
AFGHAN ACTION

Financial Report for the period from 1 May 2016 to 30 April 2017



REGISTERED NUMBER 05420647

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AFGHAN ACTION

[Starting Point, 16 Pickering Road, Barking, Essex IG11 8PG]

13 NORTON ROAD, ESSEX, RM10 8BP

AFGHAN ACTION

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR TO 30TH APRIL 2017

Trustees: No Change to report

Secretary: No Change to report

Chief Executive: Zainab Homam

Registered Office: ~~30 Church Road~~

~~Woburn Sands~~

~~Beds MK17 8TA~~

13 NORTON ROAD
DAGENHAM
ESSEX
RM10 8BP



Company Number: 05420647

Charity Number: 1111897

AFGHAN ACTION

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR TO 30TH APRIL 2017

This year, we are pleased to have reached out many Afghan communities across greater London who came to participate in about 8 of events in parks and closed venues. It was a great opportunity to speak to and involve volunteers and practitioners from other organisations taking part in Breaking Barriers project.

The project highlighted major issues and concerns that hinder integration and promotion of British values among Afghan people. Unemployment, training and language were identified, as well as sharing skills and experiences. We are delighted that many communities can now find ways to live and share their own culture with other communities who made greater London and UK their home.

We are very thankful to Award for All for making this possible. To move on, Afghan Action is now undergoing a plan to put the outcomes of the project into use by moving the location of its business to Starting Point Business Centre in the heart of Barking.

I would also like to thank Afghan Action members and volunteers for their immense support, and to the donors for their continued support.

Zainab Homam

Chief Executive Officer

Afghan Action



REGISTERED NUMBER 05420647

AFGHAN ACTION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR TO 30TH APRIL 2017

AFGHAN ACTION

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FOR THE YEAR TO 30TH APRIL 2017

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AFGHAN ACTION

TRUSTEES' REPORT

FOR THE YEAR TO 30TH APRIL 2017

Objectives and activities

The objectives of the charity are:

- To advance the education and training of the public, in particular amongst of Afghans descent resident in the UK, Afghanistan and including UK general public in areas where such services are needed. The Charity aims to provide education and vocational training facilities to improve their condition of life, and
- To relief 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. 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 2017 that total incoming resources fell considerably below expended resources by a deficit of £12,110, this was covered by a restricted Award for All grant amount brought forward from previous year to spend on Breaking Barriers project plus other charitable payments and transfers from restricted amounts also brought forward from previous year. In total £13,294.82 was brought from previous which paid off all expenses with a remaining balance of £1,185 carried forward to next period. However, the consolidated results show for the year ended April 2016 that total incoming resources exceeded expended resources by £8,190. The fall in the value of stock held for sale due to dampness resulted in increased cost of sales and reduced selling value below expected price, thereby producing a further loss, though falling, of £131, compared to £305 last year.

Risk management: The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity and its trading operations might face
- Identifying the procedures and systems used to mitigate these risks and to minimize potential impact on the charity

This work has identified possible risk of sustaining loss on sale of stock of carpets and rugs the company has at present. However, negotiations are going on with potential dealer to buy the bulk of stock.

Reserve Policy

The Trustees' objective is to build a level of reserves to make the charity self- sufficient.


Plans for future periods

The Trustees have agreed to give urgent consideration to the future viability of Afghan Action.

- 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 14th of May 2017, and signed on its behalf by:

Victoria Buyer - Walton

P.R. ENAL SOYER - TRUSTEE


AFGHAN ACTION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR TO 30TH APRIL 2017

	NOTES	UNRESTRICTED FUNDS £	RESTRICTED FUNDS £	2017 TOTAL	2016 TOTAL
INCOMING RESOURCES:					
INCOME FROM GENERATED FUNDS,					
VOLUNTARY INCOME:	(6)	1,214	0	1,214	1,440
DONATIONS			0	0	9,900
GRANTS – AWARDS FOR ALL ACTIVITIES FOR GENERATING FUNDS:					
TRADING OPERATIONS	(5)	3,854	0	3,854	8,820
OTHER INCOME		0	0	0	0
TOTAL INCOMING RESOURCES		5,068		5,068	20,160
RESOURCES EXPENDED:					
COST OF GENERATING FUNDS					
TRADING ACTIVITIES		131	0	131	80
CHARITABLE ACTIVITIES					
A4A PROJECT, TRAINING & TRAVELLING	(7)	13,193	0	13,193	6,800
UK FUNDRAISING & ADMIN (35+1275)		3,854	0	3,854	1,310
TOTAL RESOURCES EXPENDED		17,178		17,178	8,190
NET INCOMING /OUTGOING RESOURCES:					
GROSS TRANSFER BETWEEN FUNDS		(12,110)	0	(12,110)	11,970
NET MOVEMENT IN FUNDS DURING THE YEAR		0	0	0	0
	(9)	(12,110)	0	(12,110)	11,970
RECONCILIATION OF FUNDS:					
TOTAL FUNDS B/FORWARD		16,317	0	16,317	4,347
TOTAL FUNDS CARRIED FORWARD		4,207	0	4,207	16,317

AFGHAN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH APRIL 2016

	NOTES	COMBINED 2017 £	COMBINED 2016 £	CHARITY 2017 £	CHARITY 2016 £
<u>FIXED ASSETS</u>					
TANGIBLE FIXED ASSETS & INVESTMENTS	11-12	0	0	0	0
<u>CURRENT ASSETS</u>					
STOCK	(13)	2,586	2,717	2,586	2,717
DEBTORS		0	0	0	0
CASH AT BANK & IN HAND		1,185	13,295	1,185	13,295
		3,771	16,012	3,771	16,012
<u>CREDITORS</u>					
AMOUNTS FALLING DUE WITHIN 1 YESR	(14)	0	0	0	0
NET CURRENT ASSETS / (LIABILITIES)		3,771	16,012	3,771	16,012
FUNDS OF THE CHARITY					
RESTRICTED FUNDS	(15)	0	9,900	0	9,900
UNRESTRICTED FUNDS	(16)	4,207	6,417	4,207	6,417
TRADING PROFITS /(LOSSES)	(5)	(436)	(305)	(436)	(305)
TOTAL FUNDS C/FORWARD		3,771	16,012	3,771	16,012

Trustees' statements required by Section 475(2) of the companies' Act 2006 for the year ended 30th April 2016.


The company is entitled to exemption from audit under Section 477 of the companies' act 2006 for the year ended 30th April 2016. The members have not required the company to obtain an audit of its financial statements for the period ended 30th April 2017, in accordance with Section 476 of the companies Act 2006.

The Trustees acknowledge their responsibility 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 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 the financial statements, so far as applicable to the company.

The financial statements were approved by the board on the 13th April 2017 and signed on its behalf:

Victoria Buyer – Walton, Trustee

P.P. EROL SOYER - TRUSTEE


The notes form part of the financial statements

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30TH APRIL 2017

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 as set out below.

- b) Group / Combined Financial Statements** The financial statement consolidated the results of a trading activity based on selling stock of carpets that was owned by a subsidiary trading entity of the Charity that had been dissolved in 2014 – 2015. A separate statement of financial activities and income and expenditure account are not prepared for the charity itself, following the exemption offered 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 settlement, certainty of receipt and that 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 settlement.

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 recognised as earned (as the related goods and 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.

Where services are donated 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 supplied. Other grant payments are recognised when a constructive obligation arises, resulting in the payment being unavailable.

- Costs of granting funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that arise funds.
- Charitable activities include some expenditure on supporting Afghan grassroots communities who were previously trained to weave and tailor carpets as well as travelling related to charitable business of the company.
- Governance and administrative 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.

g) Tangible Fixed Assets

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

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

h) Stock

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

i) Future structure

The charity had until December 2016 to end of January 2017 one restricted income funds received from Award for All, where donor requires that donation must be spent on a particular purpose. All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note (17).

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30TH APRIL 2017

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 PART TRANSACTIONS

There were no outstanding balances with related parties as at 30th April 2016, (2015 £Nil).

The trustees were not paid or reimbursed expenses during the year and no trustees 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 the trading activities represented by selling of stock of carpets and rugs remaining in store from previous year.

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

	2017	2016
	£	£
GROSS INCOMING RESOURCES	5,068	20,160
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	(17,178)	(8,190)
NET INCOMING RESOURCES	(12,110)	11,970
TOTAL FUNDS B/FORWARD	16,317	4,347
TOTAL FUNDS C/FORWARD	4,207	16,317
REPRESENTED BY:		
RESTRICTED INCOME FUNDS	0	9,900
UNRESTRICTED INCOME FUNDS	4,207	6,417
	4,207	16,317

The notes form part of the financial statements

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30TH APRIL 2017

5 Incoming resources from activities for generating funds

The charity has stock of rugs and carpets for sale at cost price. However, as most of the stock has suffered damage due to dampness, the expected drop in cost had increased the cost of sales which also led to increased loss to £305. The charity is planning to spend an equivalent amount to repair the damage to reverse the loss to at least break even. In this year there was a further loss on sale of carpet, but lower than previous.

A summary of the trading results of stock in trade is shown below:

	2017 £	2016 £
SALES	3,854	8,820
COST OF SALES	(131)	(745)
ADMIN COST AND Welfare & Training expenses	(3854)	(8,380)
NET PROFIT / (LOSS)	(131)	(305)

6 VOLUNTARY INCOME

Donations from individuals making charitable gifts were received during the year in addition to grants from charitable trusts. A summary of voluntary income is shown below:

	2017 £	2016 £
Donations	1,214	1,440
Grants from charitable Trusts – Awards for All	0	9,900
Sponsorships	0	0
Total	1,214	11,340

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 weaving workshop in Kabul and the provision for health cover.

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

The notes form part of the financial statements.

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30TH APRIL 2017

8 MOVEMENT IN TOTAL FUNDS FOR THE YEAR

	2017 £	2016 £
<i>This is stated after charging</i>		
<i>Depreciation</i>	0	0

9 TRANSFERS BETWEEN FUNDS

Nothing, (2015 £Nil) was transferred from the restricted funds to unrestricted funds to pay for the charitable and non- charitable activities this year. However, in 2016 /2017, there was transfers of £2,848 from unrestricted funds to restricted funds to make up for the shortfall in the funds required to meet expenditure on Breaking Barriers project funded by Awards4 All.

10 TAXATION

The company is a registered charity and no provision is considered necessary for taxation. No provision for corporation taxes is required as the company has brought forward tax losses to offset any charge to taxation.

11 & 12 Tangible fixed Assets – group only

The company owns no fixed assets since the end of 2014 and 2015. It had an investment in Afghan Trading company Ltd, that was brought to an end last year.

The notes form part of the financial statements.

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR TO 30th APRIL 2016

13 STOCK

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
<i>Carpet Stock</i>	2,586	2,717	2,586	2,717
	2,586	2,717	2,586	2,717

14 Creditors: Amounts falling due within one year and deferred income

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
<i>Trade Creditors</i>	0	0	0	0
<i>Other Taxes and social security costs</i>	0	0	0	0
<i>Other creditors and accruals</i>	0	0	0	0
<i>Deferred</i>	0	0	0	0
<i>Total</i>	0	0	0	0

16- 17 Analysis of group net assets between funds

	General Fund £	Designated Fund £	Restricted Fund £	Total £
<i>Stock</i>	2,586	0	0	2,586
<i>Cash at bank</i>	1,185	0	0	1,185
<i>Other net current assets</i>	0	0	0	0
<i>Total</i>	3,771			3,771

This report was approved by the Trustees' on the 14th of May 2017, and signed on its behalf by:

Victoria Buyer - Walton

J.P. EROL SOYLER - TRUSTEE
[Signature]