)
Transfers between funds		(801)	801	-	-	-	-	-	-
Net Movement in Funds		6,356	10,801	88,494	105,651	3,872	(13,092)	1,628	(7,592)
Reconciliation of funds:									
Total funds brought forward		3,872	35,867	763,865	803,604	-	48,959	762,237	811,196
Total funds carried forward		10,228	46,668	852,359	909,255	3,872	35,867	763,865	803,604

Continuing Operations: All income and expenditure has arisen from continuing activities.

THE KERUSSO TRUST
Company limited by guarantee

Charity Number: 1145560/SC044848
Company Number: SC413002

Balance Sheet
as at 31 December 2021

	Note	Restricted funds £	Unrestricted funds £	Endowment funds £	2021 £	2020 £
20Fixed assets						
Tangible assets	7	-	372	775,000	775,372	695,743
Current assets						
Stock		-	-	-	-	-
Debtors	8	-	2,406	-	2,406	17,439
Investments	9	-	-	65,359	65,359	56,865
Cash at bank and in hand		10,228	45,058	12,000	67,286	34,434
		10,228	47,464	77,359	135,051	108,738
Creditors - amounts falling due within one year	10	-	(1,168)	-	(1,168)	(877)
Net current assets		10,228	46,296	77,359	133,883	107,861
Net assets		10,228	46,668	852,359	909,255	803,604
Funds	12,13					
Restricted funds					10,228	3,872
Unrestricted funds					46,668	35,867
Endowment funds					852,359	763,865
Total funds					909,255	803,604

The directors' statements required by Sections 475 (2) and (3) are shown on the following page, which forms part of this Balance Sheet.

The notes on pages 14 to 20 form an integral part of these financial statements.

THE KERUSSO TRUST
Company limited by guarantee

Balance sheet continued

Directors' statements in accordance with Section 475 (2) and (3)
for the year ended 31 December 2021

In approving these accounts as directors of the company, we hereby confirm:

- (a) The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.
- (b) That for the year stated above the company was entitled to the exemption from audit conferred by Section 477 of the Companies Act 2006 relating to small companies;
- (c) That the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476; and
- (d) That we acknowledge our responsibilities for complying with the requirements of the Act in respect to accounting records and the preparation of financial statements.
 - 1.) Ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006; and
 - 2.) Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year then ended in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Trustees on 26 July 2022 and signed on its behalf by:



.....
Dr. J. Groves
Trustee

THE KERUSSO TRUST
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2021

1. Basis of preparation and principal accounting policies

1.1 Basis of preparation of financial statements

The Kerusso Trust is a charitable company, limited by guarantee, registered in Scotland. It is also registered as a charity by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR). The registered numbers and address of the registered office can be found in the Report of the Trustees.

The financial statements of the charitable company, which is a public benefit entity under FRS102, have been in accordance with Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP (FRS 102) second edition – October 2019, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

1.2 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

1.3 Expenditure

Tangible Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.4 Support Costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs. They are incurred directly in support of expenditure on the objects of the charity.

1.5 Tangible Fixed Assets

Depreciation is provided at a rate of 33% on cost to write off each asset over its estimated useful life.

THE KERUSSO TRUST
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2021 continued

1.6 Investment Property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

1.7 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

1.8 Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

1.10 Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

1.11 Ultimate Controlling Party

The entity is controlled by the trustees.

2 Other Trading Income

	Unrestricted Funds	Endowment Funds	2021 Total	2020 Total
	£	£	£	£
Fundraising activities	-	-	-	-
Trading income	2,014	-	2,014	2,009
	2,009	-	2,009	2,009

3 Investment Income

	Unrestricted Funds	Endowment Funds	2021 Total	2020 Total
	£	£	£	£
Rent received	22,525	-	22,525	22,300
Income from investments held	-	1,962	1,962	1,671
Deposit account interest	115	-	115	372
	22,640	1,962	24,602	24,343

THE KERUSSO TRUST
Company limited by guarantee

Notes to the financial statements
for the year ended 31 December 2021 continued

4 Raising Funds

	Unrestricted Funds	Endowment Funds	2021 Total	2020 Total
	£	£	£	£
Raising donations	62	-	62	45
Trading activities	541	-	541	708
Rent collection	1,622	-	1,622	1,588
Property maint. & insurance	3,177	-	3,177	2,647
	5,402	-	5,402	4,988

5 Net Income/(Expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	Unrestricted Funds	Endowment Funds	2021 Total	2020 Total
	£	£	£	£
Depreciation on assets	371	-	371	371

6 Trustees' Remuneration and Benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

7 Tangible Fixed Assets

	Land and Buildings	Plant and Machinery	Totals
	£	£	£
Cost			
At 1 January 2021	695,000	4,162	699,162
Additions	80,000	-	80,000
Disposals	-	-	-
As at 31 December 2021	775,000	4,162	779,162
Depreciation			
At 1 January 2021	-	3,419	3,419
Disposals	-	-	-
Charge	-	371	371
As at 31 December 2021	-	3,790	3,790
Net book value			
At 31 December 2021	775,000	372	695,372
At 31 December 2020	695,000	743	695,743

THE KERUSSO TRUST
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Notes to the financial statements
for the year ended 31 December 2021 continued

If the property had not been revalued it would have been included at historic cost of £439,051.

The property was valued on an open market basis on 31 December 2021 by Harpers Estate Agents who buy and sell property in the locality of the investment property.

	£
Valuation in 2021	80,000
Valuation in 2019	45,000
Valuation in 2017	50,000
Valuation in 2016	25,000
Valuation in 2015	50,000
Valuation in 2014	50,000
Valuation in 2013	25,000
Valuation in 2012	10,949
Cost	439,051
	<u>775,000</u>

8 Debtors and Prepaid Expenses

	2021	2020
	£	£
Other debtors	2,406	1,783
Prepayments	-	15,656
	<u>2,406</u>	<u>17,439</u>

9 Current Asset Investments

	2021	2020
	£	£
Listed investments	<u>65,359</u>	<u>56,865</u>

Investments are stated at current market value.

10 Creditors

	2021	2020
	£	£
Accrued expenses	1,168	877
Other creditors	-	-
	<u>1,168</u>	<u>877</u>

11 Related Party Disclosures

Costs totalling £482 (2020: £469) spent in connection with the activities of the charity were reimbursed to trustee Dr J Groves during the period.

Costs totalling £84 (2020: £101) spent in connection with the activities of the charity were reimbursed to trustee Mrs A R Groves during the period.

THE KERUSSO TRUST
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Notes to the financial statements
for the year ended 31 December 2021 continued

12 Movement in Funds

	At 01.01.21	Incoming Resources	Outgoing Resources	Gains & Losses/ Transfers	At 31.12.21
	£	£	£	£	£
Restricted funds					
COVID-19 response	801	63	-	(801)	63
Sports ministry	482	-	-	-	482
School bursary	1,489	2,743	(1,739)	-	2,493
Imbwa "Light for Life"	1,100	-	-	-	1,100
Radio ministry	-	5,080	(60)	-	5,020
Camp Bethel security	-	3,250	(3,250)	-	-
Masala goats/security	-	1,400	(1,400)	-	-
Pastor hardship fund	-	1,070	-	-	1,070
	3,872	13,606	(6,449)	(801)	10,228
Unrestricted funds					
General fund	35,867	78,943	(68,943)	801	46,668
Endowment funds					
Building	695,000	-	-	80,000	775,000
Other	68,865	1,962	-	6,532	77,359
	763,865	1,962	-	86,532	852,359
Total Funds	803,604	94,511	(75,392)	86,532	909,255

13 Analysis of Net Assets Between Funds

	Restricted Funds 2021	Unrestricted Funds 2021	Endowment Funds 2021	Total 2021
	£	£	£	£
Tangible Fixed Assets	-	372	775,000	775,372
Current Assets	10,228	47,464	77,359	135,051
Current Liabilities	-	(1,168)	-	(1,168)
Net Assets At 31 Dec	10,228	46,668	852,359	909,255

	Restricted Funds 2020	Unrestricted Funds 2020	Endowment Funds 2020	Total 2020
	£	£	£	£
Tangible Fixed Assets	-	743	695,000	695,743
Current Assets	3,872	36,001	68,865	108,738
Current Liabilities	-	(877)	-	(877)
Net Assets At 31 Dec	3,872	35,867	763,865	803,604

THE KERUSSO TRUST
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Detailed Statement of Financial Activities for the Year Ended 31 December 2021

	2021	2020
	£	£
Income and Endowments		
Donations and legacies		
Donations	62,212	73,879
Gift aid	5,650	7,621
	<u>67,862</u>	<u>81,500</u>
Other trading activities		
Fundraising events	-	-
Trading payments received	2,014	2,009
	<u>2,014</u>	<u>2,009</u>
Investment income		
Rents received	22,525	22,300
Other investment income received	1,962	1,671
Deposit account interest	115	372
	<u>24,602</u>	<u>24,343</u>
Charitable activities		
Primary purpose trading	33	32
Total incoming resources	<u>94,511</u>	<u>107,884</u>
Expenditure		
Raising donations and legacies		
Primary purpose trading costs	6	148
Raising donations costs	62	45
	<u>68</u>	<u>193</u>
Other trading activities		
Trading costs	535	560
Investment management costs		
Rent collection	1,622	1,588
Property maintenance	2,836	2,335
Property insurance	341	312
	<u>4,799</u>	<u>4,235</u>

THE KERUSSO TRUST
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This page is for information only and does not form part of the accounts.

Detailed Statement of Financial Activities for the Year Ended 31 December 2021 (continued)

	2021	2020
	£	£
Charitable activities		
J-Life Ministries	63,152	99,963-
Secondary School Bursaries for Girls	1,739	1,160
Academic Scholarships	436	971
Gifts to Individuals in Malawi	450	50
Gifts to other Organisations in Malawi	-	3
UK Ministry	470	4,185
UK Office Costs	2,741	3,111
Equipment - Depreciation	371	371
	<u>69,359</u>	<u>109,814</u>
 Governance costs		
Independent examiners fee	600	600
Legal fees	31	31
	<u>631</u>	<u>631</u>
 Total charitable resources expended	 69,990	 110,445
 Total resources expended	 <u>75,392</u>	 <u>115,433</u>
 Net income	 <u>19,119</u>	 <u>(7,549)</u>

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