

REGISTERED CHARITY NUMBER 1132340

REGISTERED COMPANY NUMBER 07032339

AFGHAN HEROES

CHARITY REPORT AND UNAUDITED ACCOUNTS

31 DECEMBER 2016

FRIDAY



A6G0D5BE

A55

29/09/2017

#366

COMPANIES HOUSE

AFGHAN HEROES

CONTENTS

	Pages
Interim Manager's report	1 - 5
Statement of financial activity	6
Balance sheet	7 - 8
Notes to the financial statements	9 - 12

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 2016.

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

The Trustees

No trustees served during the year under review.

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.

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.

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 one wholly owned subsidiary, True Heroes Retreat Limited, during this financial period. 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. True Heroes Retreat Limited ceased trading on 25 March 2015 when a sale of the public house operated by the subsidiary was sold. True Heroes Retreat Limited was dissolved on 18 April 2017.

AFGHAN HEROES

INTERIM MANAGER'S REPORT

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.

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.

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

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.

Brian Johnson was subsequently appointed Interim Manager of the charity, to the exclusion of the trustees. The charity has been under the Interim Manager's control since 5 February 2014. During the interim manager's appointment the affairs of the charity have been investigated and the operations of the charity wound down.

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.

AFGHAN HEROES

INTERIM MANAGER'S REPORT

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

FINANCIAL REVIEW

Summary

During the year under review the charity received £nil income (2015: £2,000). The charity incurred no expenditure during the year and as a result of a refund received incurred negative expenditure of (£2,400) (2015: £12,617). Further details concerning income and expenditure are provided below.

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 as at 31 December 2016 totalled £280,496. The charity will not make any recovery of the outstanding balance.

Reserves Policy

As at 31 December 2016 the charity's total reserves were £7,239 (2015: £4,839) and its cash reserves totalled £7,238 (2015: £9,969). 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 subsidiary dissolved on 18 April 2017.

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 have been prepared under the instructions of the Interim Manager using the records of the charity available to him.

AFGHAN HEROES

INTERIM MANAGER'S REPORT

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.

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.

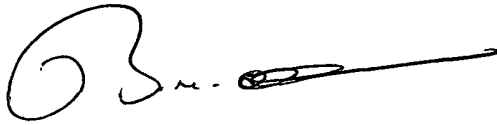
AFGHAN HEROES

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:

28/9/17

AFGHAN HEROES

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds 2016 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:			
Other income		-	2,000
Total income and endowments		-	2,000
EXPENDITURE ON:			
Raising funds	2	-	(1,949)
Charitable activities			
Charitable expenditure	3	(2,400)	14,566
Total expenditure		(2,400)	12,617
Net income / (expenditure)		2,400	(10,617)
Reconciliation of funds			
Total funds brought forward		4,839	15,456
Total funds carried forward		7,239	4,839

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

AFGHAN HEROES

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	4	<u>1</u>	<u>1</u>
		1	1
Current assets			
Cash at bank and in hand		<u>7,238</u>	<u>9,969</u>
		7,238	9,969
Creditors: amounts falling due within one year	5	<u>-</u>	<u>(5,131)</u>
Net current assets		<u>7,238</u>	<u>4,838</u>
Total assets less current liabilities		7,239	4,839
Net assets		<u>7,239</u>	<u>4,839</u>
Funds			
Unrestricted funds:		<u>7,239</u>	<u>4,839</u>

The accounts (financial statements) have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting & Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

For the year ending 31 December 2016, the company 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.

AFGHAN HEROES

COMPANY BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2016

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

Signed on 28/9/17

by:



Brian Johnson
Interim Manager

Company registration number: 07032339

Charity registration number: 1132340

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Charity Information

Afghan Heroes is a registered charity. The charity meets the definition of a public entity under FRS102.

Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting & Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005, which is referred to in the extant regulations but has been withdrawn, and the Charities Act 2011 and applicable regulations.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts for the year ended 31 December 2016 are the first accounts of Afghan Heroes prepared in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

Going concern

The financial statements have been prepared on the basis that 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.

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

1 Accounting policies – (continued)

Investments

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

Irrecoverable VAT

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

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.

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Interim Manager does not believe there to be any judgements or estimates that would be considered critical to the financial statements.

2 Raising Funds

	2016 £	2015 £
Support Costs	-	(1,949)

3 Charitable activities

	2016 £	2015 £
Donation Platform	-	370
Governance costs		
Accountancy	-	7,450
Legal Fees	(2,400)	6,746
	<u>(2,400)</u>	<u>14,566</u>

AFGHAN HEROES

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

4 Investments

Charity

	Total £
Cost	
At 1 January 2016	1
Additions	-
Disposals	-
At 31 December 2016	1
Net book value	
At 31 December 2016	1
At 31 December 2015	1

The Charity owns 100% of the issued share capital of True Heroes Retreat Limited, a company registered in England & Wales as at 31 December 2016. True Heroes Retreat Limited ceased trading on 25 March 2015 and was dissolved on 18 April 2017.

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Other creditors	-	(5,131)

6 Trustees' remuneration and reimbursed expenditure

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

The Interim Manager received no remuneration during the current period (2015: Nil).

7 Employees

There were no employees during the year.

8 Related party transactions

There were no related party transactions during the year.

9 Ultimate Controlling Party

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