

**REGISTERED NUMBER 05420647**

**AFGHAN ACTION**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

**SATURDAY**



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**01/02/2020**

**#317**

**COMPANIES HOUSE**

*2019-2020 Signed*

**AFGHAN ACTION**

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FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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## **AFGHAN ACTION**

### **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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<b>TRUSTEES:</b>	Kaukaba Sayeda Homam (appointed 21.09.2016) Victoria Buyer-Walton (appointed 30.04.2015) Ahmad Samim Faizi (appointed 30.05.2018) Erol Soyer (appointed 30.04.2015 – resigned 30.05.2018)
<b>SECRETARY:</b> 31.05.2018)	Elrayah Hammad Kakki (appointed 08.05.2016 – resigned 31.05.2018)
<b>CHIEF EXECUTIVE :</b>	Zainab Homam (appointed 01.05.14)
<b>REGISTERED OFFICE:</b>	13 Norton Road Essex RM10 8BP
<b>COMPANY NUMBER:</b>	05420647
<b>CHARITY NUMBER:</b>	1111897

## **AFGHAN ACTION**

### **CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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Afghan Action continued its operations at a significantly lower level than previous years. The main reason has continued to be the lack of resources and the lack of funding. Despite challenges, the charity remained to be the first point of contact within its network of charities and sponsors both in the UK and in Afghanistan.

Our beneficiary training centre has remained closed in its third year. However, our outreach work had remained active both in the UK and in Afghanistan. Afghan Action has actively taken part in Geneva Conference on Afghanistan 2018 and has established relationship with Afghanistan government through its London Embassy and other network groups. Furthermore, as BAAG's active member, we have remained engaged with our quarterly meeting with the British government through the Group Contact Meeting facilitated by BAAG and hosted by the government's key representatives.

In 2018, Kaye Homam generously sponsored a fundraising event in the hopes of both reaching out to Afghan communities and fundraising. The entertainers were invited from Germany and the US, who amazed the attendees by singing both in Russian and Persian. We may not have been lucky in raising any funds. However, we did manage to showcase the beauty of two different cultures who had a shared history. Lessons learned from the event were to have aimed and invited attendees from other communities and not just the Afghans. Regardless, we remain thankful to Homam Foundation Trust for their kind and generous support.

To extend our wings further and to have displayed our beneficiaries' hard-earned work, in 2019 with the help and support of family members in Toronto and through the "Buy Good, Feel Good". The displayed items were a couple of rugs previously bought by supporters in Toronto.

The damages saddened us to our remaining stock due to extreme dampness in the storage in central London. After having done much research, the cost of repairing our rugs were higher than the actual price tags. Our hard but possibly best decision at the time was to sell the rugs as damaged items. We were lucky to have found a North London based Rug retailer who bulk bought the rugs from us and who also took care of the logistics.

## **AFGHAN ACTION**

### **CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

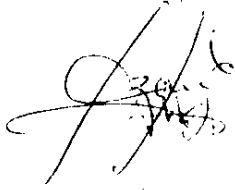
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Moving forward, Afghan Action continues to provide support by further collaborating and engaging with similar INGO's, businesses and the government both in the UK and in Afghanistan. We remain hopeful that through our commitment and dedication, we continue supporting humankind and making a significant impact.

Afghan Action remains thankful to its numerous supporters for their continued donations and support. We look forward to a peaceful and prosperous 2020.

**Zainab Homam**

**Chief Executive Officer - Afghan Action UK**

A handwritten signature in black ink, appearing to be 'Zainab Homam', written over a faint circular stamp or watermark.

## **AFGHAN ACTION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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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 2019.

#### **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:

Zainab Homam (appointed 01.05.14)  
Kaye Homam (appointed 21.09.2016)  
Ahmad Samim Faizi (appointed 30.05.2018)  
Victoria Buyer-Walton (appointed 30.04.2015)  
Erol Soyer (resigned 30.05.2018)

#### **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 2019**

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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 2019, that resources expended did not exceed incoming resources. In the prior year 2017/18, resources expended exceeded incoming resources by £4,700.

#### **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 may face.
- The establishment of systems and procedures to mitigate those risks identified and the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

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

#### **Reserves policy**

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

**AFGHAN ACTION**

**TRUSTEES' REPORT  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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**Plans for future periods**


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

**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 29/01/2020 and signed on its behalf by:

[Insert Signatory]



**Ahmad Samim Faizi**



**AFGHAN ACTION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income:					
Grants & Donations	6	342	0	342	3,715
Other income		5,275	0	5,275	3,500
Total incoming resources		5,617	0	5,617	7,215
<b>RESOURCES EXPENDED</b>					
Cost of generating funds:					
Charitable activities					
Afghan welfare & training	7	0	-	0	1,000
UK fundraising & admin	7	2,034	-	2,034	1,565
Total resources expended		2,034	-	2,034	2,565
Net incoming / (outgoing) resources		3,583	-	3,583	(7,308)
Gross transfers between funds	9	-	-	-	-
Net movement of funds in year		3,583	-	3,583	(7,308)
Reconciliation of funds					
Total funds brought forward		4,566	-	4,566	11,655
Total funds carried forward		8,149	-	8,149	4,347

The notes form part of the financial statements.

**AFGHAN ACTION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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**Trustees' statements required by Section 475(2) of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2019.**

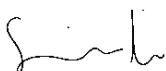
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2019. The members have not required the company to obtain an audit of its financial statements for the period ended 30<sup>th</sup> April 2019 in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and
- (b) 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 29/01/2020 and signed on its behalf by:

[Insert Signatory]



**Ahmad Samim Faizi**

The notes form part of the financial statements

## **AFGHAN ACTION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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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 Trading Ltd 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.

The notes form part of the financial statements.

**AFGHAN ACTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019**

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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 supplied. Other grant payments are recognised when a constructive obligation arises, resulting 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/tailors 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.

**g) 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

**h) Stock.**

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

The notes form part of the financial statements.

**AFGHAN ACTION****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2019****6 Voluntary income**

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

	2019 £	2018 £
Donations	342	3,715
Sponsorships	-	-
Linda Norgrove Foundation	-	-
Clothworkers	-	-
<b>Total</b>	<b>342</b>	<b>3,715</b>

**7 Analysis of charitable expenditure**

The charity undertakes direct charitable activities only and does not make grant payments. The three main charitable activities are:

**Conferences:**

Afghan Action was highly engaged as an INGO in representing youth and women in the conferences and events in the run up to conferences and or other events for which the charity was responsible for majority of its costs. In many cases Kaye Homam has generously funded our flights and accommodation which Afghan Action could not have afforded otherwise.

**Collaboration:**

The team has met or hosted meetings with other charities in discussing joint work and or projects. As aforementioned, once again it was only possible with the cost of venue and food paid by Kaye Homam that we managed hosting such an event. Afghan Action covered the remaining costs.

**Networking:**

Afghan Action has continued networking with both the British and Afghan communities through events hosted by the embassy and or its counterparts.

**PR and Marketing:**

Afghan Action used other online platforms in keeping itself visible, this includes membership fees and other cost associated with it.

The notes form part of the financial statements.