

**REGISTERED NUMBER 05420647**

**AFGHAN ACTION**  
**(Afghan Training Foundation to 16<sup>th</sup> September 2010)**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**



**AFGHAN ACTION**

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FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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## **AFGHAN ACTION**

### **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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<b>TRUSTEES:</b>	Ken Bartlett Peter Delaney (resigned 22 <sup>nd</sup> July 2010) Antony Baldry Christopher Bellew (resigned 14 <sup>th</sup> January 2011) Anna Nichole Baly (resigned 14 <sup>th</sup> January 2011) Christopher Jones (resigned 14 <sup>th</sup> January 2011) Michael McLaren Bridget Cowper-Coles Horia Mosadiq (appointed 22 <sup>nd</sup> July 2010) Zahra Qadir (appointed 22 <sup>nd</sup> July 2010) Bonnie Mahboubian (appointed 29 <sup>th</sup> June 2011) Sean Crane (appointed 29 <sup>th</sup> June 2011) Sheldon Stout (appointed 29 <sup>th</sup> June 2011) Samad Samadi (appointed 29 <sup>th</sup> June 2011)
<b>SECRETARY:</b>	Lubomir Sparber
<b>CHIEF EXECUTIVE</b>	Christopher Beales
<b>REGISTERED OFFICE:</b>	30 Church Road Woburn Sands Beds MK17 8TA
<b>COMPANY NUMBER:</b>	05420647
<b>CHARITY NUMBER</b>	1111897
<b>PRINCIPAL OFFICE:</b>	Partsworth House 30 City Road London EC1Y 2AY

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## **AFGHAN ACTION**

### **CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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**AFGHAN ACTION (registered charity no 1111897) [www.afghanaction.com](http://www.afghanaction.com)**

Afghan Action is a charity which works in Afghanistan and the UK. In Afghanistan, it has a small carpet factory and training school in Kabul and is now preparing to diversify into other skills and products, in particular, sewing and making clothing. It is also involved in some schools links (between British and Afghan schools) and is introducing the latest ICT "virtual" systems into Afghan schools.

Since the work started in September 2005, over 450 young men and women have been trained to weave carpets at the training school in Karte Se, Kabul.

As well as learning to weave carpets with traditional and modern designs, trainees also benefit from classes in literacy and numeracy, on-site healthcare and a nourishing midday meal. Trainees are paid a monthly allowance and staff receive wages above the going rate and, of course, healthcare and a free midday meal, which is supplied by the Supreme Foundation.

Before the economic downturn, Afghan Action was employing nearly 180 people but had to make painful cuts in late 2008. But there has been a gradual process of rebuilding and currently there are 70 people in training or employed by Afghan Action.

A new programme started in October 2010. In Afghan Action's newly designated Business Incubation Centre, 12 young weavers have been working to develop their own businesses. They receive training in ICT, English and business skills as well as continuing their own weaving training and literacy and numeracy in Dari - and the programme will run to April 2011 and then be evaluated. This programme has been mainly funded by Ashram International and Control Risks.

The support of many generous individuals and organisations has not only helped Afghan Action to survive through hard times but has enabled growth and development. Carpet orders, gifts of building materials and equipment and supportive publicity have made all the difference. The support of Supreme, G4S and other companies and organisations based in Afghanistan has made a very significant difference – and new markets for carpets have also opened up through them.

Afghan Action is convinced that the future of Afghanistan lies in the hands of its young people. They want jobs and want to support themselves and their families. Afghan Action's strapline, "Let's change tomorrow by working together today", emphasises the importance of building bridges and creating partnerships.

To this end, an important experiment took place in November 2010. Danesh Language School in Kabul (partners of Afghan Action) tested the most advanced form of "virtual" ICT – remotely accessing the specialist educational software of a school in the UK. The experiment was successful and demonstrated the possibility of Afghan schools and young people being able to use the most sophisticated educational software available in the West.

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## **AFGHAN ACTION**

### **CHIEF EXECUTIVE'S REPORT contd. FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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In the UK, Afghan Action runs a national programme funded by the Government's Department for International Development (DFID) to raise awareness about Afghanistan "Building Bridges" specifically aims to involve Afghans and others with schools, faith groups, businesses and the media to portray Afghanistan in a quite different way to the negative image it has in the press and on TV and to encourage greater interest and understanding

During the year, over 60 events and activities were held and talks given to a wide range of groups and people of all ages and backgrounds, ranging from Rotary Clubs to University groups, churches and schools. In Harpenden, Hertfordshire, an all day Afghan Juma Bazaar was organised by local supporter Sue Bentley and held in March, with music, clothes, snacks, carpets and other Afghan features – and an Afghan pop-up restaurant in the evening

Afghan Action's work has also involved meeting with and strengthening links with Afghan groups across the country and, in particular, work in Yorkshire (supported by Hashim Alavi, Mahboob Iltaf and David Redman) and the north east of England (supported by Zarlashita Behzadi), the Midlands (supported by Fahim Behzaad), the East of England (supported by Chris Beales) and South Wales (supported by Chris Beales) has been developing

A small DFID grant for work with schools in East Yorkshire, led by Jean Harlow with the support of Zia Sorosh, has completed its first year. Information about these programmes – including useful curriculum materials – has been prepared for Afghan Action's website

The University of Leicester has also produced some excellent curriculum materials. Dr Mark Goodwin, part of the steering group supporting the "Building Bridges" programme, introduced Afghan Action to the School of Education and trainee teachers have produced and are testing lesson plans and materials about Afghanistan

British Council-funded links between schools in Harpenden and Mazar e Sharif, and Hammersmith and Kabul, have continued to develop in the second year of the "Connecting Classrooms" programme with which Afghan Action is involved. Children in three primary schools in Newham have become involved with Afghan Action and, in July 2010, a school fair was held in which over £1500 was raised for Afghan Action – which has been used to make each school a carpet with their school logo in. The children also held a formal debate on Human Rights in Afghanistan – amazingly articulate and well informed, they will undoubtedly be building bridges and making the world a safer and more just place in the coming years

Two schools, Queen Anne Reading and Kelmscott in Waltham Forest, each ordered a carpet designed by a pupil and they were made in Afghan Action's factory in Karte Se Kelmscott planned to raffle theirs but were so impressed they decided to keep it and order another! Queen Anne has raised money, donated equipment (shipped out in a container, along with seven pallets of construction safety clothing from Arco, by the Supreme Foundation) and invited Afghan Action to speak on several occasions to pupils

## **AFGHAN ACTION**

### **CHIEF EXECUTIVE'S REPORT contd. FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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In London, Afghan Action has been supported by Trust for London (formerly the City Parochial Foundation) to work specifically with Afghan people and groups to address issues of poverty and isolation. Reaching people is not easy and working with Afghan organisations, such as the Afghan Association of London, has proved beneficial.

Afghan Action is greatly encouraged by the energy, expertise and initiative of colleagues in Afghanistan and the commitment of trustees, staff and volunteers in the UK. Without such passion for bringing about real and lasting change, nothing could have happened. To this should be added the generous support and encouragement of many individuals and organisations - with growing opportunities to speak about the work and new openings with retailers and others for Afghan Action's products.

Afghan Action's work in Kabul is overseen by Samad Samadi and the General Manager is Mostafa Samim. In the London office, the team is Chris Beales (CEO), Zarlashita Behzadi (Administration and Outreach Officer) and Hashim Alavi (Outreach Officer). Afghan Action's office is 30 City Road, London EC1Y 2AY (020 7870 0010)  
[admin@afghanaction.com](mailto:admin@afghanaction.com) [www.afghanaction.com](http://www.afghanaction.com)

Chris Beales  
Chief Executive

## **AFGHAN ACTION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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The trustees are pleased to present their report together with the financial statements of the charity for the year ending 30<sup>th</sup> April 2011

#### **Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees  
The trustees serving during the year and since the year end were as follows

Ken Bartlett  
Peter Delaney (resigned 22<sup>nd</sup> July 2010)  
Antony Baldry  
Christopher Bellew (resigned 14<sup>th</sup> January 2011)  
Anna Nichole Baly (resigned 14<sup>th</sup> January 2011)  
Christopher Jones (resigned 14<sup>th</sup> January 2011)  
Michael McLaren  
Bridget Cowper-Coles  
Horia Mosadiq (appointed 22<sup>nd</sup> July 2010)  
Zahra Qadir (appointed 22<sup>nd</sup> July 2010)  
Bonnie Mahboubian (appointed 29<sup>th</sup> June 2011)  
Sean Crane (appointed 29<sup>th</sup> June 2011)  
Sheldon Stout (appointed 29<sup>th</sup> June 2011)  
Samad Samadi (appointed 29<sup>th</sup> June 2011)

#### **Structure, Governance and Management**

##### **Governing Document**

Afghan Action is a company limited by guarantee governed by its Memorandum and Articles of Association dated 8<sup>th</sup> April 2005  
It is registered as a charity with the Charity Commission

##### **Appointment of trustees**

As set out in the Articles of Association the chair of the trustees is nominated by the other trustees One third of Trustees shall retire from office, but shall be eligible for re-election  
All members are invited to nominate trustees prior to the AGM

##### **Organisation**

The board of trustees, which must have a minimum of three members with no maximum, administers the charity The board meets quarterly A Chief Executive is appointed by the trustees to manage the day to day operations of the charity To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters

## **AFGHAN ACTION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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#### **Objectives and activities**

The objects of the charity are

- to advance the education and training of the public, in particular amongst persons resident within Afghanistan, by the provision of educational and vocational training facilities to improve their condition of life and
- to relieve poverty and sickness by the provision of humanitarian assistance to persons who are sick or in need and by enabling such persons to learn skills and be trained to support their own needs

In setting out our revised programme this year, we have regard to both the Charity Commissioner's general guidance on public benefit and the relief of poverty for the public benefit. The trustees always ensure that the programmes we undertake are in line with our charitable objectives and aims. Our ambition is to create self sustaining operations and opportunities in the areas where we work.

#### **Achievements and performance**

The review of the activities of the charity is included in the chief executive's report.

#### **Financial Review**

The consolidated results show for the year ended April 2011, that incoming resources exceeded resources expended by £28,010. The prior year 2009/10, incoming resources exceeded resources expended by £18,633. The UK trading subsidiary, Afghan Trading Ltd made a profit of £32,449, (last year a loss of £4,091 was made). In Afghanistan, Afghan Training Foundation, Kabul is a registered charity. Afghan Training & Development Organisation Kabul is registered as an international NGO and operates the training centre. This company made a profit of £5,826 for the year (last year a loss of £3,644 was made).

#### **Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in any suitable way that the trustees consider appropriate.

#### **Risk management**

The trustees have a risk management strategy which comprises

An annual review of the risks the charity and its subsidiaries may face

The establishment of systems and procedures to mitigate those risks identified and the implementation of procedures designed to minimize any potential impact on the charity should those risks materialize.

This work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary.



## **AFGHAN ACTION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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#### **Litigation risk**

An case has been filed against Afghan Action and a Government Department by an individual who was a volunteer with Afghan Action , some years ago In the opinion of the trustees, the case has no merit and does not represent cause for action

#### **Reserves policy**

The trustees objective is to build a level of reserves to make the charity self sufficient

#### **Plans for future periods**

The major financial concern for the charity is funding over the short & medium term This continues to be a challenge for trustees

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements,
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business

This report was approved by the Trustees' on the 27<sup>th</sup> January 2012 and signed on its behalf by



K Bartlett

## **AFGHAN ACTION**

### **INDEPENDENT EXAMINER'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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#### **Independent examiner's report to the trustees of Afghan Action**

I report on the accounts of the charity for the year ended 30 April 2011, which are set out on pages 11 to 20

#### **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility

- to examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention

#### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that in any material respect the requirements

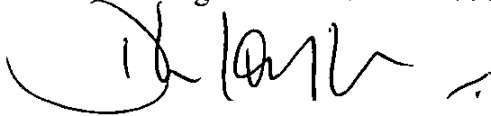
to keep accounting records in accordance with section 386 of the Companies Act 2006, and

to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and

Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

A handwritten signature in black ink, appearing to read 'D W Joyner', with a large circular flourish on the left side.

Name D W Joyner

Address 29 Malthouse Drive, Regency Quay, Chiswick, London W4 2NR

28<sup>th</sup> January 2012

## AFGHAN ACTION

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011

	Notes	Unrestricted Funds £	Restricted Funds £	2011 Total £	2010 Total £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income					
Grants & Donations	6	77,534	117,679	195,213	109,183
Activities for generating funds					
Trading operations	5	23,760	0	23,760	22,038
Other income		6,065	-	6,065	2,772
Total incoming resources		107,359	117,679	225,038	133,993
<b>RESOURCES EXPENDED</b>					
Cost of generating funds					
Trading activities		5,494	-	5,494	30,983
Charitable activities					
Afghan welfare	7	17,724	-	17,724	9,554
Afghan training	7	42,065	-	42,065	28,913
UK Outreach	7	-	131,744	131,744	45,910
Total resources expended		65,283	131,744	197,027	115,360
Net incoming / (outgoing) resources		42,075	(14,065)	28,010	18,633
Gross transfers between funds	9	(14,065)	14,065	-	-
Net movement of funds in year		28,010	-	28,010	18,633
Reconciliation of funds					
Total funds brought forward		19,155	-	19,155	522
Total funds carried forward		47,165	-	47,165	19,155

# AFGHAN ACTION

## CONSOLIDATED BALANCE SHEET AS AT 30<sup>TH</sup> APRIL 2011

	Notes	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
<b>FIXED ASSETS</b>					
Tangible assets	11	500	-	-	-
Investments	12	-	-	100	100
<b>CURRENT ASSETS</b>					
Stock	13	13,076	16,123	-	-
Debtors	14	10,017	4,748	20,737	24,720
Cash at bank		63,504	60,810	53,531	49,293
		86,597	81,681	74,268	74,013
<b>CREDITORS</b>					
Amounts falling due within one year	15	(39,932)	(62,526)	(30,508)	(20,966)
<b>NET CURRENT ASSETS / LIABILITIES</b>					
		46,665	19,155	43,760	53,047
<b>NET ASSETS</b>					
		47,165	19,155	43,860	53,147
<b>FUNDS OF THE CHARITY</b>					
Restricted funds		-	-	-	-
Unrestricted funds	17	43,860	54,191	43,860	53,147
Trading profits / losses		3,305	(35,036)	-	-
<b>TOTAL CHARITY FUNDS</b>					
		47,165	19,155	43,860	53,147

**Trustees' statements required by Section 475(2) of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2011.**

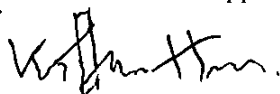
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2011. The members have not required the company to obtain an audit of its financial statements for the period ended 30<sup>th</sup> April 2011 in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit and loss for each financial year in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on the 27<sup>th</sup> January 2012 and signed on its behalf

K Bartlett  
Trustee



The notes form part of the financial statements  
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## **AFGHAN ACTION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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#### **1. ACCOUNTING POLICIES**

##### **a) Basis of preparation**

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### **b) Group financial statements**

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Afghan Trading Ltd and Afghan Training & Development Organisation Kabul on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

##### **c) Incoming resources**

Voluntary income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when

- Grants are received in advance of the event or activity to which they relate.

##### **d) Volunteers and donated services and facilities**

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the chief executive's report.

## **AFGHAN ACTION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

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Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity

#### **e) Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities include expenditure associated with the training of weavers and educational programmes and include both the direct costs and support costs relating to these activities
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources by the time spent

#### **f) Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **h) Tangible fixed assets**

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

- Factory assets – over two years
- Computer and other equipment – over two years

#### **i) Stock**

Stock is included at the lower of cost or net realisable value.

#### **j) Funds structure**

The charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

## **AFGHAN ACTION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011**

All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note 17.

#### **2 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5.

#### **3 Related party transactions**

There were no outstanding balances with related parties as at 30<sup>th</sup> April 2011 (2010 £nil). The trustees were not paid or reimbursed expenses during the year and no trustee received any emolument or payment for professional or other services.

#### **4 Financial activities of the charity**

The financial activities shown in the consolidated statement include those of the charity's wholly owned subsidiaries, Afghan Trading Ltd and Afghan Training & Development Organisation Kabul.

A summary of the financial activities undertaken by the charity is set out below.

	2011 £	2010 £
Gross incoming resources	188,715	93,673
Total expenditure on charitable activities	(198,002)	(68,349)
Net incoming resources	(9,287)	25,324
Total funds brought forward	53,147	27,823
Total funds carried forward	43,860	53,147
Represented by		
Restricted income funds	-	-
Unrestricted income funds	43,860	53,137



## AFGHAN ACTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011

#### 5 Incoming resources from activities for generating funds

The charity has two wholly owned trading subsidiaries, Afghan Training & Development Organisation Kabul, which is incorporated in Afghanistan and Afghan Trading Ltd, which is incorporated in the United Kingdom. Afghan Training & Development Organisation Kabul operates a carpet factory and training facilities in Kabul, Afghanistan. It sells its output at special events in Kabul and to Afghan Trading Ltd in the UK. All commercial trading operations in the UK are carried out through Afghan Trading Ltd. The charity owns the entire share capital of both subsidiaries.

A summary of the trading results of Afghan Training & Development Organisation Kabul are shown below

	2011 £	2010 £
Turnover	19,325	15,371
Grants & donations	76,355	10,003
Cost of sales, welfare & administration costs	( 89,854)	(29,018)
Net Loss	5,826	(3,644)

The assets & liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	3,746	14,720
Current liabilities	(1,497)	(18,364)
Net assets (deficiency)	2,249	(3,644)
Aggregate share capital & reserves	2,249	(3,644)

A summary of the trading results of Afghan Trading Ltd is shown below

	2011 £	2010 £
Turnover	18,292	19,364
Grants & donations	38,524	8,279
Cost of sales, welfare & administration costs	( 24,367)	(31,734)
Interest received	-	-
Interest paid	-	-
Net profit / (loss)	32,449	(4,091)

## AFGHAN ACTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011

The assets & liabilities of the subsidiary were

Fixed assets	500	-
Current assets	19,303	13,322
Current liabilities	(18,647)	(44,614)
Net assets / (deficiency)	1,156	(31,292)
Aggregate share capital & reserves	1,156	(31,292)

#### 6 Voluntary income

The income was primarily grants and donations from corporate & charitable trusts, individual donations and sponsorships

	2011 £	2010 £
Awards for all	0	8,164
Development awareness funding	90,592	13,769
DFID minigrant	10,069	9,932
Trust for London	17,018	10,250
Donations	55,205	43,928
Sponsorships	1,830	13,393
Other corporate donations & fundraising	20,499	16,785
Total	195,213	116,221

Income received and treated as restricted funds are the following

Awards for all, DFID development awareness, DFID minigrant, and Trust for London, a total of £117,679 Restricted expenditure of £131,744 was funded by the above grants

#### 7 Analysis of charitable expenditure

The charity undertakes direct charitable activities only and does not make grant payments

The three main charitable activities are

Afghan welfare – is the cost of providing a free daily meal to trainees and staff at the factory in Kabul and the provision for healthcover

Afghan training – comprises the cost of paying trainees wages whilst they undergo the training programme

UK outreach – comprises wages paid to outreach officers, travel expenses, holding events around the UK promoting development awareness with the Afghan community in the UK

The notes form part of the financial statements

## AFGHAN ACTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011

#### 8 Movement in total funds for the year

	2011	2010
	£	£
This is stated after charging		
Depreciation	500	3,169

#### 9 Transfers between funds

£14,065 was transferred from the unrestricted fund to restricted funds to pay for the shortfall in training and outreach activities

#### 10 Taxation

The company is a registered charity and no provision is considered necessary for taxation. Both trading subsidiaries have made a profit, this financial year. No provision for corporation taxes is required as both companies have brought forward tax losses to offset any charge to taxation.

#### 11 Tangible fixed assets –group only

	Factory Assets £	Computers & Other £	Total £
<b>COST</b>			
At 1 <sup>st</sup> May 2010	6,338	3,780	10,118
Additions	0	1,000	1,000
At 30 <sup>th</sup> April 2011	6,338	4,780	11,118
<b>DEPRECIATION</b>			
At 1 <sup>st</sup> May 2010	6,338	3,780	10,118
Charge for the year	0	500	500
At 30 <sup>th</sup> April 2011	6,338	4,280	10,618
<b>NET BOOK VALUE</b>			
At 30 <sup>th</sup> April 2010	0	0	0
At 30 <sup>th</sup> April 2011	0	500	500

The charity has an investment in Afghan Trading Ltd of £100. It has no fixed assets.

#### 12 Trading subsidiaries

The trading subsidiaries are wholly owned by the charity and operate a training and incubation centre in Kabul, Afghanistan, where in addition to making hand knotted carpets, it also provides a training program, medical facilities and catering for its staff, and storage & sales organization in the UK.

The subsidiaries have operated at a profit in this financial year. The subsidiaries have been valued in the accounts at the original nominal cost - £100.

## AFGHAN ACTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2011

#### 13 Stock

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Raw materials	0	0	-	-
Carpet stock	13,076	16,123	-	-
Total	13,076	16,123	-	-

#### 14 Debtors

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Trade debtors	42	4,748	10,762	4,346
Other debtors	9,975	0	9,975	20,374
Total	10,017	4,748	20,737	24,720

#### 15 Creditors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Trade creditors	16,489	3,591	9,292	3,269
Charity Bank loan	0	0	-	-
Other taxes and social security costs	38	414	38	-
Other creditors and accruals	2,924	40,741	697	697
Deferred income	20,481	17,730	20,481	17,000
Total	39,932	62,526	30,508	20,966

#### 16 Deferred income

Deferred income comprises grants for a sewing project in Kabul

**AFGHAN ACTION**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17 Analysis of group net assets between funds**

	General Fund £	Designated Fund £	Restricted Fund £	Total £
Tangible fixed assets	-	-	-	-
Cash at bank	63,504	-	-	63,504
Other net current liabilities	(16,339)	-	-	(16,339)
Total	47,165	-	-	47,165