

Abaana Ministries

Trustees' Report and Financial Statements

31 December 2021

Company No: NI 33513

Trustees

Colin Caughey
Archie McAvoy MBE
Dr Gillian McBride
Martin Pitt
David Manning (appointed 12 Apr-21)
Sharon Slack (appointed 12 Apr-21)
Sally Baxter (resigned 26 Feb-21)
Noel Gordon (resigned 14 Jun-21)
Jonathan Young (resigned 14 Jun-21)

Chair

Dr Gillian McBride

Secretary

Scott Baxter

CEO

Scott Baxter

Auditors

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 2021

The Trustees present their report and the audited financial statements for the year ending 31 December 2021 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 2019).

Chair's report

With the pandemic and its impacts continuing throughout 2021 it was again a year of change and fundamental challenge for Abaana operationally. As a Board, we continued to provide strategic direction to and good governance for Abaana.

Covid-19 Pandemic

The effects of the global pandemic continued to have a very significant impact on how Abaana has been able to carry out its business during 2021 and on its work in Uganda, as it was no longer possible for Abaana staff to visit churches, schools, and other organisations to share about the charity's work. A number of provisionally planned fundraising events were postponed and it continued to not be possible for volunteer teams to visit Uganda.

Throughout 2021, the focus of Abaana's work in Uganda has been to continue to provide effective and practical assistance and support to the children and their communities. We continue to be amazed and humbled by the ongoing financial support and encouragement from Abaana supporters that has made this possible.

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 and Articles 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 primarily achieved through building schools, sponsoring children to enable them to receive an education, providing food and basic medical care to children living on the streets, rescuing children from the streets, providing clean water supplies by building wells, installing pumps and supporting farming and microfinance projects in partner communities. The focus of our work has continued to be in the country of Uganda in the current year.

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, the on-going needs of existing key programmes and the operational impact of covid restrictions in Uganda. The work of the charity is undertaken in partnership with locally based charitable organisations in the country of operation. In the past year activities have been undertaken in partnership with Abaana Ministries, Uganda, a separate legal entity registered and operating in Uganda with its own governance, management and staffing arrangements although we provide support and advice through the provision of an independent Board member.

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, in raising funds for activities, overseeing building and other work on our projects, a

Trustees' report

For year ended 31 December 2021

detailed Grant Agreement process for funded programmes with specified outcomes 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 make up the teams which travel to Uganda and carry out building and other work across our projects.

Achievements and performance

Review of activities:

Raising of support

Due to the pandemic, it was not possible during most of 2021 for Abaana staff to visit and speak at various schools, churches, and other organisations to share about the charity's work. During the period however, Abaana continued to significantly enhance its profile via a range of social media platforms. It is recognised that social media output will play an increasingly important role for the charity in the future.

Support of Schools

5,400 children attend the 16 Abaana-supported primary schools. The main source of income for these schools comes from sponsored kids, with an estimated 3 children paying lower subsidised rates for every 1 child sponsored at the school. Sponsorship income provides an assured funding stream for the schools to pay teachers and run the school.

Child Sponsorship

During 2021, 1,800 children received support under the Child Sponsorship Scheme. The children normally attend the 16 Abaana primary schools or various other secondary or vocational schools. However, with schools being closed for most of the year, (except for students preparing for or sitting examinations), Abaana provided over 1,700 textbooks and over 1,500 packs of learning materials to sponsor children (at both secondary and primary stages) as part of its home-learning programme. Home visits were also conducted by school teachers and work completed was marked.

Covid Relief Programme

Through a direct appeal to supporters during 2021, £34,408 was donated which was used to provide food parcels and other essential Covid-related items such as soap and masks directly to families across Uganda. Essential items such as sanitiser, hand washing facilities, disposable gloves, disinfectant, soap and masks were also supplied to local community health centres. Through this programme and the Christmas Gift Scheme, food parcels supplied in 2021 equated to 240,000 meals.

Christmas Gift Scheme

The annual Child Sponsorship Christmas Gift Appeal raised £38,136. In addition to food parcels and covid-related items, this enabled personal gifts to be given to the sponsor children along with school bags, set of saucepans and blankets.

New Life Homes Project and Street Reach

Abaana continued to fund The New Life Homes, where boys who previously lived on the streets can now live in a secure and caring environment. These homes are transitional rehabilitation homes and to date 70 boys have been successfully and permanently resettled back with their families. Abaana continues to support them in their education and with any medical needs which arise.

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

Trustees' report

For year ended 31 December 2021

Street children were particularly impacted by Lockdown. Abaana Uganda worked in close co-operation with the Kampala Capital City Authority and other organisations to support 220 street children who were temporarily housed in an Emergency Centre, set up in a local primary school. Abaana supplied funds for clothes, food and toiletries. In addition, Abaana Ministries Uganda social workers were engaged on site with support from the charity.

New Life Choir

The eagerly awaited tour of the New Life Choir tour had to be further postponed due to the pandemic. Normally the year prior to a Choir tour is very busy in Uganda, with extended training sessions for the Choir and preparation of all the necessary documentation to allow the Choir to go on tour. It is hoped that the Choir will be able to tour the UK and Ireland in 2024.

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

Projects

A range of projects were completed across our various school sites. These included:

- Completion of new school buildings at Atukubui Primary School (our 16th Primary School build).
- Provision of textbooks and study/teaching materials for Rainey Summit View Primary School.
- Provision of text books and study/teaching materials for Atukubui Primary School.
- Building of latrines at Rainey Summit View Primary.

At New Life Homes

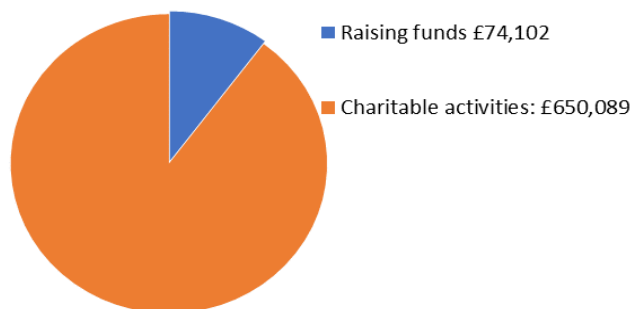
- Bespoke counselling services for the boys.
- Sewing and tailoring training courses.

Financial review

Income and expenditure

Income for the year increased to £1,076,046 (2020: £961,486). Total expenditure decreased to £724,191 (2020: £777,752) and gross expenditure on Charitable Activities decreased to £650,089 (2020: £693,870). The amount of money spent on charitable activities represented 89.8% (2020: 89.2%) of total expenditure.

Expenditure £724,191



Expenditure on charitable activities includes governance costs of £8,216 (2020: £8,169).

Overall, there was a net incoming resource of £351,855 for the year (2020: net incoming resource £183,734). 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).

Trustees' report

For year ended 31 December 2021

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. Steps were also taken to maximise the protection of funds as covered by the Financial Services Compensation Scheme (FSCS).

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 £614,260 (2020: £383,122).

Unrestricted funds at year end were £545,879 (2020: £425,162). It is the policy of the Board to ensure that the Charity has sufficient funds to cope with unexpected events. In particular, it aims to have an earmarked amount in designated funds to cover 6 months (2020: 6 months) running costs. In 2021 this is £110,000 (2020: £110,000).

There is also a designated Property Fund of £105,000 (2020: £107,400) representing the net book value of land and building; funds which are not readily available as cash.

In addition, the COVID-19 pandemic of 2020/21 has underlined the need to be able to respond to unprecedented crises and the Board believe the current level of unrestricted general funds is both prudent and reasonable.

Plans for future periods

In 2022, a major fundraising campaign is being launched to enable the building of new school buildings for St Mary's Kagoli in Eastern Uganda. This would be the 17th primary school built by Abaana in Uganda.

In 2022 Abaana is also proposing to further develop its staff team through the appointment of a Finance Manager. The postholder will report directly to the CEO and have responsibility for a range of finance related matters and staff management.

Management continues to actively look for replacement office and shop facilities in the North Down area. The Board has identified that increased office space is required and the shop is not in the most suitable location to attract footfall.

Organisational development

The application of robust and effective IT and financial systems provide an essential framework for the professional operation of the organisation. In 2022 it is proposed to outsource the provision of IT services.

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.

Trustees' report

For year ended 31 December 2021

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 an independent director. Abaana Ministries Uganda receives funding from Abaana Ministries, Northern Ireland and carries out the various project activities and expenditure in line with formal grant agreements authorised by Abaana Ministries, Northern Ireland to support its charitable objectives.

The Board of Directors and management of Abaana Ministries, Uganda continue to report on the outcomes of supported projects regularly to ensure grant funding is being properly spent in line with the funding agreements and in accordance with our charitable objectives. 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 of Abaana Uganda to monitor and review agreed local activity. In accordance with good governance arrangements a new Memorandum of Understanding between Abaana Ministries UK and Abaana Ministries Uganda was signed in 2021 which sets out the operation of the partnership and the responsibilities of each in accordance with local legislative requirements.

Abaana Ministries also has a close working 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. The charity is also seeking to agree a Memorandum of Understanding with this partner organisation although this work is still at a preliminary stage.

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 staff terms and conditions of employment. 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.

Trustees' report

For year ended 31 December 2021

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).

Public benefit reporting

The Trustees confirm that they have had due regard to the Charity Commission for Northern Ireland's guidance on public benefit reporting on the Charity's benefits and achievements.

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 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.

Trustees' report

For year ended 31 December 2021

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

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.



Dr Gillian McBride
Chairperson

13/6/22

Date

Independent auditors' report

To the members of Abaana Ministries
For the year ended 31 December 2021

Opinion

We have audited the accounts of Abaana Ministries (the 'charity') for the year ended 31 December 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

We have nothing to report in this regard.

Independent auditors' report

To the members of Abaana Ministries
For the year ended 31 December 2021

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 2021

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 (Senior Statutory Auditor)

For and on behalf of
FPM Accountants Ltd
Chartered Accountants and Statutory Auditor
1-3 Arthur Street
Belfast
BT1 4GA

Date: 22/6/22

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

for the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income:					
Donations and legacies	4	268,579	768,484	1,037,063	931,018
<i>Income from other trading activities:</i>					
Shop Income		13,053	-	13,053	10,568
Investment income	5	1,645	-	1,645	289
Other income		24,285	-	24,285	19,611
Total income		<u>307,562</u>	<u>768,484</u>	<u>1,076,046</u>	<u>961,486</u>
Expenditure:					
Costs of raising funds	6	73,660	442	74,102	83,882
Expenditure on charitable activities	7	117,514	532,575	650,089	693,870
Total expenditure		<u>191,174</u>	<u>533,017</u>	<u>724,191</u>	<u>777,752</u>
Net income (expenditure) for the year before transfers		<u>116,388</u>	<u>235,467</u>	<u>351,855</u>	<u>183,734</u>
Transfers between funds	16	<u>4,329</u>	<u>(4,329)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>120,717</u>	<u>231,138</u>	<u>351,855</u>	<u>183,734</u>
Reconciliation of funds					
Total funds brought forward		<u>425,162</u>	<u>383,122</u>	<u>808,284</u>	<u>624,550</u>
Total funds carried forward	16	<u>545,879</u>	<u>614,260</u>	<u>1,160,139</u>	<u>808,284</u>

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

The notes on pages 15 to 22 form an integral part of these financial statements.

Balance sheet


at 31 December 2021

	<i>Notes</i>	<i>2021</i> £	<i>2020</i> £
Fixed assets			
Tangible assets	12	106,160	109,720
Current assets			
Debtors	13	152,572	114,261
Cash at bank and in hand		1,018,684	698,155
		<u>1,171,256</u>	<u>812,416</u>
Creditors: amounts falling due within one year	14	<u>(117,277)</u>	<u>(113,852)</u>
Net current assets		1,053,979	698,564
Total assets less current liabilities		<u>1,160,139</u>	<u>808,284</u>
Net assets		<u>1,160,139</u>	<u>808,284</u>
The funds of the charity:			
Unrestricted funds	15	545,879	425,162
Restricted funds	15	614,260	383,122
Total charity funds		<u>1,160,139</u>	<u>808,284</u>

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 15 to 22 form an integral part of these financial statements.

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


Dr Gillian McBride
 Director
 on behalf of the Trustees
 Company No: NI 33513

13/16/22
 Date

Statement of cashflows

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £	<i>2020</i> £
<i>Cash received in operating activities</i>	18	318,884	260,072
<i>Cash flows from investing activities</i>			
Interest received		1,645	289
Payments to acquire tangible fixed assets		-	(3,480)
<i>Net cash flow from investing activities</i>		<u>1,645</u>	<u>(3,191)</u>
<i>Net cash flow from financing activities</i>		-	-
Increase in cash and cash equivalents in the year		320,529	256,881
Cash and cash equivalents at beginning of year		698,155	441,274
<i>Cash and cash equivalents at end of year</i>		<u><u>1,018,684</u></u>	<u><u>698,155</u></u>

Notes to the financial statements

For the year ended 31 December 2021

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity meets the definition of a public benefit entity under FRS 102.

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

(ii) Preparation of the accounts on the going concern basis

The trustees have assessed the reserves and the post year end performance of the charity and are content that it continues to be a going concern. The Trustees have considered this in light of the ongoing Coronavirus global pandemic.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

Notes to the financial statements

For the year ended 31 December 2021

(vii) 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:

- 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.

(viii) 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.

(ix) 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.

(x) Debtors

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

(xi) 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.

(xii) 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.

(xiii) 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.

(xiv) Pensions

The company enrolls staff into a defined contribution pension scheme (National Employment Savings Trust). Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

Notes to the financial statements

For the year ended 31 December 2021

(xv) 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 are applied to charitable purposes only.

(xvi) Critical accounting estimates and judgements

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees consider that there are no material areas of judgement or estimation uncertainty.

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

	2021	2020
	£	£
<i>This is stated after charging:</i>		
Depreciation	3,560	3,560
Auditors' remuneration	3,600	3,600
<i>and after crediting:</i>		
Interest receivable	1,645	289

4. Income from donations and legacies

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>	<i>Total</i>
	£	£	2021	2020
			£	£
Child sponsorship	50,225	568,578	618,803	588,877
Africa teams	-	(370)	(370)	(1,630)
Africa team projects	-	-	-	(552)
Choir	-	58	58	4,869
Groups and corporate funding	7,200	19,795	26,995	8,424
Donations and appeals	209,166	175,198	384,364	312,437
Other fundraising events	699	3,840	4,539	17,429
Other income	1,289	1,385	2,674	1,164
Total income from donations and legacies	268,579	768,484	1,037,063	931,018

Of the £931,018 received by the charity in 2020, £247,300 was unrestricted funds and £683,718 was restricted funds.

Notes to the financial statements

For the year ended 31 December 2021

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 2021 £	Total 2020 £
Advertising and promotional material		-	442	442	1,118
Events		-	-	-	155
Other fundraising costs		364	-	364	2,886
Shop costs		15,713	-	15,713	11,960
Support costs allocated to shop	8	7,512	-	7,512	6,473
Support costs allocated to raising funds	8	50,071	-	50,071	61,290
Total costs of raising funds		73,660	442	74,102	83,882

Of the £83,882 paid by the charity in 2020, £82,761 was unrestricted funds and £1,121 was restricted funds.

7. Analysis of expenditure on charitable activities

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Child sponsorship		-	411,908	411,908	412,820
Educational projects		-	28,070	28,070	62,730
Africa teams		-	-	-	1,152
Children at risk		4,597	51,342	55,939	52,238
Medical projects		-	455	455	-
Choir		-	-	-	1,469
Emergency aid		-	40,500	40,500	52,000
Other projects		6,505	300	6,805	300
Support costs allocated to activities	8	106,412	-	106,412	111,161
Total expenditure on charitable activities		117,514	532,575	650,089	693,870

Of the £693,870 paid by the charity in 2020, £139,047 was unrestricted funds and £554,823 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.

Notes to the financial statements

For the year ended 31 December 2021

	<i>Basis of allocation</i>	<i>Shop</i> £	<i>Raising Funds</i> £	<i>Charitable Activities</i> £	<i>Total</i> 2021 £	<i>Total</i> 2020 £
Premises costs	<i>Staff time</i>	257	524	975	1,756	1,872
Staff costs	<i>Staff cost</i>	2,137	39,100	77,797	119,034	141,429
General office costs	<i>Staff time</i>	5,118	10,447	19,424	34,989	27,454
Audit fees	<i>Governance</i>	-	-	3,740	3,740	3,681
Accountancy fees	<i>Governance</i>	-	-	4,320	4,320	4,440
Legal and other professional fees	<i>Governance</i>	-	-	156	156	48
Total		<u>7,512</u>	<u>50,071</u>	<u>106,412</u>	<u>163,995</u>	<u>178,924</u>

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

	2021 £	2020 £
Salary costs	120,996	138,754
Social security costs	4,508	5,321
Pension costs	6,069	6,055
	<u>131,573</u>	<u>150,130</u>

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 (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2020: £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 £57,450 (2020: £56,983).

10. Staff numbers

	2021 Number	2020 Number
Average monthly number of full-time equivalents employed by the company during the year:	6	8

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 £8,596 (2020: £7,185) 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'.

Notes to the financial statements

For the year ended 31 December 2021

Abaana Ministries Uganda receives 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 £525,000 (2020: £567,200).

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 £6,200 (2020: £9,542).

12. Tangible fixed assets

	<i>Land and Buildings</i> £	<i>Equipment Furniture and Fittings</i> £	<i>Motor Vehicles</i> £	<i>Total</i> £
<i>Cost</i>				
Balance at 1 January 2021	120,000	16,205	4,400	140,605
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 December 2021	<u>120,000</u>	<u>16,205</u>	<u>4,400</u>	<u>140,605</u>
<i>Accumulated Depreciation</i>				
Balance at 1 January 2021	12,600	13,885	4,400	30,885
Charge for the year	2,400	1,160	-	3,560
Disposals	-	-	-	-
Balance at 31 December 2021	<u>15,000</u>	<u>15,045</u>	<u>4,400</u>	<u>34,445</u>
Net book value at 31 December 2021	<u>105,000</u>	<u>1,160</u>	<u>-</u>	<u>106,160</u>
Net book value at 31 December 2020	<u>107,400</u>	<u>2,320</u>	<u>-</u>	<u>109,720</u>

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

	2021 £	2020 £
Other debtors	140,512	108,455
Prepayments	12,060	5,806
	<u>152,572</u>	<u>114,261</u>

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Other accruals	117,277	113,852
	<u>117,277</u>	<u>113,852</u>

Notes to the financial statements

For the year ended 31 December 2021

15. Analysis of charitable funds

Analysis of movements in unrestricted funds

	<i>Balance at 31/12/20</i>	<i>Incoming Funds</i>	<i>Amounts Expended</i>	<i>Transfers In</i>	<i>Transfers Out</i>	<i>Balance at 31/12/21</i>
	£	£	£	£	£	£
Cards	-	880	-	-	(880)	-
General fund	140,139	258,277	(169,741)	34,838	-	263,513
Partners	-	18,178	-	-	(13,849)	4,329
Shop	49	30,227	(16,836)	-	(13,380)	60
Designated funds	284,974	-	(4,597)	-	(2,400)	277,977
	<u>425,162</u>	<u>307,562</u>	<u>(191,174)</u>	<u>34,838</u>	<u>(30,509)</u>	<u>545,879</u>

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:

	<i>Balance at 31/12/20</i>	<i>Incoming Funds</i>	<i>Amounts Expended</i>	<i>Transfers In</i>	<i>Transfers Out</i>	<i>Balance at 31/12/21</i>
	£	£	£	£	£	£
Designated funds						
Running costs (1)	110,000	-	-	-	-	110,000
Designated Africa						
Development	42,574	-	(4,597)	-	-	37,977
Designated Choir 3	25,000	-	-	-	-	25,000
Designated Property	107,400	-	-	-	(2,400)	105,000
	<u>284,974</u>	<u>-</u>	<u>(4,597)</u>	<u>-</u>	<u>(2,400)</u>	<u>277,977</u>

(1) Running costs: Earmarked amount which covers approximately 6 months running costs (2020: 6 months)

Analysis of movements in restricted funds

	<i>Balance at 31/12/20</i>	<i>Incoming Funds</i>	<i>Amounts Expended</i>	<i>Transfers In</i>	<i>Transfers Out</i>	<i>Balance at 31/12/21</i>
	£	£	£	£	£	£
Africa team funds	2,199	530	-	-	-	2,729
Africa team projects	9,968	-	-	-	(1,578)	8,390
Child sponsorship	270,950	567,930	(412,347)	191,932	(187,618)	430,847
Choir funds	7,900	58	-	5,000	-	12,958
Health funds	7,656	332	(455)	599	(780)	7,352
School funds	18,950	52,634	(28,373)	22,631	(2,471)	63,371
Street children funds	25,975	60,920	(45,442)	6,790	-	48,243
Other funds	39,524	86,080	(46,400)	26,369	(65,203)	40,370
	<u>383,122</u>	<u>768,484</u>	<u>(533,017)</u>	<u>253,321</u>	<u>(257,650)</u>	<u>614,260</u>

Restricted funds have been grouped in accordance with the expenditure category to which they relate. All restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of the appeal.

Notes to the financial statements

For the year ended 31 December 2021

16. Income attributed to unrestricted funds.

Child Sponsorship Fund:

Abaana maintains a commitment to each donor that at least 95% of 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. Where Gift Aid is applicable, it is attributed to UK Support

Africa teams:

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.

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

- A rate of 0-5% is applied if project is undersubscribed;
- A rate of 5% is applied to large funding projects;
- In all other cases a rate of 10% is applied as standard.

17. Summary of net assets by fund

	Unrestricted £	Restricted £	Total 2021 £
Fixed assets	106,160	-	106,160
Current assets	448,181	723,075	1,171,256
Creditors: amounts falling due within one year	(8,462)	(108,815)	(117,277)
Net assets	<u>545,879</u>	<u>614,260</u>	<u>1,163,160</u>

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

	2021 £	2020 £
Net movement in funds	351,855	183,734
Depreciation charge	3,560	3,560
Interest charge	-	-
Interest income shown in investing activities	(1,645)	(289)
Decrease (increase) in debtors	(38,310)	66,877
Increase in creditors	3,424	6,190
Net cash received in operating activities	<u>318,884</u>	<u>260,072</u>