

REGISTERED CHARITY NUMBER 1132340

REGISTERED COMPANY NUMBER 07032339

AFGHAN HEROES

GROUP REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2015

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AFGHAN HEROES

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AFGHAN HEROES

INTERIM MANAGER'S REPORT

The Interim Manager of the charity presents herewith his report together with the financial statements of the charity for the year ended 31 December 2015.

The Interim Manager is unable to provide a full commentary on the charity's activities and financial performance as a result of the ongoing Charity Commission investigation which was opened on 22 November 2013 (please refer to the Objectives, Activities, Achievements and Performance section below for further information).

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Registered Charity Name:	Afghan Heroes
Charity Registration Number:	1132340
Company Registration Number:	07032339
Principal & Registered Office:	Acre House 11-15 William Road London NW1 3ER
Independent Examiner:	Scrutton Bland Fitzroy House Crown Street Ipswich IP1 3LG

The Trustees

The trustees who served during the year under review were as follows:

Mrs D Harris (Appointment as a trustee terminated on 24 February 2015)
Mr A Harris (Appointment as a trustee terminated on 24 February 2015)

Brian Johnson, Partner at HW Fisher and Company, Acre House, 11-15 William Road, London NW1 3ER was appointed Interim Manager of the charity by Order of the Charity Commission effective 11:00am on 5 February 2014.

Whilst Mrs D Harris and Mr A Harris remained in office as trustees until the termination of their appointments on 24 February 2015, the appointment of the Interim Manager was to their exclusion. As a result, they were excluded from exercising their powers as charity trustees following the Charity Commission Order.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is a company limited by guarantee which was incorporated on 28 September 2009. It is governed by a Memorandum and Articles of Association ('the governing document'), which was amended on 22 October 2009 and 10 June 2010.

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INTERIM MANAGER'S REPORT

The governing document provides for a Council of Management which is responsible for the management and administration of the charity. The charity's governing document acknowledges, for the purposes of the Charities Act and charity law that those persons serving on its Council of Management are considered to be charity trustees. Those persons are also directors for the purposes of the Companies Act 2006 and company law. They are referred to in this annual report as 'trustees'.

Notwithstanding the existence of the governing document, as a result of the appointment of Brian Johnson as Interim Manager to the exclusion of the trustees, the charity has been under the Interim Manager's sole control since 5 February 2014.

The charity had three wholly owned subsidiaries during this financial period:

True Heroes Retreat Limited
True Heroes Limited
The Smuggled Retreat Limited

True Heroes Limited and The Smuggled Retreat Limited were dissolved by the Registrar of Companies on 17 February 2015 and 10 February 2015 respectively. True Heroes Retreat Limited was therefore the only subsidiary of the Company as at 31 December 2015.

A specialist manager was appointed director of True Heroes Retreat Limited on 18 February 2014, to trade the business of the subsidiary following the appointment of the Interim Manager. Mr A Harris and Mrs D Harris resigned as directors of True Heroes Retreat Limited on 18 February 2014.

Appointment, rotation and re-election of trustees

The Council of Management has the power to appoint trustees, under Article 42 of the charity's governing document.

The governing document requires the charity to hold an Annual General Meeting and for one third of the trustees (holding the longest service in office) to retire and if willing stand for re-election.

As a result of, and following, the Charity Commission's order dated 4 February 2014 appointing Brian Johnson as Interim Manager, no appointment or re-election of trustees has occurred in this financial period.

The appointments of Mr A Harris and Mrs D Harris as trustees were terminated on 24 February 2015.

Induction and training of new trustees

No appointment or re-election of trustees has occurred in this financial period, as a result of, and following the Charity Commission's order dated 4 February 2014.

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INTERIM MANAGER'S REPORT

Risk Management

The Interim Manager has paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake and has ensured that systems and procedures to assess and manage the major risks facing the charity for the period have been in place.

OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

In late 2012, True Heroes Retreat Limited, utilising funds advanced by the charity, purchased the lease and goodwill of a public house in Ashcott, Somerset, which became known as the Retreat. Further funds were utilised in 2013 to renovate the property and the residential area was converted into a facility capable of housing five service veterans and a mentor.

The first veteran was admitted as a resident beneficiary in March 2013. By the end of the year there were five veterans and a mentor resident at the Retreat.

In June 2013 the charity and The Smuggled Retreat Limited, a former subsidiary of the charity now dissolved, entered into an arrangement to replicate the Retreat model in a public house near Minehead.

The Charity Commission contacted the charity in September 2013, raising certain concerns about the operation of the charity. It met with the trustees in October 2013, who were unable to allay the Charity Commission's concerns. As a result, on 22 November 2013, the Charity Commission opened a statutory inquiry into the charity.

Around this time the charity and The Smuggled Retreat Limited withdrew from its arrangement with the landlord of the public house near Minehead.

As part of the inquiry, on 12 December 2013, the Charity Commission used its legal powers to restrict the bank accounts of the charity and its trading subsidiaries. The restrictions required the trustees to obtain the prior consent of the Charity Commission before payments could be made from the accounts or property could be disposed of.

Three of the charity's five trustees resigned on 20 December 2013. In addition, a patron of the charity, Dr Liam Fox, also resigned in December 2013.

Following the appointment of Brian Johnson as Interim Manager to the exclusion of the trustees, the charity has been under the Interim Manager's sole control since 5 February 2014.

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INTERIM MANAGER'S REPORT

True Heroes Retreat Limited historically traded at a significant loss but the new director was able to reduce the trading loss. The Retreat continued to trade whilst efforts were made to find alternative accommodation and support for the beneficiaries and in order to facilitate the marketing and sale of the Retreat as a going concern.

The beneficiaries were introduced to other professional support organisations and have moved on. A sale of the Retreat was completed on 25 March 2015 and the affairs of the subsidiary are currently being finalised.

During the financial year the Interim Manager has continued to investigate the affairs of Afghan Heroes, defray its outstanding liabilities and seek to realise the assets of the charity. All fixed assets of Afghan Heroes have now been realised with True Heroes Retreat Limited having discontinued during the year.

During the year ended 31 December 2012, the charity entered into a relationship with Prize Promotions Limited ("PPL"), a professional fundraiser. Following a review into the contractual relationship between the charity and PPL and the discovery of certain deficiencies, a claim against PPL was submitted by the Interim Manager shortly prior to PPL entering into administration on 6 January 2015.

Following protracted correspondence with the administrator, who had previously proposed a dissolution of the company, a petition to wind up PPL was presented by the administrator on 16 December 2015 and PPL was placed into compulsory liquidation with effect from 18 December 2015. On 4 February 2016, Richard Toone and Kevin Murphy of CVR Global LLP were appointed Joint Liquidators of PPL by the Secretary of State, following a request made by the Interim Manager and supported by HM Revenue & Customs. The Interim Manager continues to monitor the progress of the liquidation of PPL. The prospect of any recovery from the PPL liquidation is currently uncertain.

The Interim Manager continues to manage the affairs of the charity.

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INTERIM MANAGER'S REPORT

FINANCIAL REVIEW

Summary

During the year under review the charity together with its subsidiaries ('the charitable group') earned income of £54,567 (2014: £281,165). From the income earned, the charitable group spent £370 (2014: £39,284) on charitable activities and incurred other costs of £68,787 (2014: £515,466). Further details concerning income and expenditure are provided in designated sections below.

The charitable group recorded a deficit in the year of £14,590 (2014: £273,585). As at 31 December 2015 the charitable group's total reserves were £5,198 (2014: £19,788) and its cash reserves totalled £10,072 (2014: £28,477).

The charity recorded a deficit in the year of £10,617 (2014: £291,600). As at 31 December 2015 the charity's total reserves were £4,839 (2014: £15,456) and its cash reserves totalled £9,969 (2014: £15,453).

Of the charitable group's total income of £54,567, £2,000 related specifically to the charity's activities. The balance of the charitable group's income relates to the trading activities of the charity's subsidiary.

Of the charity's income of £2,000 (2014: £4,242), £2,000 (2014: £nil) related to the sale of assets for discontinued operations.

Costs

The charitable group's total costs (excluding charitable expenditure) during the year under review were £68,787 (2014: £515,466). The charity's total costs (excluding charitable expenditure) in the year under review were £12,167 (2014: £131,590). All other costs related to the activities of the charity's subsidiary.

The charitable group's total costs include adjustments for balances no longer considered due by the charity following review during the year of £44,123 (2014: £21,329).

The charity's governance costs in the year were £14,196 (2014: £92,000).

Loans to subsidiaries

The charity has lent significant funds to its subsidiaries on an unsecured basis. The balance due to the charity from True Heroes Retreat Limited at 31 December 2015 totalled £280,496 and it is not anticipated that the charity will make any recovery of the outstanding balance.

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INTERIM MANAGER'S REPORT

Reserves Policy

The policy in the period under review was to hold sufficient reserves in cash to enable the charity to meet its financial and statutory obligations.

Financial Outlook

As detailed in this report the operations of the charity have now been wound down. The operation of the subsidiary, True Heroes Retreat Limited, has been sold and the company is being wound up.

Once the claim against PPL, any further potential claims and the statutory inquiry into the affairs of the charity has been concluded, it is envisaged that steps will be taken to wind up the charity.

Basis of the Presentation of these Financial Statements

These financial statements have been prepared on the basis of the charity's operations being wound down and its divestment of its commercial ventures.

The financial statements that follow the independent examiner's report have been prepared under the instructions of the Interim Manager using the records of the charity available to him.

THE FUTURE OF THE CHARITY

Shortly after appointment, the Interim Manager requested that all fundraising efforts be suspended and that suspension remains in place.

The former beneficiaries of the charity that were resident at the public house operated by True Heroes Retreat Limited have all been relocated. They were all introduced to other professional support organisations and charities that are available to provide support to the former beneficiaries as required.

The Interim Manager has wound down the operations of the charity and once the claim against PPL, any further potential claims and the statutory inquiry has been concluded, it is envisaged that the charity will be wound up.

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INTERIM MANAGER'S REPORT

STATEMENT OF INTERIM MANAGER'S RESPONSIBILITIES

The Interim Manager is responsible for preparing his report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Interim Manager was required to:

- a) select suitable accounting policies and apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Interim Manager confirms that so far as he is aware, there is no relevant information of which the charitable company's independent examiner is unaware. He has taken all the steps that he ought to have taken in order to make himself aware of any relevant information and to establish that the independent examiner is aware of that information.

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INTERIM MANAGER'S REPORT

The Interim Manager is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report has been prepared in accordance with the provisions applicable to the small companies' regime.

Signed



BRIAN JOHNSON
INTERIM MANAGER

Approved on: 29/9/16

INDEPENDENT EXAMINER'S REPORT TO THE INTERIM MANAGER OF AFGHAN HEROES

Independent Examiner's Report to the Interim Manager of Afghan Heroes

I report on the financial statements of the company for the year ended 31 December 2015 as set out on pages 11 to 27.

This report is made solely to the charity's Interim Manager, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Interim Manager those matters I am required to state to the Interim Manager in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Interim Manager, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of the Interim Manager and examiner

The charity's Interim Manager is responsible for the preparation of financial statements. The Interim Manager considers that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the '2011 Act') and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Association of Chartered Certified Accountants.

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 financial statements under Section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state where 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from you as Interim Manager 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

INDEPENDENT EXAMINER'S REPORT TO THE INTERIM MANAGER OF AFGHAN HEROES

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

a) 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 financial statements which accord with the accounting records and to comply with the accounting requirements of the 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

b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Name: Mrs S S Gravener FCCA

SCRUTTON BLAND
Chartered Accountants
Fitzroy House
Crown House
Ipswich
IP1 3LG

Date: 29 September 2016

AFGHAN HEROES

GROUP STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING GROUP INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds 2015 £	Total funds 2014 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2	326	4,836
Other trading activities:			
Charitable trading income	3		163
Bar income	3	52,241	276,095
Investment income	4		71
Other income		2,000	
Total income and endowments		54,567	281,165
EXPENDITURE ON:			
Raising funds	5	(50,586)	39,590
Bar running costs	6	74,095	355,370
Charitable activities			
Charitable expenditure		370	7,114
Costs of supporting beneficiaries			31,990
Grants to individuals and organisations			180
Governance costs	7	45,278	120,506
Total expenditure		69,157	554,750
Net income / expenditure		(14,590)	(273,585)
Reconciliation of funds			
Total funds brought forward		19,788	293,373
Total funds carried forward		5,198	19,788

The subsidiaries, The Smuggled Retreat Limited and True Heroes Limited, were dissolved during the year and their operations ceased prior to the year ending 31 December 2015.

The subsidiary True Heroes Retreat Limited ceased its operations prior to the year end.

The statement of financial activities includes all gains and losses recognised in the year.

The charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities.

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GROUP BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	12		44,345
Intangible fixed assets	13		6,999
Investments	14		
			51,344
Current assets			
Stocks	15		8,250
Debtors	16	257	
Cash at bank and in hand		10,072	28,477
		10,329	36,727
Creditors: amounts falling due within one year	17	(5,131)	(68,283)
Net current assets/(liabilities)		5,198	(31,556)
Total assets less current liabilities		5,198	19,788
Net assets		5,198	19,788
Funds	18		
Unrestricted funds:			
Other charitable funds (prior to provision against subsidiary loan)		5,198	19,788
Losses incurred by subsidiaries			
		5,198	19,788

AFGHAN HEROES

GROUP BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2015

The accounts (financial statements) have been prepared in accordance with Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011 and applicable regulations.

For the year ending 31 December 2015, the group was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on 29/9/16.

by: 

**BRIAN JOHNSON
INTERIM MANAGER**

AFGHAN HEROES

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	12	-	-
Investments	14	1	3
		<u>1</u>	<u>3</u>
Current assets			
Stocks		-	-
Debtors	15	-	-
Cash at bank and in hand		9,969	15,453
		<u>9,969</u>	<u>15,453</u>
Creditors: amounts falling due within one year	16	(5,131)	-
Net current assets		<u>4,838</u>	<u>-</u>
Total assets less current liabilities		<u>4,839</u>	<u>15,456</u>
Net assets		<u>4,839</u>	<u>15,456</u>
Funds	18		
Unrestricted funds:		<u>4,839</u>	<u>15,456</u>

The accounts (financial statements) have been prepared in accordance with Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011 and applicable regulations.

For the year ending 31 December 2015, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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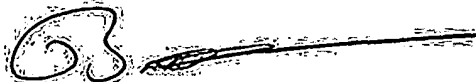
AFGHAN HEROES

COMPANY BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2015

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on 29/9/16

by:



Brian Johnson
Interim Manager

Company registration number: 07032339

Charity registration number: 1132340

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Basis of accounting

The accounts (financial statements) have been prepared in accordance with Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011 and applicable regulations.

Consolidation

The consolidated financial statements incorporate the financial statements of the charity and all group undertakings. The results of the subsidiary undertakings are consolidated on a line by line basis. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Going concern

The financial statements have been prepared on the basis that the subsidiary companies have/will cease trading and the charity has ceased fundraising operations. The future of the charity is not yet decided and it may be wound up within 12 months. The charity has sufficient cash reserves to enable it to achieve this.

Income and endowments

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

Expenditure

Liabilities are recognised as expenditure once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measure reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance cost, are allocated to the one charitable activity in the statement of financial activities.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. The subsidiary company has ceased trading and the charity has ceased fundraising operations governance costs are therefore not allocated to separate charitable activities.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

1 Accounting policies – (continued)

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2012, is being amortised evenly over its estimate useful life of ten years.

Fixed assets

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected lives on the following basis:

Short leasehold	- 20% on cost
Equipment	- 25% on reducing balance and 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Fixed assets with a value below £100 are not capitalised.

Investments

Investments are stated at cost less provision for any diminution in value.

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Taxation

Afghan Heroes is a charity within the meaning of the Charities Act 2011 and as such is a charity within the meaning of Part 11, Corporation Tax Act 2010. Accordingly, Afghan Heroes is potentially exempt from taxation in respect of income or gains received within categories covered by Part 11, Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

The subsidiary undertakings are companies as defined under the Companies Act 2006 and therefore do not receive exemption from taxation. The subsidiaries do not provide for deferred taxation on short term timing differences on the basis that the companies' profitability is difficult to foresee.

Irrecoverable VAT

Irrecoverable VAT is included in the Statements of Financial Activities within the expenditure to which it relates.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

1 Accounting policies – (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. All funds are unrestricted.

Comparatives

All comparatives are unrestricted.

Stock

Stock is valued at the lower of costs and net realisable value.

2 Donations and legacies

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Donations	326	4,836	-	4,008
Gift Aid	-	-	-	-
	<u>326</u>	<u>4,836</u>	<u>-</u>	<u>4,008</u>

3 Other trading activities

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Trading income	-	163	-	163
Bar income	52,241	276,095	-	-
	<u>52,241</u>	<u>276,258</u>	<u>-</u>	<u>163</u>

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

4 Investment income

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Investment income	-	71	-	71

5 Expenditure on: raising funds

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Opening stock	-	1,250	-	1,250
Purchases	-	-	-	-
Closing stock	-	-	-	-
Support costs (see note 8)	(50,586)	38,340	3,551	38,340
	(50,586)	39,590	3,551	39,590

6 Bar running costs

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Staff wages	31,451	131,306	-	-
Purchases	23,069	108,106	-	-
Repairs & maintenance	1,139	11,255	-	-
Other direct costs	1,058	13,605	-	-
Advertising & PR	313	2,970	-	-
Rent, rates & storage	5,652	38,648	-	-
Insurance	510	5,008	-	-
Light & heat	5,204	23,290	-	-
Postage, stationery & sundries	705	2,845	-	-
Travel & subsistence	2,591	8,237	-	-
Professional fees	350	-	-	-
Depreciation & impairment	-	781	-	-
Amortisation	-	1,000	-	-
Bank charges	2,053	4,609	-	-
Donations	-	5,017	-	-
Gain on sale of tangible fixed assets	-	-	-	-
Agent/Valuer costs	-	-	-	-
Irrecoverable VAT	-	-	-	-
Loss on disposal of investments	-	-	-	-
Adjustment for balance not due	-	(1,307)	-	-
Provision for doubtful debt	-	-	-	-
	74,095	355,370	-	-

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

7 Governance costs

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Accountancy	9,046	9,241	7,450	8,924
Legal fees	18,259	33,154	6,746	31,454
Management fees	17,973	67,330	-	40,841
Interim manager's expenses	-	4,931	-	4,931
Wind-down costs	-	5,850	-	5,850
	<u>45,278</u>	<u>120,506</u>	<u>14,196</u>	<u>92,000</u>

The subsidiary company has ceased trading and the charity has ceased fundraising operations. Governance costs are therefore not allocated to specific charitable activities.

8 Support costs

	Management £	Finance £	Other £	Total £
Costs of generating income				
Raising funds	1,563	26	(52,175)	(50,586)
	<u>1,563</u>	<u>26</u>	<u>(52,175)</u>	<u>(50,586)</u>

Basis of allocation of support costs

Support costs are allocated to each activity on the basis of resources expended.

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NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

9 Net incoming resources on ordinary activities

Net incoming resources on ordinary activities are stated after charging/(crediting):

	2015 £	2014 £
Depreciation and impairment of owned assets	-	781
Auditor's remuneration:		
For parent company	3,600	3,600
Amortisation of goodwill	-	1,000
Deficit/(surplus) on disposal of fixed asset	(11,158)	6,443
Depreciation of assets held on hire purchase contracts		-

10 Trustees' remuneration and reimbursed expenditure

The trustees received no remuneration during the current period for their role as trustees.

The Interim Manager received no remuneration during the current period (2014 ; £46,691).
Management fees of £17,973 were incurred in relation to True Heroes Retreat Limited (2014 ; £26,489).

11 Staff costs

	2015 £	2014 £
Wages and salaries	29,936	138,803
Social security costs	1,515	8,355
	<u>31,451</u>	<u>147,158</u>

No employee received remuneration in excess of £60,000.

The average number of employees during the year was 3 (2014: 16).

Details of the average number of employees on a full time equivalent basis is not available.

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets

Group

	Short Leasehold property	Equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 January 2015	76,377	25,119	20,167	7,000	-	128,663
Additions						
Disposals	(76,377)	(25,119)	(20,167)	(7,000)	-	(128,663)
At 31 December 2015	-	-	-	-	-	-
Depreciation						
At 1 January 2015	34,376	22,776	20,166	7,000	-	84,318
Charge for the year						
Impairment						
Disposals	(34,376)	(22,776)	(20,166)	(7,000)	-	(84,318)
At 31 December 2015	-	-	-	-	-	-
Net book value						
At 31 December 2015	-	-	-	-	-	-
At 31 December 2014	42,001	2,343	1	-	-	44,345

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

12 Tangible fixed assets – (continued)

Company

	Short leasehold £	Equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 January 2015	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 At 1 January 2015	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 Net book value						
At 31 December 2015	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 At 31 December 2014	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

13 Intangible fixed assets

Group	Goodwill £
Cost	
As at 1 January 2015	9,999
Disposal	(9,999)
As at 31 December 2015	
Amortisation	
At 1 January 2015	3,000
Amortisation for the year	
Disposal	(3,000)
At 31 December 2015	
Net book value	
At 31 December 2015	
At 31 December 2014	6,999

Goodwill related to the acquisition of the licence of The Retreat at Ashcott, formerly The Ashcott Inn. The Retreat was sold during the year.

14 Investments

Charity	Total £
Cost	
At 1 January 2015	3
Additions	-
Disposals	(2)
At 31 December 2015	1
Net book value	
At 31 December 2015	1
At 31 December 2014	3

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

14 Investments (continued)

The charity owns 100% of the issued share capital of the following companies, all registered in England and Wales as at 31 December 2015;

The True Heroes Retreat Limited (see note 21)

15 Stock

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Stock		8,250		

16 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts due from group undertakings	-	-	-	-
Other debtors	257	-	-	-
	<u>257</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	-	46,321	-	-
Taxation and social security	-	21,962	-	-
Other creditors	5,131	-	5,131	-
	<u>5,131</u>	<u>68,283</u>	<u>5,131</u>	<u>-</u>

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

18 Movement in funds

Group

	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Balance at 31 December 2015 £
Unrestricted funds				
General fund	19,788	54,567	(69,157)	5,198
Total funds	19,788	54,567	(69,157)	5,198

Company

	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Balance at 31 December 2015 £
Unrestricted funds				
General fund	15,456	2,000	(12,617)	4,839
Total funds	15,456	2,000	(12,617)	4,839

19 Ultimate Controlling Party

The charity has no ultimate controlling party throughout the period under review.

20 Related Parties

During the period management fees of £17,973 (2014 : £26,489) were incurred in relation to the appointment of Geoffrey Rout as specialist manager and director of True Heroes Retreat Limited. Management fees were paid by True Heroes Retreat Limited to First 4 Personnel & Temps Limited, a company which Geoffrey Rout is company secretary.

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

21 Subsidiary Company – True Heroes Retreat Limited

The Charity owns the whole of the issued share capital of The True Heroes Retreat Limited, a company registered in England. The subsidiary was used for the running of a Public House, which includes accommodation to house beneficiaries. All results have been included in a line by line basis in the SOFA. A summary of the results of the subsidiary are shown below:

	2015	2014
	£	£
Turnover	52,567	276,302
Total income from trading company	52,567	276,302
Costs of sales	23,069	251,422
Administration expenses	41,652	103,949
Total trading company costs	64,721	355,371
Net (loss) for the year excluding inter-company costs	(12,154)	(79,069)
Costs Eliminated on consolidation		(28,506)
Net (loss) for the year	(12,154)	(107,575)
Assets	360	72,557
Liabilities	(280,496)	(340,539)
Funds	(280,136)	(267,982)