

BARNABAS FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

BARNABAS FUND
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1 - 2
Trustees' report	3 - 10
Chairman's statement	11 - 13
Independent auditors' report	14 - 15
Statement of financial activities	16
Balance sheet	17
Cash flow statement	18
Notes to the financial statements	19 - 34

BARNABAS FUND
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Directors and Trustees

Rt Rev J Dobbs
Rev A B Hauser
Miss C J C Kerslake
Rev I S McNaughton, Chairman until 29/02/16, Vice-Chairman from 01/03/16
Rev Dr V K Samuel, Vice-Chairman from 01/03/16
Mrs R A Sookdheo
Marquess of Reading, Chairman (appointed 01/03/16)

Senior management team

Rosemary Sookhdeo, Director of Finance and Resources
Hendrik Storm, Chief Executive Officer
Jeremy Frith, Chief Operating Officer

Company secretary

Jeremy Frith

Company registered number

04029536

Charity registered number

1092935

Registered office

The Old Rectory
River Street
Pewsey
Wiltshire
SN9 5DB

Independent auditors

Griffin Stone Moscrop & Co
Chartered Accountants
21-27 Lamb's Conduit Street
London
WC1N 3GS

Bankers

Barclays Bank plc
Dockland
Leicestershire
LE27 2BB

BARNABAS FUND
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Solicitors

Wilson Bramwell Solicitors
34 Victoria Avenue
Harrogate
HG1 5PR

Insurance Brokers

Access Insurance
Selsdon House
212-220 Addington Road
South Croydon
Surrey
CR2 8LD

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees of Barnabas Fund ("the Charity"), who are also directors of the Charity for the purposes of the Companies Acts, present their annual report for the year ended 31 August 2016 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that year. The financial statements comply with the requirements of the Companies Act 2006, the Charity's memorandum and articles of association and the relevant Statements of Recommended Practice (the Charities SORP) "Accounting and Reporting by Charities" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

Constitution

Barnabas Fund is established as a company limited by guarantee and is registered as a charity with the Charity Commission of England and Wales. The affairs of the company are governed by its Memorandum and Articles of Association on 7 July 2000, as amended by Special Resolutions 10 December 2013 and its registered charity number is 1092935.

The present Trustees and any past Trustees who served during the year are shown on page 1, together with the names of the senior management staff and the principal external advisers as at the date of the signing of this report.

Charity's purpose

The Charity's purpose, as set out in the objects clause contained in its articles of association, is:

1. The advancement of the Christian faith;
2. The prevention or relief of suffering, poverty and distress;
3. The promotion of Human Rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations Conventions and Declarations) by:
 - i) educating the public about Human Rights;
 - ii) raising awareness of Human Rights issues;
 - iii) providing technical advice to governments and others on Human Rights matters;
 - iv) eliminating infringement of Human Rights;
4. The promotion of conflict resolution and reconciliation by all appropriate means;
5. The promotion of religious or racial harmony, equality and diversity;
6. The advancement of citizenship or community development;
7. The relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

Charity's aim

The Charity's main aim is to help meet the practical and spiritual needs of Christians facing persecution; to encourage, strengthen and enable local Church and Christian communities so they can maintain their presence and witness; and to tackle persecution by making known the aspects of faiths and ideologies that result in injustice and oppression of Christians and others. It also aims to facilitate global intercession for the persecuted Church by providing comprehensive prayer material and to inform and enable Christians in the West to respond to the growing challenge of Islam in their own countries.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Overview of Charity's activities

The Trustees review the purpose, aims and activities of the Charity each year. This review looks at the achievements during the previous year, beyond just the finances, and explains how the beneficiaries have been assisted.

When carrying out the review and planning future activities, the Trustees refer to the guidance contained in the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of religion for public benefit. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Charity has five main activities, namely:

Ministry grants: During the year funds were transferred to Barnabas Aid International who disbursed them to carefully chosen project partners to enable them to support persecuted Christians in their respective areas.

Education and research: The provision of resources to further the education of the general public about the needs of the suffering Church and research into the causes and extent of Christian persecution.

Facilitating prayer: The provision of a prayer diary and other resources to help supporters pray for the persecuted Church as a whole as well as individual Christians suffering persecution.

Raising awareness: Providing information, education and generally raising awareness concerning human rights and the Persecuted Church.

Projects assisting the suffering church: Costs associated with assisting the suffering church worldwide that do not fall into the above categories.

Barnabas Fund's People

Trustees

Barnabas Fund is grateful to the people who voluntarily give their valuable time to serve on the various committees that are necessary to ensure Barnabas Fund's activities are delivered to the highest possible standard. They are very grateful for the wise counsel and support of the Financial Director, Rosemary Sookhdeo.

Staff

The Trustees wish to record their thanks to the staff of the charity for their sterling service on behalf of the charity, recognising that without their efforts, it would not have been possible to have achieved this excellent result.

Barnabas Fund currently employs 17 staff. All staff joining Barnabas Fund must undertake induction training appropriate to their work area with the common topics of health and safety and IT. Ongoing professional development training is encouraged and staff are given the time to attend courses, seminars and conferences as approved by their line manager.

Volunteers

In addition to paid staff Barnabas Fund enjoys the support of a number of individuals and organisations that give time in specific areas of our operation. The network of voluntary Church and area representatives and voluntary speakers, known collectively as Partners, make a significant contribution towards educating local Christians and Churches about the persecuted Church and we are immensely grateful for the time and effort they dedicate to this work.

Donors

Without our donors none of the valuable work Barnabas Fund does would be possible and the Trustees are very grateful for all their support.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and Activities

Policies and objectives

The Objects of the charity include the advancement of the Christian faith, the prevention of suffering, poverty and distress, promotion of human rights and relief of those in need. The Trustees have determined that the best way to advance these objectives is by strengthening Christian individuals, churches and communities in places where they are a minority and suffer discrimination, hostility, violence etc. This is done by providing practical support and alleviating suffering, poverty and distress for Christian members of the public in such situations in order to enable them to survive and to continue their Christian witness and ministry in order that the Christian faith is maintained, advanced and promoted in places where it is under pressure or even in danger of extinction.

In accordance with these objects and aims, the charity benefits a certain section of the public; the estimated 200 million Christians living as minorities in situations of discrimination or persecution on account of their faith or where the Church is under pressure in other ways. Within this section of the public are a wide range of denominations, nationalities and ethnic groups from a wide diversity of church backgrounds in over 80 countries. The charity does not restrict its activities geographically and many of those assisted by channeling funds through Barnabas Aid International (BAI), are in extreme poverty and distress including those displaced from their homes by natural disasters, warfare or persecution.

The charity helped to advance the Christian faith by providing, through Barnabas Aid International, support for full-time Christian workers, training for Christian leadership and supplying Christian literature and resources. Other kinds of projects also help to do this by providing economic assistance which enables Christians and their communities to survive and prosper. For example, income generation projects enable Christians who are discriminated against in the jobs market to support themselves and their families. Likewise feeding programmes are vital for the poorest Christians whether their need arises from natural disaster or from discrimination and persecution. Health needs are met by medical projects and by water and sanitation projects. The future economic viability and spiritual resilience of the Christian community are improved by enabling the children of Christian families to get a good education. Without such help it is likely that these Christians will continue to live in on-going poverty as despised members of society and being vulnerable to violent attack they may be forced to flee their homes or even their homeland.

The charity also benefits a wider section of the public in the UK in particular (but also worldwide) by providing information, education and raising awareness concerning human rights and the persecuted Church, and publishing materials on these issues.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Activities for achieving objectives

In accordance with its Articles of Association, Barnabas Fund seeks inter alia to advance the Christian faith and prevent or relieve suffering, poverty and hardship, including the relief of those in need because of particular disadvantages, and the promotion of human rights.

These objectives are achieved by supporting Christians where they are in a minority and suffer discrimination, oppression or persecution as a consequence of their faith. Our goal is to strengthen Christian individuals, churches and their communities by providing financial and other assistance with the aim of relieving poverty, suffering and distress in response to material and spiritual needs identified by local Christian leaders and para-church agencies.

In furtherance of the above objectives the charity educates the general public and the Christian public in the UK and elsewhere about the needs of the suffering Church, provides prayer materials, and speaks on behalf of the suffering Church.

The charity works by forwarding funds to Barnabas Aid International to be disbursed in grants which will make positive changes to the wellbeing of Christians suffering discrimination, oppression or persecution for their faith, for example in health, nutrition, housing, education, access to clean water and economic self-sufficiency. Such grants also aim to improve and expand the resources available to churches and Christian organisations functioning in such situations, for example by providing buildings, equipment and literature. The charity also seeks to bring about change in public understanding in the West of the causes of such discrimination and persecution in other contexts.

Volunteers

The charity is extremely grateful for the support of roughly 370 unpaid volunteers functioning as Church Partners, Area Partners or Speakers. Some volunteers take on two or more of these roles. These volunteers assist the charity by educating and raising awareness of the work of the charity and the needs of persecuted Christians. Their roles include speaking at meetings, organising events, distributing magazines, and displaying and circulating materials. Their educational work increases awareness of the plight of oppressed Christians and stimulates increased prayer and financial support for the charity. The amount of time given by each Partner varies greatly according to the time they have available, their skills, health etc. but an approximate average figure would be 30 minutes per month per Partner. In the last fiscal year there were 150 different speaking engagements in the UK and we have a dedicated full-time Partnership Coordinator based in our Coventry office who is focused on enabling and equipping the Partners and also increasing awareness of the work of Barnabas Fund.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

Review of Charitable Activities

The charitable expenditure for the year has been directed towards the meeting of the key objectives of the charity in the following ways:

Ministry Grants - Grant payments were made by forwarding income to Barnabas Aid International, which disburses it to the carefully chosen recipient project partners in the countries where we are assisting.

Education – The bimonthly magazine, “Barnabas Aid”, including a special educational pull-out supplement, is sent to 128,922 (2015 123,812) recipients, an increase of 5,110 recipients on the previous year, some of whom receive multiple copies. The great majority of these are supporters based in the UK but copies of the magazine were mailed to supporters in a further 90 countries.

In 2013 Suffering Church Action Week (SCAW) was introduced to incorporate Suffering Church Sunday and the annual Barnabas Fund International Day of Prayer. This also extends the potential to include many events such as coffee mornings, children’s events and Bible studies throughout the whole week focusing on the Persecuted Church rather than just on one or two days. SCAW packs have been provided to individuals and churches for the last few years which include a DVD, prayer resources, children’s resources, leaflets and a sermon outline to provide everything a church might need to hold its own Persecuted Church event.

Raising Awareness – The charity continues, via Barnabas Aid International, to issue regular e-mail news updates providing up to date information on relevant situations around the world. The UK circulation list for these e-mails has increased by 5% in the year to a year end figure of 30,476 subscribers. There has been an on-going engagement with our website with the average number of pages viewed being 3.51 during the year. On our Facebook account “Likes” have increased from 7,951 to 9,714 and Twitter “Followers” have increased from 5,284 to 6,481.

The charity, in partnership with Barnabas Aid International, continues to provide articles for various publications and periodicals and also gives radio and TV interviews. Issues relating to the persecution of Christians have been the subject of significant Parliamentary debate and the charity has provided briefing papers to Parliamentarians. The charity’s network of voluntary Church and Area Partners make a significant contribution towards educating local Christians and Churches about the Persecuted Church. A series of leaflets highlighting major areas of the charity’s work, especially focusing on the situation in the Middle East, were placed in a variety of publications and generated both one-off and recurring donations from both new and existing supporters.

Prayer – The bimonthly publication “Barnabas Prayer” giving daily prayer items was circulated to all on the mailing list. In addition, a monthly “Prayer Focus” report is prepared and circulated both by email and as a paper copy aimed primarily at prayer groups. This resource is now sent to 30,435 supporters with a further 1,278 hard copies sent out to 835 recipients. Prayer items are also included in e-mail news releases and daily prayer items are also posted on the website and circulated using Twitter and Facebook.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Factors relevant to achieve objectives

The Trustees are very grateful to Barnabas Fund supporters for their generous donations throughout the year. The occurrence or otherwise of natural disasters or man-made conflicts in the areas of the world where Barnabas Fund works can have a considerable impact on income, as can the general economic climate in the UK and other donor countries.

Uncertainties surrounding the Brexit vote in June, for the UK to leave the EU, have affected our support, and we understand that we are one of a number of charities to be affected by this. The hope is that this is a short-term effect which is to be expected given the extenuating circumstances and since August 2016 our support has increased, but there continues to be considerable uncertainty regarding the UK and our relationship with the EU and this may affect our support in the future.

Many Christian colleagues around the world have given substantial assistance in terms of advice on potential projects and monitoring of on-going projects. This help enables grants, made by BAI, to be given with confidence in a wide variety of contexts.

Financial review

Against the background of economic uncertainties and cut-backs which have affected and continue to affect supporters in both the UK and other Western countries, the Trustees are pleased with the financial position of the charity at the end of this financial year. The level of income in the 2015/16 financial year has met our expectations considering the uncertainties faced by our supporters in the current economic climate and following the Brexit decision earlier this year. The donations income received by Barnabas Fund for the year was £12,808,186 (2015 £13,978,578) and we are very grateful to all of our supporters for their generous giving.

The number of recurring gifts for which funds were received during the year ended 31 August 2016 was 12,482 (2015 11,923), an increase of 559 on the previous year. The total amount received via recurring giving in the year ended 31 August 2016, excluding gift aid, increased by 6% to £3,207,242 (2015 £3,032,321). The total number of donations in the form of regular payments received during the year was 126,238 (2015 125,709). The Trustees are deeply grateful to supporters willing to pledge their on-going support to the charity in this very cost-effective form of giving.

In the current economic climate donors are rightly concerned that the charities which they support are making best use of their resources to meet their charitable objectives. One area of recent concern has been charitable remuneration. During 2015/16 the maximum salary taken by an employee was £39,140 (£44,205 including pension and national insurance). Barnabas Fund has consistently kept its overheads to a minimum to enable the charity to ensure that more of each pound donated reaches our persecuted brothers and sisters.

Charitable activity expenditure was £13,300,777 (2015 £14,246,627). These figures do not include costs of governance which were £13,982 during the year (2015 £25,094).

Further details on charitable activity expenditure are shown in the notes to the financial statements and under the relevant charitable activity headings in the Trustees report.

The surplus for the year ended 31 August 2016 before the revaluation of investment assets was £11,303 (2015 £nil). The overall result after the revaluation of investment assets was a surplus of £15,047 (2015 surplus £718).

Capital expenditure for the year was £1,343.

The Trustees believe the Statement of Financial Activities (SOFA) shows a strong performance by Barnabas Fund.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Risk management

Barnabas Fund's approach to risk management is designed to ensure that it remains alert to those external and internal factors that could affect its ability to operate effectively, or even at all. The work of establishing the risks facing Barnabas Fund and ensuring suitable mitigating action is being taken is reviewed regularly by the Management and Trustees. Further information on risk management can be found in the Trustees' Statement on Governance.

Reserves

Restricted Reserves

Restricted Funds are funds where the donor has specified to the charity the purpose for which they would like the charity to use their gift. During the year ended 31 August 2016 Barnabas Fund transferred all balances on restricted funds to Barnabas Aid International (BAI). Barnabas Aid International undertakes to use the funds in accordance with the desires of the donors and in assurance of the Barnabas Covenant. The Chairman of the BF UK Board attends BAI Board Meetings and he is fully involved, along with the BF UK CEO and another Trustee who have full access to the grant-making software used for recording all of the project grants made. Three BF UK Trustees also sit on the BAI Projects and Disbursements Committee evaluating and monitoring all project applications received by BAI. The BF UK Trustees remain informed, and have access to all project grant information, and are satisfied with the end use of all donations. Further details on how the funds have been spent can be found in the Barnabas Aid International (charity number 1155957) financial statements.

Free Reserves

Free Reserves available for use by the Charity are deemed to be those that are readily realisable, less funds whose use is restricted or designated for particular purposes. Thus the calculation of Free Reserves excludes fixed assets that continue to be used in the day-to-day operation of the Charity.

As a matter of policy the Trustees regularly review the value of the reserves required to be held in investments, cash and cash equivalents not restricted to or designated for any particular purpose. The Trustees have set a target level of reserves of £750,000. This will enable the charity to meet its operating expenses for a period of between 3 and 6 months should there be a downturn in income for the charity.

At 31 August 2016 the General Reserve was £934,292 (2015 £909,234). Running costs include all staff salaries and other costs associated with administering the charity and its funds. The Trustees will continue to look to decrease the General Reserve over the next few years in line with the reserves policy.

The Fixed Asset Fund represents the net book value of fixed assets which have been purchased with unrestricted funds. This reserve is locked into the value of fixed assets and the value can be released only if they are sold.

The IT Fund of £13,500 is held to fund planned major improvements to the information and communication systems of the charity.

The Barnabas Books Fund of £1,911 is a sum set to cover funds due to Isaac Publishing for the distribution of books.

Plans for future periods

Future developments

Socio-religio-political factors suggest that the oppression and persecution of Christians in many countries of the world is set to increase. The major objective for the coming year is to communicate the needs of the Persecuted Church to our supporters with confidence that they will continue to pray and donate to the work and enable us to increase our support to projects which assist Christians and the Church in situations of oppression or persecution. The Trustees have been encouraged by a positive start to the new financial year, with supporters responding well to appeals to assist persecuted Christians in the Middle East and Africa especially.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

And finally.....

Barnabas Fund gives thanks to God for its continued growth and the Trustees pray that the organisation will be able to continue raising awareness and providing support and care to the persecuted church for as long as it is needed.

Auditors

A resolution to appoint Griffin Stone Moscrop & Co., Chartered Accountants and Statutory Auditors, to prepare and audit the financial statements of Barnabas Fund, was passed at a meeting of the Trustees.

This report was approved by the Trustees on 27 February 2017 and signed on their behalf by:

.....
Marquess of Reading, Chairman

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 31 AUGUST 2016

Governance

The Charity is governed by its Memorandum and Articles of Association adopted on 7 July 2000 as amended by Special Resolution passed on 3 November 2010. The Board of Trustees is responsible for the overall governance of the Charity and meets at least three times a year.

The Chief Executive (CEO) is responsible for the day-to-day management of the Charity's affairs and for implementing policies agreed by the Trustees. The CEO is supported by the Chief Operating Officer (COO) who has the leadership role in respect of all delegated executive responsibilities.

The Barnabas Covenant

The Barnabas Covenant is a memorandum of understanding, agreed in October 2013 and updated in March 2016 (after a review and consultation period), between the member organisations of The Barnabas Family. The Barnabas Family currently comprises Barnabas Fund (UK), Barnabas Aid International, TBF Trust (TBF), Servants Fellowship International (SFI), Barnabas Fund (Australia) Ltd, Barnabas Fund (NZ), Isaac Publishing LLC (IP) and Barnabas Fund Inc. (BF USA). The Trustees of the aforementioned charities and company determined to enter into a collaborative and federated relationship for the purposes of providing support and aid to the persecuted Church and to Christians who are enduring hardship by virtue of their faith, raising awareness of the situation, encouraging prayer for them and undertaking advocacy on their behalf. The Barnabas Covenant provides the basis of the partnership.

The memorandum and its associated Service Level Agreements are additional to, and in no way substitute for, the Memoranda and Articles of Association and the trust deed/constitutional documents of the members of the Barnabas family.

Trustee Selection, Induction and Appraisal

Under the Charity's Articles and Memorandum of Association the Trustees may at any time co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee. In seeking potential appointees the Board look for individuals who are appropriate to the skills and experience needed by the board and reflect the work of the Charity in pursuit of its charitable purposes. In practice the Board seeks to appoint Trustees who are passionate about supporting the work of the Persecuted Church and recruitment of new Trustees focuses on individuals with a long-standing knowledge of the charity who are known personally to the existing Trustees or who bring particular skills and experience to the work.

At each Annual General Meeting one-third of the Trustees, or the number nearest to one-third, must retire from office. The Trustees to retire by rotation shall be those who have been longest in office since their last appointment. Any co-opted Trustee holds office only until the next AGM when they may be re-appointed. The minimum number of Trustees is 3 and there is no limit to the number of Trustees or to how many times a Trustee may be appointed.

Induction and training of new Trustees includes providing them with copies of the charity's governing documents, "The Essential Trustee: What you need to know" (Charity Commission publication CC3), and the charity's Statement of Faith. Trustees are normally familiar with the work of the charity already but any extra information necessary is provided, and they will be introduced to senior members of staff.

New Trustees are required to sign a statement that they have read and understood "The Essential Trustee: What you need to know" (Charity Commission publication CC3), that they are not disqualified from acting as a trustee, that they affirm the charity's Statement of Faith, and that they will seek to act always in accordance with Biblical principles. Every Trustee must sign a Declaration of Willingness to act as a Charity Trustee of the Charity before they are eligible to vote at any meeting of the Trustees. They are also required to declare in writing any existing or potential conflicts of interest.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for their annual report and for the preparation of financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity law require 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 which give a true and fair view of the incoming resources and application of those resources of the Charity for that year, and of the state of affairs as at the end of the financial year.

In preparing these statements, the Trustees are required to select suitable accounting policies, as described in the financial statements, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable and conform to the methods and principles of the Charities SORP. The Trustees must also prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue.

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems and controls, financial and otherwise. They are also responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable the financial statements to comply with Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and for their proper application as required by Charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide assurance that:

- The Charity is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- The Charity complies with relevant laws and regulations.

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditors are aware of that information.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and appropriate management information is prepared and reviewed regularly by both the executive management and the Trustees. The systems of internal controls are designed to provide reasonable but not absolute assurance against material mis-statement or loss. They include:

- Regular consideration by the Trustees of financial results and non-financial performance indicators;
- Delegation of day-to-day management authority and segregation of duties; and
- Identification and management of risks.

BARNABAS FUND
(A company limited by guarantee)

TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 31 AUGUST 2016

Matters Reserved to the Trustees

The following matters are specifically reserved for approval by the Trustees:

- Any proposal to amend the Memorandum and Articles of Association; Instruments and Rules of Government; Accounting Reference Date or material accounting policies;
- Any decision to bring or defend legal action in a civil case;
- Response to criminal charges/allegations of criminal activity which have connection with the Charity;
- Expansion of activities beyond core business;
- Formation of a subsidiary;
- Amendment to pension schemes;
- Approval of Annual Report, Accounts & financial statements including setting of reserve allocations;
- Investment management policies;
- Cash management policies (including approved list of counter-parties);
- Any contract with any Trustee or member of senior management or with any person or entity connected with any of them;
- Opening of new banking relationship; and
- Receipt of gifts from a potentially undesirable donor.

Risk Management

Serious risks can have a major impact on the ability of a charity to fulfil its charitable aims causing disruption to the business or, at the most extreme, cause significant financial loss. The Board of Trustees are responsible for the overall running of the charity and need to be aware of the risks to the business and the processes that are in place to mitigate them. Risk assessment provides a framework for the Board of Trustees of Barnabas Fund to identify potential risks to which the organisation is exposed and how these can be and are being mitigated.

The Trustees have a formal risk management process to assess risks and to implement risk management strategies. A risk assessment (the BF UK Board Risk Assessment) is carried out by the Chief Operating Officer on behalf of the Trustees, risks are identified and assessed for impact and probability and an action plan to control the major risks is prepared.

The risk analysis covers four major areas: compliance, financial, operational and macroeconomic. Failure to comply with any of the legislation covering the charity would have serious implications; the Trustees have a close working relationship with the charity's legal and professional advisors to help mitigate this risk.

The Trustees consider that the greatest risk facing the charity is that of a decrease in financial support from the public due to either a period of recession or financial decline in the UK and the wider Western World and/or reputational damage caused by adverse publicity. The charity maintains insurance to defend itself against false and malicious claims arising from its publications and other media activities. Other major risks identified have been mitigated to an acceptable level by ensuring documented procedures are in place and taking other measures deemed appropriate.

This statement on governance was approved by the Board of Trustees in their capacity as Company directors and signed on their behalf by

Name Marquess of Reading
 Chairman

Date 27 February 2017

BARNABAS FUND
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNABAS FUND

We have audited the financial statements of Barnabas Fund for the year ended 31 August 2016 set out on pages 16 to 34. 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).

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 opinion we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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, incorporating the Strategic report and the Trustees' statement on governance, for the financial year for which the financial statements are prepared is consistent with the financial statements.

BARNABAS FUND
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNABAS FUND

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 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.

Richard Hill (Senior statutory auditor)

for and on behalf of

Griffin Stone Moscrop & Co

Chartered Accountants
Statutory Auditors

21-27 Lamb's Conduit Street
London
WC1N 3GS
14 March 2017

BARNABAS FUND
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	7,924,944	5,696,328	13,621,272	14,573,514
Charitable activities	4	3,872	-	3,872	1,473
Investments	3	7,917	-	7,917	10,153
Total income		7,936,733	5,696,328	13,633,061	14,585,140
Expenditure on:					
Raising funds		306,999	-	306,999	313,419
Charitable activities	7,8,9	7,618,431	5,696,328	13,314,759	14,271,721
Total expenditure	5	7,925,430	5,696,328	13,621,758	14,585,140
Net income before investment gains		11,303	-	11,303	-
Net gains on investments	13	3,744	-	3,744	718
Net income before other recognised gains and losses		15,047	-	15,047	718
Net movement in funds		15,047	-	15,047	718
Reconciliation of funds:					
Total funds brought forward		971,669	-	971,669	970,951
Total funds carried forward		986,716	-	986,716	971,669

All activities relate to continuing operations.

The notes on pages 19 to 34 form part of these financial statements.

BARNABAS FUND
(A company limited by guarantee)
REGISTERED NUMBER: 04029536

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12		37,013		47,024
Investments	13		30,560		26,816
			<u>67,573</u>		<u>73,840</u>
Current assets					
Debtors	14	225,002		333,718	
Cash at bank and in hand	22	831,698		753,593	
		<u>1,056,700</u>		<u>1,087,311</u>	
Creditors: amounts falling due within one year	15	(137,557)		(189,482)	
Net current assets			<u>919,143</u>		<u>897,829</u>
Net assets			<u><u>986,716</u></u>		<u><u>971,669</u></u>
Charity Funds					
Unrestricted funds	19		<u>986,716</u>		<u>971,669</u>
Total funds			<u><u>986,716</u></u>		<u><u>971,669</u></u>

The financial statements were approved by the Trustees on 27 February 2017 and signed on their behalf, by:

.....
Marquess of Reading, Chairman

The notes on pages 19 to 34 form part of these financial statements.

BARNABAS FUND
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	71,531	(300,283)
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends, interest and rents from investments		7,917	10,153
Proceeds from the sale of tangible fixed assets		-	98,371
Purchase of tangible fixed assets		(1,343)	(15,755)
		<hr/>	<hr/>
Net cash provided by investing activities		6,574	92,769
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		78,105	(207,514)
Cash and cash equivalents brought forward		753,593	961,107
		<hr/>	<hr/>
Cash and cash equivalents carried forward		831,698	753,593
		<hr/> <hr/>	<hr/> <hr/>

BARNABAS FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies

1.1 General information

Barnabas Fund is established as a company limited by guarantee and is registered as a charity with the Charity Commission of England and Wales. The affairs of the company are governed by its Memorandum and Articles of Association on 7 July 2000, as amended by Special Resolutions 10 December 2013 and its registered charity number is 1092935.

Further information on the entity can be found within the Trustees' report.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Barnabas Fund meets the definition of a public benefit entity under FRS 102.

1.3 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.4 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

BARNABAS FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Further details are set out in the notes to the financial statements.

The charity does not allocate investment income earned between the individual restricted funds as it is considered that the costs associated with the administrative time taken to carry out such a task across the numerous restricted funds would exceed the benefit of doing so. Similarly it is the charity's policy to not charge the respective restricted funds for the costs of administering each individual project. Instead such costs are charged to the unrestricted funds. Therefore in essence the charity is adopting a pragmatic approach in using the investment income to cover the administration costs that relate to individual projects without allocating the income and expenditure to each fund.

1.6 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

BARNABAS FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Governance costs comprise the costs of running Barnabas Fund, including strategic planning for future development, external audit, any professional advice for the Trustees and all the costs of complying with constitutional and statutory requirements, such as the costs of meetings and preparing statutory financial statements and satisfying public accountability.

The amount of grants made for charitable projects represents the cash grants paid during the year to Barnabas Aid International. Barnabas Aid International is responsible for managing the projects supported by the Barnabas Family. A list of grants made to end recipients can be found in the Barnabas Aid International financial statements.

All resources expended are inclusive of irrecoverable VAT.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities incorporating the income and expenditure account.

BARNABAS FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tenants improvements	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance
Computer equipment	-	5 years straight line

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating the income and expenditure account.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt.

1.15 Financial instruments

With the exception of investments the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. Accounting policies (continued)

1.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.17 Reserve funds

The policy of the Trustees is to maintain in a Designated Fund such sums as they deem prudent for the future refurbishment of the IT and communications systems.

In addition, the Trustees maintain a Free Reserve to provide working capital to create a buffer in case there is a sudden reduction in donations. The Trustees' policy is to retain a buffer equal to six months of normal charitable operating expenditure.

1.18 Management of liquid resources

The policy for the management of liquid resources is defined by the financial commitments of Barnabas Fund. Barnabas Fund aims to keep funds on deposit until such time as they are needed to pay for designated projects, as highlighted within the notes to the financial statements.

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	6,345,124	5,085,107	11,430,231	12,433,677
Gift Aid on donations	766,734	611,221	1,377,955	1,544,901
Operating grants (received from Barnabas Aid International)	813,086	-	813,086	594,936
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	<u>7,924,944</u>	<u>5,696,328</u>	<u>13,621,272</u>	<u>14,573,514</u>

Segmental analysis of donations (including Gift Aid)

	2016 £	2015 £
England	9,894,109	10,864,943
Northern Ireland	636,953	742,872
Scotland	1,231,669	1,365,250
Wales	593,449	552,568
Rest of the World	452,006	452,945
	<hr/>	<hr/>
Total donations (including Gift Aid)	<u>12,808,186</u>	<u>13,978,578</u>

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. Investment income

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income - listed investments	42	42	35
Bank interest receivable	7,875	7,875	10,118
	<u>7,917</u>	<u>7,917</u>	<u>10,153</u>

4. Income from charitable activities

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from sale of books, Christmas cards and other sales	3,872	3,872	1,473

5. Analysis of resources expended by expenditure type

	Staff costs 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Costs of generating funds:				
Publicity and appeals	-	306,999	306,999	313,419
Charitable activities:				
Direct and support costs	452,941	12,847,836	13,300,777	14,246,627
Governance	-	13,982	13,982	25,094
	<u>452,941</u>	<u>13,168,817</u>	<u>13,621,758</u>	<u>14,585,140</u>
Total Resources Expended	<u>452,941</u>	<u>13,168,817</u>	<u>13,621,758</u>	<u>14,585,140</u>

6. Analysis of resources expended by activities

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Charitable activities (not including Governance)	12,813,550	487,227	13,300,777	14,246,627

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. Activities undertaken directly

	Barnabas Ministries £	Total 2016 £	Total 2015 £
Raising awareness	17,979	17,979	13,435
Education and research	641,660	641,660	585,540
Costs of projects worldwide	55,136	55,136	75,293
Transfer of ministry grants	11,806,210	11,806,210	12,418,881
Wages and salaries	265,526	265,526	279,231
National insurance	21,730	21,730	23,315
Pension cost	5,309	5,309	1,942
	<u>12,813,550</u>	<u>12,813,550</u>	<u>13,397,637</u>

Ministry grants were forwarded to Barnabas Aid International who make grant payments to the various projects which assist the suffering church worldwide and are in accordance with the charity's objects. Full details of the grant-making policy, the criteria applied in selecting projects to support and a list of grants made are contained within the financial statements and trustees' report of Barnabas Aid International.

8. Support costs

	Barnabas Ministries £	Total 2016 £	Total 2015 £
Travel	2,364	2,364	15,394
Communication and office costs	130,436	130,436	144,157
Information technology	47,595	47,595	112,749
Premises costs	78,779	78,779	241,738
(Gain)/loss on currency exchange	(11,303)	(11,303)	4,380
Legal and professional fees	78,980	78,980	37,142
Wages and salaries	144,490	144,490	272,563
National insurance	13,360	13,360	19,890
Pension cost	2,526	2,526	977
	<u>487,227</u>	<u>487,227</u>	<u>848,990</u>

9. Governance costs

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Governance Auditors' remuneration	9,881	9,881	16,166
Costs of board meetings and trustees' expenses	4,101	4,101	8,928
	<u>13,982</u>	<u>13,982</u>	<u>25,094</u>

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	11,354	64,034
Auditors' remuneration - audit	9,881	16,166
Operating lease rentals - property	60,000	80,000
	<u>81,235</u>	<u>160,200</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

1 Trustee received reimbursement of expenses amounting to £1,496 in the current year, (2015 - 5 Trustees - £2,811).

2 Trustees were provided with credit cards during the period and incurred expenditure of £3,612 (2015 - 2 Trustees - £2,477) for travel, food and other costs in connection with the work of the charity.

11. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	410,016	551,795
Social security costs	35,090	43,204
Other pension costs	7,835	2,919
	<u>452,941</u>	<u>597,918</u>

The average number of persons employed by the charity during the year was as follows:

2016 No.	2015 No.
17	17

No employee received remuneration amounting to more than £60,000 in either year.

Wages and salaries include £nil (2015 - £71,006) in relation to termination payments including redundancy

Key management personnel received total consideration of £39,632 (2015 - £37,288) in the year.

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	30,959	89,776	14,675	135,410
Additions	-	-	1,343	1,343
	<u>30,959</u>	<u>89,776</u>	<u>16,018</u>	<u>136,753</u>
At 31 August 2016	<u>30,959</u>	<u>89,776</u>	<u>16,018</u>	<u>136,753</u>
Depreciation				
At 1 September 2015	29,247	58,796	343	88,386
Charge for the year	428	7,745	3,181	11,354
	<u>29,675</u>	<u>66,541</u>	<u>3,524</u>	<u>99,740</u>
At 31 August 2016	<u>29,675</u>	<u>66,541</u>	<u>3,524</u>	<u>99,740</u>
Net book value				
At 31 August 2016	<u>1,284</u>	<u>23,235</u>	<u>12,494</u>	<u>37,013</u>
At 31 August 2015	<u>1,712</u>	<u>30,980</u>	<u>14,332</u>	<u>47,024</u>

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. Fixed asset investments

	Listed securities £
Market value	
At 1 September 2015	26,816
Revaluations	3,744
	<hr/>
At 31 August 2016	30,560
	<hr/>
Historical cost	45,101
	<hr/>

The trustees consider individual investment holdings in excess of 5% of the portfolio value to be material. At 31 August 2016 the charity had the following material investments which were originally gifted to the charity:

	Market value £	Cost £
5,986 shares in Rockhopper Exploration	1,856	36,593
3,739 shares in Polar Capital Technology Trust Plc	27,351	8,338
	<hr/>	<hr/>

14. Debtors

	2016 £	2015 £
Amounts due from related undertakings	119,761	229,823
Other debtors	-	31
Prepayments and accrued income	8,967	29,830
Tax recoverable	96,274	74,034
	<hr/>	<hr/>
	225,002	333,718
	<hr/>	<hr/>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	99,420	127,355
Other taxation and social security	9,725	8,763
Amounts due to related undertakings	5,756	6,886
Other creditors	5,053	32,078
Accruals	17,603	14,400
	<hr/>	<hr/>
	137,557	189,482
	<hr/>	<hr/>

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. Financial instruments

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	862,259	780,409
Financial assets measured at amortised cost	120,764	229,853
	983,023	1,010,262
Financial liabilities measured at amortised cost	128,835	180,719

Financial assets measured at fair value through income and expenditure comprise listed investments and cash at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors and accruals.

17. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £7,835 (2015 - £2,919). Contributions totalling £nil (2015 - £905) were payable to the fund at the balance sheet date and are included in creditors.

18. Operating lease commitments

The current lease expired on 31 August 2016 but there are discussions ongoing between the charity and its landlord to enable them to occupy the premises for the foreseeable future. As such there was no office lease commitment as at the balance sheet date, as new terms have not yet been agreed.

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	Property 2016 £	Vehicle 2016 £	Property 2015 £	Vehicle 2015 £
Within 1 year	-	4,546	60,000	4,959
Within 2-5 years	-	-	-	4,546
Total commitment	-	4,546	60,000	9,505

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Fixed Asset fund	47,024	-	(11,354)	1,343	-	37,013
IT fund	13,500	-	-	-	-	13,500
Barnabas Books	1,911	-	-	-	-	1,911
	<u>62,435</u>	<u>-</u>	<u>(11,354)</u>	<u>1,343</u>	<u>-</u>	<u>52,424</u>
General funds						
General Funds	909,234	7,936,733	(7,914,076)	(1,343)	3,744	934,292
Total Unrestricted funds	<u>971,669</u>	<u>7,936,733</u>	<u>(7,925,430)</u>	<u>-</u>	<u>3,744</u>	<u>986,716</u>
Restricted funds						
Christian Worker Support	-	104,434	(104,434)	-	-	-
Church Buildings Project	-	1,658	(1,658)	-	-	-
Conferences	-	200,000	(200,000)	-	-	-
Converts	-	105,608	(105,608)	-	-	-
Disaster Relief	-	174,408	(174,408)	-	-	-
Education	-	264,446	(264,446)	-	-	-
Evangelism	-	694	(694)	-	-	-
Feeding & Primary Needs	-	2,055,261	(2,055,261)	-	-	-
Leadership Training	-	13,403	(13,403)	-	-	-
Literature & Resources	-	25,626	(25,626)	-	-	-
Media	-	1,065	(1,065)	-	-	-
Medical	-	13,135	(13,135)	-	-	-
Small Businesses	-	70,172	(70,172)	-	-	-
Victims of Violence	-	2,404,450	(2,404,450)	-	-	-
Ministry	-	261,693	(261,693)	-	-	-
Research Centre	-	275	(275)	-	-	-
	<u>-</u>	<u>5,696,328</u>	<u>(5,696,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u>971,669</u>	<u>13,633,061</u>	<u>(13,621,758)</u>	<u>-</u>	<u>3,744</u>	<u>986,716</u>

Restricted Funds are funds where the donor has specified to the charity the purpose for which they would like the charity to use their gift. All monies received from donations to restricted funds are ultimately forwarded to Barnabas Aid International with details of how monies collected for restricted purposes are to be allocated to the various projects supported by the Barnabas Family. Details of the specific restricted projects which the Barnabas Family have sought funds for, and from which grant payments are made, are disclosed in the financial statements for the grant-making charities which will be available from the Charity Commission website.

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

Summary of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	62,435	-	(11,354)	1,343	-	52,424
General funds	909,234	7,936,733	(7,914,076)	(1,343)	3,744	934,292
	<u>971,669</u>	<u>7,936,733</u>	<u>(7,925,430)</u>	<u>-</u>	<u>3,744</u>	<u>986,716</u>
Restricted funds	-	5,696,328	(5,696,328)	-	-	-
	<u>971,669</u>	<u>13,633,061</u>	<u>(13,621,758)</u>	<u>-</u>	<u>3,744</u>	<u>986,716</u>

20. Analysis of net assets between funds

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	37,013	37,013	47,025
Fixed asset investments	30,561	30,561	26,816
Current assets	1,056,700	1,056,700	1,087,310
Creditors due within one year	(137,558)	(137,558)	(189,482)
	<u>986,716</u>	<u>986,716</u>	<u>971,669</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	15,047	718
Adjustment for:		
Depreciation charges	11,354	64,034
Gains on investments	(3,744)	(718)
Dividends, interest and rents from investments	(7,917)	(10,153)
Loss on the sale of fixed assets	-	69,550
Decrease in debtors	107,713	186,148
Decrease in creditors	(50,922)	(609,862)
Net cash provided by/(used in) operating activities	<u>71,531</u>	<u>(300,283)</u>

22. Analysis of cash and cash equivalents

	2016 £	2015 £
Bank accounts	829,100	749,234
Petty cash	2,598	4,359
Total	<u>831,698</u>	<u>753,593</u>

BARNABAS FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. Related party disclosures

In the year under review, Barnabas Fund (BFUK) has undertaken transactions with the following related parties. that are considered to be related by reason of the Barnabas Covenant which defines the way in which the charities work together:

Barnabas Aid International (BAI)

This is a charitable company registered in England and Wales and limited by guarantee (company registration number 08826012, charity registration number 1155957).

During the year under review Barnabas Aid International received donations of £11,806,211 (2015 - £12,418,881) from BFUK, and made operating grants of £813,086 (2015 - £594,936), payroll recharges of £nil (2015 - £206,308) re seconded staff, payment of £nil (2015 - £84,812) for assets transferred and other payments and recharges totalling £25,278 (2015 - £33,618).

At the balance sheet date included within debtors is an amount of £113,304 (2015 - £222,242).

Barnabas Fund Inc

This is an entity incorporated in the USA.

During the year under review BFUK made payments totalling £1,606 (2015 - £5,158) for the recharge of operating expenses.

Servants Fellowship International (SFI)

This is a charitable company registered in England and Wales and limited by guarantee (company registration number 1437414, charity registration number 280859).

During the year under review BFUK made payments totalling £60,000 (2015 - £80,000) for rent to SFI. During the year BFUK received £nil (2015 - £16,093) for recharged wages and £nil (2015 - £16,256) for other recharged expenses.

At the balance sheet date included within debtors is an amount of £5,350 (2015 - £6,667).

TBF Trust

This is a charity registered in England and Wales (charity registration number 271602).

During the year under review BFUK paid recharged expenses of £nil (2015 - £8,664) relating to photocopiers.

Donations totalling £387,188 (2015 - £nil) were received in the year from TBF Trust.

Isaac Publishing LLC

This is an entity incorporated in the USA.

During the year under review BFUK made payments totalling £nil (2015 - £7,746) to Isaac Publishing LLC for books and other book related expenses. At the balance sheet date included within creditors is an amount of £5,756 (2015 - £2,659) owed to Isaac Publishing LLC.

Isaac Publishing sell books on behalf of Barnabas Fund trading as Barnabas Books. At the balance sheet date included within debtors is an amount of £1,107 (2015 - £nil) relating to book profits due to the charity from Isaac Publishing LLC.

BARNABAS FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. Related party disclosures (continued)

Other related party transactions

Total donations receivable in the year from trustees of BFUK totalled £3,316 (2015 - £3,581).

Patrick Sookhdeo is a connected party as he is the husband of Rosemary Sookhdeo, a Trustee of Barnabas Fund. During the year under review BFUK made payments totalling £729 (2015 - £3,406) for telephone costs and £nil (2015 - £11,816) reimbursing a credit card in his name regarding his roles as fundraiser and as an advisor to the board of BFUK.

24. First time adoption of FRS 102

It is the first year that the charitable company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charitable company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

BARNABAS FUND
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

25. Prior year Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total funds 2015 £
Income from:			
Donations and legacies	7,772,859	6,800,655	14,573,514
Charitable activities	1,473	-	1,473
Investments	10,453	-	10,453
Total income	7,784,785	6,800,655	14,585,440
Expenditure on:			
Raising funds	313,419	-	313,419
Charitable activities	7,471,066	6,800,655	14,271,721
Total expenditure	7,784,485	6,800,655	14,585,140
 Net gains on investments	 718	 -	 718
Net movement in funds	718	-	718
Reconciliation of funds:			
Total funds brought forward	970,951	-	970,951
Total funds carried forward	971,669	-	971,669