

# **Abaana Ministries**

## **Trustees' Report and Financial Statements**

31 December 2019

Company No: NI 33513

**Trustees**

Sally Baxter  
Colin Caughey (resigned 10 Sep-19)  
Noel Gordon  
Janet Hetherington (resigned 2 Sep-20)  
David Manning (resigned 28 Apr-20)  
Archie McAvoy MBE  
Martin Pitt (appointed 28 Apr-20)  
Sharon Slack (resigned 28 Apr-20)  
Jonathan Young

**Chair**

Noel Gordon

**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 2019

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

2019 has been another 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 develop.

#### *New Life Choir 2019*

Late January 2019 saw the arrival of our New Life Children's Choir from Uganda. 20 children, selected from across the Primary Schools supported by Abaana and their Ugandan chaperones were supplemented by chaperones from the UK and Ireland. The Tour lasted from February 2019 to mid-June 2019. The Choir travelled some 6,000 miles during this period and performed some 60 concerts in churches and schools. This was an amazing experience for the children which saw their oral English language skills and self-confidence greatly enhanced. Over the course of this and the previous Tour, 800 new children were sponsored. Sponsorship provides the opportunity for these children, who live in some of the poorest areas across Uganda to attend school and through education to have real hope of a better future.

#### *Teams*

This was a very busy year for Abaana teams, with a total of 9 teams (comprising 149 people) travelling to Uganda to work across a range of Abaana's projects. Activities included working with street children, various practical projects including painting work at schools and organising activities for school children.

#### *Projects*

A range of projects were completed at our various school sites. These included the provision of sewing machines, materials and a training tutor, various girl-centred projects, building of latrines at two schools and a kitchen and internal and external painting. Text books and stationery were also distributed across our schools.

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 mainly 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 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.

## Trustees' report

For year ended 31 December 2019

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 make up the teams in Uganda, carrying out building and other work across our projects.

### **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 a range of clubs and organisations. The database of supporters is in the region of nine thousand. Throughout 2019, there were a range of fundraising activities.

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

The following projects were undertaken in 2019:

- Building of a 4-classroom block at Rainey Summit View Primary School;
- Internal/external painting at Prince of Peace Primary School;
- School kitchen built at Ayila; and
- New latrines were built at Matthew Cardwell and Lweza Primary Schools.

In addition, the following were provided:

- Library and desks for Ayila;
- School furniture for Rainey Summit View Primary School;
- Sewing machines and materials; and
- School books and teaching resources.

#### *Support of Schools*

Some 5,000 children attend the 15 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 sponsored at the school. Sponsorship income provides an assured funding stream for the schools to pay teachers and run the school.

#### *Child Sponsorship*

Some 2,000 children were supported in 2019. The children attend the 15 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.

#### *New Life Homes Project and Street Reach*

Abaana continues to fund The New Life Homes, where boys who previously lived on the streets now live in a secure and caring environment. These homes are transitional rehabilitation homes and so far, 54 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 also partners with organisations working with children living on the streets, including, Heroes and Frontline.

## Trustees' report

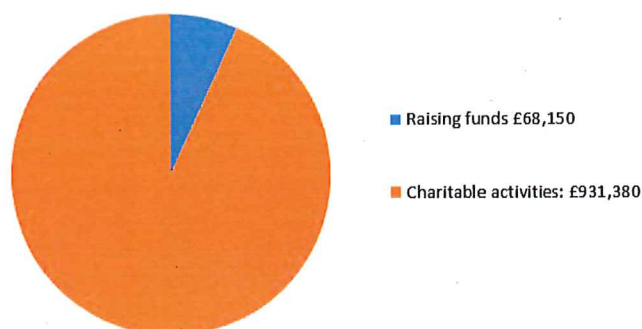
For year ended 31 December 2019

### Financial review

#### *Income and expenditure*

Income for the year increased to £1,238,421 (2018: £895,646). Total expenditure increased to £999,530 (2018: £960,556) and gross expenditure on Charitable Activities increased to £931,380 (2018: £877,428). The amount of money spent on charitable activities represented 93.2% (2018: 91.3%) of total expenditure.

#### **Expenditure £999,530**



Expenditure on charitable activities includes governance costs of £7,993 (2018: £8,376).

Overall, there was a net incoming resource of £238,891 for the year (2018: net outgoing resource £64,910). 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 £255,348 (2018: £161,777).

*Unrestricted funds* at year end were £369,202 (2018: £223,882). Designated funds (included within unrestricted funds) were £172,236 (2018: £101,385). Included within designated funds is an earmarked amount of £80,000 (2018: £80,000) which covers approximately five months (2018: five months) running costs.

#### *Plans for future periods*

In 2020, work is scheduled to begin on the construction of a 4-classroom block at Atukubui Primary School in East Africa. This will be the 16<sup>th</sup> Primary School built by Abaana in Uganda.

## Trustees' report

For year ended 31 December 2019

### *Impact of Covid-19*

When Covid-19 escalated in March 2020, Abaana used the furlough scheme to protect jobs by putting some staff on furlough. Some events and teams were cancelled. At the same time, a Covid-19 Appeal was run, which raised over £50,000. This was the highest ever total for a single appeal by Abaana and raised more than the projected income for the previously planned fundraising events.

Abaana has surplus reserves for five months, so could operate with no income to general funds for that time. The company is also operating on a yearly surplus and had plans and funds available to expand the team. This is currently on hold until the full effects of Covid-19 are known. The Trustees believe that Abaana has enough funding to cover running costs for the next few years with a moderate short-term fall in income.

To date there has not been a significant drop in subscribers to projects like child sponsorship, however, income will continue to be monitored through the management accounts and adjustments will be made where needed.

Abaana has created a risk assessment for staff returning to work in July onwards, and is planning to open the shop in the coming months. Although some fundraising events had to be cancelled, some socially distant fundraisers have been planned.

### *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.

## Trustees' report

For year ended 31 December 2019

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 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' report

For year ended 31 December 2019

### 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.

### 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

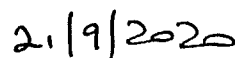
PKF-FPM Accountants Limited have expressed their willingness to continue in office as auditors.

### Approval

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



Noel Gordon  
Chairperson



Date



# Independent auditors' report

To the members of Abaana Ministries  
For the year ended 31 December 2019

## Opinion

We have audited the accounts of Abaana Ministries (the 'charity') for the year ended 31 December 2019 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 2019 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 2019

## **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 2019

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  
PKF-FPM Accountants Ltd  
Chartered Accountants and Statutory Auditor  
1-3 Arthur Street  
Belfast  
BT1 4GA

Date: 24/09/20

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

for the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
<b>Income:</b>					
Donations and legacies	4	326,409	887,712	1,214,121	867,945
<i>Income from other trading activities:</i>					
Shop Income		23,833	-	23,833	27,387
Investment income	5	467	-	467	314
<b>Total income</b>		<u>350,709</u>	<u>887,712</u>	<u>1,238,421</u>	<u>895,646</u>
<b>Expenditure:</b>					
Costs of raising funds	6	66,689	1,461	68,150	83,128
Expenditure on charitable activities	7	138,700	792,680	931,380	877,428
<b>Total expenditure</b>		<u>205,389</u>	<u>794,141</u>	<u>999,530</u>	<u>960,556</u>
<b>Net income (expenditure) for the year before transfers</b>		<u>145,320</u>	<u>93,571</u>	<u>238,891</u>	<u>(64,910)</u>
<b>Transfers between funds</b>	16	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>145,320</u>	<u>93,571</u>	<u>238,891</u>	<u>(64,910)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>223,882</u>	<u>161,777</u>	<u>385,659</u>	<u>450,569</u>
<b>Total funds carried forward</b>	16	<u>369,202</u>	<u>255,348</u>	<u>624,550</u>	<u>385,659</u>

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

**Balance sheet**

at 31 December 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	109,800	113,300
<b>Current assets</b>			
Debtors	13	181,138	65,235
Cash at bank and in hand		441,274	325,441
		<u>622,412</u>	<u>390,676</u>
<b>Creditors: amounts falling due within one year</b>	14	(107,662)	(108,614)
<b>Net current assets</b>		<u>514,750</u>	<u>282,062</u>
Total assets less current liabilities		<u>624,550</u>	<u>395,362</u>
<b>Creditors: amounts falling due after more than one year</b>	15	-	(9,703)
<b>Net assets</b>		<u>624,550</u>	<u>385,659</u>
<b>The funds of the charity:</b>			
Unrestricted funds	16	369,202	223,882
Restricted funds	16	255,348	161,777
<b>Total charity funds</b>		<u>624,550</u>	<u>385,659</u>

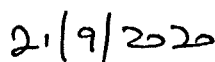
These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 14 to 22 form an integral part of these financial statements.

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



**Noel Gordon**  
on behalf of the Trustees  
Company No: NI 33513



Date

## Statement of cashflows

for the year ended 31 December 2019

	Notes	2019 £	2018 £
<i>Cash received in operating activities</i>	19	139,243	(75,574)
<i>Cash flows from investing activities</i>			
Interest received		467	314
Payments to acquire tangible fixed assets		-	-
<i>Net cash flow from investing activities</i>		467	314
<i>Cash flows from financing activities</i>			
Interest paid		(296)	(518)
Repayment of long term loans		(23,581)	(13,878)
<i>Net cash flow from financing activities</i>		(23,877)	(14,396)
Increase (decrease) in cash and cash equivalents in the year		115,833	(89,656)
Cash and cash equivalents at beginning of year		325,441	415,097
<i>Cash and cash equivalents at end of year</i>		441,274	325,441

## Notes to the financial statements

For the year ended 31 December 2019

### 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. 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 the knowledge that on the 30th January, the World Health Organisation (WHO) announced Coronavirus as a global health emergency and on the 11th March 2020, it announced that Coronavirus was a 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 2019

### *(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 2019

### (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 is 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

	2019 £	2018 £
<i>This is stated after charging:</i>		
Depreciation	3,500	3,560
Auditors' remuneration	3,380	3,330
<i>and after crediting:</i>		
Interest receivable	467	314

## 4. Income from donations and legacies

	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Child sponsorship	38,286	454,962	493,248	380,855
Africa teams	19,102	188,605	207,707	169,038
Africa team projects	4,157	80,643	84,800	41,209
Choir	108,955	82,082	191,037	27,699
Groups and corporate funding	12,959	23,048	36,007	26,055
Donations and appeals	139,380	57,383	196,763	208,046
Other fundraising events	3,261	451	3,712	13,672
Other income	309	538	847	1,371
<b>Total income from donations and legacies</b>	<b>326,409</b>	<b>887,712</b>	<b>1,214,121</b>	<b>867,945</b>

Of the £867,945 received by the charity in 2018, £204,919 was unrestricted funds and £663,026 was restricted funds.

There were no specific major donations received during the year.

## Notes to the financial statements

For the year ended 31 December 2019

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 2019 £	Total 2018 £
Advertising and promotional material		549	1,436	1,985	1,933
Events		40	-	40	80
Other fundraising costs		835	24	859	1,691
Shop costs		15,409	-	15,409	19,747
Support costs allocated to shop	8	8,331	-	8,331	6,913
Support costs allocated to raising funds	8	41,525	1	41,526	52,764
<b>Total costs of raising funds</b>		<b>66,689</b>	<b>1,461</b>	<b>68,150</b>	<b>83,128</b>

Of the £83,128 paid by the charity in 2018, £81,413 was unrestricted funds and £1,715 was restricted funds.

### 7. Analysis of expenditure on charitable activities

	Note	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Child sponsorship		-	382,574	382,574	316,620
Educational projects		1,000	91,941	92,941	103,607
Africa teams		1,006	202,693	203,699	129,927
Children at risk		-	50,318	50,318	58,347
Medical projects		-	-	-	256
Choir		-	51,021	51,021	71,582
Other projects		4,650	14,130	18,780	80,681
Support costs allocated to activities	8	132,044	3	132,047	116,408
<b>Total expenditure on charitable activities</b>		<b>138,700</b>	<b>792,680</b>	<b>931,380</b>	<b>877,428</b>

Of the £877,428 paid by the charity in 2018, £213,957 was unrestricted funds and £663,471 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 2019

	<i>Basis of allocation</i>	<i>Shop</i> £	<i>Raising Funds</i> £	<i>Charitable Activities</i> £	<i>Total 2019</i> £	<i>Total 2018</i> £
Premises costs	<i>Staff time</i>	315	524	1,418	2,257	3,344
Staff costs	<i>Staff cost</i>	3,000	32,658	100,062	135,720	133,183
General office costs	<i>Staff time</i>	5,016	8,344	22,574	35,934	31,182
Audit fees	<i>Governance</i>	-	-	3,380	3,380	3,348
Accountancy fees	<i>Governance</i>	-	-	4,560	4,560	4,320
Legal and other professional fees	<i>Governance</i>	-	-	53	53	708
<b>Total</b>		<b>8,331</b>	<b>41,526</b>	<b>132,047</b>	<b>181,904</b>	<b>176,085</b>

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

	<i>2019</i> £	<i>2018</i> £
Salary costs	140,231	140,257
Social security costs	6,364	6,485
Pension costs	5,450	5,749
	<b>152,045</b>	<b>152,491</b>

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 (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2018: £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 £57,146 (2018: £54,532).

### 10. Staff numbers

	<i>2019</i> <i>Number</i>	<i>2018</i> <i>Number</i>
Average monthly number of full time equivalents employed by the company during the year:	9	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 £6,525 (2018: £6,577) 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 2019

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 £608,124 (2018: £585,000).

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 £5,989 (2018: £26,620).

### 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 2019	120,000	12,725	4,400	137,125
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 December 2019	<u>120,000</u>	<u>12,725</u>	<u>4,400</u>	<u>137,125</u>
<i>Accumulated Depreciation</i>				
Balance at 1 January 2019	7,800	12,725	3,300	23,825
Charge for the year	2,400	-	1,100	3,500
Disposals	-	-	-	-
Balance at 31 December 2019	<u>10,200</u>	<u>12,725</u>	<u>4,400</u>	<u>27,325</u>
Net book value at 31 December 2019	<u>109,800</u>	<u>-</u>	<u>-</u>	<u>109,800</u>
Net book value at 31 December 2018	<u>112,200</u>	<u>-</u>	<u>1,100</u>	<u>113,300</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

	2019 £	2018 £
Other debtors	149,817	58,266
Prepayments	31,321	6,969
	<u>181,138</u>	<u>65,235</u>

### 14. Creditors: amounts falling due within one year

	2019 £	2018 £
Mortgage	-	13,878
Other accruals	107,662	94,736
	<u>107,662</u>	<u>108,614</u>

## Notes to the financial statements

For the year ended 31 December 2019

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

	2019 £	2018 £
Mortgage	-	9,703
	-	9,703
	=====	=====

The total balance outstanding on the mortgage at 31 December 2019 was £nil (2018: £23,581).

### 16. Analysis of charitable funds

#### Analysis of movements in unrestricted funds

	Balance at 31/12/18 £	Incoming Funds £	Amounts Expended £	Transfers In £	Transfers Out £	Balance at 31/12/19 £
Cards	-	44	-	-	-	44
Challenge 48	910	155	-	-	(1,065)	-
Choir 2 Tour income	-	3,091	-	-	-	3,091
General fund	121,290	230,479	(181,836)	13,380	-	183,313
Ladies group	-	1,306	-	-	(1,306)	-
Partners	-	16,715	-	-	(16,715)	-
Shop	297	23,833	(18,253)	4,641	-	10,518
Designated funds	101,385	75,086	(5,300)	1,065	-	172,236
	223,882	350,709	(205,389)	19,086	(19,086)	369,202

#### 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 31/12/18 £	Incoming Funds £	Amounts Expended £	Transfers In £	Transfers Out £	Balance at 31/12/19 £
<u>Designated funds</u>						
Running costs <sup>(1)</sup>	80,000	-	-	-	-	80,000
Designated Africa Development	21,385	50,086	(5,300)	1,065	-	67,236
Designated Choir 3	-	25,000	-	-	-	25,000
	101,385	75,086	(5,300)	1,065	-	172,236

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

## Notes to the financial statements

For the year ended 31 December 2019

### Analysis of movements in restricted funds

	Balance at 31/12/18 £	Incoming Funds £	Amounts Expended £	Transfers In £	Transfers Out £	Balance at 31/12/19 £
Africa team funds	24,108	183,245	(200,284)	27,409	(26,609)	7,869
Africa team project funds	6,389	80,643	(72,838)	200	-	14,394
Child sponsorship funds	74,370	453,972	(384,010)	34,040	(33,265)	145,107
Choir funds	(26,926)	84,082	(52,421)	-	-	4,735
Health funds	5,872	282	(157)	-	-	5,997
School funds	31,101	28,806	(25,260)	-	(1,000)	33,647
Street children funds	31,096	46,708	(50,318)	-	(775)	26,711
Other funds	15,767	9,974	(8,853)	-	-	16,888
	<u>161,777</u>	<u>887,712</u>	<u>(794,141)</u>	<u>61,649</u>	<u>(61,649)</u>	<u>255,348</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.

### 17. 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.

### 18. Summary of net assets by fund

	Unrestricted £	Restricted £	Total 2019 £
Fixed assets	109,800	-	109,800
Current assets	271,144	351,268	622,412
Creditors: amounts falling due within one year	(11,742)	(95,920)	(107,662)
Creditors: amounts falling due after more than one year	-	-	-
Net assets	<u>369,202</u>	<u>255,348</u>	<u>624,550</u>

## Notes to the financial statements

For the year ended 31 December 2019

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

	2019 £	2018 £
Net movement in funds	238,891	(64,910)
Depreciation charge	3,500	3,560
Interest charge	296	518
Interest income shown in investing activities	(467)	(314)
Decrease (increase) in debtors	(115,903)	2,103
Increase (decrease) in creditors	12,926	(16,531)
Net cash (used) received in operating activities	<u>139,243</u>	<u>(75,574)</u>