

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 2019**

# BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

## LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Trustees</b>	R Leathard E F Roberts T H Sholi P R Simms
<b>Charity number</b>	1135700
<b>Company number</b>	06880188
<b>Registered office</b>	Romero House 55 Westminster Bridge Road London SE1 7JB
<b>Auditor</b>	Mitchell Charlesworth LLP 24 Nicholas Street Chester CH1 2AU
<b>Bankers</b>	The Co-operative Bank plc PO Box 250 Delf House Southway Skelmersdale Lancashire WN8 6WT

---

**BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

**CONTENTS**

---

	<b>Page</b>
Trustees' report	1 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 19

---

# **BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 MARCH 2019***

---

The trustees present their report and financial statements for the year ended 31 March 2019.

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).

#### **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.

#### **Achievements and performance**

During the year 2018/19, BAAG continued to work with its partners and engaged with policy makers in Afghanistan, the UK, and Europe; and facilitated and supported Afghan civil society's input into policy debates. Despite the worsening security situation, BAAG also delivered projects with partners with the aim of supporting Afghan families through the Family Hotline, continued to seek opportunities to work on peacebuilding, and to promote disability rights in Afghanistan.

The environment for civil society and NGOs was made more uncomfortable by a hostile speech given by President Ghani in March 2018, which was widely reported. Despite vocal support for civil society from donors funding for civil society had become increasingly difficult for to raise and BAAG was no exception. Many donors delayed making decisions while they wondered what the future held for Afghanistan. It became clear that Brexit was becoming an issue for UK NGOs and European Community funding.

BAAG's three main areas of operation were information-sharing, policy and advocacy, and coordination and networking and BAAG continued to implement the Strategy that was revised and approved in 2018. Activities included a contribution to peacebuilding, support to vulnerable populations, including people with disabilities, and those calling the family hotline, and the promotion of a more peaceful and inclusive society in Afghanistan.

The main activity during this year was the preparation for the Geneva Conference and follow up, in collaboration with Afghan and international civil society organisations. The title BAAG had for this programme was 'Raising civil society voices ahead of, during and beyond the Geneva Conference on Afghanistan'.

# BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

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

FOR THE YEAR ENDED 31 MARCH 2019

---

### Supporting Afghan civil society for the Geneva Conference on Afghanistan

Building on the success of the London and Brussel's Conferences, the donors again requested that BAAG facilitate the civil society voice into the biennial inter-Ministerial Conference, on Afghanistan, held this time in Geneva. BAAG continued to support Afghan civil society in collaboration with the Civil Society Working Committee, which consists of the major civil society networks and umbrella groups. BAAG and CSWC<sup>(1)</sup> designed and CSWC members organised provincial consultations, conducting Focus Group Discussions and the selection of participants from all of Afghanistan's 34 provinces to attend a national conference in Kabul.

The provincial consultations were convened in order to include voices from the provinces where civil society actors and organizations had felt excluded from national debates. Below is a summary of findings:

In the southern zone, participants found insecurity (90%) and lack of funding (87%) to be the primary issues impacting CSO activities. Low awareness of civil society's value (74%) raised questions as to how CSOs might improve their reputation amongst the community whilst staff retention. In the southeast participants identified insecurity (88%) lack of funding (71%) and staff turnover (61%) to be the primary issues impacting CSO activities. In the north, key regional priorities included attracting domestic and foreign investors to provincial projects, reforming the education system, targeting investment into infrastructure development, streamlining coordination and collaboration between CSOs and local government, and agricultural reform for provincial livelihoods. In the north east, the greatest challenges for participants was a lack of funding (73%) resulting in CSOs paying staff below the national average, signing short-term contracts or suffering from high staff turnover. In the east and west, key regional priorities were combatting corruption, international pressure on the NUG and regional countries to respect Afghanistan's territorial integrity, targeted investment in infrastructure and agriculture. In the central highlands, the primary concern impacting CSO operations were funding difficulties. Interestingly 64% of Bamiyan participants believed staff retention impacted civil society activities more than insecurity and community perceptions. In contrast over half of participants in Daikundi believed insecurity and community perceptions had an impact on their ability to deliver activities but staff retention was of minimal concern.

In the central provinces, an average of 74% across all of the seven provinces, gave the lack of funding as the primary concern for their operational ability. Security was a major problem with 58% to 100% of respondents citing it as a major challenge, particularly in Ghazni and Logar, where all respondents in those two provinces said it was an issue.

Following the provincial consultations, a two-day national conference was held in Kabul where CSOs came together to discuss the findings of the provincial FGDs. The first day of the conference key findings of FGDs were presented and senior officials from the Afghan Ministry of Finance gave a presentation to the conference and answered questions put to them by CSOs. The second day of the national conference was cancelled due to unrelated demonstrations blocking access to the hotel in which the conference was being held.

Ten civil society delegates (5 male and 5 female) were chosen through a transparent and competitive selection process agreed by members of the Civil Society Working Committee. Ahead of the GCA, a Media Consultant provided media training to the delegates.

*26th of November* – Afghan & International Civil Society Workshop. Delegates participated in working groups, presented findings in panels and participated in the final panel. Press conference with 13 media organisations took place. In the evening, 6 delegates met with US Ambassador Alice Wells, Assistant Secretary to South Asia to discuss women and peace, and elections. 10 media interviews were organised during the day.

*27th of November* – First day of the Geneva Conference on Afghanistan. There were several side meetings and Civil Society Delegate Samiullah Hamidee spoke on the panel of the Regional Connectivity and Infrastructure Side Meeting. Delegates also met the German Delegation for lunch. In the afternoon, the Civil Society Side Meeting organised by BAAG had a high turnout. Minister of Economy Mustafa Mastoor co-chaired the meeting and engaged directly with participants. 8 interviews were organised.

---

<sup>(1)</sup> CSWS is an umbrella group for all the major civil society networks in Kabul, the majority of which have provincial offices.



# **BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

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

### **FOR THE YEAR ENDED 31 MARCH 2019**

---

*28th of November* – The main GCA event and side events. At the main event, the two Civil Society Spokespeople delivered the statement before CEO Abdullah Abdullah's closing speech. At the side meeting on Women Peace and Security, Delegate Raz Dalili spoke on the panel. During the day, the delegates met with the UK Delegation, Baroness Fiona Hodgson (Ambassador for Women) and Lindy Cameron and Gemma Blackburn. 6 media interviews were organised.

BAAG was complimented on the work it had done to bring a civil society delegation to Geneva that was thought to be the most inclusive and competent yet at an Inter-Ministerial meeting. Lessons had been learned and improvements made every two years.

The final communique of the Geneva Conference on Afghanistan included an article on the role of civil society and the media. Article 29 of the communique reads 'Participants recognized the important role that civil society and an independent media play in Afghanistan, and welcomed their contribution to this conference. Participants deeply deplored the heavy toll inflicted by conflict on civil society activists and the media, and stressed the importance of their safety and bringing to justice perpetrators of violence. Participants reiterated full support for freedom of expression and information, fully implementing the Access to Information Law, and strengthening the role of civil society in political processes, including in providing oversight and monitoring government performance.'

#### **Follow up to the Geneva Conference**

Significant meetings were arranged with the Minister for Economy, Mustafa Mastoor, who had responsibility for NGOs in Afghanistan but also takes an interest in civil society. It was appreciated, by civil society and donors, that he attended the preparatory conference organised by BAAG with national and international civil society, came to two further meetings, chaired by BAAG, one with civil society during the Geneva Conference itself. At this meeting it became clear that the Afghan government wished to introduce a single NGO fund, with contributions from donors but disbursement by the government. It became equally clear that donors did not support this idea. The second meeting took place in Kabul, in line with Minister Mastoor's undertaking to hold the meeting, with CSWC members and BAAG, to discuss the ongoing relationship between civil society and the Afghan government. Minister Mastoor made clear that he was willing to assist in the further development of mechanisms of engagement between civil society and the Afghan Government.

#### **Policy and Advocacy**

BAAG continued to be valued by policymakers who, with a range of stakeholders, sought the views BAAG was able to provide, informed by regular visits to Kabul and discussions with civil society. BAAG was included in a variety of invitation only events organised by the UK government and convened the quarterly Contact Group Meetings between BAAG Members and the Department of International Development, the Foreign Office and the Department for Defence. BAAG was also involved in meetings about peacebuilding in Afghanistan and the importance of the role of civil society in a sustainable peace.

BAAG continued to provide the Secretariat to the All Party Parliamentary Group on Afghanistan during this year but activities were limited by the preoccupation of Members of Parliament with Brexit.

#### **Networking**

During this period, BAAG expanded its own network, worked with new partners, and continued to be seen as a source of expertise on Afghanistan. BAAG is a founder and remained an active member of European Network of NGOs in Afghanistan, now a virtual network run by the Swedish Committee for Afghanistan. BAAG is also a founder member of the International Consortium of Refugees in Iran (ICRI) which has a Representative in Tehran and supports work with Afghan refugees there.

Reduced funding experienced by some members has reduced the overall amount of money raised from Membership fees. We were sympathetic to these difficulties but War Child felt obliged to resign from BAAG during the year. BAAG is very grateful to CAFOD for assisting us with the cash flow situation.

# **BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

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

**FOR THE YEAR ENDED 31 MARCH 2019**

---

### **Information sharing: sharing credible and accurate information about Afghanistan**

During this period, BAAG produced "Afghanistan this Month" for its media contacts, policy makers, member agencies and other stakeholders. This two-page report has become a key source of information for the recipients and BAAG receives ongoing, positive feedback to this effect. The reports capture the key developments in country's security, politics, society and culture. BAAG also actively used its social media accounts to promote these reports and other Afghanistan-related materials.

On 5 May 2018, BAAG supported the screening of *The Breadwinner* by distributing complimentary tickets through its network. The film, a Canadian-Irish co-production, was screened by the British High Commission in Canada and Telefilm Canada screened it at the Curzon Soho in London. Yeshim Harris, the Director of Engi Conflict Management, and a Senior Research Fellow at the Centre for Conflict Analysis at the University of Kent, who attended the screening with her daughter emailed BAAG to say *'a big thank you for the complimentary tickets you have sent for the film Breadwinner. Both my daughter and I cried watching the film; it was so beautiful. We also enjoyed asking questions at the Q&A session. My daughter (age 11) is now so interested in Afghanistan.'*

### **Supporting Afghan families through the Family Hotline Project**

BAAG also worked with Afghanistan Capacity Development and Educational Organisation (ACDEO) to support their core management team's capacity and improve their Family Support Helpline. As a result, the helpline successfully obtained accreditation to Helplines Partnership UK, the international standard for helplines. Every day 6464 Helpline Operators respond to calls from across the country from women and girls in difficult situations facing GBV. BAAG has undertaken to analyse the data collected from these calls in 5 provinces: (Herat, Balkh, Bamyan, Panjshir, and Kabul). Work is underway on this analysis.

### **Enabling the rights of persons with disabilities in Afghanistan**

In February 2018, BAAG started a three-year project on effective advocacy and awareness raising on disability rights in Afghanistan. The project is jointly delivered with Community Centre for the Disabled, (CCD), an Afghan NGO. BAAG has worked with CCD to improve its capacity and its relaunch of the Disability Rights Watch Afghanistan, a policy and advocacy network of Afghan organisations working on disability rights issues. During the year, BAAG's implementing partner relaunched the Disability Rights Watch Association, the umbrella network for a significant number of Disabled Person's Organisations (DPOs) in the country.

### **Food Policy Project: Introducing Right to Food and Food Sovereignty in Afghanistan**

In 2018, BAAG undertook a monitoring trip and peer review on behalf of CAFOD of the project implemented by the Afghanistan Human Rights Organisation to build the capacity of Afghanistan Food Security and Nutrition (AFSeN) members (main group and sub-groups) on right to food, food security and related concepts. We were impressed by the work the organisation had been doing.

### **Supporting Afghan female journalists through the Sahar Speaks initiative**

BAAG has continued to support Sahar Speaks which is now entering its 4th round. The theme this year was disability and 4 female photographers were selected for the programme.

### **Objectives for the next financial year**

BAAG will continue to serve as platform for information sharing, coordination and advocacy for its member agencies and Afghan civil society. BAAG will continue to support Afghan civil society to influence policies and improve engagement with the Afghan Government and international donors. In particular BAAG will support the Civil Society Working Committee in extending its work, funding permitted of its work, to relate to people in the provinces and facilitate an exchange of information and views.

### **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.



# **BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

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

### **FOR THE YEAR ENDED 31 MARCH 2019**

---

#### **Financial review**

BAAG has historically aimed to hold unrestricted reserves equal to 6 months of core costs. Unrestricted reserves at 31 March 2019 amounted to £38,009, which represented just over two months of core costs. This level of unrestricted reserves will be maintained, either through the raising of additional funds or managing costs, and the Trustees will review BAAG's reserve policy in the 2019/20 fiscal year in the light of 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.

#### **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, and Tareq Hassan Sholi the Treasurer.

Pauline Hayes stepped down as a Trustee on 25 March 2019 and advertisements were placed to invite applications to become Trustees.

On the 31<sup>st</sup> of January Jawed Nader gave 5 months' notice that he would be resigning from his post after more than 6 years as Director of BAAG in order to study for a PhD in Australia and in March Monica Encinas resigned her post after 6 years with BAAG to join Plan International. BAAG is grateful for the hard work they put in during these years and wishes them well for the future.

T Safi	(Resigned 23 April 2019)
P M Hayes	(Resigned 25 March 2019)
A L Larson	(Resigned 22 October 2018)
R Leathard	
E F Roberts	
T H Sholi	
P R Simms	

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 2019

### 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.

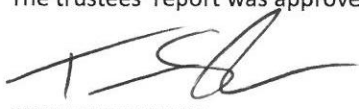
### Auditor

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.

### 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.



T H Sholi

Trustee

Dated: 20/12/2019



MARK BOWDEN  
TRUSTEE

DATED: 20.12.2019

# **BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS 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 2019 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 Financial Reporting Standard 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 2019 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 MEMBERS 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: <http://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 MEMBERS 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

20/12/19

**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 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Donations and legacies	3	533	333,490	334,023	159,321
Charitable activities	4	21,965	-	21,965	22,923
<b>Total income</b>		22,498	333,490	355,988	182,244
<b>Expenditure on:</b>					
Charitable activities	5	21,077	307,736	328,813	202,337
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		1,421	25,754	27,175	(20,093)
Fund balances at 1 April 2018		36,588	5,252	41,840	61,933
<b>Fund balances at 31 March 2019</b>		38,009	31,006	69,015	41,840

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 2019

	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Debtors	11	53,440		50,542	
Cash at bank and in hand		46,360		46,784	
		<u>99,800</u>		<u>97,326</u>	
<b>Creditors: amounts falling due within one year</b>	12	(30,785)		(55,486)	
Net current assets			69,015		41,840
<b>Income funds</b>					
Restricted funds	14		31,006		5,252
Unrestricted funds			38,009		36,588
			<u>69,015</u>		<u>41,840</u>

The financial statements were approved by the Trustees on 20/12/2019

T H Sholi

Trustee

Company Registration No. 06880188

Mark R Bowden  
MARK BOWDEN  
TRUSTEE  
20.12.19

# **BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2019**

---

#### **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 accounts have been prepared in accordance 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). 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, 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 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 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.

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.

# BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

---

### 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 2019

---

### 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 2019

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Donations and gifts	533	-	533	2,036
Grants receivable	-	333,490	333,490	157,285
	533	333,490	334,023	159,321
<b>For the year ended 31 March 2018</b>	<b>2,036</b>	<b>157,285</b>		<b>159,321</b>
<b>Donations and gifts</b>				
Donations	533	-	533	2,036
	533	-	533	2,036
<b>Grants receivable for core activities</b>				
DFID - UKAD	-	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	-	32,767	32,767	-
BCA - CPI	-	-	-	36,330
BCA - EC	-	-	-	14,563
BCA - SDC	-	-	-	82,281
Other	-	-	-	24,111
	-	333,490	333,490	157,285

### 4 Charitable activities

	2019 £	2018 £
Membership fees	21,965	22,923

# BAAG (BRITISH AND IRISH AGENCIES AFGHANISTAN GROUP)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 5 Charitable activities

	Policy work & information sharing 2019 £	Raising the profile 2019 £	Membership activity and networking 2019 £	Total 2019 £	Total 2018 £
Staff costs	99,230	77,663	42,919	219,812	139,512
Direct costs	33,205	30,764	14,987	78,956	23,668
	<u>132,435</u>	<u>108,427</u>	<u>57,906</u>	<u>298,768</u>	<u>163,180</u>
Share of support costs (see note 7)	6,500	3,419	1,666	11,585	7,454
Share of governance costs (see note 7)	18,460	-	-	18,460	31,703
	<u>157,395</u>	<u>111,846</u>	<u>59,572</u>	<u>328,813</u>	<u>202,337</u>
<b>Analysis by fund</b>					
Unrestricted funds	21,077	-	-	21,077	33,779
Restricted funds	136,318	111,846	59,572	307,736	168,558
	<u>157,395</u>	<u>111,846</u>	<u>59,572</u>	<u>328,813</u>	<u>202,337</u>
<b>For the year ended 31 March 2018</b>					
Unrestricted funds	33,779	-	-		33,779
Restricted funds	84,241	54,762	29,555		168,558
	<u>118,020</u>	<u>54,762</u>	<u>29,555</u>		<u>202,337</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 2019

### 7 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Insurance	4,842	-	4,842	4,758
Telephone and fax	359	-	359	91
Website and IT	1,638	-	1,638	1,508
Postage and stationery	2,322	-	2,322	736
Bank charges	2,424	-	2,424	361
Audit fees	-	4,549	4,549	4,549
Legal and professional	-	6,669	6,669	-
Sundry expenses	-	1,706	1,706	22,471
Training and recruitment	-	832	832	951
Rent	-	4,704	4,704	3,732
	<u>11,585</u>	<u>18,460</u>	<u>30,045</u>	<u>39,157</u>
Analysed between				
Charitable activities	<u>11,585</u>	<u>18,460</u>	<u>30,045</u>	<u>39,157</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

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Employees	<u>3</u>	<u>3</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries	<u>219,812</u>	<u>139,512</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 2019

<b>10</b>	<b>Financial instruments</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	53,440	50,542
		<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	29,121	53,127
		<u>          </u>	<u>          </u>
<b>11</b>	<b>Debtors</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	5,183	1,993
	Other debtors	48,257	48,549
		<u>          </u>	<u>          </u>
		53,440	50,542
		<u>          </u>	<u>          </u>

Other debtors consist of grants receivable during the fiscal year ended 31 March 2019, but received in the following fiscal year. Trade debtors relates to membership fees left owing at the year end.

<b>12</b>	<b>Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Other taxation and social security	1,664	2,359
	Trade creditors	6,002	1,219
	Accruals and deferred income	23,119	51,908
		<u>          </u>	<u>          </u>
		30,785	55,486
		<u>          </u>	<u>          </u>

### 13 Deferred income

Included within the 'Accruals and deferred income' balance of £23,119 is £16,487 (2018 - £45,275) relating to grant income and membership fees received during the fiscal year ended 31 March 2019, 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 2019

#### 14 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 April 2018	Incoming resources	Resources expended	Balance at 31 March 2019
	£	£	£	£
BCA - EC	18	-	-	18
DFID - UKAD	1,593	62,221	(47,331)	16,483
CAFOD - ACS	3,641	32,767	(20,844)	15,564
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)
	<u>5,252</u>	<u>333,490</u>	<u>(307,736)</u>	<u>31,006</u>

#### 15 Analysis of net assets between funds

	Unrestricted 2019	Restricted 2019	Total 2019	Total 2018
	£	£	£	£
Fund balances at 31 March 2019 are represented by:				
Current assets/(liabilities)	38,009	31,006	69,015	41,840
	<u>38,009</u>	<u>31,006</u>	<u>69,015</u>	<u>41,840</u>

#### 16 Related party transactions

##### Remuneration of key management personnel

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

	2019 £	2018 £
Aggregate compensation	<u>52,794</u>	<u>50,288</u>