

REGISTERED NUMBER 05420647

AFGHAN ACTION

(A company limited by guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR TO 30TH APRIL 2012

THURSDAY



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AFGHAN ACTION

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FOR THE YEAR TO 30TH APRIL 2012**

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AFGHAN ACTION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR TO 30TH APRIL 2012

TRUSTEES: Ken Bartlett
Antony Baldry
Michael McLaren
Bridget Cowper-Coles
Horia Mosadiq
Zahra Qadir
Bonnie Mahboubian (appointed 29th June 2011)
Sean Crane (appointed 29th June 2011, resigned
3rd September 2012)
Sheldon Stoutt (appointed 29th June 2011)
Samad Samadi (appointed 29th June 2011)

SECRETARY: Lubomir Sparber

CHIEF EXECUTIVE Christopher Beales

REGISTERED OFFICE: 30 Church Road
Woburn Sands
Beds
MK17 8TA

COMPANY NUMBER: 05420647

CHARITY NUMBER 1111897

PRINCIPAL OFFICE: Partsworth House
30 City Road
London
EC1Y 2AY

AFGHAN ACTION

CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30TH APRIL 2012

Afghan Action has been working in Afghanistan since 2005, when it set up a project in Karte Se, Kabul, to train young men and women in carpet weaving and also provide classes in literacy and numeracy in Dari. The work grew steadily and, by the middle of 2008, we had nearly 180 staff working in two areas, Karte Se and Dashti Barchi, making carpets for us to promote and sell and fulfilling orders for Habitat and John Lewis.

The economic downturn nearly finished us. But we have survived and grown steadily, and, nearly seven years after starting, we have trained and educated nearly 800 people and, in the last 18 months, piloted a new programme, T2Go, initially providing 12 of our trainees with the chance to acquire business skills and start up their own enterprises. The programme, supported by Ashram International and Control Risks, was taken forward with further support from people who donated through Buzzbnk, an innovative social investment company. The T2Go model has now become a core part of our work and a growing number of our trainees, upon graduating, are working at home making orders which we supply.

At the end of July 2011, we started a new project, training mainly young women to sew and make clothes and uniforms for schools, companies and hospitals. Funding for this work came mainly from The Clothworkers Foundation, Equitable Charitable Trust and the Rufford Maurice Laing Foundation, to whom we are most grateful. The two year programme will train and educate 46 people, all of whom will be with us for 12 months.

We describe our Centre now as a Training and Business Incubation Centre and, as well as providing basic education and vocational skills training (in carpet weaving or sewing and tailoring), we also now teach English, ICT and business skills – and we continue to provide on-site healthcare and a nourishing midday meal, generously supplied by the Supreme Foundation.

Sales of carpets and clothing/uniforms in Kabul have increased significantly and we are grateful for the support of embassies and companies in Afghanistan. G4S has opened many doors to us and they and Supreme have supported important refurbishment to our premises, which are now well lit and ventilated, heated well in winter and bright and attractive workspaces.

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. We are looking now to work in partnership with other schools and NGOs. We are also inspired by the model being developed in England of University Technical Colleges, integrating (for 14 to 19 year olds) academic subjects and vocational skills training, with the strong involvement of a university and local companies. In a rather less sophisticated way, we have been doing this since we started. We want now to enhance and develop our teaching and training programmes and strengthen our company and employer links. It may be appropriate to move into new areas of training, such as construction and business administration, where the need for skilled Afghans is very considerable.

AFGHAN ACTION

CHIEF EXECUTIVE'S REPORT contd. FOR THE YEAR TO 30TH APRIL 2012

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. Linking what is presented and discussed with the UN Millennium Development Goals is an important part of the process. 17 "advocates", mainly Afghan people, have been carefully trained and are able both to speak knowledgeably about Afghanistan and, in many cases, draw on their own experience and insights.

The work is led by Rahnuma Noor and Yama Wida and they have not only built up the range of contacts and networks around the country but also developed important new work with madrasas and women's groups in London and beyond.

In 2009, a 3 year British Council-funded programme began with schools in Hammersmith and Harpenden, linking with schools in Kabul and Mazar e Sharif. Although communication has not been easy, it has been worthwhile and one of the significant outcomes has been the very successful Year 7s Afghanistan Week, held in July 2011 at Sacred Heart Girls High School, Hammersmith. Two of Afghan Action's team, Fahim Behzaad and Nina Fortnam-Paynter, organised the Week with Deputy Head Ian Donegan and plans are in place for another Week in July 2012.

Life in Afghanistan continues to be tough and the conflict and violence seems to be ever present. Corruption remains endemic, and yet the annual rate of economic growth remains over 5%, though down from over 20% two years ago.

Afghanistan has been hugely dependent on international donor support and, with the much heralded pulling back of Western military involvement and continuing political uncertainty, no one knows what the future holds.

Afghan Action's approach has always tried to focus on supporting the development of good jobs, sustainable businesses and fair markets. Our aim is to equip young men and women so that, with education and skills, they can support themselves and their families and, by doing so, contribute to local economic development. We are now looking to expand our work and the idea of "bolting on" our particular focus on training and business incubation to existing schools is what we are exploring.

In order to expand our work, we are embarking on a fundraising programme and planning for an event at The Clothworkers Hall in June 2012. With the help of David Pitchford, two brochures are being designed, presenting our work and identifying ways in which support will be used – with a plan to establish two new projects during 2013.

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CHIEF EXECUTIVE'S REPORT contd. FOR THE YEAR TO 30TH APRIL 2012

Afghan Action's work in Kabul continues to be overseen by Samad Samadi and our General Manager, Mostafa Samim and his team. They now have considerable experience and expertise in managing, running and growing the Training and Business Incubation Centre. We are deeply grateful to them all for their commitment, persistence and patience against huge odds. A short film of our work in Kabul was shot by Canadian film maker Leslie Knott during March and is on our website. We are most grateful to her for doing this.

We are also very grateful to Tribune Business Systems for allowing us to use two desks in their City Road office in London. In the London office, the team is Chris Beales (CEO), Rahnuma Noor Khan (Project Manager, *Building Bridges*) and Yama Wida (Outreach, *Building Bridges* and responsible for website and carpet stocks).

Afghan Action in London is based at 30 City Road, London EC1Y 2AY (020 7870 0010)
admin@afghanaction.com

Chris Beales
Chief Executive

AFGHAN ACTION

TRUSTEES' REPORT FOR THE YEAR TO 30TH APRIL 2012

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 30th April 2012

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
Antony Baldry
Michael McLaren
Bridget Cowper-Coles
Horia Mosadiq
Zahra Qadir
Bonnie Mahboubian (appointed 29th June 2011)
Sean Crane (appointed 29th June 2011, resigned 3rd September 2012)
Sheldon Stoutt (appointed 29th June 2011)
Samad Samadi (appointed 29th 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 8th 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 30TH APRIL 2012

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 2012, that resources expended exceeded incoming resources by £27,057. The prior year 2010/11, incoming resources exceeded resources expended by £28,010. The UK trading subsidiary, Afghan Trading Ltd made a profit of £1,451, (last year a profit of £32,449 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 loss of £4,799 for the year (last year a profit of £5,826 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 30TH APRIL 2012

Litigation risk

A case was filed against Afghan Action and a Government Department by an individual who was a volunteer with Afghan Action some years ago. The case was struck out and a subsequent appeal dismissed.

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 30th November 2012 and signed on its behalf by



K Bartlett, Trustee

AFGHAN ACTION

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR TO 30TH APRIL 2012

Independent examiner's report to the trustees of Afghan Action

I report on the accounts of the charity for the year ended 30 April 2012, 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 144(2) of the Charities Act 2011 (the 2011 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 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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,

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 stylized flourish at the end.

Name D W Joyner

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

30th November 2012

AFGHAN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR TO 30TH APRIL 2012

	Notes	Unrestricted Funds £	Restricted Funds £	2012 Total £	2011 Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
Grants & Donations	6	63,030	84,219	147,249	195,213
Activities for generating funds					
Trading operations	5	25,828	0	25,828	23,760
Other income		3,647	-	3,647	6,065
Total incoming resources		92,505	84,219	176,724	225,038
RESOURCES EXPENDED					
Cost of generating funds					
Trading activities		38,830	-	38,830	5,494
Charitable activities					
Afghan welfare	7	21,322	-	21,322	17,724
Afghan training	7	58,385	-	58,385	42,065
UK Outreach	7	-	85,244	85,244	131,744
Total resources expended		118,537	85,244	203,781	197,027
Net incoming / (outgoing) resources		(26,032)	(1,025)	(27,057)	28,010
Gross transfers between funds	9	(1,025)	1,025	-	-
Net movement of funds in year		(27,057)	-	(27,057)	28,010
Reconciliation of funds					
Total funds brought forward		47,165	-	47,165	19,155
Total funds carried forward		20,108	-	20,108	47,165

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CONSOLIDATED BALANCE SHEET AS AT 30TH APRIL 2012

	Notes	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
FIXED ASSETS					
Tangible assets	11	-	500	-	-
Investments	12	-	-	100	100
CURRENT ASSETS					
Stock	13	13,426	13,076	-	-
Debtors	14	8,659	10,017	19,118	20,737
Cash at bank		33,402	63,504	35,725	53,531
		55,487	86,597	54,843	74,268
CREDITORS					
Amounts falling due within one year	15	(35,379)	(39,932)	(34,788)	(30,508)
NET CURRENT ASSETS / LIABILITIES		20,108	46,665	20,055	43,760
NET ASSETS		20,108	47,165	20,155	43,860
FUNDS OF THE CHARITY					
Restricted funds		-	-	-	-
Unrestricted funds	17	20,155	43,860	20,155	43,860
Trading profits /losses		(47)	3,305	-	-
TOTAL CHARITY FUNDS		20,108	47,165	20,155	43,860

Trustees' statements required by Section 475(2) of the Companies Act 2006 for the year ended 30th April 2012.

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th April 2012. The members have not required the company to obtain an audit of its financial statements for the period ended 30th April 2012 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 30th November 2012 and signed on its behalf

K Bartlett, Trustee

The notes form part of the financial statements

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

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 subsidiary Afghan Trading Ltd and partner 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

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 30th April 2012 (2011 £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 subsidiary, Afghan Trading Ltd and partner in Afghanistan, Afghan Training & Development Organisation Kabul.

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

	2012 £	2011 £
Gross incoming resources	140,667	188,715
Total expenditure on charitable activities	(164,372)	(198,002)
Net incoming resources	(23,705)	(9,287)
Total funds brought forward	43,860	53,147
Total funds carried forward	20,155	43,860
Represented by		
Restricted income funds	-	-
Unrestricted income funds	20,155	43,860

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

5 Incoming resources from activities for generating funds

The charity has one wholly owned trading subsidiary, Afghan Trading Ltd, which is incorporated in the United Kingdom. Its key partner in Afghanistan, Afghan Training & Development Organisation, 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 on through Afghan Trading Ltd. The charity owns the entire share capital of the subsidiary.

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

	2012	2011
	£	£
Turnover	18,657	19,325
Grants & donations	66,395	76,355
Cost of sales, welfare & administration costs	(89,851)	(89,854)
Net Loss	(4,799)	5,826

The assets & liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	3,878	3,746
Current liabilities	(6,432)	(1,497)
Net assets (deficiency)	(2,554)	2,249
Aggregate share capital & reserves	(2,554)	2,249

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

	2012	2011
	£	£
Turnover	21,114	18,292
Grants & donations	365	3,570
Cost of sales, welfare & administration costs	(20,028)	10,586
Interest received	-	-
Interest paid	-	-
Net profit / (loss)	1,451	32,448

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

The assets & liabilities of the subsidiary were

Fixed assets	0	500
Current assets	16,344	19,303
Current liabilities	(13,737)	(18,647)
Net assets / (deficiency)	2,607	1,156
Aggregate share capital & reserves	2,607	1,156

6 Voluntary income

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

	2012 £	2011 £
Awards for all	2,500	-
DFID - Development Awareness Fund	71,719	90,592
DFID minigrant	10,000	10,069
Trust for London	8,231	17,018
Donations	33,739	55,205
Sponsorships	840	1,830
Other corporate donations & fundraising	20,220	20,499
Total	147,249	195,213

Income received and treated as restricted funds are the following

Awards for All, DFID development Awareness Fund, DFID minigrant, a total of £84,219
Restricted expenditure of £85,244 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 health cover

Afghan training – comprises the cost of paying trainees' wages whilst they undergo the education and 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

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

8 Movement in total funds for the year

	2012	2011
	£	£
This is stated after charging		
Depreciation	-	500

9 Transfers between funds

£1,025 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 £
COST			
At 1 st May 2011	6,338	4,780	11,118
Additions	0	0	0
At 30 th April 2012	6,338	4,780	11,118
DEPRECIATION			
At 1 st May 2011	6,338	4,280	10,618
Charge for the year	0	500	500
At 30 th April 2012	6,338	4,780	11,118
NET BOOK VALUE			
At 30 th April 2011	0	0	0
At 30 th April 2012	0	0	0

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

12 Trading subsidiary in UK and partner in Afghanistan

Afghan Trading Ltd provides a storage and sales organisation in the UK and Afghan Training and Development Organisation Kabul operates a training and business incubation centre in Kabul, where in addition to making carpets and clothing, it also provides education and training, medical facilities and catering for its staff and trainees. Afghan Trading Ltd and Afghan Training and Development Organisation have operated at a profit in this financial year. The subsidiaries have been valued in the accounts at the original nominal cost - £100.

The notes form part of the financial statements

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

13 Stock

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Raw materials	0	0	-	-
Carpet stock	13,426	13,076	-	-
Total	13,426	13,076	-	-

14 Debtors

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Trade debtors	2,687	42	13,146	10,762
Other debtors	5,972	9,975	5,972	9,975
Total	8,659	10,017	19,118	20,737

15 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Trade creditors	4,291	16,489	5,858	9,292
Charity Bank loan	0	0	-	-
Other taxes and social security costs	800	38	800	38
Other creditors and accruals	3,855	2,924	1,697	697
Deferred income	26,433	20,481	26,433	20,481
Total	35,379	39,932	34,788	30,508

16 Deferred income

Deferred income comprises grants for a sewing project in Kabul

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2012

17 Analysis of group net assets between funds

	General Fund £	Designated Fund £	Restricted Fund £	Total £
Tangible fixed assets	-	-	-	-
Cash at bank	33,402	-	-	33,402
Other net current liabilities	(13,294)	-	-	(13,294)
Total	20,108	-	-	20,108