

**REGISTERED NUMBER 05420647**

**AFGHAN ACTION**

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**



**AFGHAN ACTION**

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FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**

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## **AFGHAN ACTION**

### **LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**

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**TRUSTEES:**                      Kaukaba Sayeda Homam (appointed 21.09.2016)  
   Samim Ahmad Faizy (appointed 30.05.2018)  
   Victoria Buyer-Walton (appointed 30.04.2015 – resigned  
   16.04.2019 )  
   Erol Soyer (appointed 30.04.2015 – resigned 30.05.2018)

**SECRETARY:**                      Farida Adjertit 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**

### **CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**

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Afghan Action was involved in collaboration with various organisations and ministries to support better education in Afghanistan. This was purely because we were being contacted by international partners within the education sector. Unfortunately, given the most challenging times in the year, it was impossible to go beyond our planning stage. Following are a few of the projects that AA would have successfully executed had it not been for COVID and political unrest.

- "Great Place to Learn": This was an education initiative in collaboration with MoE of Afghanistan during his official trip to London. This project would have focused on building relationships between schools and parents across Kabul. Unfortunately, soon after MoE returned to Kabul, he was no longer a minister.

- Program Proposal to DFID: AA submitted a proposal to DFID in the call for the campaign on Covid-19. Sadly, the application wasn't successful.

- AA collaborated with a Malaysian-based organisation called SAEBD, exploring opportunities and working on projects such as international book donation, agriculture, and education. But unfortunately, due to increased restrictions and political unrest, we had to call it off after six months of relentless efforts.

- A fantastic training and education opportunity with the MoE of Maldives was suspended due to Covid-19 restrictions

Other main involvements for 2020/2021 included our continued CGM with the UK government facilitated by BAAG; engaging with organisations across Scotland in collaboration with Glasgow Afghan; Quarterly meeting with AWSF hosted by Baroness Hodgson of Abinger; Establishment of an education platform in Kabul, Khair Khana in collaboration with various charities in efforts to provide after school support to the youth.

Afghan Action remains thankful to its numerous supporters for their continued donations and support.

We look forward to a COVID-19 free year ahead.

**Zainab Homam – CEO**

## **AFGHAN ACTION**

### **CHIEF EXECUTIVE'S REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**

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**Zainab Homam**

**Chief Executive Officer - Afghan Action UK**

## **AFGHAN ACTION**

### **TRUSTEES' REPORT FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**

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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 2021..

#### **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)

Samim Ahmad Faizy (appointed 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 2021**

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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 2021, that resources expended did exceed incoming resources by £428.51. In the prior year 2019/20, resources expended did exceed incoming resources by £2937.17.

#### **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 2021**

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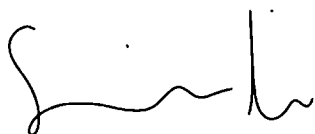
#### **Plans for future periods**

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 18/01/2022 and signed on its behalf by:



**Samim Ahmad Faizy**



**AFGHAN ACTION****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income:					
Grants & Donations	6	375	0	375	532
Other income		967	0	967	200
Total incoming resources		1,342	0	1,342	732
<b>RESOURCES EXPENDED</b>					
Cost of generating funds:					
Charitable activities					
Afghan welfare & training	7	286	-	286	561
UK fundraising & admin	7	1,484	-	1,484	3,108
Total resources expended		1,770	-	1,770	3,669
Net incoming / (outgoing) resources		(428)	-	(428)	(2,937)
Gross transfers between funds	9	-	-	-	-
Net movement of funds in year		(428)	-	(428)	(2,937)
Reconciliation of funds					
Total funds brought forward		5,212	-	5,212	8,149
Total funds carried forward		4,784	-	4,784	5,212

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 2021**

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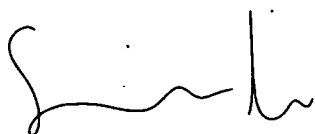
**Trustees' statements required by Section 475(2) of the Companies Act 2006 for the year ended 30<sup>th</sup> April 2021.**

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 2021. The members have not required the company to obtain an audit of its financial statements for the period ended 30<sup>th</sup> April 2021 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 18/01/2021 and signed on its behalf by:



**Samim Ahmad Faizy**

The notes form part of the financial statements

## AFGHAN ACTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30<sup>TH</sup> APRIL 2021

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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 2021**

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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 2021

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#### 6 Voluntary income

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

	2021 £	2020 £
Donations	375	532
Sponsorships	-	-
Linda Norgrove Foundation	-	-
Clothworkers	-	-
Total	375	532

#### 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.