

COMPANY LIMITED BY GUARANTEE TRUSTEES' REPORT AND ACCOUNTS for the year ended 31st March 2016

Company Registration Number 6880188 Charity Number 1135700



MITCHELL CHARLESWORTH LLP

Chartered Accountants
CH1 2AU

LEGAL AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NAME BAAG (British & Irish Agencies Afghanistan Group)

REGISTERED OFFICE 55 Westminster Bridge Road

London SE1 7JB

TRUSTEES Mr F Lyons

Ms A Kelly
Mr T Safi
Ms A Bennett
Ms P Hayes
Ms F Roberts
Mr P Simms
Mr N Wade
Ms A Larson

CHARITY NUMBER 1135700

COMPANY NUMBER 6880188

AUDITOR Mitchell Charlesworth LLP

24 Nicholas Street

Chester CH1 2AU

BANKERS The Co-operative Bank plc

PO Box 250 Delf House Southway Skelmersdale WN8 6WT

Letter from the Chair

The last twelve months have been a period of continuing and severe hardship in Afghanistan. The security, political and economic 'transitions', though formally concluded, failed to produce the hoped for improvements for the Afghan population, which faced increased insecurity, unemployment and attacks on civilians. As a prime example, in September, just as the National Unity Government was coming to the end of its first year in office, the insurgents captured a major city, Kunduz, and held it under their control for many weeks.

The UN named 2015 the deadliest year for Afghan civilians since they began tracking civilian casualty data in 2007. Ethnic minorities suffered from new atrocities such as kidnapping and summary executions. In 2015, an estimated 1.2 million Afghans were displaced mainly because of the volatile security situation. The Kunduz siege alone displaced over 17,000 families.

International aid agencies, including British and Irish NGOs, continued their urgent life-saving and long term development projects. This came with sacrifices. The American forces' attack on the Médecins Sans Frontières (MSF) hospital in October killed at least thirteen MSF staff. Similar attacks by insurgents and abduction cases of aid workers also increased. I commend the Afghan and international civil society groups who braved these challenges and showed such constant solidarity with the Afghan people.

We are also facing other challenges, in this case not from within Afghanistan but from the people and politicians of the donor countries. Many in Europe are increasingly doubtful about the effectiveness of aid as a tool for peace and global prosperity. These views are reinforced by media stories about the European migration crisis, which occasionally fail to distinguish between refugees and migrants, and between military, humanitarian and development interventions in countries such as Syria, Iraq and Afghanistan.

It is therefore a matter for concern that international aid might be used for military purposes, and funds earmarked for development projects inside Afghanistan used to address the plight of Afghan and other refugees in Europe. The change in the definition of Overseas Development Assistance by OECD in February to include peace and security-related costs is one such concern. BAAG and international NGOs will need to monitor closely the way development aid is allocated by the donor countries to help Afghanistan weather its difficult domestic challenges.

The work of BAAG is therefore more relevant than ever. I am heartened to see the BAAG team continuing to raise public and policy maker awareness of the development challenges and achievements in Afghanistan. BAAG's policy roundtables, policy position papers and

partnerships with Afghan civil society to influence discussions and decisions in Kabul and European capitals are invaluable. I am also glad to see BAAG's increasing public engagement. This has included articles and news stories in the New York Times, the Guardian and the Huffington Post.

When international partners meet the Afghan government in Brussels in October 2016, it is vital that the voices of Afghan civil society inform development decisions and ensure that aid funding is used most effectively to meet Afghan needs. I am delighted that BAAG is constantly engaged with its main partners towards that end. I congratulate the BAAG team for their creativity, enthusiasm and hard work and wish them all the best in their support of the people of Afghanistan.

Sincerely,

Frederick Lyons

Chair, BAAG

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OBJECTIVES & 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 the public benefit is further exemplified in the following statements of Achievements and performance.

ACHIEVEMENTS AND PERFORMANCE

During the year 2015/16, BAAG continued to facilitate collective actions by its members and the wider relief and development community; engage with policy makers in Afghanistan, the UK, and Europe; and enable and support Afghan civil society's input into policy debates. BAAG also delivered projects with partners with the aim to support Afghan families and female journalists. BAAG's three main areas of operation were information-sharing, policy and advocacy, and coordination and networking. The following paragraphs outline what has been achieved between April 2015 and March 2016.

Trustees' Report (including Directors' Report)

Year ended 31st March 2016

SUPPORTING AFGHAN FAMILIES THROUGH THE HOTLINE PROJECT

During this period BAAG received funding from the Canadian Global Peace & Security Fund for a six-month project with Afghan NGO, ACDEO (Afghanistan Capacity Development and Educational Organisation).

ACDEO runs The Family Hotline in Afghanistan, a free, telephone-based advisory and counselling service for Afghan men, women and children. BAAG secured funding for activities that would help the hotline scale up to three additional provinces, improve the quality of the hotline services, and would allow advocacy based on the call data.

BAAG's Senior Adviser and Programme Officer travelled to Kabul in November 2015 to perform an ACDEO staff training needs analysis and gather information on Family Hotline practices, procedures, and policies. The latter were provided to Helplines Partnership, a specialist helplines organisation, who were engaged to conduct quality assurance of the Hotline. BAAG's Programme & Communications Manager and Project Intern (hired specifically for this Family Hotline Project) worked with ACDEO to develop their website with a view to promoting Hotline services online. BAAG's Programme Officer lead in developing three data analysis reports, presenting visual (maps and infographics) based on caller demographics and the reasons for their call over 2-month periods. Alongside that simple analysis, BAAG engaged three student researchers from the London School of Economics, who compared the Family Hotline with other services in Pakistan which provide telephone-based legal advice and counselling and also researched if or how a Hotline could improve women's access to justice. BAAG's Director and Senior Adviser travelled to Kabul in February March 2016 to support ACDEO staff in implementing short-term recommendations provided by Helplines Partnership.

The Family Hotline project was successfully delivered from 1st October 2015 to 31st March 2016. The proportion of male callers to female callers in a 10-month period just before the GPSSF project was far greater: 70% of the 13,500 callers were male and only 30% were women or girls. That the balance of female callers across all provinces during this project reached 50/50 is an exceptional result, one that exceeded the expectations of ACDEO and BAAG. The number of female callers to the Hotline in one province targeted in the project, Ghazni, increased from 4 per quarter to 241. During this time ACDEO secured additional funding for their Hotline which included costs for BAAG to continue its capacity building support throughout 2016.

Trustees' Report (including Directors' Report)

Year ended 31st March 2016

SUPPORTING AFGHAN FEMALE JOURNALISTS THROUGH THE SAHAR SPEAKS INITIATIVE

BAAG also received funding from the Kestrelman Trust in October 2015 to support the launch of Sahar Speaks. The brainchild of journalist Amie Ferris-Rotman, who participated in BAAG's media activities for the 2014 London Conference on Afghanistan, Sahar Speaks is a project to train female Afghan journalists in skills that will support their employment by international news bureaus in Kabul. Since the Kestrelman Trust wished to support this initiative but could only provide funds to a registered charity, BAAG agreed to receive the funds and provide simple administrative and advisory support to the Sahar Speaks project. A call for applicants to the training was launched in October and in February Amie and an experienced media trainer travelled to Kabul to deliver a week of training to twelve female Afghan writers and photographers. Having secured The Huffington Post as a media partner, the trainees then developed an original news article, supported by an individual female mentor, each a professional journalist from around the world. These stories were published by The Huffington Post and it is hoped that trainees will consequently secure employment or commissions from international media outlets.



Trustees' Report (including Directors' Report)

Year ended 31st March 2016

BAAG organised quarterly Contact Group Meetings (CGM) between the members, wider relief community and senior figures from the UK Foreign and Commonwealth Office, the Department for International Development (DFID) and Ministry of Defence. CGMs were instrumental in keeping the various government and non-government bodies updated about each other's work and provided an opportunity for them to engage with one another at the strategic level. In addition, BAAG convened a briefing with members and DFID on 1st September specifically addressing the upcoming Senior Officials Meeting in Kabul.

In April BAAG was invited by the Foreign and Commonwealth Office to organize a members meeting on European Union's recently finalized Local Strategy for Human Rights Defenders in Afghanistan. Relevant human rights-focused members participated in this meeting and subsequently a Human Rights Working Group was formed, convening three more meetings to follow up on the Local Strategy and other pressing human rights issues in the country.

As part of its parliamentary engagement, BAAG continued the secretariat role of All Party Parliamentary Group (APPG) on Afghanistan this year. Following the general election in May 2015, BAAG invited MPs to join the APPG – the APPG members now stand at eighteen, in addition to the Chair Madeleine Moon MP. An AGM to elect the new officers was held in July. On 21st October BAAG organised an APPG meeting in which Emily Winterbotham, Research Fellow at RUSI, provided an update on the political and peace situation in Afghanistan and Charu Lata Hogg, Associate Fellow in the Asia Department at Chatham House and Asia Programme Manager at Child Soldiers International provided details of their recent research into child soldiers and casualties in country.

Also as a result of the general election, BAAG prepared five policy position papers on good governance, service provision, humanitarian, human rights and women's rights and submitted them to the new British Government in July.

BAAG supported BOND in their post-election advocacy, specifically their August 2015 State of the World's Emergencies report and advocacy initiative aimed at new MPs and the public. For this BAAG wrote the Afghanistan chapter of that report, wrote a blog and participated in a live twitter chat.

BAAG continued advocacy activities within its 2015-2017 Media4Development programme, a joint project delivered across a consortium of eight European NGOs. BAAG convened two Media4Development Policy-maker Round Tables during this period. The first on 9th June explored how the New Deal for Engagement in Fragile States is shaping aid in Afghanistan. Twenty experts from the UK Parliament, UK Government, academia, think tanks and civil society from the UK, US and Afghanistan participated in the event, co-hosted by Chatham House. Immediately after this event, the Media4Development programme held its international policy maker round table in Riga, Latvia. One of BAAG's round table experts, Bill Byrd of United State Institute for Peace, travelled on to speak at the Riga International Roundtable on Financing for Development.

Trustees' Report (including Directors' Report)

Year ended 31st March 2016

The second event was the Migration and Development Roundtable, hosted by BAAG and RUSI (Royal United Services Institute) in London on 16th December 2015. That roundtable was attended by 24 participants from think tanks, academia, NGOs and the UK Government (FCO and DFID), representing a wide range of sectoral expertise.

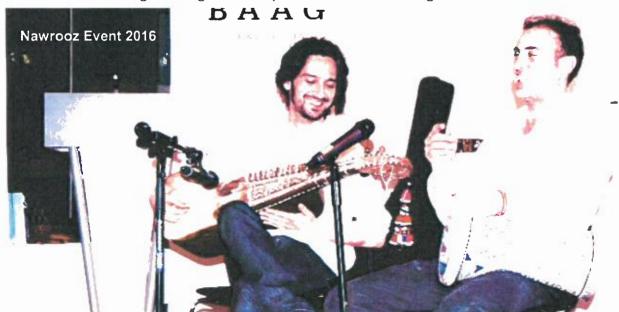
BAAG provided support to the Civil Society Joint Working Group, a network of Afghan civil society groups, in their input to the Senior Officials (SOM) Meeting in September, providing the BAAG network's position papers as a guide for their statement.

In December BAAG collaborated with members HealthProm and Global Witness to develop an analysis paper on maternal mortality figures in Afghanistan. The paper, questioning the credibility of oft-cited figures, was sent to contacts at DFID, the European Parliament, the European Commission, SIGAR (Special Inspector General for Afghanistan Reconstruction) and to the Afghanistan Analysts Network. A press release resulted in news coverage of the report by The New York Times.

In February BAAG wrote letters to the Foreign Secretary and Secretary of State for International Development, expressing concern about the growing pressure on international development assistance and proposals being considered at the OECD to change the rules on what constitutes Official Development Assistance (ODA), particularly about attempts to broaden the definition of ODA to cover additional indonor refugee costs as well as defence, counter-terrorism and security activities.

Finally, BAAG began discussions with the European Commission in Brussels concerning the October 2016 Brussels Conference on Afghanistan. Following BAAG's success in organising Ayenda, the official civil society side event of the 2014 London Conference on Afghanistan, BAAG were invited in late 2015 to propose a project of civil society consultation, collaboration and participation in the Brussels Conference. BAAG staff travelled to meet European Commission staff in Brussels in December 2015 and worked with them in early 2016 to develop an ultimately successful project proposal and budget. During these discussions BAAG also met with the Afghan Embassy in Brussels.

In addition to the above, BAAG continued its Members Policy and Advocacy meetings throughout this period. These meetings allow BAAG and its members to





Trustees' Report (including Directors' Report)

Year ended 31st March 2016

raise shared or priority advocacy needs and work collectively to address them. Priorities for 2016 were discussed early in the year and agreed in April.

COORDINATION and NETWORKING

As a founding member and Steering Committee member of the European Network of NGOs in Afghanistan (ENNA), BAAG has actively contributed to ENNA's work. During the period BAAG staff attended various ENNA members and Steering Committee meetings, included the network in joint funding applications and supported plans for a revised structure of the network.

BAAG also worked closely with ACBAR, exploring opportunities for joint advocacy.

BAAG also continued its support of, and discussions with, the Afghan Women Support Forum UK and Gender Action for Peace and Security. BAAG provided advice to these entities, invited them to events and consulted them on potential joint projects.

As outlined below, BAAG staff participated in various events during the period, which served both as networking and information sharing opportunities.

In April BAAG organised and attended an informal dinner in London with Wais Barmak, Special Representative of the Afghan President on Humanitarian Affairs. A number of BAAG member agencies attended.

BAAG's Senior Adviser for Policy and Advocacy attended the Board meeting of ICRI (the International Consortium for Refugees in Iran) in Geneva in April and phoned into further group meetings.

BAAG's Director spoke at a consultation meeting with the cross-government Stabilisation Unit in July, attended the National Memorial Event for Humanitarian Aid Workers in August, spoke at a Royal United Services Institute private roundtable on counter-narcotics efforts with the Special Inspector General for Afghanistan Reconstruction in September and attended the Afghan Professionals Network's Aspire Awards ceremony in November.

BAAG staff participated in various expert round tables at Chatham House, including *The Neutrality of Aid* in January, *Afghanistan and its Neighbours* in March and *The Prospects for Afghanistan* in November.



INFORMATION SHARING

To ensure effective information sharing and networking between Afghan civil society organisations (ACSOs), member agencies and other INGOs, BAAG conducted Members' Meetings in London and Kabul. The themes of these meetings covered a variety of major Afghan humanitarian and development issues.

BAAG continued to improve its website, Facebook and Twitter following, all proving effective ways of disseminating information online. Ten news pieces and nine blogs were published on the website during this period. In addition, twelve *Afghanistan This Month* reports were published and shared with BAAG's extensive mailing list. BAAG's own reports from the Migration and Development Round Table, the Aiding Fragile States Round Table and the five position papers were added to their online Resources library, alongside numerous reports and papers from INGOs, think tanks and other researchers. This communications activity resulted in increased website traffic. During this period there were 61,769 sessions recorded by a total of 49,309 users. This represents approximately a 30% increase for both counts on the previous period.

BAAG's Twitter account attracted 488 new followers and Facebook likes increased by 524 to 1,209 during this period.

In addition, BAAG's Director attended an hour-long interview on the Afghan Voice radio in April, responding to questions about Afghan development from diaspora communities in Europe.

With funds from the Media4Development programme and CAFOD, BAAG hosted an event to celebrate Nowruz, the Afghan New Year. Hosted in the Canadian Embassy on the 15th April, over 100 guests were treated to performances of Afghan music and

Trustees' Report (including Directors' Report)

Year ended 31st March 2016

dance, whilst a panel of young Afghan Chevening Scholars discussed their impressions of Afghanistan's future with *Guardian* journalist Emma Graham-Harrison.

Finally, a major information sharing activity during this period was BAAG's Afghanistan Journalism Competition, part of the Media4Development project. Aiming to present an alternative narrative about Afghanistan development or rights, the competition prize was an accompanied trip to Afghanistan to gather written and photographic materials for an original news piece.

Taking advice from various media experts, BAAG opened the competition to pairs of journalists and photographers from across Europe. 23 entries were received and a short-list prepared by BAAG staff was judged by a panel of journalism and photography professionals. The winning couple, photographer Magda Rakita and writer Mark De Rond, travelled with BAAG's Director to Mazar-e-Sharif for ten days in late November 2015, to meet staff and patients of the Alemi Neuro-Psychatric Hospital and other mental health services, gathering material for their proposed story on post-traumatic stress disorder in civilians, *Somethings Can Never be Unseen*. BAAG published a pre-trip blog by Mark and Magda and the couple posted updates on social media during the trip. On their return, Magda secured an online gallery of her photographs with the *Guardian Development* pages, whilst *The Huffington Post* published Mark's account of the trip and the state of mental health in Afghanistan. BAAG published a longer version of his blog and is planning a public exhibition of Magda's photographs in London and Dublin.

ORGANISATIONAL DEVELOPMENT

Following an organisational review of roles and job descriptions, on 29th February 2016 the Programme & Communications Coordinator and Admin & Finance Officer had their job titles changed to the Programme & Communications Manager and Programme & Finance Officer respectively.

In response to notification from Bruce Clarke of his regretful decision to stand down from the Board of Trustees in early 2016, BAAG started a process of recruiting at least three new trustees in February. It is intended that these new Trustees will bring critical expertise in fundraising, communications and political engagement to the existing Board of Trustees.



INTANGIBLE INCOME

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, RESERVES POLICY, & SUBSEQUENT EVENTS

FINANCIAL REVIEW

Income decreased this year by 30% from £269,202 to £187,203. BAAG received the majority of its financial support - £146,305 - from grants and institutional donors. Members provided a further £29,871 and a gift in kind from CAFOD in relation to the provision of office space, contributed towards the balance.

The decrease in income was mainly due to an overall decrease in the level of institutional funding, as institutional funding was for smaller amounts and covered shorter project periods in comparison to last year. This was mirrored by a decrease in spending in comparison to last year.

During the six-month period from April-September 2016, unrestricted reserves were used to cover staff salaries and national insurance during that period. (BAAG continues to maintain two-months' worth of unrestricted reserves, as per the Reserves Policy). Whilst restricted funds from the Global Peace & Security Fund and Media4Development grants covered the majority of our core costs - 72%, unrestricted funds covered 28% of total core costs during the year.

Trustees' Report (including Directors' Report)

Year ended 31st March 2016

RESERVES POLICY

BAAG has historically aimed to hold unrestricted reserves equivalent to six months of core costs.

Unrestricted reserves at 31 March 2016 amounted to £29,548 which represented just over 2 months of core costs. This level of unrestricted reserves will be maintained and the Trustees will review BAAG's reserve policy in the 2016/17 fiscal year in light of funding challenges and the need to ensure the organisation will always be in a position to meet its legal obligations.

SUBSEQUENT EVENTS

Following ongoing consultation with BAAG, on 5 May 2016 the European Commission awarded BAAG an 8-month grant for Afghan civil society's contribution to the Brussels Conference on Afghanistan (BCA). The grant is for a total of EUR 250,000 and comes to an end on 5 January 2017. The grant covers 67% of core salary costs for permanent staff during the course of the project and 100% of costs for external experts needed to complete the programme activities. Match-funding for this project was received from three other donors: Swiss Agency for Development and Cooperation for a total of EUR 36,734, USAID (via Counterpart International) for EUR 34,017, and CAFOD for £5,000.

BAAG's budget for the 2016/17 fiscal year totals £395,163. Taking into account income to date, opening reserves, and the provision of wrap-up reserves as per the reserves policy, BAAG is left with a small funding gap which is comprised of staff salaries for January-March 2017. BAAG have increased its efforts to obtain supplemental funding and would need to secure additional funds to remain viable. On 6 December 2016 BAAG requested a no cost extension for a project funded by the European Commission to raise Afghan civil society's voices ahead of, during, and beyond the Brussels Conference on Afghanistan. If approved, the no cost extension will cover the funding gap for staff salaries through to 31 March 2017.

STRUCTURES, 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. New Trustees have induction through visits to the charity's office, discussions with employees and management and meetings with other trustees. They are provided with past accounts and board papers. The trustees are experienced. There is no formal training policy for trustees, but training will be provided if a gap in skill or experience becomes apparent.

On 29 March 2016 Bruce Clark resigned as Trustee. On 06 June 2016 Tamar Ghosh resigned as Trustee.

On 21 June 2016, BAAG appointed five new Trustees. They are Pauline Hayes, Nick Wade, Anna Larson, Pete Simms, and Fleur Roberts. New Trustees were recruited through a combination of posting vacancies on reputable recruitment websites and approaching recommended candidates. Candidates submitted an application of interest after which BAAG submitted a shortlist to Trustees for final selection.

Trustees' Report (including Directors' Report) Year ended 31st March 2016

Trustees' Responsibilities

The Trustees (who are also the directors of BAAG (British & Irish Agencies Afghanistan Group) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period.

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 accounting 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 operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITISH IRISH AGENCIES AFGHANISTAN GROUP

AUDITOR

Mitchell Charlesworth LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office: 55 Westminster Bridge Road London SE1 7JB Signed by order of the Trustees

Frederick Lyons / Chairman of the Trustees

Date: 14 December 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITISH IRISH AGENCIES AFGHANISTAN GROUP

We have audited the financial statements of British Irish Agencies Afghanistan Group for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of British Irish Agencies Afghanistan Group for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRITISH IRISH AGENCIES AFGHANISTAN GROUP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

Mitcher Charles work.

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

20/12/16

Chartered Accountants Statutory Auditor

24 Nicholas Street Chester CH1 2AU

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

		Unrestricted	Restricted	Total	Total
		funds	funds	2016	2015
	Notes	£	£	£	£
Income and endowments from:					
Donations and legacies	3	10,162	146,305	156,467	246,523
Charitable activities	4	29,871	-	29,871	22,536
Other trading activities	5	723	-	723	-
Investments	6	86	-	86	143
Other income	7	56	-	56	-
Total income and endowments		40,898	146,305	187,203	269,202
Expenditure on:					
Charitable activities	8	58,020	158,351	216,371	284,864
Net expenditure for the year/					
Net movement in funds		(17,122)	(12,046)	(29,168)	(15,662)
Fund balances at 1 April 2015		46,670	11,934	58,604	74,266
			-		
Fund balances at 31 March 2016		29,548	(112)	29,436	58,604

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

BALANCE SHEET

AS AT 31 MARCH 2016

		2016	2016		
	Notes	£	£	£	£
Current assets					
Debtors	14	109,822		7,288	
Cash at bank and in hand		40,209		94,258	
		150,031		101,546	
Creditors: amounts falling due within one	15	(120,595)		(42,942)	
year					
					
Net current assets			29,436		58,604
Income funds					
Restricted funds	16		(112)		11,934
Unrestricted funds			29,548		46,670
			29,436		58,604

The accounts were approved by the Trustees on 14 December 2016

Ms A C Bennett

Trustee

Company Registration No. 6880188

36		6	3	4	(4)		31		121				8		

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

		2016		2015		
	Notes	£	£	£	£	
Cash flows from operating activities Cash (absorbed by)/generated from operations	19		(54,135)		3,531	
Investing activities Interest received		86		143		
Net cash generated from investing activities			86		143	
Net cash used in financing activities					-	
Net (decrease)/increase in cash and cash equiva	alents		(54,049)		3,674	
Cash and cash equivalents at beginning of year			94,258		90,584	
Cash and cash equivalents at end of year			40,209		94,258	

BALANCE SHEET

AS AT 31 MARCH 2016

		2016		2015	
	Notes	£	£	£	£
Current assets					
Debtors	14	109,822		7,288	
Cash at bank and in hand		40,209		94,258	
		150,031		101,546	
Creditors: amounts falling due within one	15	(120,595)		(42,942)	
year					
Net current assets			29,436		58,604
					-
Income funds					
Restricted funds	16		(112)		11,934
Unrestricted funds			29,548		46,670
			29,436		58,604

The accounts were approved	by	the	Trustees	on	
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Ms A C Bennett
Trustee

Company Registration No. 6880188

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

British 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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts 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.

These accounts for the year ended 31 March 2016 are the first accounts of British Irish Agencies Afghanistan Group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, 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 accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

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 receipts 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.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

3	Donations and legacies				
		Unrestricted funds	Restricted funds	Total 2016	Total 2015
		Turius	Tulius	2010	2013
		£	£	£	£
	Donations and gifts	9,912		9,912	18,508
	Grants receivable	250	146,305	146,555	228,015
		10,162	146,305	156,467	246,523
	For the year ended 31 March 2015	18,508	228,015		246,523
	Donations and gifts				
	Donations	72		72	8,668
	Gifts in kind	9,840	-	9,840	9,840
		9,912	7	9,912	18,508
	Grants receivable for core activities				
	ACBAR	-	-	15	6,813
	CPI Department for International Development		(4,497)	(4,497)	15,758 165,267
	EU		(4,497)	(4,497)	23,662
	Media4Development	-	56,979	56,979	16,515
	ACDEO (GPSF)	**	92,994	92,994	10,313
	GIZ	-	829	829	-
	Other	250	5	250	0.50
		250	146,305	146,555	228,015
4	Charitable activities				
				2016	2015
				£	£
	Membership fees			29,871	22,536

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5	Other trading activities		
		2016	2015
		£	£
	Fundraising events	723	-
6	Investments		
		2016	2015
		£	£
	Interest receivable	86	143
7	Other income		
		2016	2015
		£	£
	Other income	56	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

8 Charitable activities

	Policy work & information sharing £	Raising the profile	Membership activity and networking £	Total 2016 £	Total 2015 £
Staff costs	89,383	38,163	28,120	155,666	144,203
Direct costs	16,499	11,963	5,914	34,376	112,300
	105,882	50,126	34,034	190,042	256,503
Share of support costs (see note 10)	3,551	1,609	784	5,944	9,514
Share of governance costs (see note 10)	20,385			20,385	18,847
	129,818	51,735	34,818	216,371	284,864
Analysis by fund					
Unrestricted funds	58,020	-	-	58,020	
Restricted funds	71,798	51,735	34,818	158,351	
	129,818	51,735	34,818	216,371	
For the year ended 31 March 2015					
Unrestricted funds	35,526		**		35,526
Restricted funds	83,512	102,304	63,522		249,338
	119,038	102,304	63,522		284,864

9 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10	Support costs					
		Support costs	Governance	2016	2015	Basis of allocation
			costs			
		£	£	£	£	
	Insurance	567		567	557	
	Telephone and fax	632	-	632	1,013	
	Website and IT	2,619	-	2,619	5,315	
	Postage and stationery	679	-	679	2,194	
	Membership fees	1,432	-	1,432	431	
	Bank charges	15	-	15	4	
	Audit fees		3,029	3,029	2,960	Governance
	Sundry expenses		5,183	5,183	1,642	Governance
	Training and recruitment	-	3,021	3,021	957	Governance
	Rent		9,152	9,152	9,175	Governance
	Bad debts	-		-	4,113	Governance
		5,944	20,385	26,329	28,361	
	Analysed between					
	Charitable activities	5,944	20,385	26,329	28,361	

11 Trustees

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

12 Employees

Number of employees

The average monthly number employees during the year was:

	2016	2015
	Number	Number
Employees	3	3
Employment costs	2016	2015
	£	£
Wages and salaries	142,065	129,233
Social security costs	8,306	7,701
Other pension costs	5,295	7,269
	155,666	144,203
TI		

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	150,031	101,546
	Carrying amount of financial liabilities		
	Measured at amortised cost	25,084	10,931
14	Debtors		
1-4	DEDITORS	2016	2015
	Amounts falling due within one year:	£	£
	,		
	Trade debtors	2,929	3,359
	Other debtors	106,893	3,929
		109,822	7,288
			
15	Creditors: amounts falling due within one year		
13	creations, amounts raining due within one year	2016	2015
		£	£
	Other taxation and social security	2,821	2,754
	Trade creditors	(75)	252
	Accruals and deferred income	117,774	39,936
		120 505	42.042
		120,595	42,942

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

16 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			
	Balance at 1	Incoming	Resources	Balance at 31
	April 2015	resources	expended	March 2016
	£	£	£	£
СРІ	1,123		(1,123)	-81
Department for International Development	4,407	(4,497)	(16)	(106)
EU	21	-	-	21
Media4Development	4,352	56,979	(61,331)	-
Public Campaign	2,088	-	(2,058)	30
ENGI Campaign	(57)	-	-	(57)
ACDEO	-	92,994	(92,994)	
GIZ	-	829	(829)	-
	11,934	146,305	(158,351)	(112)

- 1. Ayenda Conference: Four donors provided funds to BAAG for the preparation and organisation of the Ayenda Conference an associated civil society side-event to the London Conference on Afghanistan. The Ayenda Conference provided a platform for Afghan civil society to raise their voices before, during, and beyond the international conference. DFID, the Agency Coordinator Body for Afghan Relief & Development (ABCAR), Counterpart International (CPI), and the European Commission provided BAAG with £165,043, £6,813, £15,757, £25,328 respectively. Grants for the Ayenda Conference came to end before or on 31 January 2015. Unspent funds under the DFID grant, in the amount of £4,497, were returned to the donor in the 2015/16 fiscal period.
- 2. Media4Development: BAAG is one of eight organisations to whom the European Commission is providing a 3-year grant for the period January 2015 − December 2017. The grant supports development journalism in New Member States and enhances BAAG's work providing opportunities for policy makers to discuss the challenges and benefits of development assistance, so that their governments may effectively contribute to efforts to tackle global poverty and inequality. BAAG receives a total of €255,032 over the 3 years and funds are dispersed every 6-months.
- 3. Global Peace & Security Fund: BAAG received funds from the Canadian Department of Foreign Affairs and Trade to partner with the Afghanistan Capacity Development and Education Organisation (ACDEO) to support the 6464 Family Hotline, based in Kabul. The Hotline offers legal counselling and support to Afghan families facing difficult situations across the country. The project spanned from 01 October to 31 March 2016 and BAAG provided capacity building and quality assurance to the hotline, as well as conducted research using data generated by the hotline. BAAG received £116,355 for the project and unspent funds in the amount of £23,361 were returned to the donor at the end of the project.
- 4. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ): BAAG received £4,857 from ACDEO as part of their project to expand the promotion of the 6464 Family Hotline to more provinces within Afghanistan, funded by GIZ. The project runs from 01 February 31 December 2016 and BAAG provides support in the areas of monitoring and evaluation and research.

17	Analysis of net assets between funds			
	U	Unrestricted		Total
		£	£	£
	Fund balances at 31 March 2016 are represented by:			
	Current assets/(liabilities)	29,548	(112)	29,436
		29,548	(112)	29,436
18	Related party transactions			
	Remuneration of key management personnel The remuneration of key management personnel, being the chief office	w is as fallows		
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			2016	2015
			£	£
	Aggregate compensation		44,880	44,880
19	Cash generated from operations		2016	2015
			£	£
	Deficit for the year		(29,168)	(15,662)
	Additional and form			
	Adjustments for: Investment income recognised in profit or loss		(86)	(143)
			, ,	, ,
	Movements in working capital:			
	(Increase)/decrease in debtors		(102,534)	4,365
	Increase in creditors		77,653	14,971
	Cash (absorbed by)/generated from operations		(54,135)	3,531