



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2018



REGISTERED CHARITY 1074937
(SCOTLAND SCO37726 - IOM1101)

www.adra.org.uk

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The Sustainable Development Goals (SDGs) are a universal set of 17 goals that will guide UN members in how they help the poor, disenfranchised and less fortunate members of the world until 2030. All of ADRA-UK's projects contribute to at least one SDG and your funds continue to help us in this work!

We have highlighted some of our projects throughout the document.

Abbreviations used in this document:

DFID = Department for International Development
EU = European Union
HPF = Health Pooled Fund (DFID, USAID, DFAT, CIDA)
HPA = Health Poverty Action
IDE = International Development Enterprises
UM = Urban Ministries

ACCEND = Assisting Communities in Creating Environmental and Nutritional Development (Sri Lanka)
ECMA = Enhanced Capacity for Migrant Advocacy (Thailand)
ELIVES = Enhanced contribution to governance and development process at country level (Swaziland)
REAP2 - Rwandan Girls's Education and Advancement Programme 2 (Rwanda)

CSO = Civil Society Organisation
NGO = Non-Governmental Organisation
SDG = Sustainable Development Goals

Introduction

My personal highlight of 2018 was a visit in October to the Rwamwanja Refugee Settlement in southwestern Uganda, home to nearly 70,000 Congolese refugees. The Rwamwanja settlement is managed by The United Nations Refugee Agency (UNHCR) and the Ugandan Office of the Prime Minister's Department of Refugees (OPM). Services to refugees are implemented by a host of agencies. ADRA Uganda is currently providing the food and cash distribution, in partnership with the World Food Organisation (WFO).

About a third of the people in **Rwamwanja** are depending on monthly distribution from the WFO. Of this, 75% is a cash donation and the remaining 25%, a distribution of staples such as rice, beans, flour, salt and oil. ADRA Uganda is managing these distributions on behalf of the WFO.

What impressed me the most was the technologically advanced way in which the distributions are conducted. There are five distribution sites across the nearly 50 square mile area of the settlement. ADRA arrives on the site for the distribution and installs a generator while an IT team sets up a server and Wi-Fi network linked to a UN satellite.

All refugees have ID cards with bar codes. Cards are scanned, fingerprints read, or irises checked to identify the beneficiary. They then proceed to get their benefits. Cash is distributed from a small truck, serving as a bank (with armed guards protecting the vehicle). Modern technology is helping to make lives easier for the people of Rwamwanja.

2018 has been a year of consolidation and planning for growth for the Agency. Our current project portfolio continued to receive the support needed, while at the same time new opportunities were explored for future projects. Increasingly, the shadow of Brexit impacted our ability to achieve new European Commission (EC) co-funded projects. Our focus was predominantly on seeking opportunities through the Department for International Development (DFID) funding.



Introduction

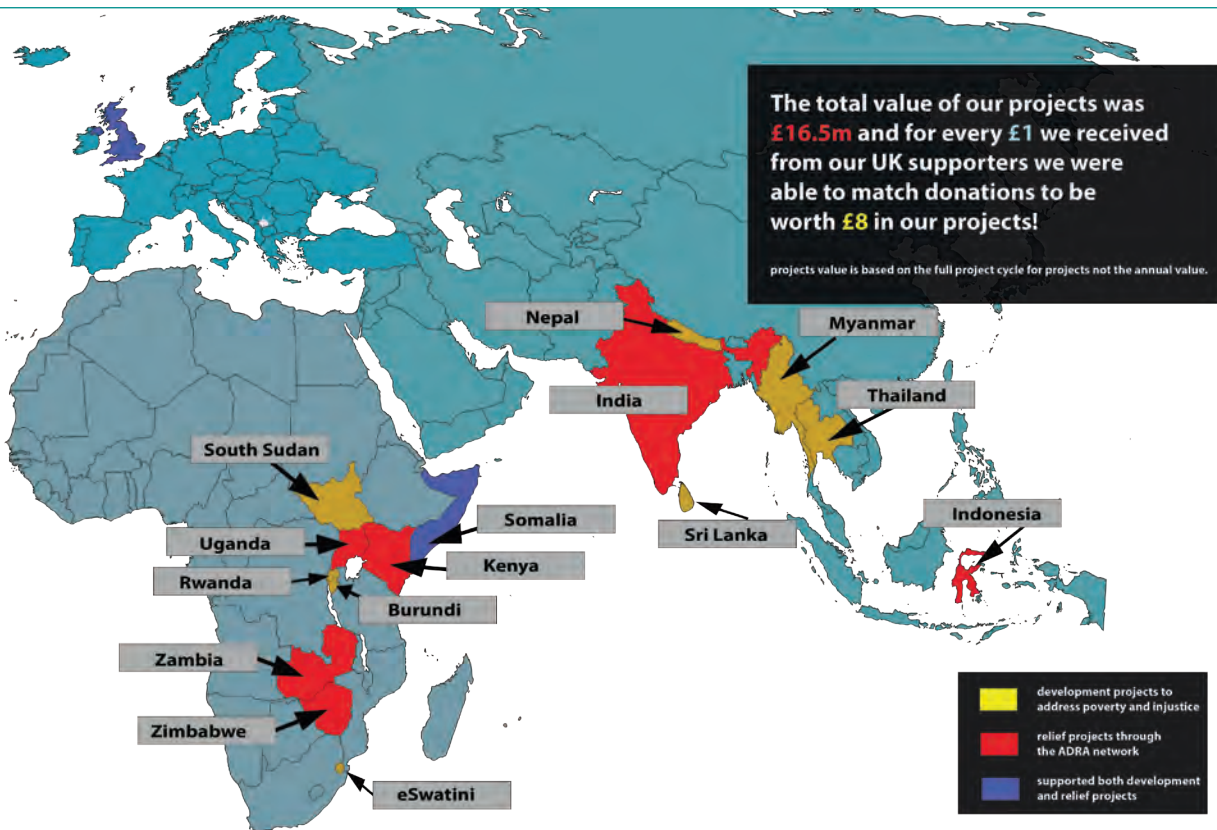
New for the year was our work on increasing the engagement with our supporter groups. The new Urban Ministries (UM) initiative is spearheading helping local donor groups so that ADRA-UK will not only have a role helping people in need who live overseas but will empower local groups to meet needs here in the UK too - a great partnership model.

We are grateful for the support of our donor base who organise fundraising events, participate in the annual door-to-door collection or who generously make personal donations. The funds raised have been multiplied many times over through grants from government donors.

The work of the ADRA network is touching many lives. From providing basic education to adapting to climate change to access to clean water: ADRA is out there helping every day.

Because of you we can continue to help people in need.

Bert R Smit
CEO



Introduction

Our vision:

A world without poverty and distress.

Our mission:

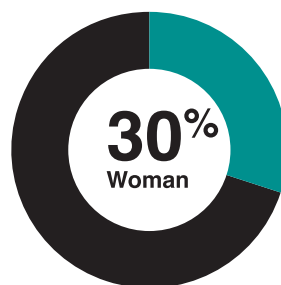
To empower the poor around the world with the resources, skills and opportunities to live a better life with dignity and hope.

ADRA'S WORK TOUCHES MILLIONS OF LIVES IN MORE THAN 130 COUNTRIES AND ACROSS 4 CRUCIAL IMPACT AREAS. ADRA'S HARDWORKING NETWORK OF ALMOST 6,000 PEOPLE ACTIVELY IMPLEMENT REGION-APPROPRIATE SOLUTIONS FOR POSITIVE AND SUSTAINABLE CHANGE, WHERE IT IS NEEDED MOST.

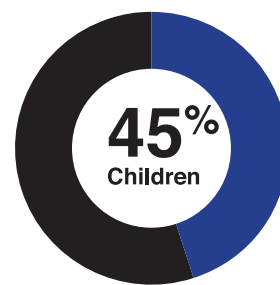
We have helped over
1.3 million people



of which **383,000** are
women (**30%**)



583,000 are
children (**45%**)



Message from the board chairman:

BEING PART OF SOMETHING GREATER THAN YOURSELF

On a recent trip to Sri Lanka, I met Isuru, who is almost 13 years old. He can't speak, or walk, or dance or sing. But as I walked into the small home shack that he shares with his mother in Wilgamua, it was his broad and warm smile that captured my heart. Isuru's father passed away last year, and Imanlatha, his mother, is his sole carer and provider. They survive on gifts and a meagre monthly income of £12 per month from the government.

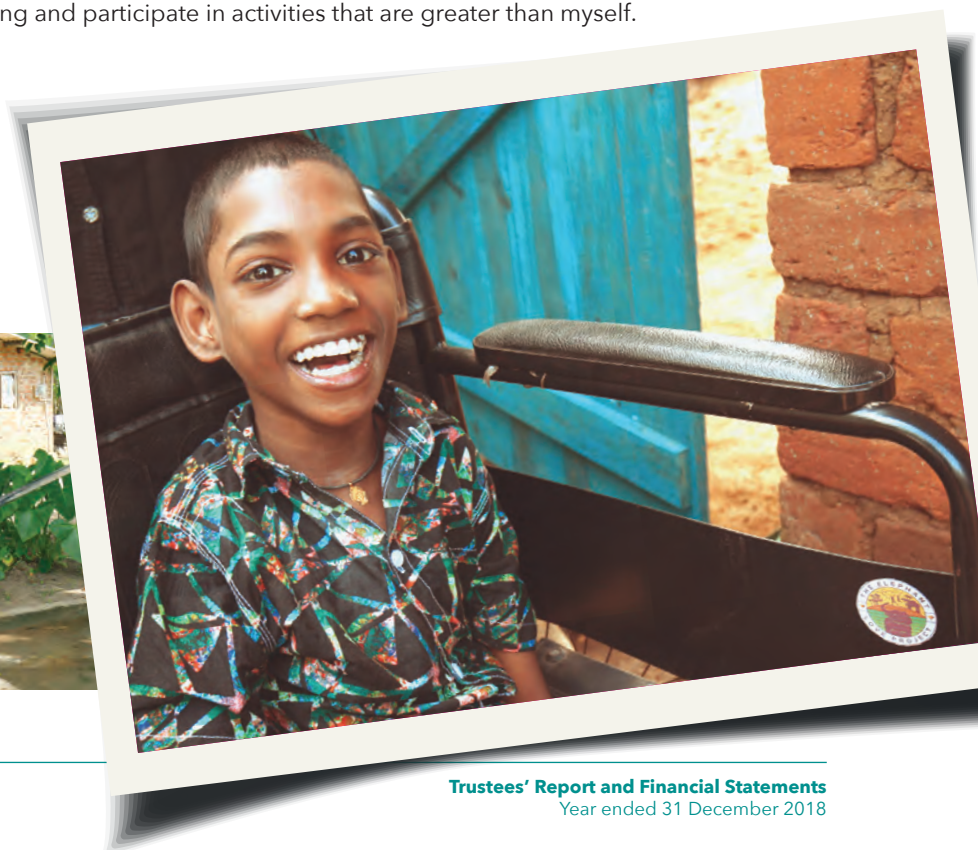
And while I was saddened at the challenging circumstances that Isuru and his mother endure on a daily basis, I am also very excited that he is one of the many people that are benefitting from a health and sanitation project that ADRA is conducting on the island. ADRA has refurbished the community water pump where Isuru and Imanlatha live and have adapted the pump so that Imanlatha can pump water to a water tank on top of their new latrine, that has been specifically adapted for Isuru. A ramp from the house, which is rather unique in Sri Lanka, completes safe wheel chair access for Isuru to his new washing and toilet facility.

As the Chair of the Board of Trustees for ADRA-UK, I am still humbled to be part of an organisation that improves the quality of life for so many people all over the world. In 2018, I was involved in the ADRA Appeal in a way that I wouldn't have thought possible. I lived on £2 per day for three weeks to assist in the raising of funds. To say the least, it was extremely difficult, but the four of us who participated in the Hungry for ADRA initiative raised almost £4000 of the nearly £500,000 that we achieved during the three-week ADRA Appeal.

Our board of trustees give of their time to assist in the strategic direction of ADRA-UK and I salute them for their professional oversight of the organisation. I also would like to pay tribute to Bert Smit, the CEO, and his team of 8 employees, for their consistent and professional daily contribution to the work of ADRA-UK, managing humanitarian programmes and volunteering abroad, supporting volunteering in the UK and working alongside church congregations to assist them with sustainable outreach projects.

In a world that is fraught with inflated egos, selfishness, and a culture of 'me, me, me,' I'm blessed to be part of an organisation where I can be outward looking and participate in activities that are greater than myself.

Ian Sweeney
Board Chairman



Trustees' Annual Report

Year ended 31st December 2018

Legal Statement

We present this report and financial statements of the charity for the year ended 31 December 2018 together with the consolidated Charity accounts, which have been audited by 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 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 published on 16 July 2014 (FRS 102)

Structure, governance & 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 towards:

- i.** 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;
- ii.** Addressing the long-term effects of poverty;
- iii.** 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.



In 2018, ADRA-UK, as Lead Partner, launched, I AM URBAN, an Urban Ministries (UM) initiative with Adventist Community Services (ACS). The purpose of this partnership is to empower all Seventh-day Adventist congregations in the UK to adopt a sustainable outreach project, to motivate them to become involved in social justice projects and support them to change society for the better through loving service, in particular millennials.



As a result of this, Max McKenzie-Cook, a pastor from the South England Conference of the Seventh-day Adventist Church, will be seconded from the 1st January 2019, for one day a week, to assist with the implementation and sustainability of the project.

And, to assist with the initial launch and the first year of operation of I AM URBAN, funding of £23,000 was applied for and awarded from the Trans-European Division of the Seventh-day Adventist Church at the beginning of December 2018. Additional funding has been promised by other entities of the Seventh-day Adventist Church and these are expected in April 2019.

As part of the initiative, it was agreed that 10% of the reversion from the 2018 ADRA Appeal would be returned to churches to assist them with their community outreach.



Safeguarding

In the aftermath of negative media reports about sexual exploitation by British NGOs in overseas projects, and as recommended by DFID, we reviewed and revised our safeguarding and protection policies to ensure they meet DFID's Enhanced Due Diligence requirements.

Everybody has the right to be safe no matter who they are or what their circumstances.

Safeguarding is about protecting children, young people and vulnerable adults from abuse or neglect in our projects overseas, and here in the UK.

We are all responsible for the safety of children, young people and vulnerable adults. We must ensure that we are doing all we can to protect the most vulnerable in our work.

Working closely with the ADRA International Human Resource team, we reviewed the draft network safeguarding (protection) policy helping to improve policies for the network.

At the Board meeting on 3rd September 2018, our new safeguarding policies were approved by the Board. Hèlia Mateus was appointed as the point of contact for the Trustees while Darja Markek, Programmes Officer, was recorded as the point of contact for the Agency.

Darja has been working closely with the newly appointed ADRA International Protection Officer, Brooke Feldman, to help develop new network wide safeguarding policies, as well as complaints and response mechanisms for ADRA-UK's partner offices.

All our UK staff have completed online International Safeguarding training in 2018 with SafeCIC and this is being rolled out to our overseas partners. All Trustees completed a SafeCIC Safeguarding for Trustees course.

Swaziland

ADRA is improving the quality of health and lifestyle of 400 HIV/AIDS affected farmers and 5,000 school children in Lubombo and Shiselweni Districts.



ADRA-UK will help:

- 400 HIV/AIDS** affected farmers receive farming support
- 90% of farmers** are able to have 3 nutritionally balanced meals per day
- 5,000 school children** access water and healthy meals at school
- 50% of families** engaged with the project, to sell their crops and earn income for their families



Funded by European Union and ADRA-UK

Partners: ADRA Swaziland, Ministry of Agriculture, Food & Agriculture Organisation of the UN & National Agriculture Marketing Board

Budget: £371,000

Duration: 3 years



New Trustees

During 2017 and 2018 we invited applications for new Trustees. Quite a number of applications were received and after a selection process four new Trustees were confirmed during the AGM on the 14th of June 2018. Andrew Baildam, as Professor of Oncology, and Helen Rodd, as Professor of Dentistry bring high level medical expertise to the Board while Snowdon Reid brings international Vocational Educational Training expertise. Hèlia Mateus was the former Chief Financial Officer (CFO) of ADRA-UK and her appointment as a Trustee helps to maintain our knowledge management.

Nepal ADRA is increasing the income of 30,000 farmers and empowering them to work their way out of poverty in the Central Terai Region.



ADRA-UK is helping:

Female farmers who are often **socially excluded and marginalised**
Help goat farmers **earn more money** for their daily living
Give farmers access to **business literacy classes**
Help farming households **sell their produce**



Funded by the Department for International Development, UK & ADRA-UK

Partners: ADRA Nepal, iDE, District Agriculture Development Office and the District Livestock Service Office

Budget: £1,848,585

Duration: 3 years



ADRA Appeal

The annual ADRA Appeal is key to funding the humanitarian work of ADRA-UK. For a period of up to three weeks, our supporters have the opportunity to collect from door-to-door. Members of the Seventh-day Adventist church have been collecting from door-to-door in the UK Since 1913. From 2001, it was decided that the collections would benefit the global work of the Adventist Development and Relief Agency or ADRA-UK. This has been a vital contribution to our work over the years, as well as a testimony to the members generosity and support with fundraising.



ADRA-UK, as an independent charity, holds a National Exemption Order (NEO) licence for the House to House collections. House to House collections are carried out annually by ADRA-UK's volunteers mostly from 300 Seventh Day Adventist churches over a three-week period which usually begins at the end of March. NEO holders such as ADRA-UK are supervised by the Department for Digital, Culture, Media and Sport and required to submit audited House to House collection accounts as part of the requirements to maintain the NEO licence. There are only 46 charities in the UK that hold this national permit to collect and it gives us a unique opportunity to meet people and ask for a contribution to our humanitarian work.

The average income of the ADRA Appeal has been over £500,000 since 2007 but is under pressure. Door-to-door collecting has become less attractive and more difficult to promote and now accounts for just 25% of our raised income during the period. The other 75% is raised through donations and fundraising activities such as fun runs, charity walks and concerts.

In 2018, the ADRA Appeal administration was split into accounting for the House to House collection (£125,182) and general fundraising (£374,528). Each of the 300 churches where fundraising is taking place has a local ADRA agent that coordinates and promotes the ADRA Appeal.

When combined, the income raised in the 2018 ADRA Appeal is a total of £499,710 (2017: £475,986). This is a slight improvement over 2017 but with the reducing House to House income we are still concerned about the Appeal (2016: £166,319, 2017: £145,511, 2018: £123,471).



South Sudan

ADRA is extending health services to 209,902 community members in the Terekeka county.

3 GOOD HEALTH AND WELL-BEING



ADRA-UK has helped:

Strengthen the operations of **40 health centres**
90% of women deliver their babies in health facilities

76% of women access antenatal services

52% of nomadic families receive health services

Funded by the Health Pooled Fund

Partners: ADRA South Sudan, Health Pool Fund

Budget: £1.5m

Duration: 15.5 months



ADRA Connections

ADRA Connections is part of volunteering at ADRA-UK and has been steadily growing since its inception. Over 15,250 beneficiaries have been helped since 2015 by 177 volunteers travelling on 10 trips to Nepal, Cambodia, Peru, Thailand, eSwatini, Ghana, Sierra Leone and Rwanda.



Volunteers have raised £259,450 since 2015 when they go out and make a difference.

In 2018, there were Connections trips to Rwanda (gift box trip), Cambodia (building latrines, wells, children's playgrounds) and eSwatini (building pre-school classrooms).

These trips have been rewarding experiences for our supporters and donors who have been able to experience ADRA's work first-hand.

Our work would have been impossible without the support from volunteers. In 2018, ADRA-UK received the support of close to 5,000 volunteers who gave an approximate total of over 20,000 hours of their time.

This included around 300 ADRA Agents, who are the named representative for ADRA-UK in their local church, receiving our church engagement materials and coordinating the support of their church at a local level.

ADRA-UK also received the support of four volunteers at SEC Camp meeting, which helped the organisation to promote its work to the largest gathering of their supporters and donors.

Our 2018 Development projects:

ADRA receives funds from various sources, identifies projects that target specific needs, then provides funding, technical assistance, capacity building, monitoring and evaluation of those projects to ensure desired outcomes are achieved.

Sri Lanka, Swaziland, Thailand, Nepal, South Sudan, Rwanda and Somalia.

Our 2018 Relief projects

ADRA-UK is part of the global network of the Adventist Development and Relief Agency. ADRA offices around the world can pool their resources to respond to disasters and the outstanding generosity of the Seventh-day Adventist church members means that funds can be raised quickly to help feed the hungry, treat the sick and empower the poor. Funding was provided for:

Zambia, Kenya, Uganda, Somalia, Guatemala, Indonesia, India and Zimbabwe.

Our 2018 UK projects:

Twenty percent of the proceeds of the 2018 door-to-door collection of the ADRA Annual Appeal supported UK based projects. Through initiatives such as community centres, disability support projects, crisis relief, food banks and soup kitchens, ADRA is helping people in need to reach their potential and thrive.

A total of £13,195 was awarded to 25 churches in 2018. The churches that benefitted from these funds were, Alsager, Balham, Barnsley, Birmingham Erdington, Birmingham Handsworth, Birmingham Northfield, Birmingham Yardley, Bournemouth, Chelmsford, Coventry Central, East Kilbride, Emmanuel (West Kilburn), Hanwell, Hounslow Cornerstone, Leicester Central, Leicester St Matthews, Lewisham, London Filipino International (Church and Advent Shelter), Luton Central, Newbold, Newcastle, Northampton Harlestone Road, Oldham, Peckham, Riverway Sidcup, Rochdale, Stanborough Park, Stoke Newington, Sutton-in-Ashfield, Sydenham, Welling, Willesden, Wolverhampton GBK, Wolverhampton Wednesfield, Ystrad Mynach.

A further £5,000 each was donated towards the educational work of the Adventist Special Needs Association (ASNA) and the Aberdaron Special Needs Camp.

Funding was also given to the Stratford Shelter in Newham run by volunteers from the Stratford Seventh-day Adventist Church during the Christmas season. Newham has the highest number of people in insecure housing in the United Kingdom and currently are in consultation with the organisers of the shelter, along with the Borough Council to make this project sustainable for 2019 and beyond.

Plans for the future

During 2018 the Trustees and the Management team followed the strategic framework for the period 2013-2017. This directive, which was adopted on the 5th of December 2012 by the Trustees, was building on the past but allowed ADRA-UK to adopt new models of operation as the funding mechanisms and approaches in development were changing. Even though by the end of 2017 we had plans in place to develop the framework for the next quinquennial this was delayed until the end of 2018.

Strategic Framework

The ADRA-UK team met in January and in December 2018 to work on the new **Strategic Framework**. Mfakazi Ndebele of Thinkit Coaching & Consultancy Ltd, led the strategic discussions during a 3-day team retreat in the Cotswolds between 11th - 13th December 2018, which resulted in the creation of the new draft framework for the period 2019-2024. It is expected that the new framework will be finalised by June 2019.

Development Programmes

The implementation of **development programmes** is our main area of activity. ADRA-UK will continue to focus increasingly on improving livelihoods in the least developed and low-income countries to achieve transformative and sustainable change. As part of the ADRA network, active in around 130 countries, ADRA-UK will utilise the reach of the network to work through national ADRA partners. These offices have a better understanding of the local context and needs which will help us to ensure best practice and value for money. We see it as our duty to build their technical and programmatic capacity that will increase our effectiveness in contributing to the eradication of poverty and distress.

Disaster Response

In addition, we are working on improving our role in network **disaster response** and giving ADRA-UK staff the opportunity to be trained to function as part of the ADRA Emergency Response Team.

ADRA Connections

For 2019, **ADRA Connections** is set to travel to four locations - the Philippines, Sri Lanka, Peru and Thailand - as well as launching trips for 2020! With an increasing volunteer database, a growing catalogue of host countries and supportive donors and partners who want to make a difference in the world, ADRA Connections has made a change to the lives of 15,000+ beneficiaries!

Over the next four years, we plan to increase our trips to six a year and give individuals a chance to experience our work by working on projects or leading the trips as a qualified Team Leader! The growth of the programme has been exciting over its first 5 years and we look forward to seeing what the next few have in store.

2019 ADRA Appeal

To increase the profile of ADRA, churches active in the **2019 ADRA Appeal** can again receive a return of 10% of the net amount of funds raised to be used for social projects in their community.

Urban Ministries

In 2019, **Urban Ministries** plans to specifically support the plans of the following congregations: Edmonton, Erdington, Wallington, High Wycombe region, Glasgow, Edinburgh and Cardiff and also the One Vision Café.

In 2019, UM plans to host key days that will involve millennials in outreach activities that tie into the UN's 17 Sustainable Development Goals and issues that deeply concern millennials. These dates are the 16th March - Global Youth Day, 15th June - World Refugee Sabbath, 21st September - International Day of Peace and World Aids Day - Sunday 1st December. In addition to this, there will be a quarterly webinar, the creation of website pages to be integrated into the new ADRA website (mid-year), seminars, and a six-month blended learning programme, starting in May 2019 (online) with the final module completed in person in a week-long session in October. This will then culminate in a 2-day social justice conference.

Sri Lanka

ADRA will provide **306,016 community members** with access to clean water and toilets and focus on health, nutrition, hygiene and sanitation training for disadvantaged communities in Uva and Central Province.



ADRA-UK will help:

- 50% of children**, in the project area, to have 3 nutritious meals per day
- 60% of women** working on tea estates will have an increased number of baths per week, (as opposed to one), which will help reduce the spread of diseases
- 40% increase** in the number of people using a safe water source
- 300 women** of reproductive age will benefit from nutrition interventions - to improve the health of the family, pregnant mothers and unborn children/foetus

**Funded by the European Union,
OXFAM and ADRA-UK**

Partners: ADRA Sri Lanka & OXFAM

Budget: £5,144,000

Duration: 3 years



Our fundraising approach

ADRA-UK undertakes fundraising activity to its supporters via the ADRA Appeal, direct mail, email, social media, its website, church appeals, fundraising events and sponsored events in line with the Fundraising Code of Practice set by the Fundraising Regulator.

During 2018, ADRA-UK did not use third party fundraising agencies and instead conducts all fundraising activities through our staff and volunteer networks using the methods outlined above.

On our website is a section where we outline our promises to supporters around the handling of their data, how they can contact us to change their contact preferences and information or should they wish to make a complaint about any of our fundraising activities.

We also signpost supporters to the Fundraising Regulator, both online and through our printed materials, should they feel ADRA-UK is not responding to their requests or complaints appropriately, in the first instance.

ADRA-UK did not receive any complaints about its fundraising activities in the year.

ADRA-UK is registered with the Fundraising Regulator and the Fundraising Preference Service. We are committed to supporting the success of the new regulator. We are committed to operating to high standards in our supporter care and fundraising activity, seeking to operate within both the spirit and the letter of regulatory guidance and sector standards as they are issued.

Thailand **ADRA supported 3,750 migrant factory workers to receive better working conditions and claim their rights in Mae Sot District.**



ADRA-UK has helped:

- 45 factories** participate in the Model Factory initiative and 70 factories receive training and awareness in labour, health, safety, hygiene and environmental laws
- 2,516 migrant workers** participate in safety and hygiene workshops
- 963 migrants** receive legal consultation advice from the Labour Law Clinic
- 8 Civil Society Organisations** will participate in local and national migrant working groups/platforms

Funded by the European Union and ADRA-UK

Partners: ADRA Thailand, Civil Society Organisations, Labour Protection Office, Thai Federation of Industry

Budget: £699,000

Duration: 3 years

About us

Our Vision A world without poverty and distress.

Our Mission To empower the poor around the world with the resources, skills and opportunities to live a better life with dignity and hope.

Who we are The Adventist Development and Relief Agency (ADRA) is an independent Christian humanitarian agency. Following the ethos of the Seventh-day Adventist Church, ADRA is established for the specific purposes of individual and community development and disaster relief. ADRA fulfils this primary directive of its charter without regard to race, gender, political or religious affiliation.

The values that shaped ADRA are the traditional Christian values regarding the potential of each individual to reflect the compassionate image of God, the dignity that is inherent in every person, and the importance of quality in human life.

What we do **Protecting the Vulnerable**

ADRA is dedicated to protecting the vulnerable all over the world. For example, we protect children who are sold as sex workers, advocate for women who must fight for the opportunity to learn to read and defend the millions of minorities and others around the world who suffer in silence.

Supporting Families

Poverty threatens the wellbeing of families all over the world. ADRA provides help for families and orphans who are without food, shelter, and love. ADRA also seeks to empower children through education, and gives those who missed schooling opportunities a chance for a new beginning.

Promoting Health

ADRA is lowering the incidence and impact of disease by promoting health and wellness. By improving sanitation and access to clean water, ADRA helps prevent many of the common medical problems that plague communities.

Providing Food & Water

By providing food and water and the ability for families to grow their own crops, ADRA gives people the nutrition they need not just to survive, but to thrive. We support this with training in farming techniques to improve productivity and by establishing farming networks to offer support and improved market access.

Establishing Livelihoods

ADRA knows that one of the best ways to boost individuals out of the cycle of poverty is by providing livelihoods. Through micro loans and training, ADRA gives men and women the ability to support themselves and their families.

Our Commitment

- to actively support communities through a portfolio of development activities which are planned and implemented cooperatively;
- to provide assistance in situations of crisis or chronic distress, and work toward the development of long-term solutions with those affected;
- to work through equitable partnerships with those in need to achieve positive and sustainable change in communities;
- to build networks which develop indigenous capacity, appropriate technology, and skills at all levels;
- to develop and maintain relationships with our partners and constituents which provide effective channels for mutual growth and action;
- to promote and expand the equitable and participatory involvement of women in the development process;
- to advocate for and assist in the increased use of communities' capacities to care for and responsibly manage the natural resources of the environment;
- to facilitate the right and ability of all children to attain their full potential, and to assist in assuring the child's survival in order to achieve that potential.

“

A **life** does
not get better
by chance
It **gets**
better by
Change”

Reference and administrative details

Trustees: Ian Sweeney (Chair)
John Surridge
Earl Ramharacksingh (Hon Treasurer)
Andrew Baidam (appointed 14 June 2018)
Stephen Logan
Hèlia Mateus (appointed 14 June 2018)
Jennifer Phillips
John Rees-Stoner
Snowdon Reid (appointed 14 June 2018)
Helen Rodd (appointed 14 June 2018)
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: 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
and Scotland: SC037726

Financial review

Statement of Financial Activities (SOFA)

The SOFA shows a surplus of just over £50,000 (2017: deficit £346,547). This was mainly a result of a change in income mix. In prior years, the Charity had more projects that required 25% match funding. In 2018, match funding requirements on the charity ranged from less than 25% to 0%. Cost savings were also realised in other expenditure lines too. This is despite a slight drop in total incoming resources by 2.6%.

Income

Donated income is made up of general donations, legacies and the ADRA Appeal income. The Charity's main donor base consists of members of the Seventh Day Adventist church. Donated income rose by 1.4% in comparison to 2017 as ADRA-UK became the beneficiary of a significant lifetime gift for funding gift catalogue projects. The Charity is grateful to its donors for their generous giving as these funds go a long way towards helping those in need both here in the UK and abroad.

Our DFID funded Nepal ELIVES ended in June 2018 whereas the EU Funded Thailand Migrant Advocacy, South Sudan (HPF: Health Pooled Fund) and Sri Lanka (EU: ACCEND) continued. However, with unprecedented implementation delays in the Sri Lanka ACCEND project, the Charity's restricted project income suffered a 4.4% loss.

Expenditure

Restricted expenditure on charitable activities, which consists of project costs funded by DFID, HPF and the EU, saw a 16.1% decrease in comparison to 2017. This was driven by unprecedented delays in project implementation on the Sri Lanka ACCEND project.

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 2018, the unrestricted charitable expenditure dropped by 31.75% due to reduced spending on projects funded from ADRA-UK's unrestricted funds and also due to a reduction in the number of projects requiring match funding of up to 25% in 2018.

Balance Sheet

The amount of Cash held in the Bank increased by 16.5% largely due to EU pre-financing to the charity for the implementation of the Sri Lanka ACCEND project. A corresponding increase in Creditors is reflected in the Balance Sheet as a result of this advance (see income recognition policy Note 1 (e)).

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 £99,000 increase in Debtors was again driven by the Sri Lanka and South Sudan projects.

Principal Funding

It is clear that ADRA-UK's success is substantially dependent on winning projects supported by the European Union (EU) and the UK Department for International Development (DFID), 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. The Charity 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 Note 19):

- Restricted funds are generated when the donor stipulates how their donation may be spent. At the year end, restricted funds amounted to £116,404 (2017: £153,429).
- Unrestricted funds are generated when donors do not stipulate how their donation may be spent. At the year end, unrestricted funds amounted to £1,674,664 (2017: £1,038,527).
- 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 funds amounted to £548,932 (2017: £1,097,239). The reason for the reduction in this fund was mainly due to the allocation of ADRA Appeal funds to various projects as determined by the Trustees and to meet match funding obligations for projects.

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 consider the Chief Executive Officer, the Chief Finance Officer and the 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 (page 47).

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 its Parent; any such interests would be disclosed.

Trustee Induction and Training

Prospective new Trustees are familiar with the Charity as they will 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.

Trustees' Responsibilities in respect of the Financial Statements

The Trustees (who are also directors of ADRA-UK for the purposes of company law) 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 charitable company 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 applicable Charity Accounts and Reports Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 in order 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

Earl Ramharacksingh, Honorary Treasurer:



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Independent auditor's report to the trustees of ADRA - UK

Opinion We have audited the financial statements of the Adventist Development Relief Agency United Kingdom for the year ended 31 December 2018 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 2018, and of its incoming 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.

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.

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 were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

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 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 24, 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Auditors’
responsibility
for the audit
and the
financial
statements**

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.
- 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.

Kingston Smith LLP

Date


.....

3/6/19
.....

Statutory auditor
4 Victoria Square
St Albans
Herts
AL13TF

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

Notes to the accounts

Year ended 31 December 2018

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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

b. Going Concern

These accounts have been prepared on the going concern basis as the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. This is reflected in the Financial Review section of the Trustees' report (pages 21-24).

The Trustees consider that there is a reasonable expectation that ADRA-UK has adequate resources to continue in operational existence for the foreseeable future.

The Charity constitutes a public benefit entity as defined by FRS 102.

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 (pages 44 to 46).

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.

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.

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.

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 Translations

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 with in 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. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

I. Realised 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.

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.

m. 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).

Statement of financial activity

for the year ended 31 December 2018


	Note	2018			2017		
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		£	£	£	£	£	£
Incoming Resources							
Income and Endowments From:							
Donations and Legacies	2	796,742	185,329	982,071	854,152	116,872	971,024
Charitable Activities	2	125,912	1,732,862	1,858,774	57,788	1,886,612	1,944,400
Investments	2	7,160	-	7,160	5,548	-	5,548
Other Income	2	207	-	207	2,641	-	2,641
Total Incoming Resources		930,021	1,918,191	2,848,212	920,129	2,003,484	2,923,613
Resources Expended							
Expenditure On:							
Charitable Activities	5a	801,625	1,867,892	2,669,517	1,173,127	2,009,130	3,182,257
Raising Funds	5d	116,349	11,483	127,832	104,778	4,625	109,403
Total Resources Expended		917,974	1,879,375	2,797,349	1,277,905	2,013,755	3,291,660
Net income/(expenditure) before investment gains/(losses)		12,047	38,816	50,863	(357,776)	(10,271)	(368,047)
Net gains/(losses) on investments	13	(58)	-	(58)	21,500	-	21,500
Net income/(expenditure) before transfers		11,989	38,816	50,805	(336,276)	(10,271)	(346,547)
Transfers between funds	19	75,841	(75,841)	-	(64,430)	64,430	-
Net movement in funds		87,830	(37,025)	50,805	(400,706)	54,159	(346,547)
Reconciliation of Funds:							
Total funds brought forward	19	2,135,766	153,429	2,289,195	2,536,472	99,270	2,635,742
Total funds carried forward	19	2,223,596	116,404	2,340,000	2,135,766	153,429	2,289,195

Balance sheet

As at 31 December 2018

	Note	Total 2018	Total 2017
Fixed Assets			
Tangible Fixed Assets	12	<u>5,180</u>	<u>7,152</u>
Current Assets			
Debtors	14	841,899	742,846
Investments	13	209,449	209,507
Cash at bank	17	3,079,099	2,641,481
Total Current Assets		<u>4,130,447</u>	<u>3,593,834</u>
Liabilities			
Creditors: Amounts falling due within one year	15	<u>1,795,627</u>	<u>1,311,791</u>
Net Current Assets		<u>2,334,820</u>	<u>2,282,043</u>
Total Net Assets		<u>2,340,000</u>	<u>2,289,195</u>
The Funds of the Charity:			
Restricted Income Funds	19	116,404	153,429
Unrestricted Funds	19	2,223,596	2,135,766
Total Charity Funds		<u>2,340,000</u>	<u>2,289,195</u>

Approved and authorised for issue by the Board of Trustees on3/6/19..... and signed on its behalf by:



 Earl Ramharacksingh
 Honorary Treasurer

3/6/19

 Date

Cash flow statement

Year ended 31 December 2018

		2018	2017
		£	£
Cash Flows from Operating Activities:			
Net Cash Used by Operating Activities	(Note 11)	433,906	269,461
Cash Flows from Investing Activities:			
Dividends and Interest from Investments		7,160	5,548
Purchase of Fixed Assets		(3,448)	(6,830)
Net cash provided by investing activities		3,712	(1,282)
Change in cash and cash equivalents in the reporting period		437,618	268,179
Cash and Cash Equivalents at the beginning of the reporting period		2,641,481	2,373,302
Cash and Cash Equivalents at the end of the reporting period		3,079,099	2,641,481

Notes to the accounts

Year ended 31 December 2018

Note 2 - Analysis of Income

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	£	£	£	£	£	£
<u>Donations and Legacies</u>						
Annual Appeal - House to House	125,182	-	125,182	145,512	-	145,512
Annual Appeal - Other	374,528	-	374,528	330,474	-	330,474
Other Donations	272,389	185,329	457,718	279,609	111,872	391,481
Legacies	24,643	-	24,643	98,557	-	98,557
Donated Goods	-	-	-	-	5,000	5,000
Total Income from Donations and Legacies	796,742	185,329	982,071	854,152	116,872	971,024
<u>Charitable Activities</u>						
Project Grants Received - DFID	-	223,564	223,564	-	556,651	556,651
Project Grants Received - Health Pooled Fund	63,980	913,990	977,970	-	993,077	993,077
Project Grants Received - EU	48,834	594,806	643,640	45,788	336,884	382,672
Other Grants	13,098	502	13,600	12,000	-	12,000
Total Income from Charitable Activities	125,912	1,732,862	1,858,774	57,788	1,886,612	1,944,400
<u>Income from Investments</u>						
Interest On General Income	5,572	-	5,572	4,098	-	4,098
Share Dividends	1,588	-	1,588	1,450	-	1,450
Total Income from Investments	7,160	-	7,160	5,548	-	5,548
<u>Other Income</u>						
Sales of Promotional Items	207	-	207	470	-	470
Unrealised Foreign Exchange Gain	-	-	-	1,896	-	1,896
Sale of Fixed Assets	-	-	-	275	-	275
Total Other Income	207	-	207	2,641	-	2,641
Total Income	930,021	1,918,191	2,848,212	920,129	2,003,484	2,923,613

Notes to the accounts

Year ended 31 December 2018

Note 3 - UK Government Grant Income

	2018	2017
	£	£
Cash Received in the Year		
DFID - Zimbabwe Maternal Health Project	-	33,067
DFID - Nepal Enhanced Livelihoods	98,911	510,814
DFID - Rwanda - Girls' Education Project	82,706	-
Total	181,617	543,881

	2018	2017
	£	£
Amounts Recognised as Income in the Year		
DFID - Nepal - Enhanced	109,638	535,756
DFID - Rwanda - Girls' Education Project	113,926	20,895
Total	223,564	556,651

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

Note 4 - Donated goods and services

	2018	2017
	£	£
Gift Boxes	-	5,000

Donated goods have been recognised in accordance with paragraph 6 of the Charities SORP (FRS102). During the year, the Charity benefitted from the services of nearly 5,000 unpaid volunteers who assisted in various internal projects including collecting funds for the Annual Appeal.

Notes to the accounts

Year ended 31 December 2018

Note 5 - Analysis of Resources Expended

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	£	Funds	Funds	£
	£	£	£	£	£	£
5a. Charitable Activities Costs						
Direct Costs (Note 5b)	673,041	1,865,097	2,538,138	1,067,532	2,005,972	3,073,504
Support Costs (Note 5c)	128,584	2,795	131,379	105,595	3,158	108,753
Total Charitable Activities Costs	801,625	1,867,892	2,669,517	1,173,127	2,009,130	3,182,257

5b. Direct Expenditure on Charitable Activities

Project Expenses - DFID	23,680	223,564	247,244	208,847	556,651	765,498
Project Expenses - EU	144,053	594,805	738,858	86,886	309,335	396,221
Project Expenses - Health Pooled Fund	-	913,990	913,990	-	923,598	923,598
Project Expenses - ADRA-UK	19,751	76,394	96,145	210,272	117,191	327,463
Grants paid to Partner Agencies (Note 10)	38,882	56,344	95,226	178,669	71,500	250,169
Cost and Distribution of Donated Goods	-	-	-	2,236	27,697	29,933
Salaries and Wages	355,468	-	355,468	310,486	-	310,486
Employer Social Security Costs	38,518	-	38,518	32,891	-	32,891
Employer Pension Contributions	37,331	-	37,331	31,910	-	31,910
Other Employee Expenses	15,358	-	15,358	5,335	-	5,335
Total Direct Expenditure on Charitable Activities	673,041	1,865,097	2,538,138	1,067,532	2,005,972	3,073,504

5c. Analysis of Support Costs Attributed to Charitable Activities

Audit Fees - Statutory Audit (5e)	9,827	-	9,827	15,351	-	15,351
Trustee And Advisory Meetings (5e)	745	-	745	2,751	-	2,751
Professional and Membership Fees	10,548	-	10,548	8,844	-	8,844
Travel Expenses	44,850	432	45,282	30,467	1,439	31,906
Office and Administrative Expenses	34,586	161	34,747	34,482	334	34,816
Staff Training and Conferences	12,590	399	12,989	1,249	-	1,249
Depreciation Charges	5,420	-	5,420	4,092	-	4,092
Exchange Rate Loss	4,369	717	5,086	580	987	1,567
Bank Fees And Charges	5,649	1,086	6,735	7,779	398	8,177
Total Support Costs Attributed to Charitable Activities	128,584	2,795	131,379	105,595	3,158	108,753

Notes to the accounts

Year ended 31 December 2018

5d. Expenditure on Raising Funds

	2018			2017		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Incurring Seeking Donations	77,395	11,483	88,878	73,318	4,625	77,943
Incurring Seeking Grants	35,980	-	35,980	26,028	-	26,028
Audit Fees - ADRA Appeal	-	-	-	3,180	-	3,180
Bank Fees And Charges - ADRA Appeal	2,974	-	2,974	2,252	-	2,252
Total Expenditure on Raising Funds	116,349	11,483	127,832	104,778	4,625	109,403

5e. Governance Costs

Audit Fees - Statutory Audit	9,827	-	9,827	15,351	-	15,351
Trustee And Advisory Meetings	745	-	745	2,751	-	2,751
Total Governance Costs	10,572	-	10,572	18,102	-	18,102

6. Analysis of Resources Expenses by Expenditure Type

	Staff Costs 2018 £	Depreciation 2018 £	Other Costs 2018 £	Total 2018 £
Cost of Generating Voluntary Income (Note 5d)	-	-	127,832	127,832
Charitable Activities: Humanitarian Aid (Note 5a - 5c)	431,317	5,420	2,232,780	2,669,517
	431,317	5,420	2,360,612	2,797,349

Note 7 - Fees for Examination of the Accounts

	2018			2017		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Audit Fees - ADRA Appeal	-	-	-	3,180	-	3,180
Audit Fees - Statutory Audit	9,827	-	9,827	15,351	-	15,351
Total Fees for Examination of the Accounts	9,827	-	9,827	18,531	-	18,531

Notes to the accounts

Year ended 31 December 2018

Note 8 - Paid Employees

	2018			2017		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
<u>Note 8.1 - Staff Costs</u>	£	£	£	£	£	£
Salaries and Wages	355,468	-	355,468	310,486	-	310,486
Social Security Costs	38,518	-	38,518	32,891	-	32,891
Pension Costs	37,331	-	37,331	31,910	-	31,910
Other Employee Benefits	15,358	-	15,358	5,335	-	5,335
Total Staff Costs	446,675	-	446,675	380,622	-	380,622

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 (2017: NIL).

The total amount of employee benefits including employer Pensions paid for key management personnel for their services to the Charity was £145,982 (2017: £141,368). 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:

	2018	2017
Fundraising	-	-
Charitable Activities	8	8
Total	8	8

Note 9 Pensions

Note 9.1 Defined contribution pension scheme

	2018	2017
	£	£
Amount of contributions recognised in the SOFA as an expense	37,331	31,910

Note 10 Grant making

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

	2018	2017
	£	£
Analysis of grants paid (to institutions):		
Adventist Special Needs Association - UK	-	7,000
Aberdaron Special Needs Camp	5,000	5,000
Emergency Grants to ADRA Network offices	45,035	62,500
Other Grants to ADRA Network offices	45,191	87,800
Total grants paid to institutions	95,226	162,300

The Charity did not make any grants to individuals.

Notes to the accounts

Year ended 31 December 2018

	2018	2017
	£	£
<u>Note 11. Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	50,805	(346,547)
Adjustments for:		
Depreciation Expense	5,420	4,092
(Gains)/Losses on Investments	58	(21,500)
Dividends and Interest from Investments	(7,160)	(5,548)
(Increase)/Decrease in Debtors	(99,053)	(422,605)
Increase (Decrease) in Creditors	483,836	1,061,569
Net Cash provided by Operating Activities	433,906	269,461

Note 11a. Analysis of cash and cash equivalents

Cash at bank	2,179,099	1,541,481
Notice deposits (more than 3 months)	900,000	1,100,000
Total cash and cash equivalents	3,079,099	2,641,481

Notes to the accounts

Year ended 31 December 2018

Note 12 Tangible fixed assets

	Portable Office	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2018	16,165	28,478	44,643
Additions	-	3,448	3,448
Disposals	-	-	-
At 31 December 2018	16,165	31,926	48,091
Depreciation			
At 1 January 2018	14,684	22,807	37,491
Disposals	-	-	-
Charge for the Year	1,481	3,939	5,420
At 31 December 2018	16,165	26,746	42,911
Net book value			
At 1 January 2018	1,481	5,671	7,152
At 31 December 2018	-	5,180	5,180

Note 13 Current Asset Investments

	2018	2017
	£	£
Fair Value at 1st January 2018	209,507	188,007
(Decrease)/Increase in fair value	(58)	21,500
Fair Value at 31st December 2018	209,449	209,507

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 5.1% (2017: 5.8%) of the Charity's total Current Assets.

	Value When Gifted	2018	2017
	£	£	£
Investments consist of the following:			
Equities (listed)	110,344	94,787	103,650
Prudential Bond	25,000	114,662	105,857
Total	135,344	209,449	209,507

Notes to the accounts

Year ended 31 December 2018

Note 14 Debtors and Prepayments

	2018	2017
	£	£
Amounts Receivable for performance-related Grants	792,487	642,477
Prepayments and Accrued Income	44,523	97,580
Other Debtors	4,889	2,789
Total Debtors and Prepayments	841,899	742,846

Note 15 Creditors and Accruals

	2018	2017
	£	£
Amounts Payable performance-related Grants	1,648,444	1,227,596
Accrued Expenses	40,337	24,022
Other Creditors	35,706	32,411
Deferred income	23,870	-
Amount Owed to Sponsoring Organisation	47,270	27,762
Total Creditors and Accruals	1,795,627	1,311,791

Note 16 Provisions for Liabilities and Charges

During the year ended 31st December 2018, the Charity had made no outstanding grant commitments (2017: NIL).

Note 17 Cash at Bank and in Hand

	2018	2017
	£	£
Long term deposits (maturing after more than 3 months)	900,000	1,100,000
Cash at bank	2,179,099	1,541,481
Total	3,079,099	2,641,481

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 £58 and this loss has been recognised in the Statement of Financial Activity.

Notes to the accounts

Year ended 31 December 2018

Note 19 Charity Funds

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

Fund names	Purpose	Fund balances brought forward	Income	Expenditure	Transfers (Note 19.3)	Fund balances carried forward
		£	£	£	£	£
Designated funds						
Invested in Property and Equipmen	Fixed Assets	7,152	3,448	5,420	-	5,180
Major Emergency Fund	Major Emergencies	100,137	-	-	-	100,137
Named Project Funds	Project commitments	989,950	520,530	251,989	(814,876)	443,615
Total designated funds		1,097,239	523,978	257,409	(814,876)	548,932
General Fund	General	1,038,527	409,432	664,012	890,717	1,674,664
Total Unrestricted funds		2,135,766	933,410	921,421	75,841	2,223,596
Restricted funds						
Nepal - DFID Project	Enhanced Livelihoods	-	109,638	109,638	-	-
Rwanda - DFID Project	Girls' Education	-	113,926	113,926	-	-
South Sudan - Health Pooled Fund	Health Services	69,479	913,990	913,990	(69,479)	-
Sri Lanka - EU Project	Environmental and Nutritional Development	6,610	297,832	297,832	(6,610)	-
Swaziland - EU Project	Enhanced Livelihoods	7,494	105,466	105,466	(7,494)	-
Thailand - EU Project	Migrant Advocacy	21,123	191,508	191,508	(21,123)	-
Emergency Restricted Funds	Small Emergencies	21,512	17,961	45,294	10,000	4,179
Small Restricted Funds	Small Projects	27,211	167,870	101,721	18,865	112,225
Total restricted funds		153,429	1,918,191	1,879,375	(75,841)	116,404
Total funds		2,289,195	2,851,601	2,800,796	-	2,340,000

Notes to the accounts

Year ended 31 December 2018

19.2 Analysis of Assets between Funds

	2018			2017		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Tangible Fixed Assets	-	5,180	5,180	-	7,152	7,152
Current Assets	116,404	4,014,043	4,130,447	153,429	3,440,405	3,593,834
Creditors due within one year	-	(1,795,627)	(1,795,627)	-	(1,311,791)	(1,311,791)
Total Funds	116,404	2,223,596	2,340,000	153,429	2,135,766	2,289,195

19.3 Transfers between funds in 2018

		Reason for transfer	Amount (£)
Between unrestricted and restricted funds:			
Named Project Funds	Project commitments	Allocations from Annual Appeal	(814,876)
General Fund	General	Allocations from Annual Appeal	890,717
Emergency Restricted Funds	Small Emergencies	Allocation from Annual Appeal	10,000
Small Restricted Funds	Small Projects	To fund shortfall in small restricted funds	18,865
Sri Lanka - EU Project	Environmental and Nutritional Development	Transfer prior year Admin Levy to General Funds	(6,610)
Swaziland - EU Project	Enhanced Livelihoods	Transfer prior year Admin Levy to General Funds	(7,494)
Thailand - EU Project	Migrant Advocacy	Transfer prior year Admin Levy to General Funds	(21,123)
South Sudan - Health Pooled Fund	Health Services	Transfer prior year Admin Levy to General Funds	(69,479)
			-

Notes to the accounts

Year ended 31 December 2018

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	4,415	6,830	4,093	-	7,152
Major Emergency Fund	Major Emergencies	100,137	-	-	-	100,137
Named Project Funds	Project Commitments	1,461,983	533,786	649,427	(356,392)	989,950
Total designated funds		1,566,535	540,616	653,520	(356,392)	1,097,239
General Fund	General	969,937	401,013	624,385	291,962	1,038,527
Total unrestricted funds		2,536,472	941,629	1,277,905	(64,430)	2,135,766
Restricted funds						
Nepal - DFID Project	Enhanced Livelihoods	-	535,756	535,756	-	-
Rwanda - DFID Project	Girls' Education	-	20,895	20,895	-	-
South Sudan Health Pooled Fund	Health Services	-	993,077	923,598	-	69,479
Thailand - EU Project	Migrant Advocacy	7,677	157,516	144,070	-	21,123
Swaziland - EU Project	Enhanced Livelihoods	-	87,779	80,285	-	7,494
Sri Lanka - EU Project	Environmental and Nutritional Development	-	91,589	84,979	-	6,610
Small Restricted Funds	Small Projects	26,009	89,322	152,550	64,430	27,211
Emergency Restricted Funds	Small Emergencies	65,584	27,550	71,622	-	21,512
Total restricted funds		99,270	2,003,484	2,013,755	64,430	153,429
Total funds		2,635,742	2,945,113	3,291,660	-	2,289,195

Notes to the accounts

Year ended 31 December 2018

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>	2018 £	2017 £
Travel and Accommodation	441	58
Total	441	58

Number of Trustees reimbursed for expenses or who had expenses paid by the Charity: 3 (2017: 2)

20.3 Transactions with related parties

Name of the trustee or related party	Relationship to Charity	Balance at 01.01.2018	Donations Received via Parent	Expenses Recharged by Parent	Payments to Parent	Balance at 31.12.2018
		Debtor / (Creditor) £	£	£	£	Debtor / (Creditor) £
British Union Conference of Seventh Day Adventists	Parent	(27,762)	177,822	(197,329)	-	(47,269)

The Charity also benefitted from the support of the British Union Conference of Seventh Day Adventists in relation to the training of one of the Charity's employees. The amount contributed was £1,235.

During the year, payments amounting to £390 (2017: NIL) were made to Tangld Ltd, a company owned by the spouse of one of the key management personnel for the design of marketing materials.

20.3 Ultimate controlling party

The Ultimate controlling party and parent of the charity is The British Union Conference of Seventh Day Adventists as they can appoint and remove trustees. The British Union Conference of Seventh Day Adventists is a charity registered in England and Wales with the charity number: 1044071. The charity is also registered in Scotland with the charity number: SC040701. The parent's principal purposes and activities are 'to proclaim the everlasting gospel of our Lord and Saviour Jesus Christ, to teach the commandments of God as the supreme rule of life and to encourage people to become His disciples and responsible members of the Church and to support charitable and humanitarian work which is in harmony with the doctrines and principles of the Seventh-day Adventist Church. A copy of the parent's accounts can be obtained from the Charity Commission website.