

BARNABAS FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

BARNABAS FUND
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2018**

Directors and Trustees

Rt Rev J Dobbs (Resigned 12 June 2018)
Rev A B Hauser
Miss C J C Kerslake
Rev I S McNaughton, Vice-Chairman
Rev P Mursalin (Appointed 14 June 2018)
Rev Dr V K Samuel, Vice-Chairman
Mrs R A Sookhdeo
Marquess of Reading, Chairman

Company registered number

04029536

Charity registered number

1092935

Registered office

The Old Rectory
River Street
Pewsey
Wiltshire
SN9 5DB

Company Secretary

Jeremy Frith

Senior Management Team

Hendrik Storm Chief Executive Officer
Jeremy Frith Chief Operating Officer

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

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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

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TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees of Barnabas Fund ("the Charity"), who are also directors of the Charity for the purposes of the Companies Act, present their annual report for the year ended 31 August 2018 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 2016 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 on 10 December 2016 and its registered charity number is 1092935.

The present Trustees and any past Trustees who served during the year are shown on page 2, 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.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

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.

Registered in 2000, the Charity is part of a Global Barnabas Ministry that dates back to 1993 established to serve and support the persecuted Church worldwide. The Charity is an integral part of Barnabas Fund International as it works alongside other ministries in running the Global Barnabas Ministry. The Charity's main activities are supported through direct expenditure in the United Kingdom and through channelling funds to the Global Barnabas Ministry of Barnabas Fund International for allocation to projects which meet the objectives of the Charity.

The Charity has five main activities, namely:

1. Ministry grants: During the year funds were transferred to Barnabas Fund International who disbursed them to carefully chosen project partners to enable them to support persecuted Christians in their respective areas.
2. Education and research: The provision of resources to further the education of the general public about the needs of the persecuted Church and research into the causes and extent of Christian persecution.
3. 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. We highly value the prayers of our supporters and providing material to facilitate prayer is a primary focus for Barnabas Fund.
4. Raising awareness: Providing information, education and generally raising awareness concerning human rights and the persecuted Church.
5. Projects assisting the suffering church: Costs associated with assisting the suffering church worldwide that do not fall into the above categories.

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.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 because 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 the Global Barnabas Ministry 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 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.

Volunteers

The Charity is extremely grateful for the support of approximately 400 unpaid volunteers functioning as Church Partners, Area Partners and/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.

Within the last year a dedicated full-time Partnership Coordinator has been recruited and is based in our Pewsey office. He is focused on enabling and equipping the Partners and also increasing awareness of the work of Barnabas Fund through speaking engagements, and attending Christian conferences and exhibitions. He is supported by a team of two administrative staff.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Review of charitable activities

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

1. *Ministry Grants* - During the year, funds were transferred to Barnabas Fund International who in turn disbursed the funds to carefully chosen project partners, enabling them to support suffering and/or persecuted Christians in their respective areas. In the context of ever-changing geo-political/religious landscapes around the world, Barnabas Fund's supporters have enabled the Charity's projects to continue helping the most vulnerable of Christians. These projects fall within 12 broad categories. The impact of the Charity, as a member of the Global Barnabas Ministry, within each of these categories is visible in the chart below which reflects a year's funding:



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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

2. *Education* – The bimonthly magazine, “Barnabas Aid”, including a special educational pull-out supplement, is sent to 125,140 recipients, 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.

The magazine is also available online, and can be accessed here <https://barnabasfund.org/en/news/receive-news-updates/barnabas-aid-magazine>



This year saw a continuation of our annual Suffering Church Action Week (SCAW), which incorporated Suffering Church Sunday and the Barnabas Fund Day of Prayer. The SCAW theme for 2018 was *Love Not Hate*. Supporters are encouraged to get involved with SCAW in their local churches. The SCAW Inspiration pack, used by supporters, included a sermon outline with accompanying PowerPoint, a devotional guide which contained daily readings and prayers for the week, a prayer bookmark, a DVD about Barnabas Fund's work, a SCAW poster that can be used to advertise any local SCAW events and a money box for taking up a collection for persecuted Christians.

3. *Raising Awareness* – The Charity continues to issue regular e-mail news updates providing up to date information on relevant situations around the world to approximately 32,886 subscribers (2017: 28,990 subscribers). There has been an on-going engagement with our website with the average number of pages viewed being 2.08 during the year. On our Facebook account “Likes” have increased from 11,103 to 17,421 (an increase of 7,707 over the last two financial years) and Twitter “Followers” have increased from 7,580 to 8,369 (an increase of 1,888 over the last two financial years).

The Charity, in partnership with Barnabas Fund 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 were placed in a variety of publications and generated both one-off and recurring donations from both new and existing supporters.

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TRUSTEES REPORT (continued)
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4. *Prayer* – The bimonthly publication “Barnabas Prayer” giving daily prayer items was circulated to all on the mailing list. In addition, a monthly “Prayer Focus” update report is prepared and circulated both by email and as a paper copy aimed primarily at prayer groups. This resource is now sent to 32,571 supporters with a further 1,167 hard copies sent out to 831 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.

Factors Affecting the Achievement of the Objectives

The Trustees are very grateful to Barnabas Fund supporters for their generous donations throughout the year. The occurrence 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.

The achievements of the last year are set against a backdrop of significant external pressures, including increased fundraising regulation through the new GDPR regulation, government reshuffles and economic uncertainty surrounding Brexit. There continues to be considerable uncertainty regarding the UK and our relationship with the EU and this may affect our support in the future.

Another very important factor affecting the work of the Charity in the last financial year is the dramatic change within the global political landscape.

The Trustees are pleased to acknowledge the good reputation of Barnabas Fund - a reputation of transparency and scholarly accuracy, standing for truth, justice and righteousness. This reputation continues to be a critical asset for the future following the 25th Anniversary of Barnabas Fund celebrated this financial year.

Barnabas Fund's People

Trustees

Barnabas Fund is grateful to the Trustees 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.

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 13 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.

All salaried staff are paid above the real Living wage of £8.45 per hour. No member of staff received remuneration above £60,000.

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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.

Supporters and 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, including donors such as the Evangelical Lutheran Church in Württemberg, Christlicher Hilfsbund im Orient e.V. and Saint Patrick's Cathedral's Charitable and Community Fund, Dublin.

Amidst an increasingly challenging environment, everything the Charity has achieved this year was only possible by the grace of God, and through the generosity of our donors. We also recognise that the part played by our supporters is much greater than their financial donations, important though they are, and we remain deeply grateful for their many words of encouragement, feedback and prayers, both for the persecuted Church and for Barnabas Fund.

The Charity remains fully committed to best practice in fundraising and data protection. The Charity is therefore registered with the statutory body, the Fundraising Regulator. The Charity continues to treat supporters in a manner that is respectful, courteous, non-invasive and in line with our Christian values. It is essential that we are transparent and accountable when it comes to fundraising. The Charity has never, and will never, engage in cold-calling nor use third-party fundraising organisations.

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 very pleased with the financial position of the charity at the end of this financial year. The level of income in the 2017/18 financial year has exceeded our expectations. The income received by Barnabas Fund for the year, excluding operational grants, was £13,706,361 including Gift Aid (2017: £13,321,916), 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 2018 was 12,507 (2017: 12,485). The total amount received via recurring giving in the year ended 31 August 2018, excluding gift aid, increased by 2% to £3,313,747 (2017: £3,239,401). The total number of donations in the form of regular payments received during the year was 129,430 (2017: 127,881). 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.

Barnabas Fund has consistently kept its overheads to a minimum, below 5%, and for the global Barnabas ministry below 12% of total income, to enable the Charity to ensure that more of each pound donated reaches our persecuted Christian brothers and sisters.

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Charitable activity expenditure was £13,658,779 (2017: £14,402,025). These figures do not include costs of governance which were £14,199 during the year (2017: £16,008).

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 net income for the year ended 31 August 2018 before the revaluation of investment assets was £394,430 (2017 deficit: £649,953). The overall result after the revaluation of investment assets was a surplus of £399,013 (2017 deficit £637,947).

Capital expenditure for the year was Nil.

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

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 2018 Barnabas Fund transferred all balances on restricted funds to Barnabas Fund International in accordance with the Memorandum of understanding (MoU) signed in March 2017. Barnabas Fund International undertakes to use the funds in accordance with the desires of the donors and in line with the MoU, however the project chosen is sufficiently funded, the right is reserved to use the designated gifts either for another project of a similar type or for another project in the same country. Barnabas Fund International has provided written assurance that all expenditure is in accordance with the wishes of the donor. The BF UK Trustees remain informed, and have access to all project grant information, and are satisfied with the end use of all donations.

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 £250,000. This will enable the charity to meet its operating expenses for a period of between 2 to 3 months should there be a downturn in income for the charity.

At 31 August 2018 the General Reserve was £712,805 (2017 £305,679). Operating 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.

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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.

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.

FUTURE PLANS & 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 that 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, especially after natural disasters in India and Indonesia.

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, encouraging prayer, and providing practical support and care to the persecuted church for as long as it is needed.

This report was approved by the Board of Trustees in their capacity as Company directors on 14 February 2019 and signed on their behalf by

Marquess of Reading - Chairman

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TRUSTEES' STATEMENT ON GOVERNANCE
FOR THE YEAR ENDED 31 AUGUST 2018

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 was a memorandum of understanding, agreed in October 2013, updated in March 2016 and remained in force until the dissolution of the Barnabas Covenant in February 2017. Therefore, Barnabas Fund is no longer governed by the Barnabas Covenant. Barnabas Fund have entered into a MoU agreed and signed in March 2017, similar to the Barnabas Covenant, with Barnabas Fund International. Barnabas Fund is an integral part of Barnabas Fund International and the Global Barnabas Ministry as it serves and supports the persecuted Church.

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. 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.

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.

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.

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TRUSTEES' STATEMENT ON GOVERNANCE
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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 that 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 assurance against material misstatement 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.

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.

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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 on 14 February 2019 and signed on their behalf by:

Marquess of Reading - Chairman

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNABAS FUND

Opinion

We have audited the financial statements of Barnabas Fund (the 'charitable company') for the year ended 31 August 2018 set out on pages 18 to 36. 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 August 2018 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNABAS FUND

Respective responsibilities of Trustees and Auditors

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 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, 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 charitable company'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

BARNABAS FUND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARNABAS FUND

cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

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
19 February 2019

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	10,022,068	4,343,667	14,365,735	14,031,897
Charitable activities	3	3,561	-	3,561	3,997
Investments	4	12,211	-	12,211	3,232
Other income		14,715	-	14,715	-
Total income		10,052,555	4,343,667	14,396,222	14,039,126
Expenditure on:					
Raising funds		328,814	-	328,814	271,047
Charitable activities	7,8,9	9,329,311	4,343,667	13,672,978	14,418,032
Total expenditure	5	9,658,125	4,343,667	14,001,792	14,689,079
Net income / (expenditure) before investment gains		394,430	-	394,430	(649,953)
Net gains on investments	13	4,583	-	4,583	12,006
Net income / (expenditure) before other recognised gains and losses		399,013	-	399,013	(637,947)
Net movement in funds		399,013	-	399,013	(637,947)
Reconciliation of funds:					
Total funds brought forward		348,769	-	348,769	986,716
Total funds carried forward		747,782	-	747,782	348,769

The notes on pages 21 to 36 form part of these financial statements.

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REGISTERED NUMBER: 04029536

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		25,805		27,679
Investments	13		-		40,995
			<u>25,805</u>		<u>68,674</u>
Current assets					
Debtors	14	632,410		354,754	
Cash at bank and in hand	22	637,785		859,251	
		<u>1,270,195</u>		<u>1,214,005</u>	
Creditors: amounts falling due within one year	15	(548,218)		(933,910)	
Net current assets			<u>721,977</u>		<u>280,095</u>
Net assets			<u>747,782</u>		<u>348,769</u>
Charity Funds					
Unrestricted funds	19		<u>747,782</u>		<u>348,769</u>
Total funds			<u>747,782</u>		<u>348,769</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 14 February 2019 and signed on their behalf, by:

.....
Marquess of Reading, Chairman

The notes on pages 21 to 36 form part of these financial statements.

BARNABAS FUND
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(282,006)	22,749
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,211	3,232
Purchase of tangible fixed assets		(6,240)	-
Proceeds from sale of investments		45,580	1,572
Net cash provided by investing activities		51,551	4,804
Change in cash and cash equivalents in the year		(230,455)	27,553
Cash and cash equivalents brought forward		859,251	831,698
Cash and cash equivalents carried forward		628,796	859,251

The notes on pages 21 to 36 form part of these financial statements.

BARNABAS FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 15. 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.

1.4 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. The aim and use of each restricted fund is set out in the notes to the financial statements.

The Charity does not allocate investment income 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.

BARNABAS FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.5 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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.

1.6 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 and Christian Relief International. Christian Relief International, previously 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 financial statements of the respective grant making charities.

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.7 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.

1.8 Tangible fixed assets and depreciation

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating the income and expenditure account.

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:

Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	5 years straight line

1.9 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.

1.10 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.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.13 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 or the amount it has received as advanced payments for the goods or services it must provide.

1.14 Financial instruments

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 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.

1.16 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.

1.17 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 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations including gift aid	7,194,571	4,343,667	11,538,238	12,992,269
Legacies	707,532	-	707,532	253,510
Grants from TBF Trust	1,460,591	-	1,460,591	76,137
Operating grants	659,374	-	659,374	709,981
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	10,022,068	4,343,667	14,365,735	14,031,897
	<hr/>	<hr/>	<hr/>	
Total 2017	8,085,973	5,945,924	14,031,897	
	<hr/>	<hr/>	<hr/>	

BARNABAS FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

Segmental analysis of donations (including Gift Aid), non-operating grants and legacies

	2018 £	2017 £
England	10,651,327	9,602,064
Northern Ireland	653,024	715,943
Scotland	1,101,128	1,145,973
Wales	547,828	590,490
Rest of the World	753,054	1,267,446
	<u>13,706,361</u>	<u>13,321,916</u>
Total donations and legacies (including Gift Aid)	<u><u>13,706,361</u></u>	<u><u>13,321,916</u></u>

3. Income from charitable activities

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from sale of books, Christmas cards and other sales	<u>3,561</u>	<u>3,561</u>	<u>3,997</u>
Total 2017	<u><u>3,997</u></u>	<u><u>3,997</u></u>	

4. Investment income

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income - listed investments	11	11	33
Bank interest receivable	<u>12,200</u>	<u>12,200</u>	3,199
	<u>12,211</u>	<u>12,211</u>	<u>3,232</u>
Total 2017	<u><u>3,232</u></u>	<u><u>3,232</u></u>	

BARNABAS FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Costs of raising funds:				
Publicity and appeals	-	328,814	328,814	271,046
Charitable activities:				
Direct and support costs	444,219	13,214,560	13,658,779	14,402,025
Governance	-	14,199	14,199	16,008
Total Resources Expended	444,219	13,557,573	14,001,792	14,689,079
Total 2017	458,658	14,230,421	14,689,079	

6. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities (not including Governance)	13,215,680	443,099	13,658,779	14,402,025
Total 2017	13,991,493	410,532	14,402,025	

7. Activities undertaken directly

	Barnabas Ministries £	Total 2018 £	Total 2017 £
Raising Awareness	13,812	13,812	22,155
Education and research	560,886	560,886	592,480
Costs of projects worldwide	51,026	51,026	54,732
Transfer of ministry grants	12,339,623	12,339,623	13,042,143
Wages and salaries	226,539	226,539	253,724
National insurance	18,539	18,539	21,285
Pension cost	5,255	5,255	4,974
	13,215,680	13,215,680	13,991,493
Total 2017	13,991,493	13,991,493	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. Activities undertaken directly (continued)

Ministry grants were forwarded to Christian Relief International (a not-for-profit entity constituted in USA) 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 Christian Relief International.

8. Support costs

	Barnabas Ministries	Total 2018	Total 2017
	£	£	£
Travel	2,793	2,793	2,610
Communication and office costs	93,549	93,549	106,171
Information technology	29,402	29,402	29,369
Premises costs	88,870	88,870	78,500
(Gain)/loss on currency exchange	245	245	(1,407)
Legal and professional fees	34,354	34,354	16,614
Wages and salaries	173,176	173,176	160,513
National insurance	17,051	17,051	15,417
Pension cost	3,659	3,659	2,745
	<u>443,099</u>	<u>443,099</u>	<u>410,532</u>
	<u>410,532</u>	<u>410,532</u>	
Total 2017	<u>410,532</u>	<u>410,532</u>	

9. Governance costs

	Unrestricted funds	Total funds	Total funds
	2018	2018	2017
	£	£	£
Governance Auditors' remuneration	11,716	11,716	11,282
Costs of board meetings and trustees' expenses	2,483	2,483	4,726
	<u>14,199</u>	<u>14,199</u>	<u>16,008</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	8,113	9,333
Auditors' remuneration - audit	11,520	10,800
Auditors' remuneration - other services	2,680	3,173
Operating lease rentals - property	68,333	60,000
	82,646	83,306

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

1 Trustee was provided with credit cards during the period and incurred expenditure of £32 (2017 - 2 Trustees - £96) for travel, food and other costs in connection with the work of the charity.

11. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	399,715	414,237
Social security costs	35,590	36,703
Other pension costs	8,914	7,719
	444,219	458,659

A number of staff are seconded from Barnabas Fund to Christian Relief International and are responsible for the grant making operations for the Barnabas Family. Barnabas Fund recharged the costs of these staff to Christian Relief International in full. Accordingly the staff costs shown above only reflect the costs for the staff who continued to work primarily for Barnabas Fund. The same principle has been applied below in disclosing the number of staff engaged in the activities of Barnabas Fund.

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

2018	2017
No.	No.
14	16

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

Key management personnel received total consideration of £42,555 (2017 - £40,031) in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2017	30,959	89,776	16,018	136,753
Additions	-	-	6,240	6,240
At 31 August 2018	30,959	89,776	22,258	142,993
Depreciation				
At 1 September 2017	29,996	72,350	6,728	109,074
Charge for the year	241	4,357	3,516	8,114
At 31 August 2018	30,237	76,707	10,244	117,188
Net book value				
At 31 August 2018	722	13,069	12,014	25,805
At 31 August 2017	963	17,426	9,290	27,679

13. Fixed asset investments

	Listed securities £
Market value	
At 1 September 2017	40,995
Disposals	(45,580)
Realised gains on investments	4,585
At 31 August 2018	-

14. Debtors

	2018 £	2017 £
Amounts due from related undertakings	12,536	8,777
Prepayments and accrued income	22,032	21,764
Tax recoverable	116,868	74,703
Legacies Receivable	480,974	249,510
	632,410	354,754

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	133,948	116,716
Other taxation and social security	39,367	33,209
Amounts due to related undertakings	350,360	763,081
Other creditors	10,143	6,504
Accruals	14,400	14,400
	<u>548,218</u>	<u>933,910</u>

16. Financial instruments

	2018 £	2017 £
Financial assets measured at fair value through the Statement of Financial Activities	637,785	900,246
Financial assets measured at amortised cost	493,509	258,287
	<u>1,131,294</u>	<u>1,158,533</u>
Financial liabilities measured at amortised cost	<u>508,851</u>	<u>900,700</u>

Financial assets measured at fair value through the Statement of Financial Activities 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 £8,914 (2017- £7,719). Contributions totalling £7,344 (2017 - £3,361), of which £1,792 (2017 - £1,121) related to the charity and £5,552 (2017 - £2,240) related to staff seconded to CRI, were payable to the fund at the balance sheet date and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. Operating lease commitments

At 31 August 2018 the charity had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	46,667	-

Whilst the above information concerns the commitment at the balance sheet date on the existing property lease which is due to expire on 31 March 2019, negotiations are ongoing with the charity's landlord to extend the lease for a further year, with all terms being consistent with the current lease.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. Statement of funds

Statement of funds - current year

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds					
Fixed Asset fund	27,679	-	(8,113)	-	19,566
IT fund	13,500	-	-	-	13,500
Barnabas Books	1,911	-	-	-	1,911
	<u>43,090</u>	<u>-</u>	<u>(8,113)</u>	<u>-</u>	<u>34,977</u>
General funds					
General Funds	305,679	10,052,555	(9,650,012)	4,583	712,805
Total Unrestricted funds	<u>348,769</u>	<u>10,052,555</u>	<u>(9,658,125)</u>	<u>4,583</u>	<u>747,782</u>
Restricted funds					
Christian Worker Support	-	67,719	(67,719)	-	-
Church Buildings	-	12,818	(12,818)	-	-
Converts	-	34,892	(34,892)	-	-
Disaster Relief	-	532,330	(532,330)	-	-
Education and Schools	-	339,355	(339,355)	-	-
Evangelism	-	134,638	(134,638)	-	-
Food & Basic Needs	-	1,625,319	(1,625,319)	-	-
Theological and Leadership Training	-	15,225	(15,225)	-	-
Literature & Resources	-	46,209	(46,209)	-	-
Radio, TV, Other Media	-	1,150	(1,150)	-	-
Medical	-	5,593	(5,593)	-	-
Small Businesses	-	124,177	(124,177)	-	-
Victims of Violence and Injustice	-	720,578	(720,578)	-	-
General Ministry	-	683,664	(683,664)	-	-
	<u>-</u>	<u>4,343,667</u>	<u>(4,343,667)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>348,769</u>	<u>14,396,222</u>	<u>(14,001,792)</u>	<u>4,583</u>	<u>747,782</u>

BARNABAS FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds					
Fixed Asset fund	37,013	-	(9,334)	-	27,679
IT fund	13,500	-	-	-	13,500
Barnabas Books	1,911	-	-	-	1,911
	<u>52,424</u>	<u>-</u>	<u>(9,334)</u>	<u>-</u>	<u>43,090</u>
General funds					
General Funds	934,292	8,093,202	(8,733,821)	12,006	305,679
Total Unrestricted funds	<u>986,716</u>	<u>8,093,202</u>	<u>(8,743,155)</u>	<u>12,006</u>	<u>348,769</u>
Restricted funds					
Christian Worker Support	-	43,922	(43,922)	-	-
Church Buildings	-	15,159	(15,159)	-	-
Converts	-	95,431	(95,431)	-	-
Disaster Relief	-	1,762,015	(1,762,015)	-	-
Education	-	884,232	(884,232)	-	-
Evangelism	-	1,176	(1,176)	-	-
Feeding & Primary Needs	-	1,762,612	(1,762,612)	-	-
Leadership Training	-	18,103	(18,103)	-	-
Literature & Resources	-	37,465	(37,465)	-	-
Media	-	9,975	(9,975)	-	-
Medical	-	16,436	(16,436)	-	-
Small Businesses	-	72,161	(72,161)	-	-
Victims of Violence	-	679,334	(679,334)	-	-
General Ministry	-	547,588	(547,588)	-	-
Research Centre	-	315	(315)	-	-
	<u>-</u>	<u>5,945,924</u>	<u>(5,945,924)</u>	<u>-</u>	<u>-</u>
Total of funds	<u>986,716</u>	<u>14,039,126</u>	<u>(14,689,079)</u>	<u>12,006</u>	<u>348,769</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 the grant giving bodies which support the Global Barnabas Ministry 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. The financial statements of Barnabas Aid International will be available from the Charity Commission website.

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**NOTES TO THE FINANCIAL STATEMENTS
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Summary of funds - current year

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds	43,090	-	(8,113)	-	34,977
General funds	305,679	10,052,555	(9,650,012)	4,583	712,805
	348,769	10,052,555	(9,658,125)	4,583	747,782
Restricted funds	-	4,343,667	(4,343,667)	-	-
	348,769	14,396,222	(14,001,792)	4,583	747,782

Summary of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds	52,424	-	(9,334)	-	43,090
General funds	934,292	8,093,202	(8,733,821)	12,006	305,679
	986,716	8,093,202	(8,743,155)	12,006	348,769
Restricted funds	-	5,945,924	(5,945,924)	-	-
	986,716	14,039,126	(14,689,079)	12,006	348,769

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	25,805	25,805
Current assets	1,270,194	1,270,194
Creditors due within one year	(548,217)	(548,217)
	747,782	747,782

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	27,679	27,679
Fixed asset investments	40,996	40,996
Current assets	1,214,004	1,214,004
Creditors due within one year	(933,910)	(933,910)
	<u>348,769</u>	<u>348,769</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	399,013	(637,947)
Adjustment for:		
Depreciation charges	8,114	9,334
(Gains) on investments	(4,585)	(12,006)
Dividends, interest and rents from investments	(12,211)	(3,232)
Increase in debtors	(277,656)	(129,752)
(Decrease)/increase in creditors	(394,681)	796,352
Net cash (used in)/provided by operating activities	<u>(282,006)</u>	<u>22,749</u>

22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	634,371	856,842
Notice deposits (less than 3 months)	3,414	2,409
Overdraft facility repayable on demand	(8,989)	-
Total	<u>628,796</u>	<u>859,251</u>

BARNABAS FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. Related party disclosures

The charity is part of a Global Barnabas Ministry that dates back to 1993, established to serve and support the persecuted Church, both in the UK and internationally. The various organisations who work alongside each other within this ministry share similar objects to The Barnabas Fund, and some of the trustees of The Barnabas Fund serve on the boards of these entities too. Accordingly transactions undertaken by The Barnabas Fund with these entities and with the trustees/directors of these entities are considered related party transactions and are disclosed in this note.

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 £68,333 (2017 - £60,000) for rent to SFI. During the year BFUK received £nil (2017 - £3,617) for other recharged expenses.

At the balance sheet date included within debtors is an amount of £8,777 (2017 - £8,777).

TBF Trust

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

Grants totalling £1,460,591 (2017 - £76,137) were received in the year from TBF Trust.

Isaac Publishing LLC

This is an entity incorporated in the USA.

At the balance sheet date included within creditors is an amount of £3,782 (2017 - £8,120) owed to Isaac Publishing LLC.

Isaac Publishing sells books on behalf of Barnabas Fund trading as Barnabas Books. At the balance sheet date included within debtors is an amount of £3,863 (2017 - £608) relating to book profits due to the charity from Isaac Publishing LLC.

Other related party transactions

Total donations receivable in the year from trustees of BFUK totalled £2,862 (2017 - £3,250).

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 £537 (2017 - £443) for telephone costs regarding his roles as fundraiser and as an advisor to the board of BFUK.

Christian Relief International (CRI)

BFUK entered into a memorandum of understanding on 1 April 2017 with Christian Relief International (CRI), an organisation incorporated in the USA and which has taken on the role for the entities within Barnabas Fund International of distributing project grant payments. As BFUK and CRI share some common directors it is considered that these entities should be disclosed as related, although they are governed independently.

During the year under review CRI received donations of £12,339,623 (2017 - £6,206,328) from BFUK and contributed operating grants of £659,374 (2017 - £350,762), payroll recharges of £1,191,380 (2017 - £317,916) re seconded staff and other payments and recharges totalling £9,979 (2017 - £1,682).

At the balance sheet date included within creditors is an amount of £346,578 (2017 - £587,004) owed to CRI.