

ERITREAN RELIEF ASSOCIATION (UK)

**Annual Report
&
Accounts for the
Year ended 31st March 2011**

Registered Company No: 2294497

Registered Charity No: 800543

Reporting Accountant: Fitsum F Michael BA FCCA MBA

Eritrean Relief Association (UK)
(A Company Limited by Guarantee)

Company Information:

Trustees/Directors Seble Ephrem, Chairman
Yohannes Fassil, Treasurer
YergalemTewelde, Secretary
Habtom Tesfai
Mebrak Ghebrewoldi
Mehretab Habtu
Shanet Zeru
Tesfaldet W. Ghilazgi
Tewelde W. Kidan (Trustee)

Secretary Yergalem Tewelde

Reg. Charity Number 800543

Reg. Company Number 2294497

Registered Office Robin House
2A Iverson Road
London, NW6 2HE

Reporting Accountant Fitsum F Michael BA FCCA MBA
14 Bushfield Close
Edgware, Middlesex
HA8 8XT

Bank HSBC Bank plc
Kilburn Branch
50-52 Kilburn High Road
London
NW6 4HJ

ERITREAN RELIEF ASSOCIATION UK (ERA-UK)

(A company limited by guarantee)

TRUSTEES' REPORT

For the year ended 31st March 2011

The Board of Trustees present herewith their report and the externally examined financial statement for the year ended 31st March 2011.

OUR ORGANISATION

The Eritrean Relief Association in United Kingdom has been registered as a UK charity and constituted as a company, limited by guarantee since 1988. ERA-UK has been operating and providing services as an unincorporated association since 1982 when it was founded. It is governed by a Memorandum of Articles of Association and the Board of Trustees is responsible for setting the strategic direction of the organisation for establishing policy. All Trustees are unpaid people with managerial, professional and volunteering experience. The Trustees are appointed by the Board on the recommendation of other Directors.

ACHIEVEMENTS

In furtherance of our objectives this year, ERA-UK

- Ran a successful conference refocusing ERA's attention to requests received from partner organizations in Eritrea. The occasion was also a continuation of our efforts in raising funds and awareness of the benefits of Gift Aiding donations. £10,811 was raised at the conference.
- Arranged and sourced funding for specialist training on autism of a counselor from the Eritrean community in London.
- Arranged and sourced expenses for the trained consultant to travel to Eritrea where she successfully provided high quality information, advice and consultation with 130 families of children with autism spectrum.
- The consultant also ran seminars with service providers including teachers, health and social service professionals, and was able to raise volunteers who would provide support to families.
- Organised for 11 sponsored runners to take part in the British10K London Run in July 2010. The group raised a total of £7,275 including Gift Aid) towards Bidho and Autism projects.
- In response to their request, we were able to send a video camera and 600 photo albums to our partners, National Bidho Association (HIV/AIDS). The project is for each child in their care to maintain a collage of their childhood years with their families.
- Toys and educational material was sent to National Autism and Downs' Syndrome Association for use in their newly established day centre.
- Launched a new website designed to build on ERA-UK's profile and attract donations.

HOW WERE FUNDS SPENT?

Our funds this year were totally raised through the 10K sponsored runners in July 2010; the generous donations at the conference in November 2010; through regular Direct Debit

donations of supporters; charity collection tins; and Gift Aid claims received from HMRC paid on behalf of UK tax paying donors.

All purchases, shipping costs and services provided to our partner recipients in Eritrea, the National Bidho Association (for HIV/AIDS) and National Autistic and Downs' Syndrome Association was based in accordance to mutual consultation and in furtherance to their needs and requests.

As a result of the current difficult economic times facing everyone, we are aware that we have only been able to meet 30% of their expectations from us.

Despite our shortfall, the above mentioned partners have both acknowledged receipt and provided letters of their appreciation. This response drives us even more to continue our fund raising efforts to support them while they are in the process of developing vibrant, empowered, sustainable organisations and developing their eventual total self reliance.

Some of our Trustees have visited at various times and met with members of both organisations and the sites where their clients are serviced.

ERA-UK has no paid workers for its day to day running operations is therefore able to allocate 95% of all funds raised to go directly to target projects.

We appeal on your compassion to assist us by completing our Gift Aid form so that we may continue our work in Eritrea.

Please contact us at our address below for any information you may require in relation to helping the needy in Eritrea.

Eritrean Relief Association (UK)
Robin House, 2A Iverson Road
London NW6 2HE
Tel: 020 7328 7888
www.era-uk.org, e-mail: info@era-org.uk

RESERVE POLICY

The Trustees have agreed to designate a total of £34,236 for specific projects and funding contingency for the financial year 2010/11.

ACKNOWLEDGEMENTS

The Board of Trustees gratefully acknowledges all financial donations, the tireless efforts of the sponsored runners, numerous businesses that raised funds by displaying ERA-UK charity boxes in their shops and general support shown by all who care for the welfare of Eritrea without whom we could not provide the services that we do.

Additionally, ERA (UK) is grateful for the following benefits in kind it received during this period:

- Rent-free occupancy of its office during this period. The benefactors, Ecommerce International Ltd., have also covered utilities including light, heating, council tax, security and insurance.

- The Accounts Report was independently examined by Mr. Fitsum Michael, BA, FCCA, MBA, for which he has made no charge.
- Mr. Tekle Tesfazion Fisehaye a Member of Accountant Technicians has kindly worked out the accounts for inspection by our external assessor/reporting accountant.

RISK MANAGEMENT

The Trustees have reviewed the major risks to which the charity organisation may be exposed and have taken the necessary steps to mitigate such eventualities.

STATEMENT OF TRUSTEE RESPONSIBILITIES

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 charity and of the profit and loss of the charity for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently,
- Make judgments and estimates that are reasonable and prudent,
- State whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards, subject to any material departures and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping appropriate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985.

The Trustees are also responsible for safe-guarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACCOUNTANT

Mr. Fitsum F Michael was appointed as the reporting accountant in accordance with Section 385 of the Companies Act 1985. Mr. Michael is fellow member of the Association of Chartered Certified Accountants and held senior offices at global accountancy practices and financial service organisations. No fee was charged by Mr. Michael for conducting the independent examination and reporting on the accounts.

This report is approved on behalf of the Trustees on 7th November 2011 in accordance to the Special Exemptions available to small companies conferred in Part II of Schedule 8 of the Companies Act 1985.

Seble Ephrem
Chairman

To The Members of Eritrean Relief Association (UK)

We report on the accounts for the year ended March 31, 2011 set out on pages 6-9

Respective responsibilities of the directors and reporting accountant

As described on page 1 the charitable company's directors and trustees are responsible for the preparation of the accounts. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the charitable company, and making such limited enquiries of the officers of the charitable company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i. the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - ii. the charitable company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(5) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)

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Date.....

Fitsum F Michael BA FCCA MBA

14 Bushfield Close

Edgware, Middlesex HA8 8XT

Reporting Accountant (2011)

Eritrean Relief Association (UK)
Statement of Financial Activities for the year ended 31 March 2011

	2010/2011		2009/2010	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£
Incoming Resources				
Donations	2,811	17,746	20,557	13,843
Donations in Kind (Office rent)		4,000	4,000	4,000
Bank interest	19	0	19	26
Other income	<u>13</u>	<u>0</u>	<u>13</u>	<u>0</u>
Total incoming resources	<u>2,843</u>	<u>21,746</u>	<u>24,589</u>	<u>17,869</u>
Resources expended				
Medical equipment & supplies	0	0	0	1,532
HIV project supplies		1,422	1,422	16,059
Autism project materials		1,839	1,839	0
Telephone & broadband	664	0	664	640
Fundraising & Publicity	4,577	0	4,577	1,214
Cargo & freight		876	876	2,729
Postage & admin. expenses	101		101	383
Bank charges	0	0	0	37
Membership & subscriptions	44	0	44	12
Rents and rates	<u>0</u>	<u>4,035</u>	<u>4,035</u>	<u>4,000</u>
Total resources expended	<u>5,386</u>	<u>8,172</u>	<u>13,588</u>	<u>26,606</u>
Net movement in the year			11,031	-8,737
Total funds brought forward			<u>27,549</u>	<u>36,286</u>
Total funds carried forward			<u>38,580</u>	<u>27,549</u>

Summary Income and Expenditure Account
For the year ended 31 March 2011

	2010/2011	2009/2010
	£	£
Gross income of continuing activities	24,589	21,952
Total expenditure of continuing operations	<u>13,558</u>	<u>19,402</u>
Net income/expenditure for the year	<u>11,031</u>	<u>2,550</u>

Eritrean Relief Association (UK)
Balance Sheet
as at 31st March 2011

	Notes	2010/2011 £	2009/2010 £
Current Asset			
Debtors & prepayments		353	346
Bank accounts		38,583	27,572
Petty cash		<u>29</u>	<u>16</u>
		<u>38,965</u>	<u>27,934</u>
Current Liabilities			
Accruals		<u>385</u>	<u>385</u>
Net current assets		<u>38,580</u>	<u>27,549</u>
Total Assets less current liabilities		<u>38,580</u>	<u>27,549</u>
 Funds			
Designated/restricted funds	2	34,236	20,662
Unrestricted funds		<u>4,344</u>	<u>6,887</u>
		<u>38,580</u>	<u>27,549</u>

The directors have:

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(2) [partial exemption]
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
- d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company

Approved by the Board of Trustees on:
and signed on its behalf by:

The notes on the following pages form part of this account

Eritrean Relief Association (U.K.)
Notes to the accounts for the year ended 31 March 2011

1. Accounting policies

a) Basis of accounting

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities (the Charities SORP") as revised in October 2000

b) Grants

Grants are recognised in the Statement of Financial Activities (SOFA) on an accruals basis following the satisfaction of any pre-conditions

c) Donations, fundraising and gifts

Donations, gifts and fund raising are recognised in the accounts on a received basis. Gifts in kind are valued at their value to the charitable company

d) Other income

Sundry income is recognised in the financial statements when receivable

e) Expenditure

Expenditure on Overseas projects is recognised at the time of payment
All other expenditure is recognised on an accruals basis

f) Taxation

No provision for taxation is included in the accounts as the charitable company is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988 fittings which exceed £100 are capitalised

g) Cashflow

The charitable company qualifies as a small company and therefore in accordance with FRS1, no cashflow statement is required

2 Restricted & designated funds

The restricted fund of the charitable company was income from a sponsorship run and other specific fund raising events The funds are being used to support HIV and children programme including children with learning disability such as autism spectrum and include the provision of infant and toddlers powdered milk, videos and easy read books

The income fund of the charitable company includes the following which have been set aside by the Board of Trustees out of unrestricted and restricted funds:

	Designated funds b/w on 01/05/2010	Incoming resources	Expensed	Re- designated	Transfer	Balance 31/04/2011
Projects' funds	11,663.00	3,687.00	-3,296		2,543	14,597.00
Funding contingency	<u>8,999.00</u>	<u>20,902.00</u>	<u>-10,262</u>	0	<u>0</u>	19,639.00
Total	<u>20,662.00</u>	<u>24,589.00</u>	<u>-13,558</u>	0	<u>0.00</u>	<u>34,236.00</u>

The projects' fund is to provide health, nutrition and food products for young children born by HIV positive mothers and teaching materials for disabled children

The funding contingency is to cover the ongoing expenses that are essential to the continued operation of the charity including fundraising activities

4. Members of the Board of Trustees Remuneration and Expenses

None of the members of the Board of Trustees were remunerated directly or indirectly, some members of the Board of Trustees has claimed expenses

5. Contingencies and Contractual commitments

In the opinion of the members of the Board of Trustees at 31.3.2011 there were no contingent liabilities and no contractual commitments (2010 nil)