

Abaana Ministries

Trustees' Report and Financial Statements

31 December 2022

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

for the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income:					
Donations and legacies	4	238,197	724,905	963,102	1,037,063
<i>Income from other trading activities:</i>					
Shop Income		16,297	-	16,297	13,053
Investment income	5	8,024	-	8,024	1,645
Other income		600	5,000	5,600	24,285
Total income		<u>263,118</u>	<u>729,905</u>	<u>993,023</u>	<u>1,076,046</u>
Expenditure:					
Costs of raising funds	6	85,674	3,140	88,814	74,102
Expenditure on charitable activities	7	131,605	727,557	859,162	650,089
Total expenditure		<u>217,279</u>	<u>730,697</u>	<u>947,976</u>	<u>724,191</u>
Net income (expenditure) for the year before transfers		<u>45,839</u>	<u>(792)</u>	<u>45,047</u>	<u>351,855</u>
Transfers between funds	15	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>45,839</u>	<u>(792)</u>	<u>45,047</u>	<u>351,855</u>
Reconciliation of funds					
Total funds brought forward		<u>545,879</u>	<u>614,260</u>	<u>1,160,139</u>	<u>808,284</u>
Total funds carried forward	15	<u>591,718</u>	<u>613,468</u>	<u>1,205,186</u>	<u>1,160,139</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 2022

	<i>Notes</i>	2022 £	2021 £
<i>Fixed assets</i>			
Tangible assets	12	102,600	106,160
<i>Current assets</i>			
Debtors	13	144,601	152,572
Cash at bank and in hand		1,059,945	1,018,684
		<u>1,204,546</u>	<u>1,171,256</u>
<i>Creditors: amounts falling due within one year</i>	14	<u>(101,960)</u>	<u>(117,277)</u>
<i>Net current assets</i>		1,102,586	1,053,979
Total assets less current liabilities		<u>1,205,186</u>	<u>1,160,139</u>
<i>Net assets</i>		<u><u>1,205,186</u></u>	<u><u>1,160,139</u></u>
<i>The funds of the charity:</i>			
Unrestricted funds	15	591,718	545,879
Restricted funds	15	613,468	614,260
<i>Total charity funds</i>		<u><u>1,205,186</u></u>	<u><u>1,160,139</u></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

Date 12 June 2023

Statement of cashflows

for the year ended 31 December 2022

	<i>Notes</i>	2022 £	2021 £
<i>Cash received in operating activities</i>	18	33,237	318,884
<i>Cash flows from investing activities</i>			
Interest received		8,024	1,645
Payments to acquire tangible fixed assets		-	-
<i>Net cash flow from investing activities</i>		<u>8,024</u>	<u>1,645</u>
<i>Net cash flow from financing activities</i>		-	-
Increase in cash and cash equivalents in the year		41,261	320,529
Cash and cash equivalents at beginning of year		<u>1,018,684</u>	<u>698,155</u>
<i>Cash and cash equivalents at end of year</i>		<u><u>1,059,945</u></u>	<u><u>1,018,684</u></u>

Notes to the financial statements

For the year ended 31 December 2022

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.

(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 2022

(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 2022

(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

	2022	2021
	£	£
<i>This is stated after charging:</i>		
Depreciation	3,560	3,560
Auditors' remuneration	3,780	3,600
<i>and after crediting:</i>		
Interest receivable	8,024	1,645

4. Income from donations and legacies

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>	<i>Total</i>
	£	£	2022	2021
			£	£
Child sponsorship	50,919	575,733	626,652	618,803
Africa teams	-	14,000	14,000	(370)
Africa team projects	-	2,000	2,000	-
Choir	26	240	266	58
Groups and corporate funding	6,026	14,033	20,059	26,995
Donations and appeals	179,336	116,758	296,094	384,364
Other fundraising events	876	1,338	2,214	4,539
Other income	1,014	803	1,817	2,674
Total income from donations and legacies	238,197	724,905	963,102	1,037,063

Of the £1,037,063 received by the charity in 2021, £268,579 was unrestricted funds and £768,484 was restricted funds.

Notes to the financial statements

For the year ended 31 December 2022

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 2022 £	Total 2021 £
Advertising and promotional material		743	880	1,623	442
Events		-	-	-	-
Other fundraising costs		1,343	-	1,343	364
Shop costs		17,298	-	17,298	15,713
Support costs allocated to shop	8	9,241	811	10,052	7,512
Support costs allocated to raising funds	8	57,049	1,449	58,498	50,071
Total costs of raising funds		85,674	3,140	88,814	74,102

Of the £74,102 paid by the charity in 2021, £73,660 was unrestricted funds and £442 was restricted funds.

7. Analysis of expenditure on charitable activities

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Child sponsorship		-	487,598	487,598	411,908
Educational projects		-	147,909	147,909	28,070
Africa teams		808	-	808	-
Children at risk		-	70,143	70,143	55,939
Medical projects		480	610	1,090	455
Choir		-	-	-	-
Emergency aid		-	-	-	40,500
Other projects		-	18,398	18,398	6,805
Support costs allocated to activities	8	130,317	2,899	133,216	106,412
Total expenditure on charitable activities		131,605	727,557	859,162	650,089

Of the £650,089 paid by the charity in 2021, £117,514 was unrestricted funds and £532,575 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 2022

	<i>Basis of allocation</i>	<i>Shop</i> £	<i>Raising Funds</i> £	<i>Charitable Activities</i> £	<i>Total</i> 2022 £	<i>Total</i> 2021 £
Premises costs	<i>Staff time</i>	454	812	1,623	2,889	1,756
Staff costs	<i>Staff cost</i>	2,496	44,990	98,031	145,517	119,034
General office costs	<i>Staff time</i>	7,102	12,696	25,392	45,190	34,989
Audit fees	<i>Governance</i>	-	-	3,499	3,499	3,740
Accountancy fees	<i>Governance</i>	-	-	4,320	4,320	4,320
Legal and other professional fees	<i>Governance</i>	-	-	351	351	156
Total		<u>10,052</u>	<u>58,498</u>	<u>133,216</u>	<u>201,766</u>	<u>163,995</u>

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

	2022 £	2021 £
Salary costs	145,175	120,996
Social security costs	7,123	4,508
Pension costs	6,920	6,069
	<u>159,218</u>	<u>131,573</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 (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2021: £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 charity were £70,343 (2021: £57,450). No employee received emoluments exceeding £60,000.

10. Staff numbers

	2022 Number	2021 Number
Average monthly number of full-time equivalents employed by the company during the year:	7	6

11. Related party transactions

None of the Trustees receive remuneration from the charity. A company of which one of the Trustees is a Director received £8,994 (2021: £8,596) 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 2022

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 £735,950 (2021: £525,000).

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 £1,852 (2021: £6,284).

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 2022	120,000	16,205	4,400	140,605
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31 December 2022	<u>120,000</u>	<u>16,205</u>	<u>4,400</u>	<u>140,605</u>
<i>Accumulated Depreciation</i>				
Balance at 1 January 2022	15,000	15,045	4,400	34,445
Charge for the year	2,400	1,160	-	3,560
Disposals	-	-	-	-
Balance at 31 December 2022	<u>17,400</u>	<u>16,205</u>	<u>4,400</u>	<u>38,005</u>
Net book value at 31 December 2022	<u>102,600</u>	-	-	<u>102,600</u>
Net book value at 31 December 2021	<u>105,000</u>	<u>1,160</u>	-	<u>106,160</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

	2022 £	2021 £
Other debtors	104,815	140,512
Prepayments	39,786	12,060
	<u>144,601</u>	<u>152,572</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Other accruals	101,960	117,277
	<u>101,960</u>	<u>117,277</u>

Notes to the financial statements

For the year ended 31 December 2022

15. Analysis of charitable funds

Analysis of movements in unrestricted funds

	<i>Balance at 31/12/21</i>	<i>Incoming Funds</i>	<i>Amounts Expended</i>	<i>Transfers In</i>	<i>Transfers Out</i>	<i>Balance at 31/12/22</i>
	£	£	£	£	£	£
Cards	-	374	-	-	(374)	-
General fund	263,513	225,139	(198,292)	-	(171,282)	119,078
Partners	4,329	21,308	-	-	(25,637)	-
Shop	60	16,297	(18,507)	2,293	-	143
Designated funds	277,977	-	(480)	195,000	-	472,497
	<u>545,879</u>	<u>263,118</u>	<u>(217,279)</u>	<u>197,293</u>	<u>(197,293)</u>	<u>591,718</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 31/12/21</i>	<i>Incoming Funds</i>	<i>Amounts Expended</i>	<i>Transfers In</i>	<i>Transfers Out</i>	<i>Balance at 31/12/22</i>
	£	£	£	£	£	£
Designated funds						
Running costs (1)	110,000	-	-	20,000	-	130,000
Designated Africa						
Development	37,977	-	(480)	-	-	37,497
Designated Choir 3	25,000	-	-	-	-	25,000
Designated Property	105,000	-	-	-	-	105,000
Designated Infrastructure	-	-	-	175,000	-	175,000
	<u>277,977</u>	<u>-</u>	<u>(480)</u>	<u>195,000</u>	<u>-</u>	<u>472,497</u>

(1) Running costs: Earmarked amount which covers approximately 6 months running costs (2021: 6 months)

Analysis of movements in restricted funds

	<i>Balance at 31/12/21</i>	<i>Incoming Funds</i>	<i>Amounts Expended</i>	<i>Transfers In</i>	<i>Transfers Out</i>	<i>Balance at 31/12/22</i>
	£	£	£	£	£	£
Africa team funds	2,729	14,000	-	-	-	16,729
Africa team projects	8,390	2,000	(472)	-	-	9,918
Child sponsorship	430,847	575,080	(532,039)	182,611	(177,400)	479,099
Choir funds	12,958	240	(314)	-	-	12,884
Health funds	7,352	1,268	(2,826)	54	-	5,848
School funds	63,371	10,158	(45,355)	125	(5,211)	23,088
Street children funds	48,243	50,439	(52,674)	170	(1,132)	45,046
Other funds	40,370	76,720	(97,017)	783	-	20,856
	<u>614,260</u>	<u>729,905</u>	<u>(730,697)</u>	<u>183,743</u>	<u>(183,743)</u>	<u>613,468</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 2022

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 2022 £
Fixed assets	102,600	-	102,600
Current assets	496,951	707,595	1,204,546
Creditors: amounts falling due within one year	(7,833)	(94,127)	(101,960)
Net assets	<u>591,718</u>	<u>613,468</u>	<u>1,205,186</u>

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

	2022 £	2021 £
Net movement in funds	45,047	351,855
Depreciation charge	3,560	3,560
Interest charge	-	-
Interest income shown in investing activities	(8,024)	(1,645)
Decrease / (increase) in debtors	7,971	(38,310)
(Decrease) / increase in creditors	(15,317)	3,424
Net cash received in operating activities	<u>33,237</u>	<u>318,884</u>