

Adventist Development & Relief Agency - UK

**Trustees' Report and Financial Statements
Year ended 31 December 2023**

Charity Numbers
Scotland: SCO37726
England and Wales: 1074937

Adventist Development and Relief Agency - UK

Trustees' Report Year Ended 31st December 2023

Reference and Administrative Details:

Trustees:

Eglan Brooks (Chair)
John Surridge
Andrew Baildam
Stephen Logan
Jennifer Phillips
Snowdon Reid
Helen Rodd
Tristan Simmons
Gordon James Saggers
Wederly Aguiar

General Secretary:

Bert R Smit, Chief Executive Officer (Resigned 31 December 2023)
Helia Mateus, Interim Chief Executive Officer (Appointed 1 December 2023)

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
Scotland: SC037726

Legal Statement

We present this report and financial statements of the charity for the year ended 31 December 2023 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 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.

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Trustees' Report Year Ended 31st December 2023

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 surplus of £179,602 (2022: Surplus of £209,714). This was mainly due to unbudgeted legacy income and lower project expenses.

Income

Donated income is made up of general donations, donations received by the churches, legacies and the Appeal donations. The Charity's main donor base consists of members of the Seventh-Day Adventist Church. Donated income decreased by 9% in comparison to 2022, which was primarily related to the Turkey/Syria (2023) against Ukraine (2022) appeals. Also, in 2021/2 the effects of the pandemic 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 in the countries we operate.

Our main projects include:

- the European Union (EU) funded Sri Lanka 'Assisting Communities in Creating Environmental and Nutritional Development' (ACCEND) which was completed in 2022, and for which the final settlement EU is still outstanding;
- the EU funded Sri Lanka 'Rural & Estate Communities in Creating Environmental & Nutritional Development' (RECCEND) projects which was launched in 2022;
- the UK Foreign, Commonwealth and Development Office (FCDO) funded 'Girls Education South Sudan' GESS project in South Sudan which is on-going;

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Trustees' Report Year Ended 31st December 2023

- the Jersey Overseas Aid (JOA) funded 'the Enhanced Rural AI' (TERAI) project for smallholder Dairy Farmers in Nepal launched in 2022
- the Royal Jersey Agricultural and Horticultural Society funded 'Jersey Breed-Focused Dairy Development in Zambia' launched in 2022.

We are also contract named partners in two EU projects in Myanmar and Thailand where we provide co-financing, financial and programmatic monitoring support. In addition, we supported small projects in Ghana, Nepal and Mauritania.

The major emergencies in 2023 surrounded the earthquake in Turkey and Syria, as well as in Morocco later in the year. We raised just under £135,000 towards humanitarian needs with our teams working on the ground in Syria. In addition, just over £20,000 was raised for the humanitarian needs in Morocco. We also continued to support Ukraine, and assisted emergencies in Chad, Sudan, Somalia and Malawi.

Expenditure

Restricted expenditure on charitable activities, which consists of project costs funded by FCDO, EU and the JOA, an increase in comparison to 2022. This was largely due to the full year's financial activity of the JOA projects in 2023, but also the conclusion of 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 2023, the unrestricted charitable expenditure was about the same as 2022, reflecting the support to the emergency appeals in 2022 and 2023.

In 2023, the charity did engaged in more fundraising activities thereby resulting in higher levels of expenditure on raising funds. In particular the door to door fundraising has now been discontinued since the pandemic.

Balance Sheet

The amount of Cash held in the Bank decreased by £112,540 largely due to timing of the projects' income and expenditure. An increase in Debtors and decrease in Creditors is reflected in the Balance Sheet as a result of the advances on projects to ADRA overseas implementing offices (debtors) and from donors (liabilities) on the projects.

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

Principal Funding

ADRA-UK's success is substantially dependent on winning projects supported by institutional donors (EU, the FCDO, Jersey Overseas Aid, UN agencies, Shrimad Rajchandra Mission Dharampur (UK)(£11,628)), and on its Appeals and Campaigns. 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.

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Trustees' Report Year Ended 31st December 2023

Reserves Policy

The Charity's Reserves are separated into three main categories (See Statement of Changes in Fund Balances):

- Restricted funds are generated when the donor stipulates how their donation may be spent. At the year end, restricted funds amounted to £221,927.
- Unrestricted funds are generated when donors do not stipulate how their donation must be spent. At the year end, unrestricted funds amounted to £2,361,017.
- Unrestricted funds include designated funds which 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 £208,291.

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. 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. Furthermore, we are mindful of the social, moral, and ethical causes of poverty and our purpose is both to address the causes and offer relief in outcome.

Key Management Personnel

The Trustees consider the 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 Officer. 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.

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.

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Trustees' Report Year Ended 31st December 2023

- 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 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 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



Wederly Aguiar

Date: 25/09/2024

**Adventist Development & Relief Agency – UK
Independent Auditors' Report
Year Ended 31 December 2023**

**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 2023 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 2023, 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.

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Independent Auditors' Report
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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.

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 course of 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 themselves. 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 require 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.

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Independent Auditors' Report

Year Ended 31 December 2023

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 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.

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

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.

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, 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.

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Independent Auditors' Report
Year Ended 31 December 2023

- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Moore Kingston Smith LLP

Date 25/9/24

Roger Ogden
Senior 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

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Statement of Financial Activity For the year ended 31 December 2023

Note	2023			2022		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Incoming Resources						
Income and Endowments From:						
Donations and Legacies	2 576,114	330,853	906,967	817,657	151,353	969,010
Charitable Activities	2 161,466	1,582,690	1,744,156	92,640	1,325,081	1,417,721
Investments	2 26,329	-	26,329	12,378	-	12,378
Other income	2 1,536	-	1,536	-	-	-
Total Incoming Resources	765,445	1,913,543	2,678,988	922,675	1,476,434	2,399,109
Resources Expended						
Expenditure On:						
Charitable Activities	4a 638,028	1,796,603	2,434,631	711,797	1,434,057	2,145,854
Raising Funds	4d 80,641	-	80,641	55,606	-	55,606
Total Resources Expended	718,669	1,796,603	2,515,272	767,403	1,434,057	2,201,460
Net (expenditure)/ income before investment gains/(losses)	46,776	116,940	163,716	155,272	42,377	197,649
Net (losses)/gains on investments	13 15,886	-	15,886	12,065	-	12,065
Net (expenditure)/income before transfers	62,662	116,940	179,602	167,337	42,377	209,714
Transfers between funds	19 56,689	(56,689)	-	(11,600)	11,600	-
Net movement in funds	119,351	60,251	179,602	155,737	53,977	209,714
Reconciliation of Funds:						
Total funds brought forward	19 2,241,666	161,676	2,403,342	2,085,929	107,699	2,193,628
Total funds carried forward	2,361,017	221,927	2,582,944	2,241,666	161,676	2,403,342

Adventist Development Relief Agency -UK

Balance Sheet As at 31 December 2023

	Note	Total 2023	Total 2022
<u>Non-current Assets</u>			
Tangible Fixed Assets	12	1,196	2,447
Total Non-Current Assets		1,196	2,447
<u>Current Assets</u>			
Debtors	14	1,258,872	1,127,164
Investments	13	254,899	239,013
Cash at bank	17	1,837,830	1,950,370
Total Current Assets		3,351,601	3,316,547
<u>Liabilities</u>			
Creditors: Amounts falling due within one year	15	769,853	915,652
Net Current Assets		2,581,748	2,400,895
Total Net Assets		2,582,944	2,403,342
<u>The Funds of the Charity:</u>			
Restricted Income Funds	19	221,927	161,676
Unrestricted Funds	19	2,361,017	2,241,666
Total Charity Funds		2,582,944	2,403,342

Approved and authorised for issue by the Board of Trustees on ...25/09/2024... and signed on its behalf by:



Wederly Aguiar

Adventist Development Relief Agency -UK

Cash Flow Statement For the year ended 31 December 2023

		2023	2022
		£	£
Cash Flows from Operating Activities:			
Net Cash generated from/used by Operating Activities:	(Note 11)	(138,869)	(20,690)
Cash Flows from Investing Activities:			
Dividends and Interest from Investments		26,329	12,378
Purchase of Fixed Assets		-	(3,754)
Net cash provided by investing activities		26,329	8,624
Change in cash and cash equivalents in the reporting period		(112,540)	(12,066)
Cash and Cash Equivalents at the beginning of the reporting period		1,950,370	1,962,436
Cash and Cash Equivalents at the end of the reporting period		1,837,830	1,950,370

Analysis of changes in net debt

	At start of year	Cash flows	At end of year
Cash	1,950,370	(112,540)	1,837,830
Total	1,950,370	(112,540)	1,837,830

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Notes to the Accounts For the year ended 31 December 2023

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.

Restricted expenditure on charitable activities, which consists of project costs funded by FCDO and the EU, saw a large increase in comparison to 2022. This was driven by large projects beginning in the previous year. The Charity continues to receive grants and ad hoc donations and seeks to win new projects in the future. Furthermore, as at 31 December 2023 the Charity had cash reserves of just 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 and Jersey Overseas Aid.

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.

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

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.

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Notes to the Accounts For the year ended 31 December 2023

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.

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

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).

Notes to the Accounts
For the year ended 31 December 2023

Note 2 - Analysis of Income

	2023			2022		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Donations and Legacies						
Annual Appeal - Other	35,361		35,361	104,209	-	104,209
Other Donations	530,753	224,075	754,828	636,621	151,353	787,974
Legacies	10,000	106,778	116,778	76,827	-	76,827
Total Income from Donations and Legacies	576,114	330,853	906,967	817,657	151,353	969,010
Charitable Activities						
Project Grants Received - FCDO	-	807,569	807,569	38,312	717,881	756,193
Project Grants Received - JOA	31,739	437,745	469,484		62,988	62,988
Project Grants Received - EU	-	337,376	337,376	42,328	544,212	586,540
Project Overhead Income	117,727		117,727			
Other Grants	12,000		12,000	12,000		12,000
Total Income from Charitable Activities	161,466	1,582,690	1,744,156	92,640	1,325,081	1,417,721
Income from Investments						
Interest On General Income	22,629		22,629	7,016	-	7,016
Share Dividends	3,700		3,700	5,362	-	5,362
Total Income from Investments	26,329	-	26,329	12,378	-	12,378
Other Income						
Sales of Promotional Items	-	-	-	-	-	-
Realised Foreign Exchange Gain	1,536	-	1,536	-	-	-
Fixed asset Profit	-	-	-	-	-	-
Total Other Income	1,536	-	1,536	-	-	-
Total Income	765,445	1,913,543	2,678,988	922,675	1,476,434	2,399,109

Note 3 - UK Government Grant Income

	2023	2022
	£	£
Cash Received in the Year		
FCDO - South Sudan - GESS Project (EES)	807,569	680,927
Total	807,569	680,927
	2023	2022
	£	£
Amounts Recognised as Income in the Year		
FCDO - South Sudan - GESS Project	807,569	680,928
Total	807,569	680,928

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 For the year ended 31 December 2023

Note 4 - Analysis of Resources Expended

	2023			2022		
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
4a. Charitable Activities Costs						
Direct Costs (Note 4b)	565,192	1,782,436	2,347,628	617,296	1,426,823	2,044,119
Support Costs (Note 4c)	72,836	14,167	87,003	94,501	7,234	101,735
Total Charitable Activities Costs	638,028	1,796,603	2,434,631	711,797	1,434,057	2,145,854
4b. Direct Expenditure on Charitable Activities						
Project Expenses - FCDO	30,620	807,569	838,189	61,229	680,928	742,157
Project Expenses - EU	-	317,925	317,925	53,910	556,858	610,768
Project Expenses - ADRA-UK	35,309	81,218	116,527	76,689	5,300	81,989
Grants paid to Partner Agencies (Note 10)	-	143,105	143,105	-	167,700	167,700
Project Expenses - JOA	-	432,619	432,619	64,720	14,272	78,992
Project Consultancy	4,765	-	4,765	-	-	-
Grants Disbursed Donors/Others	76,131	-	76,131	-	-	-
Other Project Expenses	109	-	109	-	-	-
Salaries and Wages	311,883	-	311,883	297,838	-	297,838
Employer Social Security Costs	34,140	-	34,140	32,873	-	32,873
Employer Pension Contributions	52,432	-	52,432	22,967	-	22,967
Other Employee Expenses	19,803	-	19,803	7,070	1,765	8,835
Total Direct Expenditure on Charitable Activities	565,192	1,782,436	2,347,628	617,296	1,426,823	2,044,119
4c. Analysis of Support Costs Attributed to Charitable Activities						
Audit Fees - Statutory Audit (5e)	23,600	-	23,600	30,413	-	30,413
Trustee And Advisory Meetings (5e)	717	-	717	2,546	-	2,546
Professional and Membership Fees	8,161	-	8,161	7,803	4,455	12,258
Travel Expenses	15,849	-	15,849	13,740	2,776	16,516
Office and Administrative Expenses	12,594	14,167	26,761	26,340	-	26,340
Staff Training and Conferences	3,649	-	3,649	1,452	-	1,452
Depreciation & Loss on Sale	1,251	-	1,251	1,307	-	1,307
Exchange Rate Loss / (Gain)	-	-	-	3,635	-	3,635
Bank Fees And Charges	7,015	-	7,015	7,265	3	7,268
Total Support Costs Attributed to Charitable Activities	72,836	14,167	87,003	94,501	7,234	101,735

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

4d. Expenditure on Raising Funds

	Unrestricted Funds	2023 Restricted Funds	Total	Unrestricted Funds	2022 Restricted Funds	Total
	£	£	£	£	£	£
Incurred Seeking Donations	34,893	-	34,893	33,771	-	33,771
Incurred Seeking Grants	45,748	-	45,748	21,835	-	21,835
Total Expenditure on Raising Funds	80,641	-	80,641	55,606	-	55,606

5. Governance Costs

Audit Fees - Statutory Audit	23,600	-	23,600	30,413	-	30,413
Trustee And Advisory Meetings	717	-	717	2,546	-	2,546
Total Governance Costs	24,317	-	24,317	32,959	-	32,959

6. Analysis of Resources Expenses by Expenditure Type

	Staff Costs 2023 £	Depreciation 2023 £	Other Costs 2023 £	Total 2023 £
Cost of Generating Voluntary Income (Note 4d)	-	-	80,641	80,641
Charitable Activities: Humanitarian Aid (Note 8,12,19)	398,455	1,251	2,034,925	2,434,631
	398,455	1,251	2,115,566	2,515,272

Note 7 - Fees for Examination of the Accounts

	Unrestricted Funds	2023 Restricted Funds	Total	Unrestricted Funds	2022 Restricted Funds	Total
	£	£	£	£	£	£
Audit Fees - Statutory Audit	23,600	-	23,600	30,413	-	30,413
Total Fees for Examination of the Accounts	23,600	-	23,600	30,413	-	30,413

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

Note 8 - Paid Employees

	2023			2022		
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Note 8.1 - Staff Costs						
Salaries and Wages	311,883	-	311,883	297,838	-	297,838
Social Security Costs	34,140	-	34,140	32,873	-	32,873
Pension Costs	52,432	-	52,432	22,967	-	22,967
Other Employee Benefits	19,803	-	19,803	8,835	1,765	10,600
Total Staff Costs	418,258	-	418,258	362,513	1,765	364,278

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 (2022: 1).

The total amount of employee benefits including employer pensions paid for key management personnel for their services to the Charity was £199,881 (2022: £152,071). 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:

Charitable Activities

Total

2023	2022
7	8
7	8

Note 9 Pensions

Note 9.1 Defined contribution pension scheme

Amount of contributions recognised in the SOFA as an expense

2023	2022
£	£
52,432	22,967

Note 10 Grant making

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

Analysis of grants paid (to institutions):

Adventist UK Community Hubs

Emergency Grants to ADRA Network offices

Other Grants to ADRA Network offices

Total grants paid to Institutions

2023	2022
£	£
4,103	11,821
134,002	132,753
5,000	23,126
143,105	167,700

The Charity did not make any grants to individuals.

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

	2023 £	2022 £
<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)	179,602	209,714
Adjustments for:		
Depreciation Expense	1,251	1,307
Losses/(gains) on Investments	(15,886)	(12,065)
Dividends and Interest from Investments	(26,329)	(12,378)
(Increase)/Decrease in Debtors	(131,708)	(668,308)
Increase (Decrease) in Creditors	(145,799)	461,040
Net Cash provided by Operating Activities	<u>(138,869)</u>	<u>(20,690)</u>
<u>Note 11a. Analysis of cash and cash equivalents</u>		
Cash at bank	<u>1,837,830</u>	<u>1,950,370</u>

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

Note 12 Tangible fixed assets

	Portable Office £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2023	16,165	21,059	37,224
Additions	-	-	-
Disposals	-	-	-
At 31 December 2023	16,165	21,059	37,224
Depreciation			
At 1 January 2023	16,165	18,612	34,777
Charge for the year	-	1,251	1,251
Depreciation on disposal	-	-	-
At 31 December 2023	16,165	19,863	36,028
Net book value			
At 1 January 2023	-	2,447	2,447
At 31 December 2023	-	1,196	1,196

Note 13 Current Asset Investments

	2023 £	2022 £
Fair Value at 1st January 2023	239,013	226,948
(Decrease)/Increase in fair value	15,886	12,065
Fair Value at 31st December 2023	254,899	239,013

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 8.1% (2022: 7.1%) of the Charity's total Current Assets.

	Value When Gifted £	2023 £	2022 £
Investments consist of the following:			
Equities (listed)	110,344	108,030	93,193
Prudential Bond	25,000	146,869	145,820
Total	135,344	254,899	239,013

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

Note 14 Debtors and Prepayments

Debtors due in less than 1 year

	2023	2022
	£	£
Amounts Receivable for performance-related Grants	870,490	844,440
Prepayments and Accrued Income	122,345	233,135
Other Debtors	92,860	49,589
Total Debtors and Prepayments due in less than 1 year	1,085,695	1,127,164

Debtors due over 1 year

Amounts Receivable for performance-related Grants	173,177	-
Total Debtors and Prepayments due over 1 year	173,177	-

Total Debtors

1,258,872	1,127,164
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Note 15 Creditors and Accruals

	2023	2022
	£	£
Amounts Payable performance-related Grants	678,438	882,370
Accrued Expenses	84,038	33,282
Other Creditors	7,377	-
Total Creditors and Accruals	769,853	915,652

Note 16 Provisions for Liabilities and Charges

During the year ended 31st December 2023, the Charity had made no outstanding grant commitments (2022: NIL).

Note 17 Cash at Bank and in Hand

	2023	2022
	£	£
Cash at bank	1,837,830	1,950,370
Total	1,837,830	1,950,370

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 increased by £15,866 and this increase has been recognised in the Statement of Financial Activity.

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

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 Equipment	Fixed Assets	2,815	-	1,251	-	1,564
Major Emergency Fund	Major Emergencies	100,137	-	-	(100,137)	-
Named Project Funds	Project commitments	192,869	35,361	63,503	42,000	206,727
Total designated funds		295,821	35,361	64,754	(58,137)	208,291
General Fund	General	1,945,845	745,970	653,915	114,826	2,152,726
Total Unrestricted funds		2,241,666	781,331	718,669	56,689	2,361,017
Restricted funds						
Myanmar -Case 2 Learn	Girls' Education	-	-	-	-	-
South Sudan - GESS	Environmental and Nutritional Development	-	807,568	807,569	-	(1)
Sri Lanka - EU Project	Agricultural Support	-	337,375	317,925	-	19,450
Jersey Overseas Aid	Benefit disadvantaged children in UK	-	437,745	432,619	-	5,126
Virtual gift boxes	Migrant Advocacy	618	-	-	-	618
Urban Ministries Jubilee	Small Emergencies	5,840	171,013	4,103	-	1,737
Emergency Restricted Funds	Small Projects	53,020	159,842	134,002	-	90,031
Small Restricted Funds		102,198		100,385	(56,689)	104,966
Total restricted funds		161,676	1,913,543	1,796,603	(56,689)	221,927
Total funds		2,403,342	2,694,874	2,515,272	-	2,582,944

19.2 Analysis of Assets between Funds

	2023			2022		
	Restricted Funds	Unrestricted Funds	Total Funds	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£	£	£	£
Tangible Fixed Assets	-	1,196	1,196	-	2,447	2,447
Current Assets	221,927	3,129,674	3,351,601	161,676	3,154,871	3,316,547
Creditors due within one year	-	(769,853)	(769,853)	-	(915,652)	(915,652)
Total Funds	221,927	2,361,017	2,582,944	161,676	2,241,666	2,403,342

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

19.3 Transfers between funds in 2023

Between unrestricted and restricted funds:		Reason for transfer	Amount (£)
Various small restricted funds	General	To fund shortfall in restricted funds	56,689
			56,689

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	368	-	(2,447)	-	2,815
Major Emergency Fund	Major Emergencies	100,137	-	-	-	100,137
Named Project Funds	Project Commitments	279,113	105,670	191,914	-	192,869
Total designated funds		379,618	105,670	189,467	-	295,821
General Fund	General	1,706,311	761,182	510,048	(11,600)	1,945,845
Total unrestricted funds		2,085,929	866,852	699,515	(11,600)	2,241,666
Restricted funds						
Myanmar - Case 2 Learn		(11,600)	-	-	11,600	-
South Sudan - GESS	Girls' Education	-	680,928	680,928	-	-
	Environmental and					
Sri Lanka - EU Project	Nutritional	-	481,224	481,224	-	-
	Development					
Jersey Overseas Aid	Agricultural Support	-	62,988	62,988	-	-
Virtual gift boxes	Benefit disadvantaged children in UK	1,260	4,360	5,002	-	618
Urban Ministries Jubilee	Migrant Advocacy	-	14,000	8,160	-	5,840
Emergency Restricted Funds	Small Emergencies	10,740	209,981	167,701	-	53,020
Small Restricted Funds	Small Projects	107,299	22,953	28,054	-	102,198
Total restricted funds		107,699	1,476,434	1,434,057	11,600	161,676
Total funds		2,193,628	2,343,286	2,133,572	-	2,403,342

Adventist Development Relief Agency -UK

Notes to the Accounts For the year ended 31 December 2023

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

Type of expenses reimbursed

Travel and Accommodation

Total

2023	2022
£	£
297	-
297	-

Number of Trustees reimbursed for expenses or who had expenses paid by the Charity: 1 (2022: 0)

20.3 Transactions with related parties

During the year the charity had a number of transactions with its parent entity, The British Union Conference of Seventh Day Adventists ("BUC"). The Charity received an appropriation from the BUC amounting to £12,000, the charity also paid rent to the BUC amounting to £7,800 and at the year end the charity was owed £122,345 (2022: £49,589) the BUC.