

# **Izod Bassett** *Chartered Accountants*

105 High Street, Needham Market, Suffolk IP6 8DQ

**GROW PEACE**

**(a company limited by guarantee)**

**Report and Financial Statements**

**for the year ended 31 March 2017**



Charity Number: 1091687

Company registration number: 3902612

**GROW PEACE**  
**(A company limited by guarantee)**

**Annual report and financial statements for the year ended 31 March 2017**

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**GROW PEACE**  
(A company limited by guarantee)

**Legal and Administrative information**

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**Trustees**

J Bolnick  
Z G Mazvimavi  
AM Smyth  
PJ Smyth  
DR Warren

**Secretary and registered office**

DR Warren  
27 Lower Brook Street  
Ipswich  
Suffolk  
IP4 1AQ

**Registered charity number**

1091687

**Company number**

3902612

**Independent Examiners**

Izod Bassett  
105 High Street  
Needham Market  
IP6 8DQ

**Bankers**

Barclays Bank plc  
1 Princes Street  
Ipswich  
Suffolk  
IP1 1PB

**Solicitors**

Bates, Wells & Braithwaite  
29 Lower Brook Street  
Ipswich  
Suffolk  
IP4 1AQ

**GROW PEACE**  
**(A company limited by guarantee)**

**Report of the trustees for the year ended 31 March 2017**

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**Structure, Governance and Management**

***Governing document***

The charity is constituted as a company limited by guarantee, and was incorporated under the Companies Act 2006. It is governed by the terms of the Memorandum and Articles adopted on 17 March 2003. It has no share capital and in the event of liquidation the liability of the members is limited to £1 each. The company is registered as a charity by the Charity Commission, under registration number 1091687.

***Appointment, induction and training of trustees***

The overall governance and financial responsibility is vested in the trustees, as set out on page 1. The trustees are also directors of the charity for the purposes of company law. Further trustees may be appointed at any time, at the discretion of the trustees.

The majority of the current trustees have been involved with the organisation since it was established and are familiar with the practical work of the charity. New trustees are invited to a meeting with the Chairman and, at which details of the charity and the context within which it operates are provided, including:

- The obligations of the trustees;
- The operational framework of the charity including the Memorandum and Articles of Association;
- Resourcing and the current financial position including the latest published and management accounts;
- Future plans and objectives.

***Risk Management***

The trustees have identified the major risks facing the charity and have assessed their potential impact. Appropriate systems have been established to monitor and mitigate these risks.

***Organisational structure***

The trustee board comprises of a minimum of 3 members who meet annually and are responsible for the strategic direction and policy of the charity. At present the board has 5 members from a variety of backgrounds relevant to the work of the charity. The trustees have sole discretion over the award of grants from the charity's funds.

The charity's grant programme and fund-raising operation is managed and administered in South Africa.

**Objectives and activities**

The company's principal activity and charitable objectives are:

- to advance the interests of poor rural children; and
- to relieve poverty, distress, suffering, and illness in any part of the world and in particular among women who are homeless or landless; and
- advance education concerning the development of effective pooling of resources, the improvement of living conditions and self-reliance and to encourage and assist in the exchange of ideas and information.

In shaping our objectives for the year and planning our activities, the trustees considered the Charity Commission's guidance on public benefit.

**GROW PEACE**  
(A company limited by guarantee)

**Report of the trustees for the year ended 31 March 2017 (Continued)**

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**Achievements and performance**

The charity started operations in 2003/04, and subsequently has made a significant investment in a direct fund-raising programme in order to raise the funds needed to meet the requirements of projects planned for future years.

The charity's main source of income is public donations which have funded grants to social welfare and development projects in South Africa during the year totalling £91,235. In particular Grow Peace supports the Goedgedacht Trust, a South African charity which runs a number of self-sustainable community development programmes, including those aimed at the relief of poverty amongst children and young people in rural areas.

**Financial Review**

The charity's income continues to reflect the impact on fundraising of the current economic climate. The investment in the direct fund-raising programme has to date been funded by loans or grants from various organisations including Shackdwellers International. These organisations intend to continue to support the charity's cause and have provided the funding on flexible repayment terms conditional upon sufficient funds being raised.

The deficit on unrestricted funds for the year of £8,939 has reduced the charity's reserves, which at 31 March 2017 are £19,711. The trustees aim is to build reserves sufficient to meet the charity's annual running costs. The surplus on restricted funds of £10,697 reflects income to be expended in future periods.

**Plans for future periods**

Grow Peace will continue to support social welfare and development projects which meet its grant criteria and to explore ways of innovating and improving the effectiveness of its fundraising.

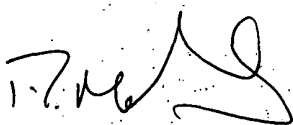
**Responsibilities of the trustees**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Approved by the trustees on 20 December 2017 and signed on their behalf by**



**A M Smyth**  
Trustee

**GROW PEACE**  
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**Independent Examiner's Report to the trustees of Grow Peace**

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I report on the accounts of Grow Peace for the year ended 31 March 2017, which are set out on pages 5 to 10.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes 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 Charity's Act 2011 (the 2011 Act) and that an independent examination is needed.

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.
- to follow the procedures laid down in the general Direction given by the Charity Commission under section 145(5) (b) of the 2011 Act.
- to state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. 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 our examination, no matter has come to our 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 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting requirements of the section 396 of the Companies Act 2006 and with the methods and principles of Statement of Recommended Practice: Accounting and Reporting by Charitieshave 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.



**C L Bassett FCA, DChA**  
**IZOD BASSETT**  
Chartered Accountants  
105 High Street, Needham Market, Suffolk IP6 8DQ

20 December 2017

**GROW PEACE**  
(A company limited by guarantee)

**Statement of financial activities (incorporating Income and Expenditure Account)  
for the year ended 31 March 2017**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £ (note 2)
<b>Income from:</b>					
Donations and gifts		64,984	88,091	153,075	128,545
Investment income – interest receivable		1,457	-	1,457	1,096
<b>Total income</b>		<b>66,441</b>	<b>88,091</b>	<b>154,532</b>	<b>129,641</b>
<b>Expenditure on:</b>					
Raising funds	3	41,021	-	41,021	34,170
Charitable activities	4	48,189	78,153	126,342	102,643
		<b>89,210</b>	<b>78,153</b>	<b>167,363</b>	<b>136,813</b>
<b>Net income resources for the year</b>		<b>(22,769)</b>	<b>9,938</b>	<b>(12,831)</b>	<b>(7,172)</b>
<b>Other recognised gains and losses</b>					
Currency translation differences on foreign currency assets and transactions in year		13,830	759	14,589	(7,276)
<b>Net movement in funds</b>		<b>(8,939)</b>	<b>10,697</b>	<b>1,758</b>	<b>(14,448)</b>
<b>Total funds brought forward</b>		<b>28,650</b>	<b>2,951</b>	<b>31,601</b>	<b>46,049</b>
<b>Total funds carried forward</b>		<b>19,711</b>	<b>13,648</b>	<b>33,359</b>	<b>31,601</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. An analysis by fund of the comparative figures for 2016 is shown in note 2.

**GROW PEACE**  
(A company limited by guarantee)

**Balance sheet at 31 March 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors	6	24,359	1,364
Cash at bank and in hand		70,251	30,484
		<u>94,610</u>	<u>31,848</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(61,251)</u>	<u>(247)</u>
<b>Net assets</b>		<u>33,359</u>	<u>31,601</u>
<b>Funds</b>			
Unrestricted		19,711	28,650
Restricted	8	<u>13,648</u>	<u>2,951</u>
<b>Total funds</b>		<u>33,359</u>	<u>31,601</u>

In approving these financial statements as directors 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 requesting that an audit be conducted for the year ended 31 March 2017 and

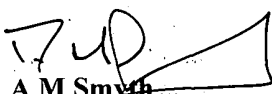
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 386, 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 or loss for the year then ended in accordance with the requirements of Section 394 and 395 which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**These financial statements were approved by the trustees on 20 December 2017 and signed on their behalf by**

  
A M Smyth  
Trustee

The notes on pages 7 to 10 form part of these financial statements.

**GROW PEACE**  
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**Notes forming part of the financial statements for the year ended 31 March 2017**

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**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements:

*Basis of Accounting*

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

*Foreign currencies*

The assets and liabilities and income and expenditure arising in South Africa are accounted for as a foreign branch and are translated at the closing exchange rate. Exchange differences arising on the retranslation of the opening net assets for consolidation purposes are included in the Statement of Financial Activities as Other recognised gains and losses.

The exchange rates used in these financial statements are as follows:

31 March 2016: £1 = ZAR 21.16

31 March 2017: £1 = ZAR 16.83

*Recognition of incoming resources*

Donations and other income receivable are recognised in the period in which the charity has reasonable assurance of receipt. In most circumstances this will coincide with the actual receipt of the funds. Donations and gifts from UK donors are shown inclusive of tax rebates received under the Gift Aid scheme.

Legacies and donations received other than in cash are valued at the amount actually realised, or otherwise at estimated realisable value. Where donors specify a particular use for funds these are shown as restricted funds.

*Recognition of grants payable and commitments*

Grants are recognised as payable at the point at which the charity has undertaken an obligation to make payment out of existing funds. Where commitments are made which are to be funded from future income, recognition is deferred to match the period in which such income arises.

*Support costs*

Support costs which specifically relate to direct charitable expenditure or fundraising activities are included under those headings.

**GROW PEACE**  
**(A company limited by guarantee)**

**Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)**

**1 Accounting policies (Continued)**

*Funds and Reserves*

General unrestricted funds comprise accumulated surplus and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the company's general charitable objectives.

Restricted funds are created when grants or donations are made for a particular purpose or project, the use of which is restricted to that purpose. Annual surpluses relating to that project or purpose are added to the relevant restricted fund and carried forward for future use.

*Financial instruments*

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Taxation*

The charitable activities of Grow Peace are exempt from corporation taxes in the UK and South Africa. The charity has no trading activities which would be subject to corporation tax.

**2 Statement of financial activities for the year ended 31 March 2016**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Income from:</b>			
Donations and gifts	63,567	64,978	128,545
Investment income – interest receivable	1,096	-	1,096
<b>Total income</b>	<b>64,663</b>	<b>64,978</b>	<b>129,641</b>
<b>Expenditure on:</b>			
Raising funds	33,516	654	34,170
Charitable activities	34,853	67,790	102,643
	68,369	68,444	136,813
<b>Net income resources for the year</b>	<b>(3,706)</b>	<b>(3,466)</b>	<b>(7,172)</b>
<b>Other recognised gains and losses</b>			
Currency translation differences on foreign currency assets and transactions in year	(6,161)	(1,115)	(7,276)
<b>Net movement in funds</b>	<b>(9,867)</b>	<b>(4,581)</b>	<b>(14,448)</b>
Total funds brought forward	38,517	7,532	46,049
Total funds carried forward	28,650	2,951	31,601

**GROW PEACE**  
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Notes forming part of the financial statements for the year ended 31 March 2017 (*Continued*)

**3 Raising funds**

	2017 £	2016 £
Direct mailing costs	38,603	20,970
Mail handling charges and fees	-	10,845
Printing and stationary	2,418	1,701
Fundraising costs	-	654
	<u>41,021</u>	<u>34,170</u>

**4 Charitable activities**

	2017 £	2016 £
<b>Grants payable:</b>		
Goedgedacht Trust projects	76,535	62,182
Other social welfare projects	14,700	10,457
	<u>91,235</u>	<u>72,639</u>
<b>Support costs (note 5)</b>	<u>35,107</u>	<u>30,004</u>
	<u>126,342</u>	<u>102,643</u>

**5 Support costs**

	2017 £	2016 £
<i>Staff costs</i>		
Wages and salaries	22,072	21,507
<i>Office expenses</i>		
Computer costs, rent, telephone, postage, stationery and bank charges	8,971	6,392
Independent examination and accountancy fees	4,064	2,105
	<u>35,107</u>	<u>30,004</u>

The average number of employees during the year was 2 (2016: 2). No employees had emoluments in excess of £60,000 (2016: nil).

The key management personnel of the charity comprise the trustees as listed on page 1. The trustees neither received nor waived any remuneration during the year (2016: £nil). No member of the Board of Trustees has received any reimbursement of expenses from the charity during the year either directly or indirectly.

**GROW PEACE**  
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Notes forming part of the financial statements for the year ended 31 March 2017 (Continued)

**6 Debtors**

	2017 £	2016 £
Loan to Goedgedacht Trust	23,768	-
Gift aid tax recoverable	512	925
Other debtors	-	329
Accrued income	79	110
	<u>24,359</u>	<u>1,364</u>

The above loan is unsecured, interest free and has no fixed terms of repayment.

**7 Creditors: amounts falling due within one year**

	2017 £	2016 £
Loan from Shackdwellers Trust	28,284	-
Accounts payable	33,508	-
Accruals	-	247
	<u>61,251</u>	<u>247</u>

The above loan is unsecured, interest free and has no fixed terms of repayment.

**8 Restricted funds**

	Balance at 1 April 2016 £	Income £	Expenditure £	Exchange gains £	Balance at 31 March 2017 £
Goedgedacht Trust	1,510	86,893	(76,534)	389	12,258
Other social welfare projects	1,441	1,198	(1,619)	370	1,390
	<u>2,951</u>	<u>88,091</u>	<u>(78,153)</u>	<u>759</u>	<u>13,648</u>

**Fund purposes:**

The Goedgedacht Trust fund relates to donations received for various social welfare and development projects carried out by this South African charity.

**9 Related party transactions**

The charity received a loan during the year from Shackdwellers International (SDI), a community based organisation in South Africa. Mr J Bolnick, a trustee, is co-founder of SDI and manager of the secretariat.