

REGISTERED NUMBER 05420647

AFGHAN ACTION

(A company limited by guarantee)

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR TO 30TH APRIL 2020

AFGHAN ACTION



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30TH APRIL 2020**

	Page
Legal and administrative information	2
Chief Executive's report	3 to 4
Trustees' report	5 to 7
Statement of financial activities	8 to 9
Notes to the Financial Statements	10 to 12

TRUSTEES: Kaukaba Sayeda Homam (appointed 21.09.2016)
Victoria Buyer-Walton (appointed 30.04.2015)
Samim Ahmad Faizy (appointed 30.05.2018)
Erol Soyer (appointed 30.04.2015 – resigned 30.05.2018)

SECRETARY: Farida Adjerit Doukha (appointed 08.01.2020)

CHIEF EXECUTIVE: Zainab Homam (appointed 01.05.14)

REGISTERED OFFICE:
13 Norton Road
Essex
RM10 8BP

COMPANY NUMBER: 05420647

CHARITY NUMBER: 1111897

Afghan Action has now served for 15 years and the last 5 years have been the years of turbulence due to lack of resources, lack of security in Afghanistan as well as donors' funding strategies for Afghanistan. With very little resources we have remained committed in reaching out to partners and have maintained our connections within government and non-government organisations.

Afghan Action has actively taken part in two European Conferences in Vienna and Copenhagen in November and December 2019, in addition, to other networking activities throughout United Kingdom. Furthermore, as BAAG's active member, we have remained engaged with our quarterly meeting with the British government facilitated by BAAG.

Further highlights of this year were working with 35 UK charities and raising money towards Covid19 Emergency Relief where Afghan Action responded by raising money on Just Giving platform.

Given the circumstances both in Afghanistan and globally, the team is in the process of having discussion with other interested parties and the outcome of which might determine Afghan Action's future. Afghan Action remains thankful to its numerous supporters for their continued donations and support.

We look forward to a peaceful and prosperous 2021


Zainab Homam – CEO

Zainab Homam

Chief Executive Officer - Afghan Action UK

Page 4

AFGHAN ACTION

**TRUSTEES' REPORT
FOR THE YEAR TO 30TH APRIL 2020**

The trustees are pleased to present their report together with the financial statements of the charity for the year ending 30th April 2020.

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)
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 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.

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 programme 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 2020, that resources expended did exceed incoming resources by £2,937.17. In the prior year 2018/19, resources expended did not exceed incoming resources.

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.

Page 6

AFGHAN ACTION

**TRUSTEES' REPORT
FOR THE YEAR TO 30TH APRIL 2020**

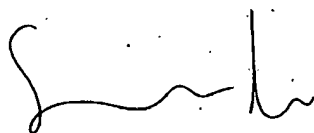
Plans for future periods

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 15/02/2021 and signed on its behalf by:



Samim Ahmad Faizy

Page 7

AFGHAN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR TO 30TH APRIL 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
INCOMING RESOURCES					
Incoming resources from generated funds:					

Voluntary income:					
Grants & Donations	6	532	0	532	342
Other income		200	0	200	5,275
Total incoming resources		732	0	732	5,617
RESOURCES EXPENDED					
Cost of generating funds:					
Charitable activities					
Afghan welfare & training	7	561	-	561	0
UK fundraising & admin	7	3,108	-	3,108	2,034
Total resources expended		3,669	-	3,669	2,034
Net incoming / (outgoing) resources		(2,937)	-	(2,937)	3,583
Gross transfers between funds	9	-	-	-	-
Net movement of funds in year		(2,937)	-	(2,937)	3,583
Reconciliation of funds					
Total funds brought forward		8,149	-	8,149	4,566
Total funds carried forward		5,212	-	5,212	8,149

The notes form part of the financial statements:

Page 8

AFGHAN ACTION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR TO 30TH APRIL 2020

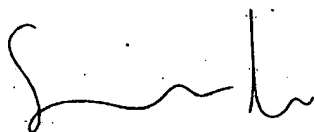
Trustees' statements required by Section 475(2) of the Companies Act 2006 for the year ended 30th April 2020.

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th April 2020. The members have not required the company to obtain an audit of its financial statements for the period ended 30th April 2020 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:



Samim Ahmad Faizy

The notes form part of the financial statements

Page 9

AFGHAN ACTION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 30TH APRIL 2020**

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.

Page 10

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2020

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.

Page 11

AFGHAN ACTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30TH APRIL 2020

6 Voluntary income

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

	2020 £	2019 £
Donations	532	342
Sponsorships	-	-
Linda Norgrove Foundation	-	-
Clothworkers	-	-
Total	532	342

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.