

Adventist Development & Relief Agency - UK

**Trustees' Report and Financial Statements
Year ended 31 December 2020**

Adventist Development & Relief Agency – UK
Trustees' Report
Year Ended 31st December 2020

Reference and Administrative Details:

Trustees:

Ian Sweeney (Chair)
John SurrIDGE
Earl Ramharacksingh (Hon Treasurer)
Andrew Baidam
Stephen Logan
Helia Mateus
Jennifer Phillips
Snowdon Reid
Helen Rodd
Tristan Simmons

Honorary Trustee:

John Arthur OBE

General Secretary:

Bert R Smit, Chief Executive Officer

Bankers:

HSBC Bank plc, 73 High Street,
Watford, WD1 2DS

Solicitors:

Anthony Collins LLP, 134 Edmund Street,
Birmingham, BS 2ES

Auditors:

Moore Kingston Smith LLP, 4 Victoria Square,
St Albans, AL1 3TF

Registered Office:

British Union Conference, Stanborough Park,
Watford, WD25 9JZ

Registered Charity Numbers:

England and Wales: 1074937
Isle of Man: IOM 1101
Scotland: SC037726

Legal Statement

We present this report and financial statements of the charity for the year ended 31 December 2020, which have been audited by Moore Kingston Smith LLP. The Charity also operates and is identified under the acronym ADRA-UK.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Charities SORP (FRS102).

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Structure, governance and management of ADRA-UK

a. Constitution

The Charity was established by Trust Deed dated 24 November 1998 (updated in 2001 and 2008). The principal object of the Charity is to apply financial, material, and technical resources toward:

- a. The relief of poverty, sickness and distress of those in need, resulting from the effects of war, famine or any other natural or man-made disaster anywhere in the world;
- b. Addressing the long-term effects of poverty;
- c. The education of the public concerning the causes, effects and means of alleviation of poverty and distress.

There has been no change in objectives since the last report.

b. Method of appointment and election of trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision making

The Charity is governed by its Board of Trustees. It is part of the international network of offices of the Adventist Development and Relief Agency – International and works in co-operation with other offices in the network in implementing approved projects.

d. Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Statement of Financial Activities (SOFA)

The SOFA shows a deficit of £103,628. This was £94,712 higher than originally budgeted for in 2020 which can be partly attributed to a loss of donated income as a result of the pandemic.

Income

Donated income is made up of general donations, legacies and the annual Appeal income. The Charity's main donor base consists of members of the Seventh-Day Adventist Church. Donated income reduced by 16% in comparison to 2019, a reduction mainly attributable to the effects of the pandemic which has hampered normal fundraising activities. The Charity is grateful to its donors for their continued giving as these funds go a long way towards helping those in need both here in the UK and abroad.

Our European Union funded Sri Lanka 'Assisting Communities in Creating Environmental and Nutritional Development'(ACCEND), the Myanmar CASE2LEARN, Thailand (CSO-DPAMR) Development for the Promotion and Advancement of Migrants Rights and the Ghana 'Bono Asante' (BAAT) projects continued while the Thailand 'Enhanced Capacity for Migrant Advocacy' (ECMA) project came to an end in June 2020 and the Swaziland (ELIVES) Enhanced Livelihoods of people living with HIV in the Lubombo and Shiselweni regions project came to an end in January 2020. The

UK Foreign, Commonwealth and Development Office (FCDO) funded 'Girls Education South Sudan 2' GESS2 project in South Sudan continued and a new humanitarian project was realised in Yemen 'Integrated Cash Intervention' ICI in 2020.

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The Rwanda (REAP2) Rwandan Girls Education Advancement Programme 2 project came to an end in January 2020. We have seen a increase of 54% in Income from Charitable Activities.

Other Income (which includes unrealised gains on investments) was lower than in the previous year.

Expenditure

Restricted expenditure on charitable activities, which consists of project costs funded by FCDO and the EU, saw a 67% increase in comparison to 2019. This was driven by GESS, ICI and continued spend on ACCEND projects.

As part of project grant conditions, ADRA is often required to contribute towards funding a proportion of the project costs, i.e., match funding. In addition to this, ADRA-UK finances small projects directly. The match funding and the small project funding thus constitute the unrestricted expenditure on charitable activities. In 2020, the unrestricted charitable expenditure reduced by 27% as a result of reduced unrestricted income.

In 2020, the charity did not employ any fundraising staff thereby resulting in a 6% decrease in expenditure on raising funds.

Balance Sheet

The amount of cash held in the bank increased by 22% largely due to Agency income for the ICI and ACCEND projects. A increase in Creditors is reflected in the Balance Sheet as a result of the liabilities on the set projects.

ADRA-UK also advanced funds to partnering ADRA offices in order to facilitate project implementation. Funds that were unused by these offices are recognised as Debtors. The Debtors was mainly driven by the advances to Sri Lanka and Yemen projects.

Principal Funding

ADRA-UK's success is substantially dependent on winning projects supported by the European Union (EU) and the FCDO, and on its annual Appeal. The Charity is also supported through donations and legacies by members of the Seventh-day Adventist Church.

Material Investments Policy

ADRA-UK seeks to respond to emergent needs and thus maintains its reserves in deposit funds or Money Market interest-bearing accounts. It has also been the recipient of investment equities and bonds, which have been retained.

Reserves Policy

The Charity's Reserves are separated into three main categories (See notes 19 and 20):

- Restricted funds are generated when the donor stipulates how their donation may be spent. At the year end, restricted funds amounted to £180,088.
- Unrestricted funds are generated when donors do not stipulate how their donation may be spent. At the year end, unrestricted funds amounted to £1,891,064
- Unrestricted designated funds are those that have been set aside by the Trustees for a specific purpose such as project funding. At the year end, unrestricted designated funds amounted to £944,601.

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Public Benefit

In setting plans and priorities for areas of work, the Trustees have given regard to guidance from the Charity Commission on the provision of public benefit. In particular the Trustees have considered and will continue to consider how our planned activities will contribute to the objectives we have set. How we deliver our principal objective “reduction of poverty in the relief of suffering particularly in situations of disaster” is demonstrated in our policies, objectives and plans.

The public benefit arising from our work is inherent in the grants made and the assistance given. Further we are mindful of the social, moral and ethical causes of poverty and our purpose is to address both the causes and offer relief in outcome.

Key Management Personnel

The Trustees considers the board of Trustees, Chief Executive Officer, Chief Finance Officer and Chief Programmes Officer as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 20 of the accounts.

Trustees are required to disclose all relevant interests and register them with the Chief Executive. None of the Trustees had financial interests with the Charity or any such interests would be disclosed.

Trustee Induction and training

Prospective new Trustees are familiar with the Charity as they have been associated with the Agency in some way. New Trustees are invited for an induction day with senior staff at the Agency. New Trustees are provided with information which outlines specific responsibilities and expectations of both the Trustees and the Charity. On-going training is offered to all Trustees, which includes events and courses that are organised both internally and externally. Beyond this, Trustees are invited at times to monitor projects both as ambassadors and consultants.

The Trustees are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

The law applicable to charities in England and Wales requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, of the Charity for that period. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures

disclosed and explained in the financial statements;

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities SORP (FRS102) and the provisions of the Trust Deed. They are also responsible for

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safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure to Auditors

So far as the Trustees are aware, there is no relevant audit information of which the Charity’s auditors are unaware; and The Trustees have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Charity’s auditors are aware of that information.

Approved by the Trustees of Adventist Development and Relief Agency UK and signed on their behalf by



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Earl Ramharacksingh, Honorary Treasurer,

Date 7 June 2021

Adventist Development & Relief Agency – UK Independent Auditors' Report Year Ended 31 December 2020

Independent Auditor's Report to The Trustees of The Adventist Development Relief Agency United Kingdom

Opinion

We have audited the financial statements of the Adventist Development Relief Agency United Kingdom for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its outgoing resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 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 financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our

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opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 aggregate,

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Independent Auditors' Report
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they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, Charities Accounts (Scotland) Regulations 2006 (as amended) and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.



Moore Kingston Smith LLP

Date 24/06/2021

Statutory Auditor
4 Victoria Square
St Albans
Herts
AL1 3TF

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

Adventist Development Relief Agency -UK

Statement of Financial Activity For The Year Ended 31 December 2020

Note	2020			2019				
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total		
	£	£	£	£	£	£		
Incoming Resources								
Income and Endowments From:								
	Donations and Legacies	2	673,991	37,503	711,494	801,088	47,899	848,987
	Charitable Activities	2	107,339	1,570,892	1,678,231	88,962	998,196	1,087,158
	Investments	2	2,929	-	2,929	8,818	-	8,818
	Other Income	2	-	-	-	19,175	-	19,175
	Total Incoming Resources		784,259	1,608,395	2,392,654	918,043	1,046,095	1,964,138
Resources Expended								
Expenditure On:								
	Charitable Activities	5a	773,523	1,623,334	2,396,857	1,062,373	974,020	2,036,393
	Raising Funds	5d	90,091	837	90,928	92,024	4,911	96,935
	Total Resources Expended		863,614	1,624,171	2,487,785	1,154,397	978,931	2,133,328
	Net (expenditure)/ income before investment gains/(losses)		(79,355)	(15,776)	(95,131)	(236,354)	67,164	(169,190)
	Net (losses)/gains on investments	13	(8,497)	-	(8,497)	3,970	-	3,970
	Net (expenditure)/income before transfers		(87,852)	(15,776)	(103,628)	(232,384)	67,164	(165,220)
	Transfers between funds	19	6,852	(6,852)	-	(19,148)	19,148	-
	Net movement in funds		(81,000)	(22,628)	(103,628)	(251,532)	86,312	(165,220)
Reconciliation of Funds:								
	Total funds brought forward	19	1,972,064	202,716	2,174,780	2,223,596	116,404	2,340,000
	Total funds carried forward	19	1,891,064	180,088	2,071,152	1,972,064	202,716	2,174,780

Adventist Development Relief Agency -UK

Balance Sheet As at 31 December 2020

	Note	Total 2020	Total 2019
Fixed Assets			
Tangible Fixed Assets	12	<u>1,718</u>	<u>4,455</u>
Current Assets			
Debtors	14	1,890,132	680,770
Investments	13	204,922	213,419
Cash at bank	17	<u>2,497,144</u>	<u>2,053,459</u>
Total Current Assets		<u>4,592,198</u>	<u>2,947,648</u>
Liabilities			
Creditors: Amounts falling due within one year	15	<u>2,522,764</u>	<u>777,323</u>
Net Current Assets		<u>2,069,434</u>	<u>2,170,325</u>
Total Net Assets		<u>2,071,152</u>	<u>2,174,780</u>
The Funds of the Charity:			
Restricted Income Funds	19	180,088	202,716
Unrestricted Funds	19	1,891,064	1,972,064
Total Charity Funds		<u>2,071,152</u>	<u>2,174,780</u>

Approved and authorised for issue by the Board of Trustees on 07 June 2021 and signed on its behalf by:



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Earl Ramharacksingh
Honorary Treasurer

**Cash Flow Statement
Year Ended 31 December 2020**

	2020 £	2019 £
Cash Flows from Operating Activities:		
Net Cash generated from/used by Operating Activities (Note 11)	440,756	(1,031,511)
Cash Flows from Investing Activities:		
Dividends and Interest from Investments	2,929	8,818
Purchase of Fixed Assets	-	(2,947)
Net cash provided by investing activities	2,929	5,871
Change in cash and cash equivalents in the reporting period	443,685	(1,025,640)
Cash and Cash Equivalents at the beginning of the reporting period	2,053,459	3,079,099
Cash and Cash Equivalents at the end of the reporting period	2,497,144	2,053,459

Analysis of changes in net debt

	At start of year	Cash flows	At end of year
Cash	2,053,459	443,685	2,497,144
Total	2,053,459	443,685	2,497,144

Notes to the Accounts Year Ended 31 December 2020

Note 1 - Accounting Policies

a. Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with transactions recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts. These financial statements have been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

b. Going Concern

The Trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on income.

The Trustees have also considered the impact of the ongoing COVID-19 pandemic and measures taken in the UK. As a result of the COVID-19 measures taken, the annual door-to-door collection was cancelled in the UK which has caused all door-to-door income to cease in 2020. However, the Charity continues to receive grants and ad hoc donations. Staff have also been able to work from home in order to maintain the day to day running of the Charity. Furthermore, as at 31 December 2020 the Charity had cash reserves of over £2 million which the Trustees believe is sufficient for the charity to meet its liabilities as they fall due.

After making enquiries, the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of signing the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

c. Funds structure

Restricted income funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in the furtherance of charitable objects. They include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Further details of each fund are disclosed in note 19.

Designated funds for named projects (Note 19) are unrestricted funds. This includes those funds set aside by the Trustees in order to meet the Charity's contractual obligations for funding the Charity's share of project costs. This is usually in relation to the Charity's contracts with the UK Government and the European Union.

d. Grant-making policies

The Trustees allocate grants in accordance with the objects set out in Charity's governing document as summarised in the Trustees' Annual Report.

Notes to the Accounts Year Ended 31 December 2020

e. Income recognition

All income is recognised once the Charity has entitlement to that income, it is probable that the income will be received, and the amount of income receivable can be reliably measured.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Legacies are recognised following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon receipt of a dividend voucher and related cash.

f. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated or apportioned to the applicable expenditure headings.

Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

Notes to the Accounts Year Ended 31 December 2020

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

g. Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

h. Foreign currency

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are recognised within the statement of financial activities.

i. Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost.

Depreciation is charged over their estimated useful life as follows:

Property (portable office): 10% straight line

Office fixtures and equipment: 33.33% straight line

j. Current asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price (note 13). The statement of financial activities includes the net gains and losses arising on revaluation throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

k. Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Notes to the Accounts Year Ended 31 December 2020

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

I. Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within charitable activities or fundraising costs and charged to the unrestricted funds of the Charity on the basis of the employees employed under each of those activities.

The Charity previously participated in a defined benefit pension scheme of the British Union Conference of Seventh Day Adventists. This scheme closed to service after 31 December 2013.

ADRA-UK became a charity after the historic deficit was established and does not contribute to the recovery plan. From 1st January 2014, contributions have been made under the Auto-Enrolment compliance legislation by the employer to a Defined Contribution plan invested with the Legal and General insurance company (see note 9).

Adventist Development Relief Agency -UK

Notes to the Accounts Year Ended 31 December 2020

Note 2 - Analysis of Income

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	£	Funds	Funds	£
	£	£	£	£	£	£
<u>Donations and Legacies</u>						
Annual Appeal - House to House	-	-	-	120,441	-	120,441
Annual Appeal - Other	90,149	-	90,149	312,673	-	312,673
Other Donations	505,083	37,503	542,586	346,867	47,899	394,766
Legacies	78,759	-	78,759	21,107	-	21,107
Total Income from Donations and Legacies	673,991	37,503	711,494	801,088	47,899	848,987
<u>Charitable Activities</u>						
Project Grants Received - DFID	61,783	914,606	976,389	-	42,502	42,502
Project Grants Received - Health Pooled Fund	-	-	-	3,149	44,987	48,136
Project Grants Received - EU	33,556	516,286	549,842	73,263	887,709	960,972
Other Grants	12,000	140,000	152,000	12,550	22,998	35,548
Total Income from Charitable Activities	107,339	1,570,892	1,678,231	88,962	998,196	1,087,158
<u>Income from Investments</u>						
Interest On General Income	2,233	-	2,233	7,175	-	7,175
Share Dividends	696	-	696	1,643	-	1,643
Total Income from Investments	2,929	-	2,929	8,818	-	8,818
<u>Other Income</u>						
Unrealised Foreign Exchange Gain	-	-	-	19,175	-	19,175
Total Other Income	-	-	-	19,175	-	19,175
Total Income	784,259	1,608,395	2,392,654	918,043	1,046,095	1,964,138

Note 3 - UK Government Grant Income

		2020	2019
		£	£
Cash Received in the Year			
DFID - South Sudan - GESS Project		537,483	-
DFID - Yemen - MHRP Project		1,801,841	-
DFID - Rwanda - Girls' Education Project		56,332	99,058
Total		2,395,656	99,058
		2020	2019
		£	£
Amounts Recognised as Income in the Year			
DFID - South Sudan - GESS Project		569,723	-
DFID - Yemen - MHRP Project		333,760	-
DFID - Rwanda - Girls' Education Project		11,123	42,502
Total		914,606	42,502

Income is recognised based on stage of completion of project in line with contract terms and conditions.

Adventist Development Relief Agency -UK

Notes to the Accounts Year Ended 31 December 2020

Note 4 - Donated goods and services

	2020 £	2019 £
Gift Boxes	-	-

Donated goods have been recognised in accordance with paragraph 6 of the Charities SORP (FRS102).

Note 5 - Analysis of Resources

Expended

	2,020			2,019		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
5a. Charitable Activities Costs						
Direct Costs (Note 5b)	703,441	1,622,404	2,325,845	970,210	960,679	1,930,889
Support Costs (Note 5c)	70,082	930	71,012	92,163	13,341	105,504
Total Charitable Activities Costs	773,523	1,623,334	2,396,857	1,062,373	974,020	2,036,393

5b. Direct Expenditure on Charitable Activities

Project Expenses - DFID	2,690	914,606	917,296	65,000	42,502	107,502
Project Expenses - EU	192,395	516,286	708,681	346,078	840,041	1,186,119
Project Expenses - Health Pooled Fund	-	-	-	64,815	44,987	19,828
Project Expenses - ADRA-UK	7,149	4,986	12,135	24,913	15,185	40,098
Grants paid to Partner Agencies (Note 10)	16,087	186,526	202,613	139,558	17,964	157,522
Salaries and Wages	382,995	-	382,995	361,125	-	361,125
Employer Social Security Costs	42,130	-	42,130	39,663	-	39,663
Employer Pension Contributions	51,886	-	51,886	47,003	-	47,003
Other Employee Expenses	8,109	-	8,109	11,685	-	11,685
Total Direct Expenditure on Charitable Activities	703,441	1,622,404	2,325,845	970,210	960,679	1,930,889

5c. Analysis of Support Costs Attributed to Charitable Activities

Audit Fees - Statutory Audit (5e)	12,000	-	12,000	12,480	-	12,480
Trustee And Advisory Meetings (5e)	451	-	451	1,960	-	1,960
Professional and Membership Fees	9,148	-	9,148	6,241	108	6,349
Travel Expenses	4,795	-	4,795	15,519	7,760	23,279
Office and Administrative Expenses	25,687	587	26,274	35,992	5,024	41,016
Staff Training and Conferences	6,677	-	6,677	8,709	240	8,949
Depreciation Charges	2,737	-	2,737	3,672	-	3,672
Exchange Rate Loss	24	-	24	608	23	631
Bank Fees And Charges	8,563	343	8,906	6,982	186	7,168
Total Support Costs Attributed to Charitable Activities	70,082	930	71,012	92,163	13,341	105,504

Adventist Development Relief Agency -UK

Notes to the Accounts Year Ended 31 December 2020

5d. Expenditure on Raising Funds

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Incurring Seeking Donations	69,418	837	70,255	74,753	4,911	79,664
Incurring Seeking Grants	20,673	-	20,673	14,968	-	14,968
Audit Fees - Annual Appeal	-	-	-	-	-	-
Bank Fees And Charges - Annual Appeal	-	-	-	2,303	-	2,303
Total Expenditure on Raising Funds	90,091	837	90,928	92,024	4,911	96,935

5e. Governance Costs

Audit Fees - Statutory Audit	12,000	-	12,000	12,480	-	12,480
Trustee And Advisory Meetings	451	-	451	1,960	-	1,960
Total Governance Costs	12,451	-	12,451	14,440	-	14,440

6. Analysis of Resources Expenses by Expenditure Type

	Staff Costs 2020 £	Depreciation 2020 £	Other Costs 2020 £	Total 2020 £
Cost of Generating Voluntary Income (Note 5d)	-	-	90,928	90,928
Charitable Activities: Humanitarian Aid (Note 5a - 5c)	477,011	2,737	1,917,109	2,396,857
	477,011	2,737	2,008,037	2,487,785

Note 7 - Fees for Examination of the Accounts

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Audit Fees - Statutory Audit	12,000	-	12,000	12,480	-	12,480
Total Fees for Examination of the Accounts	12,000	-	12,000	12,480	-	12,480

Adventist Development Relief Agency -UK

Notes to the Accounts Year Ended 31 December 2020

Note 8 - Paid Employees

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
Note 8.1 - Staff Costs	£	£	£	£	£	£
Salaries and Wages	382,995	-	382,995	361,125	-	361,125
Social Security Costs	42,130	-	42,130	39,663	-	39,663
Pension Costs	51,886	-	51,886	47,003	-	47,003
Other Employee Benefits	8,109	-	8,109	11,685	-	11,685
Total Staff Costs	485,120	-	485,120	459,476	-	459,476

During the reporting period, the number of employees receiving employee benefits of £60,000 or more excluding Employer Pension Costs and National Insurance was 1 (2019: 1).

The total amount of employee benefits including employer Pensions paid for key management personnel for their services to the Charity was £175,815.72 (2019: £149,353.17). This does not include Employer National Insurance.

None of the Trustees were remunerated for their services as Trustees to ADRA-UK nor did they accrue any retirement benefits.

8.2 Average Head Count in the year

The parts of the Charity in which the employees work:

	2020	2019
Charitable Activities	9	9
Total	9	9

Note 9 Pensions

Note 9.1 Defined contribution pension scheme

	2020	2019
	£	£
Amount of contributions recognised in the SOFA as an expense	51,886	47,003

Note 10 Grant making

10.1 Analysis of grants paid (included in cost of charitable activities)

	2020	2019
	£	£
Analysis of grants paid (to institutions):		
Adventist UK Community Hubs (£38,050 Barclays Funding + ££28,500 TED)	66,550	-
Aberdaron Special Needs Camp	-	5,000
Emergency Grants to ADRA Network offices	33,408	45,000
Other Grants to ADRA Network offices	96,655	107,522
Total grants paid to institutions	196,613	157,522

The Charity did not make any grants to individuals.

Adventist Development Relief Agency -UK

Notes to the Accounts Year Ended 31 December 2020

	2020 £	2019 £
<u>Note 11. Reconciliation of net (expenditure) to net cash flow from operating activities</u>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(103,628)	(165,220)
Adjustments for:		
Depreciation Expense	2,737	3,672
Losses/(gains) on Investments	8,497	(3,970)
Dividends and Interest from Investments	(2,929)	(8,818)
(Increase)/Decrease in Debtors	(1,209,362)	161,129
Increase (Decrease) in Creditors	1,745,441	(1,018,304)
Net Cash provided by Operating Activities	<u>440,756</u>	<u>(1,031,511)</u>

Note 11a. Analysis of cash and cash equivalents

Cash at bank	2,497,144	1,553,459
Notice deposits (more than 3 months)	-	500,000
Total cash and cash equivalents	<u>2,497,144</u>	<u>2,053,459</u>

Adventist Development Relief Agency -UK

Notes to the Accounts As at 31 December 2020

Note 12 Tangible fixed assets

	Portable Office £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2020	16,165	34,873	51,038
At 31 December 2020	16,165	34,873	51,038
Depreciation			
At 1 January 2020	16,165	30,418	46,583
Disposals	-	2,737	2,737
At 31 December 2020	16,165	33,155	49,320
Net book value			
At 1 January 2020	-	4,455	4,455
At 31 December 2020	-	1,718	1,718

Note 13 Current Asset Investments

	2020 £	2019 £
Fair Value at 1st January 2020	213,419	209,449
(Decrease)/Increase in fair value	(8,497)	3,970
Fair Value at 31st December 2020	204,922	213,419

The year end fair values of listed equities were obtained from data published by the London Stock Exchange, whereas the Prudential bond valuation was provided by the issuer.

Current asset investments represent 4% (2019: 7.1%) of the Charity's total Current Assets.

	Value When Gifted £	2020 £	2019 £
Investments consist of the following:			
Equities (listed)	110,344	76,338	98,373
Prudential Bond	25,000	128,584	115,046
Total	135,344	204,922	213,419

Adventist Development Relief Agency -UK

Notes to the Accounts As at 31 December 2020

Note 14 Debtors and Prepayments

	2020	2019
	£	£
Amounts Receivable for performance-related Grants	1,749,977	608,875
Prepayments and Accrued Income	133,802	55,284
Other Debtors	6,353	16,611
Total Debtors and Prepayments	1,890,132	680,770

Note 15 Creditors and Accruals

	2020	2019
	£	£
Amounts Payable performance-related Grants	2,491,447	605,146
Accrued Expenses	28,151	165,663
Other Creditors	3,166	6,514
Amount Owed to Sponsoring Organisation	-	-
Total Creditors and Accruals	2,522,764	777,323

Note 16 Provisions for Liabilities and Charges

During the year ended 31st December 2020, the Charity had made no outstanding grant commitments (2019: NIL).

Note 17 Cash at Bank and in Hand

	2020	2019
	£	£
Long term deposits (maturing after more than 3 months)	-	500,000
Cash at bank	2,497,144	1,553,459
Total	2,497,144	2,053,459

Note 18 Fair Value of Assets and Liabilities

18.1 Management considers that the exposure to risk is minimal. No credit is extended, and the value of investments is not significant to the Charity's operation. Commitments to provide matching funds are set aside as designated funds at the commencement of each project.

18.2 The fair value of Current Asset investments reduced by £8,496.45 and this loss has been recognised in the Statement of Financial Activity.

Adventist Development Relief Agency -UK

Notes to the Accounts As at 31 December 2020

Note 19 Charity Funds

19.1 Details of material funds held and movements during the current reporting period

Fund names	Purpose	Fund balances	Income	Expenditure	Transfers (Note 19.3)	Fund
		brought forward				balances carried forward
		£	£	£	£	£
Designated funds						
Invested in Property and Equipment	Fixed Assets	4,455	-	2,737	-	1,718
Major Emergency Fund	Major Emergencies	100,137	-	-	-	100,137
Named Project Funds	Project commitments	519,540	74,035	240,211	489,382	842,746
Total designated funds		624,132	74,035	242,948	489,382	944,601
General Fund	General	1,347,932	701,727	620,666	(482,530)	946,463
Total Unrestricted funds		1,972,064	775,762	863,614	6,852	1,891,064
Restricted funds						
Rwanda - DFID Project	Girls' Education	-	11,123	11,123	-	-
Yemen - MHRP Extension	Cash Transfers	-	333,760	333,760	-	-
South Sudan - Health Pooled Fund	Health Services	-	-	-	-	-
South Sudan - GESS	Girls' Education	-	569,723	569,723	-	-
Sri Lanka - EU Project	Environmental and Nutritional Development	-	505,929	505,929	-	-
Swaziland - EU Project	Enhanced Livelihoods	-	10,357	10,357	-	-
Thailand - EU Project	Migrant Advocacy	47,668	-	-	(47,668)	-
Emergency Restricted Funds	Small Emergencies	33,753	23,444	98,622	41,425	-
Small Restricted Funds	Small Projects	121,295	154,059	94,657	(609)	180,088
Total restricted funds		202,716	1,608,395	1,624,171	(6,852)	180,088
Total funds		2,174,780	2,384,157	2,487,785	-	2,071,152

19.2 Analysis of Assets between Funds

	2020			2019		
	Restricted Funds	Unrestricted Funds	Total Funds	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£	£	£	£
Tangible Fixed Assets	-	1,718	1,718	-	4,455	4,455
Current Assets	180,088	4,412,110	4,592,198	202,716	2,744,932	2,947,648
Creditors due within one year	-	(2,522,764)	(2,522,764)	-	(777,323)	(777,323)
Total Funds	180,088	1,891,064	2,071,152	202,716	1,972,064	2,174,780

Notes to the Accounts
As at 31 December 2020

19.3 Transfers between funds in 2020

Between unrestricted and restricted funds:		Reason for transfer	Amount (£)
Named Project Funds	Project commitments	Allocations from Annual Appeal	(489,382)
General Fund	General	Allocations from Annual Appeal	(482,530)
Emergency Restricted Funds	Small Emergencies	Allocation from Annual Appeal	41,425
Small Restricted Funds	Small Projects	To fund shortfall in small restricted funds	(609)
	Environmental and Nutritional		
Sri Lanka - EU Project	Development	Transfer prior year Admin Levy to General Funds	-
Swaziland - EU Project	Enhanced Livelihoods	Transfer prior year Admin Levy to General Funds	-
Thailand - EU Project	Migrant Advocacy	Transfer prior year Admin Levy to General Funds	(47,668)
South Sudan - Health Pooled Fund	Health Services	Transfer prior year Admin Levy to General Funds	-
			(971,912.00)

19.4 Details of material funds held and movements during the previous reporting period

Fund names	Purpose	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Fund balances carried forward £
Designated funds						
Invested in Property and Equipment	Fixed Assets	5,180	2,947	3,672	-	4,455
Major Emergency Fund	Major Emergencies	100,137	-	-	-	100,137
Named Project Funds	Project Commitments	443,615	446,461	351,388	(19,148)	519,540
Total designated funds		548,932	449,408	355,060	(19,148)	624,132
General Fund	General	1,674,664	468,635	795,367	-	1,347,932
Total unrestricted funds		2,223,596	918,043	1,150,427	(19,148)	1,972,064
Restricted funds						
Rwanda - DFID Project	Girls' Education	-	42,502	42,502	-	-
South Sudan - Health Pooled Fund	Health Services	-	44,987	44,987	-	-
	Environmental and Nutritional	-	-	-	-	-
Sri Lanka - EU Project	Development	-	710,833	710,833	-	-
Swaziland - EU Project	Enhanced Livelihoods	-	-	-	-	-
Thailand - EU Project	Migrant Advocacy	-	58,961	58,961	-	-
Emergency Restricted Funds Small Restricted Funds	Small Emergencies	-	117,915	70,247	-	47,668
	Small Projects	4,179	29,574	-	-	33,753
Total restricted funds		112,225	41,323	51,401	19,148	121,295
Total funds		2,340,000	1,964,138	2,129,358	-	2,174,780

Adventist Development Relief Agency -UK

Notes to the Accounts As at 31 December 2020

Note 20 Transactions with Trustees and Related parties

20.1 Trustee remuneration and benefits

None of the Trustees have been paid any remuneration or received any other benefits from employment by the Charity or a related entity in their capacity as Trustees of ADRA-UK.

20.2 Trustees' expenses

<u>Type of expenses reimbursed</u>	2020 £	2019 £
Travel and Accommodation	141	1,983
Total	141	1,983

Number of Trustees reimbursed for expenses or who had expenses paid by the Charity: 2 (2019: 5)

20.3 Transactions with related parties

Name of the trustee or related party	Relationship to Charity	Balance at 01.01.2020	Donations Received via Parent	Expenses Recharged by Parent	Payments to Parent	Balance at 31.12.2020
		Debtor / (Creditor) £	£	£	£	Debtor / (Creditor) £
British Union Conference of Seventh Day Adventists	Parent	(10,153)	230,340	(195,295)	(30,000)	(5,108)

During the year, payments amounting to £1,800 (2019: £1,375) were made to Tangld Ltd, a company owned by the spouse of one of the key management personnel for the design of marketing materials.