Abaana Ministries

Trustees' Report and Financial Statements

31 December 2017

Company No: NI 33513

Trustees
Daniel Allen
Sally Baxter
Colin Caughey
Noel Gordon
Mark Kelly (resigned 17 Oct-17)
David Manning
Archie McAvoy MBE (resigned 7 Nov-17)
Sharon Slack
Jonathan Young

Chair
Sharon Slack

Secretary
Scott Baxter

CEO
Scott Baxter

Auditors
PKF FPM Accountants Limited
1-3 Arthur Street
Belfast
BT1 4GA

Bankers
First Trust Bank
85 Main Street
Bangor BT20 4BA

Registered Office
78 High Street
Bangor
Co Down BT20 5AZ

HMRC Charity Registration Number
XR 23866

Charity Commission for Northern Ireland Registration Number
102174

Trustees' report

For year ended 31 December 2017

The Trustees present their report and the audited financial statements for the year ending 31 December 2017 which have also been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with charity and company law, the Memorandum and Articles of Association and 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).

Chair's report

2017 has been a very significant year in Abaana's development. As a Board, we have continued to provide strategic direction to and good governance for Abaana. Abaana's programmes of Child Sponsorship and Street Reach (working with children 'living rough' on the streets of Kampala), have continued to grow and during the year we welcomed a further 6 former 'street boys' into our New Life Children's Home. 2017 saw the arrival of the Abaana New Life Children's Choir from Uganda for a four-month tour of the UK and Ireland. 20 children drawn from across the 13 Abaana projects in Uganda made up the Choir and accompanied by their chaperones, travelled over 5,000 miles during the course of the Tour. As a direct consequence of the Tour, some 500 new children in Uganda were sponsored to receive an education.

As a Board, we continue to recognise the enormous contribution to the work of Abaana made by staff, volunteers and supporters across the UK and wider afield, as together we seek to bring hope to children living in poverty in Uganda.

Purposes and activities

Abaana Ministries' principal activity, as set out in The Memorandum of Association is the relief of poverty in the African continent, and the relief of those in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantage and to educate the general public regarding poverty and the spiritual needs of these people and the advancement of the Christian faith. This is mainly achieved through building schools, sponsoring children through education, providing shelter and accommodation to street children, providing food and basic medical care to children living on the streets, providing clean water supplies by building wells / installing pumps and supporting farming and microfinance projects.

The overall vision of Abaana is to see the children of Africa have their needs met, their rights upheld and their hopes fulfilled.

In shaping the objectives for the year and planning our activities the Trustees have considered a number of key components, namely the financial resources available, prioritised projects in Uganda and the on-going needs of existing key programmes.

The strategies employed to achieve the charity's aims and objectives include regular production of management accounting information, oversight by Trustees of key deliverables and progress made, a detailed Grant Agreement process for funded programmes and post-project delivery review.

Role of volunteers

The financial statements set out the results for the year but do not reflect the very considerable and vital support given to Abaana by volunteers. Locally, volunteers help to run our charity shop, fundraise and prepare mail outs. Overseas, they made up the teams in Uganda, carrying out building and other work on our projects.

Trustees' report

For year ended 31 December 2017

Achievements and performance
Review of activities:

Raising of support
Abaana has continued to carry out presentations to raise awareness of its activities, in schools, Churches and clubs. The database of supporters is in the region of eight thousand. Throughout 2017, there were a range of fundraising activities including cinema nights and the annual Challenge 48 sponsored fasts and sleepouts.

The Mysponsorship website continues to be an excellent resource for child sponsors, where sponsors can login, download letters from their children, email and forward photos to sponsor children, access resources, manage their contact details, and review their payment history, among other things.

The shop continues to raise support for Abaana and provides a sustainable income.

Summary of Projects in 2017

- Building of Teacher's Accommodation at Ayila Primary School
- Installation of Room Dividers at Coo-rom Primary School
- Construction of New Toilet Block at New Life Homes
- Installation of playgrounds at Andrew McAvoy, Ayila and Coo-rom Primary School.
- Construction of latrines at Busia Primary School
- Resources for schools; books and teaching resources

Support of Schools
Some 4,000 children attend the 13 Abaana supported primary schools. The main source of income for these schools is from sponsored kids, with an estimated 3 children paying lower subsidised rates for every 1 child we sponsor at the school. The sponsorship provides an assured income for the schools to pay teachers and run the school.

Child Sponsorship
Some 1,600 children were supported in 2017. The children attend the 13 Abaana primary schools or various other secondary or vocational schools. In addition to school fees, Abaana supports these children by providing school requirements (e.g. uniforms and stationery) and other benefits, such as basic medical treatment and other programs.

Improvements at schools
Abaana is always looking to see how we best improve and enhance the school environment and in 2017 playground facilities were provided at three primary schools.

New Life Homes Project and Street Reach
Abaana continues to fund The New Life Homes, where currently 28 boys, who previously lived on the streets now live in a secure and caring environment. These homes are transitional rehabilitation homes and so far, 37 boys have been successfully and permanently resettled back with their families. Abaana continues to support them in their education and any medical needs which arise. There was a new intake of 6 boys in 2017.

Abaana also partners with organisations working with children on the streets, including, Heroes and Frontline.

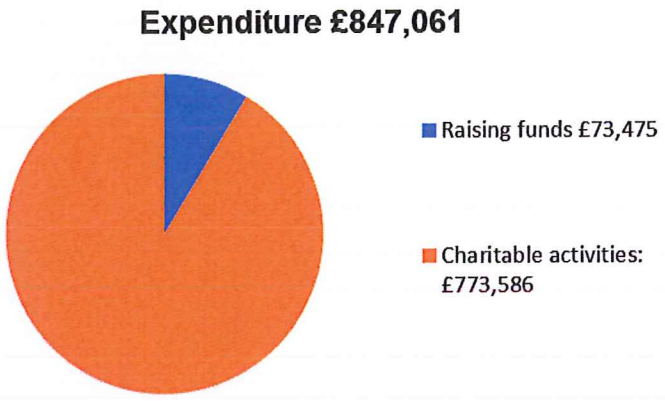
Trustees' report

For year ended 31 December 2017

Financial review

Income and expenditure

Income for the year increased to £981,744 (2016: £623,312). Total expenditure increased to £847,061 (2016: £591,769) and gross expenditure on Charitable Activities increased to £773,586 (2016: £521,947). The amount of money spent on charitable activities represented 91.3% (2016: 88.20%) of total expenditure.



Expenditure on charitable activities includes governance costs of £7,776 (2016: £8,462).

Overall there was a net incoming resource of £134,683 for the year (2016: net incoming resource £31,543). All restricted funds held by Abaana are spent on Charitable activities to benefit children in Africa and where the funding is collected over more than one accounting year; individual funds will often show a surplus at the year end and the subsequent year show a deficit. The net position for each specific fund across multiple accounting periods will be zero. (i.e., any deficit is met from accumulated fund balances).

Detailed day to day management of the charity endeavours to keep the costs as low as possible without compromising the output and quality of the activities.

Investment powers and policy

The Trustees, having regard to the liquidity requirements of the charity have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit, which matches or exceeds inflation as measured by the retail price index.

Reserves

The Board of Trustees reviews the reserves annually. There are two categories of reserves: restricted and unrestricted funds.

Restricted funds are funds subject to specific conditions imposed by donors. At the end of the year the total restricted funds were £163,937 (2016: £125,381).

Unrestricted funds at year end were £286,632 (2016: £190,505). Designated funds (included within unrestricted funds) were £185,512 (2016: £104,426). Included within designated funds is an earmarked amount of £80,000 (2016: £76,000) which covers approximately 5 months (2016: 5 months) running costs.

Plans for future periods

In 2018, Abaana plans to send 8 teams to Uganda to work on specific projects at schools, our New Life Homes and with children living rough on the streets of Kampala.

Trustees' report

For year ended 31 December 2017

Organisational development
The application of robust and effective IT and financial systems provide an essential framework for the professional operation of the organisation.

Performance Management training has been developed for each employee of Abaana to ensure that the operational structure results in an efficient and effective organisation.

Trustees
The Trustees who served during the year and since the year end are listed on page 1.

Structure, Governance and Management

Governing Document
Abaana Ministries is a company limited by guarantee governed by its Memorandum and Articles of Association dated 16 January 1998 and updated on 17 June 2015.

Appointment of Trustees
Abaana has a policy of developing its Board membership to ensure a wide range of professional expertise. Where potential candidates for Board membership are identified, informal discussions are held with the Chairperson, followed by attendance in an observer capacity at several Board meetings. If appointment is subsequently recommended by the existing Trustees, the candidate is formally invited to join the Board.

Trustee induction and training
Through membership of the Board, Trustees have oversight and develop their knowledge of all of Abaana's key activities. Trustees also meet several times a year with Abaana staff. Training for Trustees is sourced as required.

Organisation
The Board of Trustees is continuing to enhance its ways of working, to best fit the charity as it continues to operate in a challenging economy. The overall range of key skills available to the Charity through its Trustees will help to further develop the overall governance and management of the charity.

Relationship with other charities
A separate company exists in Uganda – 'Abaana Ministries, Uganda'. This company, registered in Uganda is governed by a Board of Directors. The Board is made up of local professionals. Scott Baxter (Abaana Ministries Northern Ireland CEO and Company Secretary) also sits on the Board as the 'International Director'.

Abaana Ministries Uganda receives its funding from Abaana Ministries, Northern Ireland and carries out the various project activities and expenditure in line with formal agreements authorised by Scott Baxter as the CEO of Abaana Ministries, Northern Ireland.

The Board of Directors and management of Abaana Ministries, Uganda continue to report on a regular basis, to Scott Baxter, the Northern Ireland CEO on all its operational and financial activities. The CEO aims to visit the Ugandan operations at least twice each year, to review the physical projects which have been funded by Northern Ireland, as well as meeting with the Board of Directors to monitor and make decisions regarding the general day to day running of the company.

Abaana Ministries also has a close relationship with Fields of Life, a charity which shares Abaana Ministries' passion for Africa — some of Abaana Ministries' earliest child sponsorships continue to be administered by Fields of Life.

Pay policy for senior staff
The Board of directors, who are the Charity's Trustees, have overall oversight of the activities of the charity. This includes responsibility for considering, and where relevant, approving any pay

Trustees' report

For year ended 31 December 2017

increases for all staff. Senior staff comprises the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All staff posts are based on NJC pay scales. All directors give of their time freely and no director received remuneration during the year.

Details of directors' expenses and related party transactions are disclosed in note 9 to the accounts.

Risk Management

The Board of Trustees has overall responsibility for Abaana Ministries' system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or fraud. The key controls used by the charity include:

- Formal agendas for Board meetings and minutes taken;
- Regular Board meetings;
- Strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Formal grant agreements.

Abaana maintains a detailed Risk Register, which outlines the key risks to the organisation and specific actions identified to mitigate those risks. The risk register is subject to annual review by the Board of Trustees and more frequently, if required. Key risks identified (together with mitigation measures) include:

- Reputational damage due to project failure (full technical/financial assessments pre-project; full post completion review);
- Loss of income due to economic climate (focus on key fundraising activities);
- Interruption of activities (data backed up using Cloud technology; adequate insurance provision; building security);
- Death/serious injury of team member in Africa (risk assessments for teams; training of staff, team leaders/members; adequate insurance provision).

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also the directors of Abaana Ministries for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of its financial position at the end of that period. In preparing these financial statements, the Trustees are required to:

(1) select suitable accounting policies and apply them consistently;
(2) make judgments and estimates that are reasonable and prudent;
(3) state whether applicable accounting standards have been followed subject to any departures disclosed and explained in the financial statements; and
(4) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper 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

Trustees' report

For year ended 31 December 2017

2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the organisation's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the organisation's auditor that they ought to have individually made, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

PKF-FPM Accountants Limited have expressed their willingness to continue in office as auditors.

Approval

This report was approved by the Trustees and signed on their behalf.

18/6/18

Sharon Slack Date
Chair

Independent auditors' report

To the members of Abaana Ministries
For the year ended 31 December 2017

Opinion

We have audited the accounts of Abaana Ministries (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the cash flow statement and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent auditors' report

To the members of Abaana Ministries
For the year ended 31 December 2017

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees Report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditors' report

To the members of Abaana Ministries
For the year ended 31 December 2017

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

JL Grant

JL Grant (Senior Statutory Auditor)

For and on behalf of
PKF-FPM Accountants Ltd
Chartered Accountants and Statutory Auditor
Unit 1, Building 10
Central Park
Mallusk
BT36 4FS

Date: 21/6/18

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

for the year ended 31 December 2017

	Note	*Unrestricted* £	*Restricted* £	*Total 2017* £	*Total 2016* £
Income:					
Donations and legacies	4	310,017	647,914	957,931	599,155
Income from other trading activities:					
Shop Income		23,569	-	23,569	23,240
Investment income	5	244	-	244	917
Total income		333,830	647,914	981,744	623,312
Expenditure:					
Costs of raising funds	6	71,902	1,573	73,475	69,822
Expenditure on charitable activities	7	110,520	663,066	773,586	521,947
Total expenditure		182,422	664,639	847,061	591,769
Net income (expenditure) for the year before transfers		151,408	(16,725)	134,683	31,543
Transfers between funds	16	(55,281)	55,281	-	-
Net movement in funds		96,127	38,556	134,683	31,543
Reconciliation of funds					
Total funds brought forward		190,505	125,381	315,886	284,434
Total funds carried forward	16	286,632	163,937	450,569	315,886

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities

The notes on pages 13 to 22 form an integral part of these financial statements.

Balance sheet

at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	116,860	120,563
Current assets			
Debtors	13	67,338	77,540
Cash at bank and in hand		415,097	262,082
		482,435	339,622
Creditors: amounts falling due within one year	14	(125,083)	(106,579)
Net current assets		357,352	233,043
Total assets less current liabilities		474,212	353,606
Creditors: amounts falling due after more than one year	15	(23,643)	(37,720)
Net assets		**450,569**	**315,886**
The funds of the charity:			
Unrestricted funds	16	286,632	190,505
Restricted funds	16	163,937	125,381
Total charity funds		**450,569**	**315,886**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 13 to 22 form an integral part of these financial statements.

The financial statements were approved by the Board and signed on its behalf:

Sharon Slack Date 18/6/18
Chair on behalf of the Trustees
Company No: NI 33513

Statement of cashflows

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Cash received in operating activities	19	167,166	5,949
Cash flows from investing activities			
Interest received		244	917
Payments to acquire tangible fixed assets		-	(4,400)
Net cash flow from investing activities		244	(3,483)
Cash flows from financing activities			
Interest paid		(580)	(840)
Repayment of long term loans		(13,816)	(13,556)
Net cash flow from financing activities		(14,396)	(14,396)
Increase (decrease) in cash and cash equivalents in the year		153,015	(11,930)
Cash and cash equivalents at beginning of year		262,082	274,012
Cash and cash equivalents at end of year		**415,097**	**262,082**

Notes to the financial statements

For the year ended 31 December 2017

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(i) Basis of Accounting

The 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.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(ii) Income

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds;
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- There is sufficient certainty that receipt of the income is considered probable; and
- The amount can be measured reliably.

(iii) Donated goods and services

Clothing and other items donated for resale through the charity's shop or for distribution as part of a charitable activity are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Refer to the Trustees' annual report for more information about their contribution.

(iv) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(v) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the objectives of the charity.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

General funds may be transferred to designated funds where Trustees wish to use these funds for a specific purpose. Such funds may be transferred back to general funds once the criteria for the designation have been met or are no longer applicable.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of the appeal.

(vi) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Notes to the financial statements

For the year ended 31 December 2017

- Costs of raising funds comprise the costs of operating the charity's shop, promotional and event costs along with the associated support costs;
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(vii) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

(viii) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Land and buildings	2% straight line
Equipment, furniture and fittings	25% straight line
Motor Vehicles	25% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(ix) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking account of any discounts due.

(x) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(xi) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(xii) Financial instruments

The charity only has financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are normally initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

(xiii) Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

(xiv) Taxation

The company is a registered charity and the charitable tax exemptions are therefore being claimed to the extent that income and/or gains are applicable and applied to charitable purposes only. These exemptions will remain in place as long as income and expenditure is applied to charitable purposes only.

Notes to the financial statements

For the year ended 31 December 2017

2. Status

The company has obtained charitable status with HMRC, reference number XR 23866 and is limited by guarantee not having a share capital. The company is also registered with the Charity Commission for Northern Ireland, reference number 102174.

3. Net income (expenditure) for the year

	2017	*2016*
This is stated after charging:	£	£
Depreciation	3,703	3,830
Auditors' remuneration	2,880	2,400
and after crediting:		
Interest receivable	244	917

4. Income from donations and legacies

	Unrestricted	*Restricted*	*Total 2017*	*Total 2016*
	£	£	£	£
Donations and appeals	134,607	410,006	544,613	423,410
Groups and corporate funding	20,825	94,141	114,966	11,601
Africa teams	11,127	135,405	146,532	87,207
Choir	135,916	4,982	140,898	39,904
Other fundraising events	7,244	2,655	9,899	35,288
Other income	298	725	1,023	1,745
Total income from donations and legacies	310,017	647,914	957,931	599,155

Of the £599,155 received by the charity in 2016, £153,228 was unrestricted funds and £445,927 was restricted funds.

There were no specific major donations received during the year.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not measured in the accounts.

5. Investment income

All of the charity's investment income arises from money held in interest bearing deposit accounts.

6. Costs of raising funds

	Note	*Unrestricted*	*Restricted*	*Total 2017*	*Total 2016*
		£	£	£	£
Advertising and promotional material		895	1,448	2,343	2,384
Events		58	-	58	537
Other fundraising costs		1,387	121	1,508	3,714
Shop costs		21,649	-	21,649	19,964
Support costs allocated to shop	8	5,966	2	5,968	8,583
Support costs allocated to raising funds	8	41,947	2	41,949	34,640
Total costs of raising funds		71,902	1,573	73,475	69,822

Notes to the financial statements

For the year ended 31 December 2017

Of the £69,822 paid by the charity in 2016, £66,435 was unrestricted funds and £3,387 was restricted funds.

7. Analysis of expenditure on charitable activities

	Note	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Child sponsorship		-	300,537	300,537	239,819
Educational projects		-	108,786	108,786	8,522
Africa teams		1,737	103,789	105,526	76,313
Children at risk		1,487	65,353	66,840	38,042
Medical projects		-	6,903	6,903	7,073
Choir		-	60,961	60,961	47,818
Other projects		-	16,732	16,732	8,267
Support costs allocated to activities	8	107,296	5	107,301	96,093
Total expenditure on charitable activities		110,520	663,066	773,586	521,947

Of the £521,947 paid by the charity in 2016, £95,837 was unrestricted funds and £426,110 was restricted funds.

8. Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the costs of raising funds and charitable activities undertaken (see notes 6 and 7) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Basis of allocation	Shop £	Raising Funds £	Charitable Activities £	Total 2017 £	Total 2016 £
Premises costs	*Staff time*	453	705	1,488	2,646	3,870
Staff costs	*Staff cost*	765	33,829	82,396	116,990	102,555
General office costs	*Staff time*	4,750	7,415	15,641	27,806	24,429
Audit fees	*Governance*	-	-	3,408	3,408	2,928
Accountancy fees	*Governance*	-	-	4,320	4,320	5,400
Legal and other professional fees	*Governance*	-	-	48	48	134
Total		5,968	41,949	107,301	155,218	139,316

9. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

	2017 £	2016 £
Salary costs	127,763	112,085
Social security costs	5,780	4,135
Pension costs	5,475	4,380
	139,018	120,600

Notes to the financial statements

For the year ended 31 December 2017

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity Trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2016: £nil).

The key management personnel of the charity comprise the Trustees, the Chair, the CEO and the Assistant Director. The total employee benefits of the key management personnel of the Trust were £52,530 (2016: £50,241).

10. Staff numbers

	2017 Number	*2016 Number*
Average monthly number of full time equivalents employed by the company during the year:	7	6

11. Related party transactions

None of the Trustees receive remuneration from the charity. A company of which one of the Trustees is a Director received £6,819 (2016: £2,228) for the supply of mailing and postage services to Abaana during the year. No other Trustee received any other benefit from their work with the charity. Any connection between a Trustee or senior manager of the charity with organisations the charity works with must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party.

A separate company exists in Uganda — 'Abaana Ministries, Uganda'. This company, registered in Uganda is governed by a Committee of Management consisting of local professionals. Scott Baxter (Abaana Ministries Northern Ireland CEO and Company Secretary) also sits on the Committee as the 'International Director'.

Abaana Ministries Uganda receives its funding from Abaana Ministries, Northern Ireland and carries out the various projects' activities and expenditure in line with formal agreements authorised by Scott Baxter as the CEO of Abaana Ministries, Northern Ireland. Funding for projects is forwarded to Abaana Uganda throughout the financial year. Total funding transferred to Abaana Ministries Uganda was £496,811 (2016: £336,883).

Abaana Ministries also has a close relationship with Fields of Life, a charity which shares Abaana Ministries' passion for Africa — some of Abaana Ministries' earliest child sponsorships continue to be administered by Fields of Life. Payments to Fields of Life for these sponsorships amounted to £28,200 (2016: £11,748).

Notes to the financial statements

For the year ended 31 December 2017

12. Tangible fixed assets

	Land and Buildings £	*Equipment Furniture and Fittings* £	*Motor Vehicles* £	*Total* £
Cost				
Balance at 1 January 2017	120,000	17,989	6,800	144,789
Additions	-	-	-	-
Disposals	-	(5,264)	(2,400)	(7,664)
Balance at 31 December 2017	120,000	12,725	4,400	137,125
Accumulated Depreciation				
Balance at 1 January 2017	3,000	17,726	3,500	24,226
Charge for the year	2,400	203	1,100	3,703
Disposals	-	(5,264)	(2,400)	(7,664)
Balance at 31 December 2017	5,400	12,665	2,200	20,265
Net book value at 31 December 2017	114,600	60	2,200	116,860
Net book value at 31 December 2016	117,000	263	3,300	120,563

The property at 78 High Street, Bangor, Co Down, BT20 5AZ, was most recently revalued on 17 September 2015 by Neill Estate Agents, 98-100 High Street, Bangor, BT20 4AG at £120,000.

13. Debtors and prepayments

	2017 £	*2016* £
Other debtors	63,514	47,960
Prepayments	3,824	29,580
	67,338	77,540

14. Creditors: amounts falling due within one year

	2017 £	*2016* £
Mortgage	13,816	13,555
Other accruals	111,267	93,024
	125,083	106,579

The mortgage is secured by way of a charge over the property at 78 High Street, Bangor, Co Down, BT20 5AZ.

Notes to the financial statements

For the year ended 31 December 2017

15. Creditors: amounts falling due after more than one year

	2017 £	*2016* £
Mortgage	23,643	37,720
	23,643	37,720

The total balance outstanding on the mortgage at 31 December 2017 was £37,459 (2016: £51,275) and is due to be repaid by October 2026. At current rates of repayment, the balance may be repaid by 2020.

16. Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance at 31/12/16 £	*Incoming Funds* £	*Amounts Expended* £	*Transfers In* £	*Transfers Out* £	*Balance at 31/12/17* £
Cards	-	257	-	-	(257)	-
Challenge 48 2015	1,888	(1,888)	-	-	-	-
Challenge 48 2016	1,272	(699)	-	-	(573)	-
Challenge 48 2017	-	7,304	-	-	-	7,304
Choir Tour Income	-	157,650	-	-	(157,650)	-
General fund	82,653	131,318	(157,831)	35,634	-	91,774
Ladies Group	-	929	(43)	-	(886)	-
Partner	-	15,389	-	-	(15,389)	-
Shop	266	23,570	(23,061)	-	(733)	42
Designated funds	104,426	-	(1,487)	112,999	(28,426)	187,512
	190,505	333,830	(182,422)	148,633	(203,914)	286,632

Name of unrestricted Fund	**Description, nature and purposes of fund**
General fund	Free reserves after allowing for all designated funds
Other unrestricted funds	Funds available for use at the discretion of the Trustees
Designated fund	Funds earmarked by the Trustees for the following specific purposes:

	Balance at 31/12/16 £	*Incoming Funds* £	*Amounts Expended* £	*Transfers In* £	*Transfers Out* £	*Balance at 31/12/17* £
Designated funds						
Running costs [1]	76,000	-	-	4,000	-	80,000
C 48 2015	16,988	-	-	-	(16,988)	-
C 48 2016	11,438	-	-	-	(11,438)	-
C 48 joint unrestricted	-	-	(1,487)	28,999	-	27,512
Choir Tour Income [2]	-	-	-	80,000	-	80,000
	104,426	-	(1,487)	112,999	(28,426)	187,512

(1) Running costs: Earmarked amount which covers approximately 5 months running costs.

(2) Choir tour income: Majority of £80,000 balance to be spent on projects in Africa in 2018.

Notes to the financial statements

For the year ended 31 December 2017

Analysis of movements in restricted funds

	Balance at 31/12/16 £	*Incoming Funds* £	*Amounts Expended* £	*Transfers In* £	*Transfers Out* £	*Balance at 31/12/17* £
Adoption Now	1,318	1,211	(1,400)	-	-	1,129
Africa Team General	(47)	(9,966)	(2,315)	12,323	-	(5)
Africa Team Support	-	55	-	-	-	55
Aughnacloy Team 2018	-	3,165	-	-	-	3,165
Aughnacloy Team Project 2016	10,103	-	(3,960)	-	-	6,143
Ayila £5 School	3,608	486	(4,053)	-	-	41
Ballyrashane Team 2018	-	143	(800)	-	-	(657)
BGS Team 2018	-	30,532	(26,200)	-	-	3,932
Bibles (General)	155	-	-	-	-	155
Birthday Fund	-	538	(538)	-	-	-
Building Team 2017	-	15,644	(13,519)	-	(2,125)	-
Building Team Project 2017	-	4,900	(4,900)	-	-	-
Buyobe Primary	550	-	-	-	-	550
Challenge 48 (Jnt)	5,370	-	-	-	(5,370)	-
Chaperone Team 2018	-	96	-	-	-	96
Children at Risk	466	-	-	-	-	466
Choir	(12,473)	10,018	(52,099)	54,554	-	-
Choir 2019	-	942	(88)	-	-	854
Choir Chaps	378	2,568	(3,603)	657	-	-
Choir Farewell Concert	-	2,930	(3,000)	70	-	-
Choir Fun	-	2,275	(2,172)	-	-	103
Christmas Vouchers	507	-	-	-	-	507
Comard Mondello Nursery	300	-	-	-	-	300
Coorom Tekwir	3,337	3,375	(900)	-	-	5,812
CS Sponsorship (regular)	2,608	216,658	(216,707)	-	(2,994)	(435)
CS Sponsorship (special)	15,417	98,604	(78,052)	9,517	(6,499)	38,987
Donated Goods	-	11,125	(11,125)	-	-	-
Drumbo Presbyterian Team	200	-	-	-	-	200
Dwelling Places (Dwellers 2000)	90	155	(245)	-	-	-
Dwelling Places (Sponsors)	204	408	(612)	-	-	-
Exodus Team 2017	-	5,857	(5,841)	-	(16)	-
Exodus Team Project 2017	-	200	(199)	-	(1)	-
foot4africa	2,293	91	-	-	-	2,384
Frontline	3,638	3,765	(5,300)	-	-	2,103
Godfrey Mwesigwa hand	20	-	(442)	422	-	-
Grace Iga Medical School	5,721	535	(6,000)	-	-	256
Gulu Appeal	4,116	536	-	-	-	4,652
Hub Team 2017	(2,550)	26,657	(19,918)	-	(4,189)	-
Hub Team Project 2017	20	6,477	(6,136)	-	-	361
Joseph	50	-	-	-	-	50
Kanalela School	-	720	-	-	-	720
KOTG Project 2017	-	4,918	(4,698)	-	-	220
KOTG Team 2017	800	16,514	(14,119)	-	(3,195)	-
Ladies Team Project 2016	6,804	-	(6,804)	-	-	-
Lisburn Cathedral YP Team 2018	-	468	(880)	-	-	(412)
LMJ Communications	-	4,500	(1,800)	-	-	2,700
Lockup 2014	1,655	-	-	-	-	1,655
Lockup BGS	1	-	-	-	-	1
Malaria	1,068	117	(405)	-	-	780
Matthew Cardwell Primary	56	-	-	-	-	56
McAvoy Playground	553	-	(503)	-	-	50
McAvoy School	405	-	-	-	-	405
McMullan Scholarship Fund	5,000	2,500	(6,900)	-	-	600
Medical (General)	569	351	(498)	-	(422)	-
Microfinance	1,820	-	(1,159)	-	-	661

Notes to the financial statements

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Analysis of movement in restricted funds – continued

	Balance at 31/12/16 £	*Incoming Funds* £	*Amounts Expended* £	*Transfers In* £	*Transfers Out* £	*Balance at 31/12/17* £
Movilla Team Project 2016	11,264	-	(11,264)	-	-	-
Mustafa	-	250	(250)	-	-	-
New Foundation – Kiwumu	226	-	(114)	-	-	112
NLH	6,816	11,863	(20,967)	5,440	-	3,152
NLH Development	70	-	-	-	(70)	-
NLH Medical	295	-	-	-	-	295
NLH Sponsor	8,724	18,992	(23,680)	-	(22)	4,014
NLH SU Camp	-	744	(735)	-	-	9
Pallisa	9,774	888	(1,545)	-	-	9,117
Revolution Movement	2,529	360	-	-	-	2,889
School Build	3,324	-	(393)	-	-	2,931
School Resources	117	68	-	-	-	185
School's Development	608	-	-	-	-	608
Schools (General)	948	377	(1,000)	-	-	325
School's Officer – Uganda	614	173	-	-	-	787
Street Reach	8,807	5,450	(3,656)	-	-	10,601
Street Reach Medical	274	-	-	-	-	274
Tekoo School	-	99,985	(60,000)	-	-	39,985
TLC Team 2018	-	-	(1,846)	-	-	(1,846)
Tommy Craig	-	2,034	(2,034)	-	-	-
VHR Agriculture	3,133	248	(24)	-	-	3,357
VHR Building	-	99	(24)	-	-	75
VHR Educational	239	122	(24)	-	-	337
VHR Other	312	90	(24)	-	-	378
VHR Street Kids	2,161	99	(24)	-	-	2,236
Water (General)	2,124	1,390	-	-	-	3,514
Water Filters	(1,412)	3,943	(3,557)	1,026	-	-
Water Appeal 2014	2,104	-	-	-	(1,026)	1,078
Youth Team 2017	(1,800)	22,706	(17,950)	-	(2,956)	-
Youth Team Project 2017	-	7,965	(7,238)	157	-	884
	125,381	647,914	(664,639)	84,166	(28,885)	163,937

All restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of the appeal.

17. Income attributed to unrestricted funds.

Child Sponsorship Fund:
Abaana maintains a commitment to each donor that their child sponsorship donation is used directly in Uganda for Child Sponsorship Activities. In cases when child sponsorship donors contribute an additional voluntary amount towards the administration and running costs of Abaana, these additional voluntary donations are recorded as unrestricted income upon receipt.

Africa teams:
During the year, the total amount of monies received from each donor is recorded upon receipt. Direct team payments are recorded within the appropriate restricted team fund. Preagreed team support costs are recorded as unrestricted income.

For all other restricted funds:
In order to cover project monitoring and administrative support costs, between 0% and 10% of receipts on all other restricted funds is recognised as unrestricted income on the date of receipt.

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The following principles are applied when calculating the income attributed to unrestricted funds:

- A rate of 5% is applied if project funding is below budget;
- A rate of 5% is applied to larger funding projects;
- Occasionally to meet a Uganda budget, the exact budget amount might be sent to Uganda and the remaining balance (less the 10%) attributed;
- Some undersubscribed funds may not have had any percentage taken;
- In all other cases a rate of 10% is applied as standard.

18. Summary of net assets by fund

	Unrestricted £	Restricted £	Total 2017 £
Fixed assets	116,860	-	116,860
Current assets	221,382	261,053	482,435
Creditors: amounts falling due within one year	(27,967)	(97,116)	(125,083)
Creditors: amounts falling due after more than one year	(23,643)	-	(23,643)
Net assets	286,632	163,937	450,569

19. Reconciliation of net cash movement in funds to net cash flow from operating activities

	2017 £	*2016* £
Net movement in funds	134,683	31,543
Depreciation charge	3,703	3,830
Interest charge	580	840
Interest income shown in investing activities	(244)	(917)
Decrease (increase) in debtors	10,202	(53,521)
Increase (decrease) in creditors	18,242	24,174
Net cash (used) received in operating activities	167,166	5,949