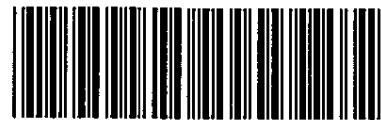


**REGISTERED NUMBER 05420647**

**AFGHAN TRAINING FOUNDATION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

THURSDAY



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**AFGHAN TRAINING FOUNDATION**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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## **AFGHAN TRAINING FOUNDATION**

### **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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<b>TRUSTEES:</b>	Ken Bartlett Jedidah Enoch Onchere (resigned 14 <sup>th</sup> May 2008) Terence Drummond (resigned 23 <sup>rd</sup> April 2009) Peter Delaney Anthony Baldry Christopher Bellew Anna Nichole Baly (appointed 9 <sup>th</sup> September 2008) Christopher Jones (appointed 9 <sup>th</sup> September 2008)
<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>	St Andrew by the Wardrobe Queen Victoria Street London EC4V 5DE

## **AFGHAN TRAINING FOUNDATION**

### **CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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This was a year of enormous change for the Afghan Training Foundation and its wholly owned trading company, Afghan Action. The year started well, with growing demand for carpets and an expanding workforce in Kabul. By the time it ended, the worldwide economic downturn had had a devastating effect on the work, but we had survived a tough winter and were emerging intact on the other side, slowly growing again but with the emphasis, at least for the time being, mainly focused on training and educating young people.

Our overall aim, when we began back in 2005, was to support local economic development in Afghanistan and our training and employment of people in Kabul has helped that to happen. Through this practical work, we have had direct, first hand experience of running a project in Afghanistan and can now speak with some authority about the situation there, with its many problems and opportunities. We can also – from experience – emphasise the need for good jobs, honest businesses and fair access to international markets as being essential to the future of Afghanistan. Much to our surprise, there appears to be a significant gap between the huge internationally funded infrastructure investment and the need to grow small and medium sized businesses to employ local people and cater for the local population.

What we have been doing is to train and employ people in a small social enterprise to meet the overseas demand (which we have had to work hard to stimulate) for handmade Afghan carpets. According to DFID sources, there is nothing else quite like us that they are aware of.

We began in September 2005 with a small carpet weaving training project, having been advised (by international NGO Children in Crisis) that the sector, once Afghanistan's greatest industry, could be easily accessed and a local training organisation existed to work with us. Within 12 months of starting we had had to part company with our local partners because they were misusing our money, trainees and staff. We then took over running the programme ourselves and, with an order to supply Habitat with 275m<sup>2</sup> of rugs and runners and some carpets for John Lewis, plus a steadily growing relationship with independent retailers stocking our carpets, we expanded to 174 employees by August 2008 – though we were experiencing increasing cash flow problems during this period.. which was, of course, then moving rapidly into the period of downturn which has affected us and so many others so drastically.

Some significant sales events took place during the first half of our financial year, the most successful being at the Temple Church in July, when £11,000 of sales were generated.

From September 2008, the Board had agreed that, in order to survive, we would,

## **AFGHAN TRAINING FOUNDATION**

### **CHIEF EXECUTIVE'S REPORT contd. FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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very reluctantly, need to cut back at the Kabul end. By the end of November, we had only a skeleton staff and small number of trainees – with plans to relaunch our training programme when we had a clear £30,000 with which to do so. In March 2009, the decision was taken to re-open.

Our Kabul/Afghan contacts have grown in their significance and potential.

Chris Beales, Yusof Mirzazada and Samad Samadi were in Kabul in April 2008 and Christopher Bellew visited Afghanistan in June

Through Samad Samadi, a member of the Afghan Action Board, we have links with senior Government ministers and ministries, including the new Minister of the Interior, Dr Atmar. When he was Minister of Education, he asked Afghan Action, at a meeting in his office with Samad Samadi and Chris Beales in April 2008, to develop a vocational education programme in technical schools, focusing on training a new generation of carpet designers and managers. The Afghan carpet industry is now in real crisis, and the importance of this invitation remains for our consideration and future action.

Abdullah Haiwad, a co-founder of Afghan Action, has been overseeing, on a voluntary basis, the factory and training school in Kabul, since February 2008. This has enabled much to happen and his wide-ranging contacts have also benefited us.

In October, Gerry Shattock, one of the key volunteers helping Afghan Action with his sales and marketing expertise, visited Kabul. While he was there, a successful sale was held in the British Embassy.

In March 2009, a growing relationship with Armor Group (G4S) enabled Abdullah to organise a very productive carpet sale and Armor Group also agreed to sponsor 20 trainees. This sponsorship adds to a number of individual sponsors and last year's sponsorship by Ashram International of 10 young women trainees. Capacity for trainees has now been set at 30 every six months. We are most grateful for the support of so many trainees from individuals, companies and charities.

Alongside this, some other aspects of our work have been developing under the auspices of the Afghan Training Foundation – Yusof Mirzazada's work with London's Afghan community is now really taking shape and starting to make a significant impact. Funded by the City Parochial Foundation, he has been able to build strong links with a number of Afghan diaspora groups across London. In June, further funding was obtained from Awards for All, enabling a series of conferences, seminars and workshops to be held, involving Afghan people and organisations. The key issues emerging include immigration issues, employment, health, housing, education, domestic issues, isolation and the willingness of a

## **AFGHAN TRAINING FOUNDATION**

### **CHIEF EXECUTIVE'S REPORT contd. FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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growing number of Afghan professionals to return to assist with the rebuilding of their country. An important joint event was held in December with the Afghan Association of London (AAL), at which General Sir David Richards, Commander-in-Chief of the British Army and formerly serving in Afghanistan, spoke powerfully about the challenges and opportunities facing the country.

In July 2007 at the House of Commons, an ICT project, ICT4Development, had been launched by the Afghan Training Foundation. Its aim was to discover what the demand for IT in Afghanistan might be, and how this could best be responded to. The project, funded by Big Lottery international funding, was based around a simple questionnaire for companies, Government agencies, NGOs, community groups and others and culminated in a seminar in the Kabul Inn in April 2008, organised and led by Eugene Arokiasamy. With a Malaysian colleague Mohammed Ghani, he was in Kabul at the same time as Chris Beales, Yusof Mirzazada and Samad Samadi on their visit to Afghanistan. The seminar was very successful and the next stage in development is of the highest significance. Through Chris Jones, a Board member, a link was established with the Worshipful Company of Information Technologists, the newest livery company in the City of London. One of their members, Sheldon Stouff of Tribune Business Systems Ltd, runs an IT company working at the very cutting edge of "virtualisation". At a meeting in March 2009, Chris Beales introduced him to Paul Shaw, CEO of Neda Holding, Afghanistan's largest internet provider – and it was agreed to introduce this technology into Afghanistan, initially into schools, linking with British schools.

In early 2009, an application was submitted to the British Council's "Connecting Classrooms" programme and funding obtained for an exchange programme between three schools in Harpenden, Hertfordshire and five in Mazar e Sharif. An important aspect of the application was to use "virtual" technology to enable communication.

Two other applications for funding were submitted in the autumn, both to DFID for raising awareness about Afghanistan. A minigrant was obtained for a three year programme working with schools in East Yorkshire to raise awareness about Afghanistan and provisional approval was given to an application for a major Development Awareness Fund grant for working across the country – using Afghan "advocates" – to raise the awareness of faith groups, businesses and the media about what Afghanistan is really like and what it needs.

The most significant fundraising event we have ever held took place at the Royal Geographical Society in London in March 2009 and raised £15,000. This was a highly successful and most encouraging event, attended by 750 people and generously sponsored by McInroy and Wood. The RGS is already booked for March 2010, at which Humphrey Hawksley will be speaking.

**AFGHAN TRAINING FOUNDATION**

**CHIEF EXECUTIVE'S REPORT contd.  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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The struggle to survive through the winter was truly testing for the Board and staff, but far more so for the staff and trainees in Kabul. It was a deeply painful experience and the effects on many of the young people there were

But we have managed to survive and are growing gradually – and we have also diversified. The future of Afghanistan remains uncertain. What is absolutely clear is that the country has some courageous, hard working and committed young men and women who demonstrate both the resilience of the human spirit against huge odds and the real hope that things will settle down and Afghanistan will in time enjoy a safe and prosperous future. Our experience and conviction suggest that the key to the future lies in developing good jobs, honest businesses and fair markets. These above all else, we believe, will tackle poverty, respond positively to insurgency and bring about real and lasting change.

Chris Beales

## **AFGHAN TRAINING FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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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 2009

#### **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  
Jeddiah Enoch Onchere (resigned 14<sup>th</sup> May 2008)  
Terence Drummond (resigned 23<sup>rd</sup> April 2009)  
Peter Delaney  
Antony Baldry  
Christopher Bellew  
Anna Nichole Baly (appointed 9<sup>th</sup> September 2008)  
Christopher Jones (appointed 9<sup>th</sup> September 2008)

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

##### **Governing Document**

Afghan Training Foundation 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 TRAINING FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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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 financial year - 2008/9 posed many challenges as detailed in the chief executive's report. The consolidated results show that incoming resources exceeded resources expended by £30,581 in the year (2007/8 resources expended exceeded incoming resources by £19,914). The trading subsidiary, Afghan Action, made a profit of £6,619, (last year a loss of £22,418 was incurred). The original losses are still being funded by two creditors, some progress has been made in reducing the total amount due, but this continues to be a struggle.

#### **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 subsidiary Afghan Action Ltd 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 TRAINING FOUNDATION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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#### **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 2010 and signed on its behalf by



K Bartlett

## **AFGHAN TRAINING FOUNDATION**

### **INDEPENDENT EXAMINER'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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

I report on the accounts of the charity for the year ended 30 April 2009, which are set out on pages 11 to 19

#### **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

Stephen Duckworth FCA  
43 Pangbourne Avenue  
London W10 6DJ

28 January 2010

# AFGHAN TRAINING FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009

	Notes	Unrestricted Funds £	Restricted Funds £	2009 Total £	2008 Total £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income					
Grants & Donations	6	75,451	26,400	101,851	58,209
Activities for generating funds					
Trading operations	5	87,388	0	87,388	62,662
Other income		1,472	-	1,472	197
Total incoming resources		164,311	26,400	190,711	121,068
<b>RESOURCES EXPENDED</b>					
Cost of generating funds					
Trading activities		99,777	-	99,777	84,408
Charitable activities					
Afghan welfare	7	17,507	-	17,507	18,293
Afghan training	7	10,241	-	10,241	18,389
UK Outreach	7	-	32,605	32,605	19,892
Total resources expended		127,525	32,605	160,130	140,982
Net incoming / (outgoing) resources		36,786	(6,205)	30,581	(19,914)
Gross transfers between funds	9	(6,205)	6,205	-	-
Net movement of funds in year		30,581	-	30,581	(19,914)
Reconciliation of funds					
Total funds brought forward		(30,059)	-	(30,059)	(10,145)
Total funds carried forward		522	-	522	(30,059)

# AFGHAN TRAINING FOUNDATION

## CONSOLIDATED BALANCE SHEET AS AT 30<sup>TH</sup> APRIL 2009

	Notes	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
<b>FIXED ASSETS</b>					
Tangible assets	11	3,169	-	-	-
Investments	12	-	-	100	100
<b>CURRENT ASSETS</b>					
Stock	13	16,066	14,238	-	-
Debtors	14	4,524	4,866	17,933	-
Cash at bank		29,368	18,346	19,659	7,369
		49,958	37,450	37,692	7,369
<b>CREDITORS</b>					
Amounts falling due within one year	15	(52,605)	(67,509)	(9,869)	(3,607)
<b>NET CURRENT LIABILITIES</b>		(2,647)	(30,059)	27,823	3,762
<b>NET ASSETS (DEFICIENCY OF ASSETS )</b>		522	(30,059)	27,823	3,862
<b>FUNDS OF THE CHARITY</b>					
Restricted funds		-	-	-	-
Unrestricted funds	17	27,823	3,862	27,823	3,862
Trading losses		(27,301)	(33,921)	-	-
<b>TOTAL CHARITY FUNDS</b>		522	(30,059)	27,823	3,862

**Trustees' statements required by Section 475(2) of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2009.**

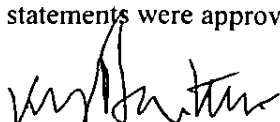
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2009. The members have not required the company to obtain an audit of its financial statements for the period ended 30<sup>th</sup> April 2009 in accordance with section 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 2010 and signed on its behalf

K Bartlett  
Trustee



The notes form part of the financial statements

## **AFGHAN TRAINING FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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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 subsidiary Afghan Action Limited 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 TRAINING FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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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 Foundation 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 TRAINING FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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 Foundation**

The Foundation 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 2009 (2008 £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 Action Limited.

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

	2009 £	2008 £
Gross incoming resources	83,691	29,883
Total expenditure on charitable activities	(59,730)	(27,379)
Net incoming resources	23,961	2,505
Total funds brought forward	3,862	1,357
Total funds carried forward	27,823	3,862
Represented by		
Restricted income funds	-	-
Unrestricted income funds	27,823	3,862

## AFGHAN TRAINING FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009

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

The wholly owned trading subsidiary Afghan Action Limited, which is incorporated in the United Kingdom, operates a carpet factory in Kabul, Afghanistan and sells its output through retail outlets and at special events in the UK. All commercial trading operations are carried on through Afghan Action Limited. The charity owns the entire share capital of 100 ordinary shares of £1 each.

A summary of the trading results is shown below.

	2009	2008
	£	£
Turnover	87,388	62,662
Grants & donations	19,455	28,395
Cost of sales, welfare & administration costs	(99,369)	(113,603)
Interest received	27	128
Interest paid	(882)	-
Net Profit (loss)	6,619	(22,418)

The assets & liabilities of the subsidiary were:

Fixed assets	3,169	3,862
Current assets	26,899	32,088
Current liabilities	(57,269)	(65,908)
Net deficiency of assets	(27,201)	(33,820)
Aggregate share capital & reserves	(27,201)	(33,820)

#### 6 Voluntary income

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

	2009	2008
	£	£
BLCF fund	939	15,000
BLF fund	0	8,000
City Parochial Foundation	12,000	8,000
Donations	40,475	20,649
Sponsorships	12,508	2,560
Other corporate donations	35,929	4,000
Total	101,851	58,209

The notes form part of the financial statements

## **AFGHAN TRAINING FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009**

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#### **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 mainly the salary paid to the outreach officer and the chief executive for work with the Afghan community in the UK

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

	2009	2008
	£	£
This is stated after charging		
Depreciation	2,220	1,750

#### **9 Transfers between funds**

£6,205 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  
The trading subsidiary has made a profit of £6,619 However it has brought forward tax losses, & therefore no charge to corporation tax arises

# AFGHAN TRAINING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009

### 11 Tangible fixed assets –group only

	Factory Assets £	Computers & Other £	Total £
<b>COST</b>			
At 1 <sup>st</sup> May 2008	949	3,780	4,729
Additions	5,389	0	5,389
At 30 <sup>th</sup> April 2009	6,338	3,780	10,118
<b>DEPRECIATION</b>			
At 1 <sup>st</sup> May 2008	949	3,780	4,729
Charge for the year	2,220	0	2,220
At 30 <sup>th</sup> April 2009	3,169	3,780	6,949
<b>NET BOOK VALUE</b>			
At 30 <sup>th</sup> April 2008	0	0	0
At 30 <sup>th</sup> April 2009	3,169	0	3,169

The charity has an investment in Afghan Action Limited of £100 It has no fixed assets

### 12 Trading subsidiary

The trading subsidiary is wholly owned by the charity and operates a carpet making factory in Kabul, Afghanistan, where in addition to making hand knotted carpets, it also provides a training program, medical facilities and catering for its staff

The subsidiary has operated at a profit in this financial year The subsidiary has been valued in the accounts at the original nominal cost - £100

### 13 Stock

	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Raw materials	0	1,723	-	-
Carpet stock	16,066	12,518	-	-
<b>Total</b>	<b>16,066</b>	<b>14,238</b>	<b>-</b>	<b>-</b>

# AFGHAN TRAINING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2009

### 14 Debtors

	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Trade debtors	4,524	4,316	3,400	-
Other debtors	-	550	14,533	550
Total	4,524	4,866	17,933	550

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

	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Trade creditors	1,664	5,991	100	100
Charity Bank loan	6,000	20,000	-	-
Other taxes and social security costs	361	170	-	-
Other creditors and accruals	35,416	36,607	605	2,007
Deferred income	9,164	4,470	9,164	1,500
Total	52,605	67,508	9,869	3,607

### 16 Deferred income

Deferred income comprises grants from City Parochial Foundation for the salary of the UK outreach officer and grant from Awards for all

### 17 Analysis of group net assets between funds

	General Fund £	Designated Fund £	Restricted Fund £	Total £
Tangible fixed assets	3,169	-	-	3,169
Cash at bank	29,368	-	-	29,368
Other net current liabilities	(32,015)	-	-	(32,015)
Total	522	-	-	522