

Charity Registration No. 1135700

Company Registration No. 06880188 (England and Wales)

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R Leathard E F Roberts T H Sholi P R Simms M Bowden	(Appointed 23 October 2019)
Secretary	M Encinas-Lepingwell	
Charity number	1135700	
Company number	06880188	
Registered office	Romero House 55 Westminster Bridge Road London SE1 7JB	
Auditor	Mitchell Charlesworth LLP 24 Nicholas Street Chester CH1 2AU	
Bankers	The Co-operative Bank plc PO Box 250 Delf House Southway Skelmersdale Lancashire WN8 6WT	

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

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BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Context

Afghanistan was no longer a priority for funding for many donor countries, and this affected funding for organisations working in Afghanistan, including BAAG. Poverty increased in the country and the Taliban became influential, or in control, in more districts and security deteriorated during the year, at the end of which Covid 19 began to affect all countries.

Objectives and activities

The objectives of BAAG are the advancement of any charitable purposes for the relief of poverty, distress and hardship among the people of Afghanistan and refugees from Afghanistan, in particular by promoting effectiveness and efficiency of the voluntary sector organisations, and other institutions that are involved in the delivery of humanitarian and development aid. This is in accordance with the charity's Memorandum and Articles of Association.

The Trustees believe that the aims, objectives and services provided by the charity, reflected in the above paragraph, are compliant with the Charities Commission Guidance on Public Benefit and further exemplified in the following statements of achievements and performance. The BAAG Strategy for 2018-20 emphasised two areas of work; capacity development for Afghan CSOs and NGOs and peace building through research and multi-track dialogue. BAAG's policies, including on safeguarding, were updated during this year and a Trustee was appointed the designated safeguarding officer.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

Policy and Advocacy and Networking

BAAG continued to be valued by policymakers who, with a range of stakeholders, sought the views BAAG was able to provide during an increasingly difficult time to access Afghanistan, due to COVID-19 restrictions and rising insecurity.

BAAG convened its members to discuss events and conditions in Afghanistan which related to aid and development. BAAG retained its membership of the ENNA, (the European Network for NGOs in Afghanistan, originally established by BAAG) and its contacts with ICRI, (the International Consortium for Refugees in Iran). It continued its information sharing role through the production of the monthly 'Afghanistan This Month' report.

Relationships were maintained with DFID and the Foreign and Commonwealth Office (now called the Foreign, Commonwealth & Development Office – FCDO) through the quarterly Contact Group meetings and with individual staff. BAAG staff were invited to participate in round tables by FCDO, RUSI, ODI and Lessons for Peace. BAAG served as the Secretariat for the All Party Parliamentary Group on Afghanistan and arranged meetings for its members. BAAG also contributed to Baroness Hodgson's group on Woman Peace and Security. Collaboration began with the newly established Afghanistan Society, officially launched on 4th March 2020, with invitations to each other's meetings when appropriate.

BAAG organised a Round Table on Afghanistan at the request of the State department of USA which was attended by the representatives from State Department, USAID and the US Embassy in London staff. Speakers of the roundtable included Mark Bowden (BAAG Trustee), BAAG members from Global Witness, Tearfund, IWA, CAFOD, Afghanaid and Shirazuddin Siddiqi of BAAG who collectively provided answers to the following discussion questions:

- Humanitarian, economic, and development issues in Afghanistan. How can the international community effectively provide assistance?
- NGO interactions with the Taliban (taxation/harassment/etc.)
- What has worked and not worked from an assistance perspective (including Citizens' Charter)?
- How can the international community effectively provide humanitarian and long-term assistance?
- What are your experiences of corruption (and how to reduce it)
- What are your views on the World Bank's Post-Settlement Economic Incentives report?
- How can the Afghan Government stimulate Afghanistan's economy effectively?
- What can the international community do to stimulate Afghanistan's economy?

Staff travelled to Afghanistan (Jawed Nader in May 2019, Elizabeth Winter with Shirazuddin Siddiqi in May 2019 and February 2020).

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Enabling the rights of persons with disabilities (PWDs) in Afghanistan

BAAG continued to manage a grant which supported the Community Centre for the Disabled (CCD), an Afghan NGO. The final year of the project, 2020-21, proved to be a productive year for the project. During this year CCD successfully achieved formal accreditation from the Afghanistan Institute for Civil Society (AICS) and was able to lead the Disability Rights Watch Afghanistan (DRWA) coalition with an updated constitution and strategy injecting in the group a fresh energy. Active advocacy by DRWA, representing Disabled Persons Organisations (DPOs) from across Afghanistan, achieved a series of changes to the government recruitment procedure formally providing privileges to PWDs and paving the way for their recruitment in vacant positions. The announcement for this was made by the Chairman of the Independent Administrative Reform and Civil Service Commission. CCD led a peaceful protest of PWDs in front of the Afghan parliament. This led to the head of Wolesi Jirga's Complaints Commission inviting a group of PWDs to his office and hearing their concerns. The head of WJ's Complaints Commission then facilitated and moderated a face-to-face discussion between the representatives from Ministry of Martyrs and Disabled (MMD) and PWDs during which PWDs tabled two specific requests to MMD:

1. Establish an office for PWDs in the ministry,
2. Establish centre of electronic ID only for PWDs in the ministry.

MMD accepted both requests and established an office to solve PWDs problems inside the ministry and Mr. Sulimankhail (himself a person with disability) was appointed head of that office and also MMD established a centre so that PWDs can get electronic ID without any problem in the ministry.

However, in 2020 the UK government reduced committed funding to NGOs, including to our project, by 25%. These cuts removed the funding for the independent evaluation of the project. After discussion with Mannion Daniels and DFID, a sum of £3k was returned to BAAG to fund a limited independent evaluation narrowly focusing on sustainability and impact.

Supporting Afghan families through the 6464 Family Hotline

BAAG drafted four research reports and the composite report from data collected by ACDEO, the Afghanistan Capacity Development and Education Organisation, during their family hotline programme. The project was funded by DFID through Amplify Change. The study aimed to examine the root causes of gender-based violence in Afghanistan and their link with mental health issues by analysing more than 14,300 Family Support Helpline (6464) data calls which have been recorded from January 2016 to March 2019, from five provinces of the country; Balkh, Bamiyan, Panjshir, Kabul and Herat. Results of the analysis recommended a need for policy development and a range of advocacy campaigns to reduce and eliminate gender-based violence. Using the data findings, ACDEO conducted a range of awareness programs on elimination of the GBV among families in the listed provinces. The report was published on the BAAG and ACDEO websites for the public references.

Supporting Afghan civil society strengthening

BAAG continued with its civil society strengthening programme funded by CAFOD, with regular meetings with the members of CSWC (Civil Society Working Committee), preparing for the appointment of a full time Coordinator hosted by one of the members, and discussions about their hopes for contribution to the biennial inter-Ministerial conference due in November 2020.

Income in Kind

BAAG is grateful for the contributions of volunteers. Without their considerable efforts BAAG would be unable to survive. It is difficult to measure the monetary value of their services which is not therefore included in the SOFA. All Trustees give their time voluntarily.

Financial review

BAAG has historically aimed to hold unrestricted reserves equal to six months of core costs. Unrestricted reserves on 31 March 2020 amounted to £26,171, which represented over eight months of core costs.

Our estimate of unrestricted funds at 30 September 2021 represents 6 months of core costs.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

This level of unrestricted reserves will be maintained, either through the raising of additional funds or managing costs, and the Trustees will continue to review BAAG's reserve policy in the light of ongoing challenges and the need to ensure the organisation will always be able to make its legal obligations.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The most significant risk identified is long term funding. BAAG continues to build key donor and implementation partner relationships to position itself for future funding opportunities. BAAG has also restructured the organisational cost base to ensure funding is in place to cover core costs for at least 6 months.

Our future plans are to continue operating in line with our strategic directions and fundraising for our work, which is more in demand than ever.

Structure, governance and management

BAAG is a company limited by guarantee (number 6880188) and registered charity (number 1135700). Effective governance is delivered by a board of directors who are also Trustees.

The Articles of Association provide for at least three Trustees. There is no maximum provided in the Articles. Induction of new Trustees includes visits to the charity's office, discussions with employees and management and meetings with other Trustees. Past accounts and board papers are provided. The Trustees are recruited for their individual experience as well as the balance of skills the Board requires.

The Officers during this period were Pete Simms, Chair, Fleur Roberts, Deputy Chair, Ramani Leathard and Mark Bowden Trustees, and Tareq Hassan Sholi, the Treasurer.

BAAG continued to be accommodated by CAFOD, a member of BAAG. There were significant changes in the staff team. Monica Encinas left the organisation in April 2019 to work with Plan International UK and Jawed Nader left at the beginning of July to start his PhD in Australia. Shirazuddin Siddiqi took over as Director temporarily for four months from the 1 July 2020 and Elizabeth Winter from then on with Shiraz as Senior Adviser. Shamim Sarabi, having been an intern, was appointed as the Research and Finance Officer. Erfan Arsalan joined as a volunteer.

Pete Simms continued as Chair of the Board and was joined as a Trustee by Mark Bowden, previously DRSG of UNAMA.

T Safi	(Resigned 23 April 2019)
R Leathard	
E F Roberts	
T H Sholi	
P R Simms	
M Bowden	(Appointed 23 October 2019)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Statement of trustees' responsibilities

The trustees, who are also the directors of BAAG (British and Irish Agencies Afghanistan Group) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor of the company will be put at a General Meeting.

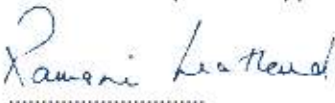
Covid-19

The results and financial position reflect the impact of the COVID-19 pandemic on the business for the reporting period. The trustees have taken appropriate steps to mitigate this impact.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



R Leathard

Trustee

Dated: 29/09/2021...



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T H Sholi

Trustee

Dated: 29/09/2021...

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

Opinion

We have audited the financial statements of BAAG (British and Irish Agencies Afghanistan Group) (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the 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.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Hall (Senior Statutory Auditor)
for and on behalf of Mitchell Charlesworth LLP

29 September 2021
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Chartered Accountants
Statutory Auditor

24 Nicholas Street
Chester
CH1 2AU

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	-	27,282	27,282	533	333,490	334,023
Charitable activities	4	34,983	-	34,983	21,965	-	21,965
Total income		34,983	27,282	62,265	22,498	333,490	355,988
Expenditure on:							
Charitable activities	5	37,031	64,202	101,233	21,077	307,736	328,813
Net (outgoing)/incoming resources before transfers		(2,048)	(36,920)	(38,968)	1,421	25,754	27,175
Gross transfers between funds		(9,790)	9,790	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(11,838)	(27,130)	(38,968)	1,421	25,754	27,175
Fund balances at 1 April 2019		38,009	31,006	69,015	36,588	5,252	41,840
Fund balances at 31 March 2020		26,171	3,876	30,047	38,009	31,006	69,015

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	10	9,852		53,440	
Cash at bank and in hand		28,937		46,360	
		<u>38,789</u>		<u>99,800</u>	
Creditors: amounts falling due within one year	11	(8,742)		(30,785)	
Net current assets			30,047		69,015
Income funds					
Restricted funds	13		3,876		31,006
Unrestricted funds			26,171		38,009
			<u>30,047</u>		<u>69,015</u>

The financial statements were approved by the Trustees on 29/09/2021.



R Leathard
Trustee



T H Sholi
Trustee

Company Registration No. 06880188

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

BAAG (British and Irish Agencies Afghanistan Group) is a private company limited by guarantee incorporated in England and Wales. The registered office is Romero House, 55 Westminster Bridge Road, London, SE1 7JB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, and having due regard to the impact of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants are recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. This can mean that grant income can either accrued or deferred depending on the circumstances. Grant income is assessed on a case by case basis where it is decided which conditions and criteria have been met and recognised accordingly.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. Expenditure incurred at the balance sheet date that relates to events taking place after the balance sheet date is carried forward as deferred expenditure.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 operations 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Donations and legacies

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2020 £	2019 £	2019 £	2019 £
Donations and gifts	-	533	-	533
Grants receivable	27,282	-	333,490	333,490
	<u>27,282</u>	<u>533</u>	<u>333,490</u>	<u>334,023</u>
Donations and gifts				
Donations	-	533	-	533
	<u>-</u>	<u>533</u>	<u>-</u>	<u>533</u>
Grants receivable for core activities				
DFID - UKAD	17,890	-	62,221	62,221
GCA - DFID	-	-	145,438	145,438
GCA - SDC	-	-	26,903	26,903
GCA - GIZ	-	-	36,348	36,348
GCA - SIDA	-	-	29,813	29,813
CAFOD - ACS	(714)	-	32,767	32,767
M4D	(7,414)	-	-	-
DFID - Amplify Change	17,520	-	-	-
	<u>27,282</u>	<u>-</u>	<u>333,490</u>	<u>333,490</u>

Total amount received under DFID - UKAD was £73,419 (2019 - £108,071) of which £55,529 (2019 - £45,850) was paid out to partner charities. This grant income is shown in the accounts net of these distributions.

4 Charitable activities

	2020 £	2019 £
Membership fees	<u>34,983</u>	<u>21,965</u>

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Charitable activities

	Policy work & information sharing 2020 £	Raising the profile 2020 £	Membership activity and networking 2020 £	Total 2020 £	Total 2019 £
Staff costs	43,206	20,538	11,350	75,094	219,812
Direct costs	4,816	3,013	1,468	9,297	78,956
	<u>48,022</u>	<u>23,551</u>	<u>12,818</u>	<u>84,391</u>	<u>298,768</u>
Share of support costs (see note 7)	5,193	355	173	5,721	11,585
Share of governance costs (see note 7)	11,121	-	-	11,121	18,460
	<u>64,336</u>	<u>23,906</u>	<u>12,991</u>	<u>101,233</u>	<u>328,813</u>
Analysis by fund					
Unrestricted funds	37,031	-	-	37,031	21,077
Restricted funds	27,305	23,906	12,991	64,202	307,736
	<u>64,336</u>	<u>23,906</u>	<u>12,991</u>	<u>101,233</u>	<u>328,813</u>
For the year ended 31 March 2019					
Unrestricted funds	21,077	-	-		21,077
Restricted funds	136,318	111,846	59,572		307,736
	<u>157,395</u>	<u>111,846</u>	<u>59,572</u>		<u>328,813</u>

6 Basis of cost apportionment

The costs of charitable activities are apportioned according to the percentage of time spent on each of BAAG's main areas of operation. This equates to 41% of restricted staff expenditure on policy work and information sharing, 38% on raising the profile of the needs and aspirations of Afghans and 21% on membership activity. Restricted direct and support costs have been apportioned by allocating 42% to policy work and information sharing, 39% to raising the profile of the needs and aspirations of Afghans and 19% to membership activity. Any unrestricted staff, direct, support or governance costs have been allocated solely against policy work and information sharing.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Insurance	3,423	-	3,423	4,842	-	4,842
Telephone and fax	-	-	-	359	-	359
Website and IT	1,897	-	1,897	1,638	-	1,638
Postage and stationery	206	-	206	2,322	-	2,322
Bank charges	195	-	195	2,424	-	2,424
Audit fees	-	6,450	6,450	-	4,549	4,549
Legal and professional	-	350	350	-	6,669	6,669
Sundry expenses	-	22	22	-	1,706	1,706
Training and recruitment	-	-	-	-	832	832
Rent	-	4,299	4,299	-	4,704	4,704
	<u>5,721</u>	<u>11,121</u>	<u>16,842</u>	<u>11,585</u>	<u>18,460</u>	<u>30,045</u>
Analysed between						
Charitable activities	<u>5,721</u>	<u>11,121</u>	<u>16,842</u>	<u>11,585</u>	<u>18,460</u>	<u>30,045</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Employees	<u>3</u>	<u>3</u>
Employment costs	2020 £	2019 £
Wages and salaries	<u>75,094</u>	<u>219,812</u>

There were no employees whose annual remuneration was £60,000 or more.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	8,845	5,183
Other debtors	1,007	48,257
	<u>9,852</u>	<u>53,440</u>

Other debtors relates to PAYE debtor outstanding at 31 March 2020. Trade debtors relates to membership fees left owing at the year end.

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	-	1,664
Trade creditors	-	6,002
Other creditors	742	-
Accruals and deferred income	8,000	23,119
	<u>8,742</u>	<u>30,785</u>

12 Deferred income

Included within the 'Accruals and deferred income' balance of £8,000 is £nil (2019 - £16,487) relating to grant income and membership fees received during the fiscal year ended 31 March 2020, but relating to the following fiscal year.

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£	£	£	£
BCA - EC	18	-	-	18	-	-	(18)	-
DFID - UKAD	1,593	62,221	(47,331)	16,483	17,890	(33,621)	3,124	3,876
CAFOD - ACS	3,641	32,767	(20,844)	15,564	(714)	(14,800)	(50)	-
GCA - DFID	-	145,438	(145,438)	-	-	-	-	-
GCS - SDC	-	26,903	(26,903)	-	-	-	-	-
GCA - GIZ	-	36,348	(36,348)	-	-	-	-	-
GCA - SIDA	-	29,813	(29,813)	-	-	-	-	-
DFID - Amplify Change	-	-	(1,059)	(1,059)	17,520	(15,781)	(680)	-
M4D	-	-	-	-	(7,414)	-	7,414	-
	<u>5,252</u>	<u>333,490</u>	<u>(307,736)</u>	<u>31,006</u>	<u>27,282</u>	<u>(64,202)</u>	<u>9,790</u>	<u>3,876</u>

BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Current assets/(liabilities)	26,171	3,876	30,047	38,009	31,006	69,015
	<u>26,171</u>	<u>3,876</u>	<u>30,047</u>	<u>38,009</u>	<u>31,006</u>	<u>69,015</u>

15 Events after the reporting date

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, being the chief officer, is as follows.

	2020 £	2019 £
Aggregate compensation	-	52,794