



**Afghanaid**  
For peace and prosperity

# Annual Report 2023

Company No. 3034888, Charity Nos. England and Wales 1045348 and Scotland SC044614



# Report and Financial Statements For the Year Ended 31 December 2023

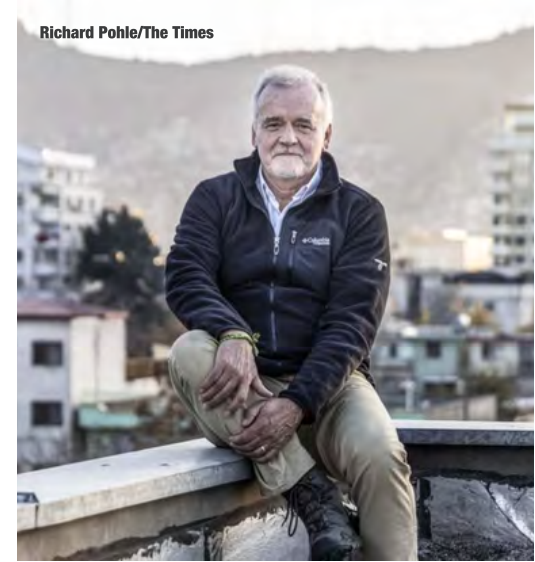
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# Reference and Administrative Information



Company Number:	3034888		
Charity Numbers:	1045348 (England and Wales) SC044614 (Scotland)		
Governing Document:	The charity was established under a Memorandum of Association, which established the objects and powers of the charitable company, and it is governed under its Articles of Association.		
Registered Office & Operational Address:	Omnibus Business Centre 39-41 North Road, London N7 9DP		
Board of Trustees:	Mr Christopher Kinder (Chair) Ms Elizabeth Winter OBE (Vice-Chair) Ms Pauline Hayes CBE (Secretary) Ms Mary Mountain FCA (Treasurer) Dr David Page Mr Shirazuddin Siddiqi	Dr Orzala Ashraf Nemat Dr Martin Greeley Mr Anthony Fitzherbert OBE Mr Mark Bowden CMG Mr James Sinclair Taylor Mr John Hayward	
Principal Staff:	Mr Charles Davy, Managing Director Mr Abdul Rahman Tariq, Director of Programme Quality and Implementation Mr Alwyn Dzinamarira, Director of Operations (departed December 2023) Mr Ayub Khan Khugyaniwal, Deputy Director of Finance and Administration (appointed to Director 1 January 2024) Ms Zodiac Maslin-Hahn, Director of Programme Development and Resource Mobilisation Mr Johannes Jansen, Deputy Director of Programme Performance and Monitoring (appointed September 2023) Mr Mujtaba Nooristani, Deputy Director of Human Resources Mr Guru Naik Charan, Deputy Director Afghanistan Resilience Consortium		
Bankers:	Barclays Bank Plc. London Corporate Banking Group 1 Churchill Place, London E14 5HP	AIB Bank Airport Road, Bibi Mahro Kabul, Afghanistan	Azizi Bank - Main Branch Zanbaq Square, Shar-e-Naw Kabul, Afghanistan
Solicitors	Russell-Cooke LLP, 8 Bedford Row, London, WC1R 4BX		
Auditors	Crowe UK LLP, Chartered Accountants, 55 Ludgate Hill, London EC4M 7JW		
Auditors - Afghanistan	PKF, Chartered Accountants (Member firm of PKF International) House Number 3, Street 5, Sailoo Road, Kabul, Afghanistan		



## Statement from the Managing Director

**In 2023 we marked Afghanaid's 40th anniversary, and my own 10th anniversary as Managing Director. It was a year in which there was much to be thankful for, yet one beset with considerable challenge.**

As 2023 dawned, we were confronted with the Taliban's shocking ban on all Afghan female staff from working for NGOs. Through January and February, we devised a plan that would allow women to work from home while remotely liaising with female community leaders to socialise projects; select women project participants; deliver training through available technology; distribute equipment and materials; and monitor and evaluate project performance – thereby ensuring the meaningful involvement of women in Afghanaid's work, by women for women.

All the while, we negotiated with local district and provincial de facto authorities to build confidence and allow our women to visit target communities in person once again. Gradually, our efforts paid off, and I could not be prouder of the patience, resilience and determination of our women, and our men, in working towards a more satisfactory solution. By year's end most female project staff were able to meet with female project participants in most locations, most of the time. The continued meaningful engagement of women will remain a top priority and a work in progress; we must be careful, but we will continually negotiate with the authorities for improved access for and to women.

Afghanistan, as in the rest of the world, was at last able to look back on the Covid-19 pandemic: most travel restrictions had been lifted and the number of cases in Afghanistan were dramatically down. The financial and banking crisis that had beset Afghanistan since 2021 began to abate and because of our extensive efforts to establish alternative banking channels, gradually, it became easier and less expensive to move money into and around Afghanistan.

The Taliban, in imposing a firm military and police presence on Afghanistan, ended instances of open conflict, giving Afghanaid ready access to all needy communities in our target provinces and at the same time dramatically reducing criminality and corruption.



**“The continued meaningful engagement of women remains a top priority.”**

And, through measured and principled engagement with the de facto authorities, maintaining and explaining our position whilst trying to listen to theirs, we were able to achieve improved relations with local and national authorities, strengthening our ability to resolve bureaucratic impediments, especially those surrounding project registration and the signing of Memorandums of Understanding with line ministries.

On the fundraising front, 2023 proved to be yet another successful year, and Afghanaid’s annual spend grew yet again to exceed £19 million, including gifts in kind; meanwhile, our much-improved capacity to generate private donations, especially from the British public and trusts and foundations, resulted in an additional £800,000 in unrestricted funding during 2023.

By successfully positioning the organisation and honing our reputation with donors and partners, Afghanaid was able to successfully compete for new grants in what was, and is anticipated to be, a shrinking pot of overall humanitarian and development funding to Afghanistan. By year’s end, we were able to look ahead to 2024 with a robust funding pipeline of new projects, especially in the area of climate change adaptation and resilient livelihoods.



# Report of the Trustees

**The trustees present their report and audited financial statements for the year ended 31 December 2023.**

**The reference and administrative information on page 3 are part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005).**

## Governance and Management

### **Appointment of Trustees**

In advance of trustees leaving, the existing board members canvas for new appointments, vet and select, and then vote on new members. Once elected, members remain in office for three years unless they resign or are removed. After this time, members must retire at the AGM but are eligible for re-election. The Board of Trustees may also appoint individuals to fill vacancies in the membership and may co-opt up to five additional members.

### **Policies and Procedures on Training of Trustees**

New trustees are provided with Afghanaid's Guide for Trustees, its Memorandum and Articles of Association, information on its current strategy, programmes and projects, its annual accounts and minutes of the most recent board meetings. The Chair and the Managing Director also brief new members, and meetings are arranged for them with key staff. The training requirements of the Board of Trustees are reviewed every two years at a special board meeting dedicated to board appraisal and a strategy review.

### **Organisational Decision-Making**

Afghanaid's Board of Trustees meet quarterly throughout the year with the Managing Director and other Directors to review strategy, programme and financial performance, security, safeguarding and other risks, funding, and income matters, and to discuss significant trends and problems that might affect long-term organisational stability. The Board Security Committee meets quarterly with the Security Team Leader and the Managing Director. The Board Finance Committee meets quarterly with the Managing Director, Director of Operations, Deputy

Director of Finance and Administration, Deputy Director of Human Resources, and the Head of Communications and Giving. The Programme Committee meets three times a year with the Managing Director, Director Programme Implementation and Quality, Director of Programme Development and Resource Mobilisation, and several other relevant staff. The Managing Director liaises fortnightly with the Chair of the Board of Trustees to consult and receive support and guidance. The Director of Finance and Operations meets monthly with the Treasurer to consult and receive support and guidance.

Trustees are required to disclose all relevant interests and register them with the Chair and withdraw from a decision where a conflict of interest arises.

### **Pay and Remuneration**

As a matter of course, the trustees are not remunerated. However, trustees are normally recruited for their expertise. If a project requires a significant amount of time from a particular trustee, the trustee could be contracted to do the work. All related party transactions are disclosed under Note 19 in the financial statements.

The Directors of Afghanaid (Principal Staff) are employed according to approved terms, conditions and pay scale applicable to all staff. To better attract and retain the qualified, motivated directors required to work in Afghanistan's challenging environment, Afghanaid aims to offer remuneration competitive with similar NGOs. Directors' salary increments between 0% and 5% are applied based on their performance; these are proposed to and reviewed by the Board of Trustees.

Afghanaid aims to adjust staff salaries in line with inflation and other economic conditions, to retain purchasing power year on year. A cost-of-living adjustment (COLA) is applied annually subject to affordability. For International Hire and UK-based staff, the rate is calculated mainly on the UK inflation rate published by the Bank of England; for National Hire staff, the rate is mainly determined by averaging out the World Bank, IMF, or Central Statistical Office inflation rates. In addition, being cognisant of the difficulty of retaining International Hire staff, Afghanaid rewards tenure by applying 2.5% annually to their salaries. Afghanaid conducts benchmarking exercises every two years to assess the competitiveness of remuneration compared to peer organisations.

## **Public Benefit**

The Board of Trustees of Afghanaid complies with the requirements of Section 17 of the Charities Act 2011. It refers to the Charity Commission's general guidance on Public Benefit when reviewing its aims and objectives and planning future activities. In particular, the trustees have considered how the planned activities will contribute to the aims and objectives they have set.

Afghanaid works in some of the most remote and impoverished parts of Afghanistan. Its special focus is on working with marginalised communities in urgent need of support, including women and children, so that they can improve their well-being and opportunities. We also advocate for social change with, and on behalf of, disadvantaged communities and work with them, civil society organisations and various levels of government in Afghanistan to ensure that national development efforts are both equitable and sustainable.

We regularly evaluate our own work and commission external evaluations to ensure that we are meeting our objectives and bringing benefit to the targeted communities and groups.

## **Safeguarding**

Afghanaid has in place key policies to protect its project's participants and staff from sexual exploitation, abuse and harassment. It also provides continual training to staff across its offices to ensure safeguarding policies are followed. Afghanaid aims to adhere to best-practice standards and has again reviewed these practices during 2023.

## **Grant Making and Subcontracting Arrangements**

**Grant Making:** As a rule, Afghanaid does not typically make grants to individuals or other organisations, however, in 2023, when a series of devastating earthquakes hit Herat City and its surrounding areas, an area where Afghanaid did not have an existing presence, we made a grant to Coordination of Humanitarian Assistance (CHA), our vetted and existing partner in the area, to provide emergency assistance to affected communities.

**Subcontracting:** In order to more effectively achieve its objectives, attain greater geographical reach, access targeted populations and draw on technical expertise, Afghanaid identifies suitable implementing partners from amongst other NGOs and Civil Society Organisations. Afghanaid vets and conducts due diligence exercises, including gathering references from other donors and partners. It engages with



these organisations throughout the project design, proposal development and subcontracting phases, requires quarterly reporting, and monitors and evaluates their performance.

## **Fundraising**

The Board of Trustees oversees all fundraising activities and ensures that the reputation of and public trust in Afghanaid is protected throughout. Afghanaid conducts its fundraising efforts in full compliance with applicable laws and regulations and continually evaluates its fundraising practices based on the principles provided by the Charity Commission in its guidance on charity fundraising (CC20) published in November 2016. Afghanaid is also registered with the Fundraising Regulator as part of our commitment to fundraising in a way that is legal, open, honest and respectful - in line with the Code of Fundraising Practice.

In 2023, Afghanaid benefited from the support of regular givers and ran six public fundraising appeals, generating funds through events, print mailing, email marketing and digital marketing channels. Afghanaid has dedicated staff members in its London Office who monitor and provide support to all fundraisers. Afghanaid does not use professional fundraisers or commercial organisations to carry out its activities, and in 2023 did not engage in door-to-door, private site or street fundraising.

Every care is taken to protect vulnerable people and other members of the public from unreasonable behaviour or places an individual under undue pressure. During the year, we did not receive any fundraising-related complaints.







## Strategic Report

### History

**Established in Britain in 1983 to serve the needs of the people of Afghanistan fleeing war following the invasion by the Soviet Union, Afghanaid has since become one of the longest-serving, most widely respected non-governmental organisations (NGOs) in the country.**

Today, Afghanaid's dedicated personnel work in some of Afghanistan's most remote and inaccessible areas, serving tens of thousands of families at risk of exclusion and poverty. In the early years, from our initial base in Peshawar, Pakistan, we delivered humanitarian relief to Afghan refugees and, braving conflict in Afghanistan, provided essential services such as delivering food, medical supplies and agricultural and livelihood assistance.

From the early 1990s, Afghanaid shifted the focus of its work in Afghanistan from humanitarian relief to community-focused development to help rural people claim their rights and strengthen community self-reliance. At that time, we became renowned for our community-driven construction and repair of significant infrastructure, such as bridges and roads, as well as our assistance in improving local capacities for food production.



Moving the head office from Peshawar to Kabul in 2003 enabled Afghanaid to work more closely with the Afghan Government and local stakeholders, strengthen the network of offices across the country, and even more effectively meet the needs of families facing the greatest hardships.

In the 2020s, Afghanistan saw intensified conflict and economic collapse around the Taliban's return to power, and more frequent climate-related disasters. Long term international development assistance saw a sharp drop after the Taliban takeover but has shown signs of a slow return over the past two years. However, the Afghan economy remains fragile, and millions of Afghans require emergency humanitarian assistance. Afghanaid has recognised the necessity of humanitarian assistance while simultaneously driving toward development assistance, expanding programming that builds livelihoods and resilience.

## Present Day

**Afghanaid's head office (HO) is located in Kabul. In 2023, we worked directly in Daykundi, Ghor, Samangan, and Badakhshan provinces, and implemented projects through partners in Khost, Paktia, Takhar, Bamyan, Sari Pul, Jawzjan, Balkh, Faryab and Herat. We also maintained our small but dynamic Communications and Fundraising Office in London, United Kingdom.**

During 2023, we employed an average of 591 staff. This total comprised 571 Afghan national staff, 8 UK-based staff and 12 international staff based in Afghanistan. Thirty three percent of our staff were female.

Throughout 2023, we remained true to our 2022 five-year strategy and plan: providing essential basic services for all; supporting communities to adapt to the ravages of climate change and reduce their exposure to disasters; promoting economic opportunities, sustainable livelihoods and food security; and assisting when humanitarian crises struck.



**Our vision:**  
**A peaceful, just and thriving Afghanistan.**

**Our mission:**  
**To provide Afghans with the training and tools they need to help themselves, their families and their communities.**



And through all our projects, we continued to pay special attention to gender and inclusion, good governance and community development, and conflict mitigation and peacebuilding.

## Programmes

We deliver basic services for all, including constructing community infrastructure such as wells, reservoirs and pipe systems that provide clean drinking water; constructing latrines and raising communities' awareness of good hygiene practices; installing micro-hydro and solar power plants to bring electrical power to villages for the first time; constructing roads that give remote villages access to medical services, schools and markets; and building and equipping schools, making it possible for boys and girls to receive an education in a safe environment.

Our climate change adaptation and disaster risk reduction work involves creating community-based natural resource management associations, and providing the necessary inputs, so that communities can conserve and manage their water, forest and rangeland, helping them adapt to the impacts of climate change: preventing deforestation, overgrazing and erosion and improving soil quality on irrigated and rainfed land. This work also entails working with communities to assess hazards and providing them with the training and support they need to take pre-emptive actions to mitigate disasters, and strengthening communities' capacities to effectively respond to and manage disasters when they occur. Most importantly, this work increases groundwater, restores water tables, and creates the opportunity for irrigation and rural livelihoods.

Providing economic opportunities, sustainable livelihoods and food security entails working with farmers and their families to improve agricultural and animal husbandry techniques; providing vocational training and support for small enterprise development, especially among women; and introducing innovations that add value for farmers and entrepreneurs and improving access to markets. All of these lead to improved productivity, incomes, food security and nutrition.

When disaster strikes, we respond immediately with emergency humanitarian assistance, providing food, clean water, shelter, and sanitation, or cash to support these needs, both amidst a crisis or in the aftermath. And once the immediate disaster is over, we assist communities to rebuild their homes, renovate productive land and community infrastructure, and revitalise livelihoods.

Gender and inclusion, good governance and community development, and conflict mitigation and peacebuilding are central to the sustainability and impact of Afghanaid's projects and incorporated as cross-cutting themes across all our projects. These themes occasionally also form the basis of stand-alone projects. Afghanaid believes that working with both men and women is necessary for Afghanistan to achieve political and economic stability. We work with both sexes in all our projects and ensure that men and women are consulted at every stage of project intervention – from design and implementation, to monitoring and evaluation. We also work to improve local governance, ensuring that services align with the needs and priorities of under-represented communities.







## Our Programmes in 2023

### Basic Services for all

**Economic challenges, poor governance, and exposure to climate change-induced natural disasters have resulted in Afghanistan lacking important infrastructure and basic services. Afghanistan's majority rural population lacks access to clean drinking water, hygiene and health facilities, basic education, and roads.**

In 2023, Afghanaid worked with its partners to expand community infrastructures and provide emergency water, sanitation and hygiene (WASH) services, reaching over 1,150 communities and providing assistance to more than 925,000 project participants.

Afghanaid and our partner organisations worked to improve roads and irrigation systems and by undertaking this work through cash for work and social grants we simultaneously provided income for the most vulnerable families. To strengthen communities' knowledge and capacity, we trained over 1,138,000 participants/individuals (51% female), in topics ranging from hygiene promotion to disaster and risk preparedness.

In the northern regions of Afghanistan, we implemented over 1,300 water infrastructure projects, reducing the risk of waterborne disease and strengthening community resilience. We also established WASH committees for the long-term maintenance of infrastructures.



## Success Story: Basic Services

### Promoting health and safety through clean drinking water

**70-year-old Abdul Qader lives with his three children in a remote village in Ferozko, Ghor Province. Abdul Qader has always wanted the best for his family, telling us, “I am very interested in getting my children a good education and serving the community.” The head of a family of five, he does whatever he can to provide the best life possible for his household, whilst also living with a physical disability.**

“During the civil war, my left leg was injured in an explosion, and I became disabled. Work was difficult but I had my small farm, and I received a small amount from the Ministry of Martyrs and Disabled. Unfortunately, now, because of the bad economic situation in the country, I do not receive it anymore. But really, the hardest thing that I must deal with is that even with my disability, for years I have had to travel to the river twice a day, thirty minutes each way, to get water for drinking, cooking and washing. Usually, each trip, I had to bring four jerrycans on the donkey. It was especially hard during the winter cold or in bad weather.”


Unfortunately, the water Abdul Qader collected was really unsuitable for human consumption and caused his family and other community members many health problems. “The river water was dirty and caused diarrhoea, skin infections and kidney problems...but we did not have any other option.”





When our local Afghanaid team surveyed Abdul Qader's village, they listened to his and his neighbours' concerns and recognised the difficulties they faced in accessing clean water. The team designed a project to build and repair water systems in the village so that the community could have easy access to clean potable water.

As part of the project, Afghanaid drilled a well, installed a solar pump, constructed three water reservoirs, and installed or rehabilitated 44 water standpipes. As well as this, Afghanaid supported community members to establish an operation and maintenance committee to ensure the water network is well looked after and can serve residents for decades to come. No longer having to worry about his family becoming ill, Abdul Qader's life has been changed for the better, telling us, "I am so happy to use safe water!"



**"I am so  
happy to use  
safe water!"**



## Climate Change and Disaster Risk Reduction

**As one of the most climate change-affected countries in the world, Afghanistan continued to experience climate-related hardships in 2023, including drought and flooding. Afghanaid remained dedicated to addressing the critical challenges posed by climate change and empowering communities to strengthen their resilience against disaster risk.**

Applying our community-led approach, we worked with over 25,000 project participants or beneficiaries to reduce disaster risk, restore watersheds, improve ecosystems and create livelihood opportunities through the construction of trenches, terraces, and check dams. These interventions restored groundwater, mitigated drought, prevented erosion, increased vegetation, and reduced the risk of flooding.



We also rehabilitated local roads and irrigation structures, building communities' capacity to withstand environmental challenges and ensuring continued access to essential services.

More than 7,600 farmers participated in programmes aimed at promoting sustainable, climate-resilient crop production and livestock rearing, strengthening local food systems against the impact of climate change and bolstering food security. Afghanaid and its partners established 30 veterinary teams and 30 agriculture service centres in rural areas, greatly expanding remote communities' access to resources for sustainable and climate-resilient agriculture. We also distributed saplings for the establishment of orchards and introduced several plant species to support biodiversity and restore ecosystems. Restoring local ecosystems through these interventions will allow communities to increase their crop yields and become more disaster-resilient.



## Success Story: Climate Adaptation and Disaster Risk Reduction

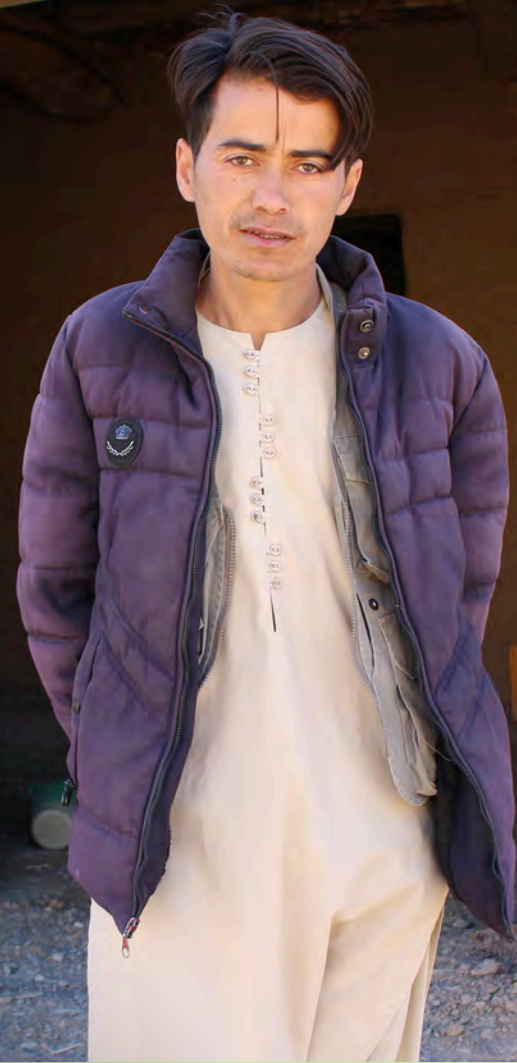
### Protecting people and the environment through water management

Across Afghanistan, natural disasters repeatedly wreak havoc on Afghan lives and livelihoods, hampering communities' ability to lift themselves out of poverty and withstand crises. Successive droughts have degraded much of Afghanistan's land. This makes floods common as well, because the ground struggles to absorb enough water, so when snow melts or rain falls, water runs off the steep hillsides too quickly and forcefully, into the villages below, causing death and destruction.

In the remote village of Gazbiri, Daykundi province, where most residents rely on agriculture as their sole source of income, droughts and floods - which have increased in severity and frequency over recent years - repeatedly destroy crops, impacting the livelihoods of the whole community.

Naeem, a local farmer in Gazbiri, was one of the residents most affected when disasters hit: "Before, we lived in a place where we had no idea how to protect ourselves from natural disasters, we accepted them as an unstoppable force," Naeem told us, "We faced so many problems."

**"After the training, we understood how we could reduce the risks and even maybe prevent natural disasters."**



When Afghanaid visited Naeem's village, we met with households across the community to find a solution to the repeated cycle of drought and flash flood. It was clear that through implementing proper conservation, watershed management and irrigation techniques, we could mitigate the dangers they faced, making the community safer and enabling farmers to build more resilient livelihoods. These measures would also be invaluable in protecting their local environment.

Naeem spoke to us about the training he received from Afghanaid: "After the training, we understood how we could reduce the risks and even maybe prevent natural disasters, as well as how to better utilise the watersheds [land that channels snowmelt and rainfall into rivers and other bodies of water] to water fields, increasing pasture areas, and help soil recover."

After the training, Afghanaid employed members of the community to landscape the hillsides around their village: to build terraces, excavate trenches, construct irrigation canals, and then to plant trees and shrubs, and sow grasses and other fodder crops. These measures helped retain water in drought conditions and replenish the water table, whilst also decreasing the risk of floods. The community members then built a reservoir and installed a solar pump to supply water to the rolling farmlands on top of the nearby mountain. For undertaking the work to reshape the landscape and future of their area, Afghanaid paid community members sustainable wages.

"After we got paid for constructing the disaster risk reduction structures, landscaping the hillsides and planting trees, not only had we protected our village for years to come and controlled the water in five hectares of land, but we had enough to buy food and basic necessities for our families. This helped so much to get us through the drought."







## **Economic Opportunities, Sustainable Livelihoods and Food Security**

**Most Afghans are dependent on agriculture, a livelihood regularly now threatened by severe drought and other climate change-related phenomena, however, with the Afghan economy contracting by 27% since 2021, the year continued to be a challenging one for farmers. Through our livelihood programming, we aim to empower families to not only survive periods of hardship, but to break the cycle of poverty and build resilience against future crises.**

In 2023, we delivered direct livelihood assistance to 84,517 households, of which 27,491 were led by women. We distributed agricultural inputs, such as seeds, tools, livestock, and fertiliser, that allowed farming households to rebuild and strengthen their livelihoods. We also trained participants in agricultural subjects such as pest control, optimal planting techniques, and livestock husbandry. We established 30 new Veterinary Field Units (VFUs), and in total, our VFUs supported 13,000 livestock-farming households by vaccinating and deworming over 91,000 animals. We also distributed saplings for orchard establishment and introduced several plant species to support biodiversity and restore ecosystems. Restoring local ecosystems through these interventions will allow communities to increase their crop yields and become more disaster resilient.

Once households' income sources were stabilised, Afghanaid helped participants build their enterprises and enhance their incomes, for instance by supplying them with more advanced equipment and creating strong linkages between small-scale producers and traders at central markets.

While much of our livelihood programming focuses on strengthening agricultural vocations and value chains, we also foster new concepts and enterprises through our self-help groups (SHGs). SHGs gave over 3,500 women entrepreneurs the chance to gather and learn about potential income-earning opportunities, access essential materials and start-up financing, and establish micro-enterprises. Through SHGs, women have increased autonomy, receive support from other women in their communities, and build their families' resilience to poverty.



## Success Story: Livelihoods

### Growing women's confidence and income through dairy processing

In the arid, mountainous province of Daykundi, life has always been difficult, but in recent years, given the ongoing economic crisis, high unemployment rates and food insecurity, families across the province have found it even more challenging to make ends meet. The rugged terrain and isolated nature of Daykundi province makes it incredibly difficult for households to access vital services, including markets, making it difficult to obtain nutritious food, or sell their own agricultural produce to earn an income. A recent survey conducted by Afghanaid highlighted that 60% of households are unable to meet their basic food needs in the region and are living below the poverty line.



Twenty-one-year-old Masoma, who lives with her all-female family in the village of Fati-Mohammad, experiences these monumental challenges first hand. For as long as she has been able, Masoma has worked hard to earn an income for her family: tending apple and almond trees, growing fruit and nuts to sell at market. However, recent droughts have meant her yields have been less than expected, and because of restrictions on women travelling in Afghanistan, she has been very limited in where she can sell them. As a result, Masoma struggled to earn the equivalent of £28 (2,000 AFN) a month, an insufficient amount to meet the basic needs of her family. With Afghan women unable to attend school or university, and confined to their communities, Masoma did not know how to improve her family's situation. "After the regime change and with years of successive drought, I was desperate. There was no hope for life for girls in our village, especially people like me who have no man to earn an income and support the family."

When Afghanaid visited Masoma's village, she eagerly enrolled in our project, funded by AVAAZ, to enhance rural people's resilience to economic and climate-induced shocks. The project supported Masoma and 99 other vulnerable women to become

dairy farmers, a trade more resilient to drought and the changing climate. These women were provided with milk-producing livestock, dairy production kits, packaging and labelling supplies, and training on how best to look after their animals and how to make dairy products to a high standard.

To ensure Masoma and her peers could reach customers and sell their dairy products, Afghanaid linked them to nearby markets where they exhibited their fresh, local products, and encouraged shopkeepers to support the local economy by stocking their products.

The women were subsequently given further training in business management, to ensure they had the knowledge required to make their businesses a success. “I have learnt so much from the training.” Masoma told us, “How to make pudding, qorot [a local dairy product], cream and butter; I learnt how to label them and how to make them according to standard, both in weight and quality, and how to sell to local traders.”

“Now I have started sell my own products, I am earning 10,000 AFN (£110) monthly! I am very happy that I can now support myself. Afghanaid and AVAAZ taught us everything we need to know to make a sustainable business.”

**“I was selected for such an amazing project. It helped me not only to survive, but to also be a self-sufficient woman!”**





## Emergency Humanitarian Assistance Programming

**Afghanaid has always been ready to respond to crises. In 2023, we provided 34,391 of the most vulnerable disaster-affected households (approximately 240,737 men, women and children) with a range of emergency assistance services.**

During the harsh Afghan winter, Afghanaid provided crucial heating and shelter assistance to 3,278 households, including several displaced households, refugee returnees, and families affected by natural disasters. The assistance helped these vulnerable households to protect themselves against the cold and survive the winter.

Throughout the year, we provided cash and food assistance, allowing 18,000 vulnerable households to meet their food needs. To protect farming households' livelihoods in emergencies and prevent their displacement, we distributed cash and items such as animal feed to 1,000 households experiencing shocks such as drought. Combining immediate relief with building longer-term resilience, we provided cash-for-work opportunities to over 10,600 households, supplying these households with much-needed income to recover from crises while also contributing to the construction of community infrastructure to mitigate the impact of drought and other natural disasters.

In October 2023, four significant earthquakes rocked Afghanistan, primarily affecting Herat province, destroying homes and community infrastructure, and affecting an estimated 43,400 people. With a local partner, Afghanaid provided affected households with cash assistance, and will continue its response in 2024 to ensure those most affected are able to recover from this crisis.



## Success Story: Humanitarian Assistance

### Building resilience in drought-affected communities

**Qemat lives with her husband, three daughters and two young sons in a remote region of Daykundi province, Afghanistan. Though living with a chronic back condition, Qemat's husband earns a living through agriculture, the family's sole income source, while Qemat works hard taking care of the family. Thanks to both husband and wife's determination, in normal years the family were able to make ends meet despite the challenges.**

In recent years however, severe droughts and the severe economic crisis have really harmed the family's ability to earn sufficient income. With winter approaching, and insufficient yields from their land, Qemat and her husband worried how they would be able to feed their family. "I was unable to support our family and we did not have enough to eat," Qemat's husband told us, "Our children were hungry and affected by different illnesses. It was a very tough time."

Determined to ensure her family were kept healthy and well-fed, Qemat sought out the support of the local Afghanaid team and was enrolled in our cash-for-work programme. Through the project, Qemat was able to access life-saving cash assistance, which enabled them to buy the nutritious food their young children needed.

"Afghanaid provided cash assistance for food to me and my family, in three payments. Each payment was for 12,600 Afghani [about £140]. I could never have imagined such great help."

Qemat spoke to us about the impact this cash assistance has had on her family's lives: "Thanks to Afghanaid, we were able to feed our children this past winter. Their assistance saved us all from hunger and malnourishment."





## Cross Cutting Themes



### Gender and Inclusion

**With the Taliban decree at the end of 2022 banning women from working in NGOs, the situation for women and girls in Afghanistan deteriorated further. Few women were able to work outside their homes, and secondary-grade girls continued to be banned from attending school. Despite this diabolical situation, we remained committed to negotiating with the authorities to find ways for our women to continue to work and to meaningfully engage with female project participants, and over time, we were increasingly successful, for example, establishing and supporting 266 women's self-help groups with 5,320 members.**

During 2023, Afghanaid started several women-focused projects, including a GIZ-funded project which provides training to women on gardening, water management, and hygiene, and a project funded by the Vitol Foundation which provides women's self-help groups (SHGs) with small grants to establish businesses and complete projects to strengthen their communities.

Afghanaid also engaged in dialogues with local religious leaders and 1,989 community members to promote the importance of gender equality with a focus on Islamic values and the invaluable contributions women make to society.

## Good Governance and Community Development

**Across our range of programmes, we apply a community-based approach focused on strengthening local community governance institutions such as Community Development Councils (CDCs) and ensure they are included in the planning and implementation of projects. We focus on building constructive relationships with local stakeholders to ensure the continuation of vital services to the communities we support.**

In 2023 we particularly focused on building capacity within communities, offering tailored training and support to various community-based groups, including watershed management committees, natural resource management committees, self-help groups (SHGs), and farming cooperatives. Our ultimate goal is to foster resilience and self-reliance among Afghan communities, ensuring their voices are amplified and represented in local decision-making processes.

## Conflict Mitigation and Peacebuilding

**Three years on from the Taliban's return to power, as Afghanistan adjusts to its new de-facto government, we maintain our emphasis on conflict mitigation and peacebuilding within our programming.**

Our training of over 2,000 individuals in conflict mitigation and peacebuilding and establishment of 34 Community Conflict Mitigation Committees have been pivotal in resolving numerous long-running communal conflicts and fostering greater communal harmony and social cohesion.







## 2024 Programme Plans

**Despite the reduction in violent conflict, Afghanistan has seen since the political transition in 2021, Afghanistan remains acutely vulnerable to the impact of geopolitical turmoil, natural disasters and climate change, and high levels of humanitarian needs are expected to continue into 2024.**

The UN's latest Humanitarian Needs and Response Plan notes that “in 2024, an estimated 23.7 million people—more than half of Afghanistan’s population—are projected to require humanitarian assistance,” and a total of 15.8 million people will require food assistance. Despite increased precipitation and improvements in agricultural conditions at the end of 2023, rural farming communities are still recovering from several years of successive drought. In 2023, 74 percent of rural communities experienced severe drought, drying up springs and wells and cutting vulnerable households off from access to water. While agroclimatic projections for 2024 predict an end to drought conditions, experts have raised concerns that the sudden increase in rain after several years of drought is likely to expose already vulnerable communities to flash floods and landslides, potentially destroying homes and livelihoods and exacerbating existing vulnerabilities.



In partnership with the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA), the World Food Programme (WFP), the Food and Agriculture Organisation (FAO) and the United Nations Office for Project Services (UNOPS), we will continue to deliver immediate relief to crisis-affected households, strengthen basic services and local infrastructure, and improve access to water, seeds and equipment for climate-resilient farming.

Without long-term programming which durably mitigates the impact of climate change, Afghan communities will remain deeply vulnerable to shocks, and development gains will remain fragile. To address these challenges and build communities' resilience, Afghanaid will expand its climate change adaptation programming in 2024. With joint funding from the EU and the Swiss Agency for Development and Cooperation (SDC), Afghanaid and its partners The Liaison Office (TLO), the Afghanistan Education Production Organisation (AEPO) and the Danish Refugee Council (DRC) will start a new, multi-year programme to regenerate watersheds and ecosystems, strengthening access to water and improving the conditions for food production.

Across all our programmes, we will pay particular attention to the inclusion of women, by ensuring the access of our female staff to our field locations, raising awareness in our communities of the rights of women from an Islamic perspective, and continuing to invest in projects which enhance women's skills and incomes.

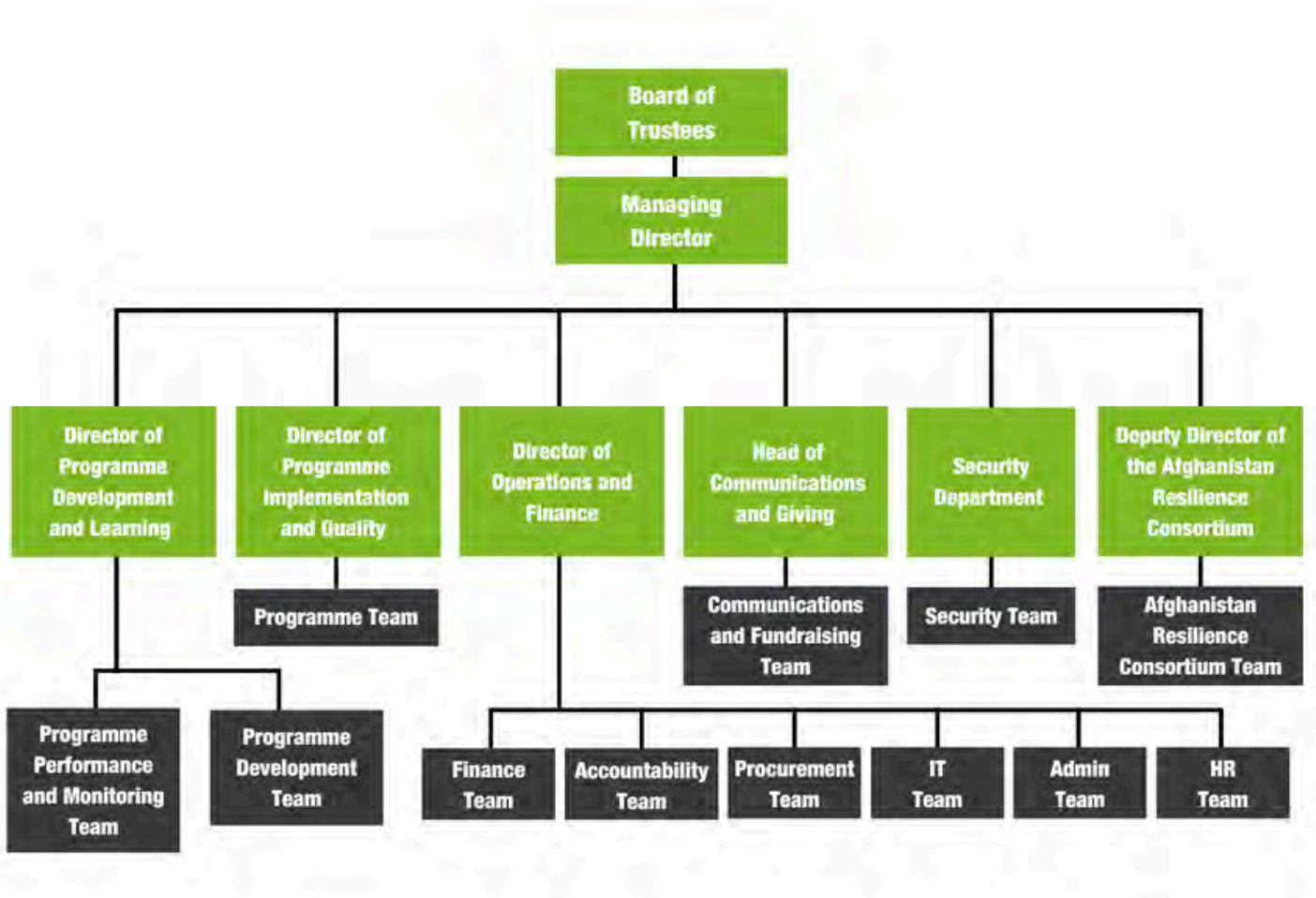




# Afghanaid People



To maintain Afghanaid’s reputation as an impactful and professional organisation, among the most respected NGOs in Afghanistan, we always endeavour to attract and retain the most technically competent, innovative, and driven personnel, who actively contribute to achieving Afghanaid’s mission and vision. The organisation is structured according to the following organogram:



During the year, we employed an average of 571 Afghan national staff, 8 UK-based staff and 12 international staff based in Afghanistan; and we finished the year with a total of 437 staff. On average, 33% of our staff were female. The staff turnover rate for the year was 0.9%, a decrease of 0.5% from 2022.

We continued to provide induction and refresher training, to all new and existing staff members, on Afghanaid’s policies, including safeguarding, fraud and corruption, diversity and inclusion, complaints and feedback mechanisms, and whistleblowing. In total 325 personnel participated in these training sessions in 2023.

Three hundred and twenty-eight staff received training on security-related topics, including counter surveillance, humanitarian negotiation and NGO safety and security. All finance staff participated in financial training, including treasury management and vendor reconciliation.

Our Programme and M&E teams participated in training on gender and inclusion, geographic information systems, quantum geographic information systems and remote monitoring.

Three staff availed of the organisation's Education Assistance Policy, which provides support for higher education and professional development. Unfortunately, no female staff members were able to avail of this support due to the Taliban Governments ban on women attending universities in Afghanistan.



**STILL HERE**  
**STILL RESILIENT**  
**STILL INNOVATING**  
**STILL CHANGING THE**  
**NARRATIVE**  
**STILL GRATEFUL**  
**STILL WORKING TOWARDS A**  
**BRIGHTER FUTURE**



## Staff Spotlight

**Nazila Yonus**

**Administrative Manager**



Since joining Afghanaid in 2018, Nazila has risen to assume the position of Administration Manager. She explained, “It is a great honour for me to be part of such an esteemed organisation. I am inspired by Afghanaid’s respect for our local culture and religion, and the community support this generates.” She also says she values Afghanaid's high ethical standards, the commitment to equality and to fostering positive transformations.

Afghanaid’s daily operations would not be possible without Nazila’s dedication. She manages an enormous workload, with direct oversight of 14 staff, and the responsibility to maintain multiple large buildings, a vehicle fleet, and external contractors. Nazila executes her duties diligently and due to the nature of her role, is available at all hours; she said with a shrug, “Any time Afghanaid needs support, I will be there.” She went on to say, "Afghanaid serves as a university for all of us. I initially began as an Administrative Officer and have progressed to the role of Administrative Manager."

She expressed gratitude for the mentorship and support she has received, emphasising her commitment to extending similar guidance to junior staff, facilitating their professional development.

Speaking of the ban on women working for NGOs in December 2022, and other challenges, Nazila noted that Afghanaid has been exceptionally supportive to its female staff and dealt with the situation over the past year with courage and creativity, to ensure that female staff remain employed and engaged. However, she notes that the period working from home was challenging because women felt isolated and cultural and family expectations made it difficult to prioritise work over domestic and family obligations. Nazila is hopeful for an Afghanistan where women have equal rights in all aspects and can progress in their careers as far as they desire.

She hopes for a peaceful Afghanistan, where children grow in a secure environment with a bright future, free of discrimination.





## Staff Spotlight

### Mohammad Farid

#### Driver, Ghor Province

Mohammad Farid has spent 20 years driving the deeply rutted and treacherous roads of Ghor province on behalf of Afghanaid. His deep knowledge and exceptional skills, even in the harshest weather, have enabled Afghanaid's project teams to safely reach the people most in need, including in the aftermath of floods, or in deep snow and extreme cold. In doing so, Farid has developed an exceptional knowledge of Afghanaid's projects, past and present.

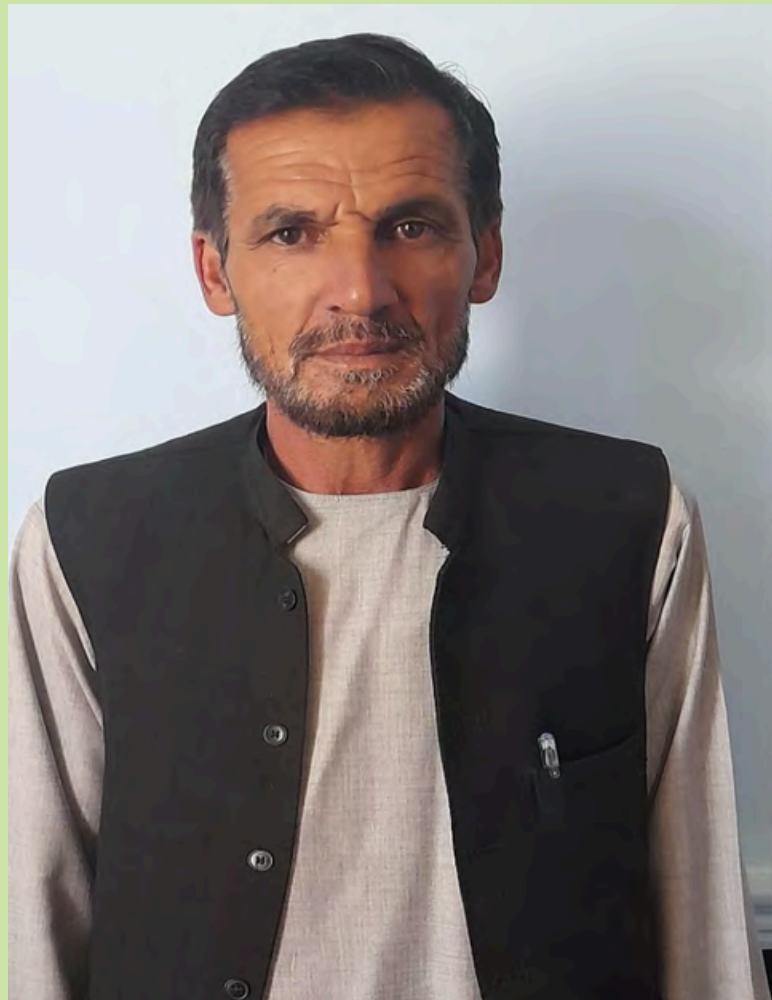
It is always a great pleasure to drive with Farid and have him proudly point out the roads, irrigation roads, irrigation schemes, dams, reservoirs, flood retaining walls and other essential infrastructure constructed by Afghanaid over the years.

Among Farid's favourite Afghanaid projects is the water reservoir and pipe scheme we constructed in Salmin village. He observed firsthand how the water reservoir positively impacted the families there as they now enjoy clean water, for both drinking and sanitation, as well as how the reservoir has supported the return of vegetation to the valley.

Speaking of Ghor province, Mohammad Farid observes that the province's geography and remoteness is an overarching challenge:

"It is a massive, mountainous and poor province that lacks proper roads and infrastructure and is constantly faced with natural obstacles and disasters."

Considering this, Farid believes the Afghanaid' work over so many years has made a profound difference to the lives of the people of the province.



## Our Donors and Supporters

**In 2023, Afghanaid received humanitarian and development funding from the following institutional donors:**

- Avaaz Foundation
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- European Union (EU)
- Food and Agriculture Organization of the United Nations (FAO)
- UK Foreign, Commonwealth, & Development Office (FCDO)
- Swedish International Development Cooperation Agency (Sida)
- United Nations Office for Project Services (UNOPS)
- United Nations Office for the Coordination of Humanitarian Affairs (OCHA)
- United Nations World Food Programme (WFP)
- UN Women (UNW)

We were especially grateful to these donors for their steadfast support despite the challenges of sanctions, fund transfers, and the political actions by Afghanistan's de facto authorities.

**We also received funding from the following Trusts and Foundations and corporate donors:**

- |  |  |
|--|--|
| • Afghan Caravan                       | • JAC Trust                            |
| • Armstrong Family Trust               | • K Hannay Memorial Trust              |
| • Asian Council Voya Financial         | • KPMG LLP                             |
| • Bloomberg Corporate                  | • Linda Norgrove Foundation            |
| • Boston Consulting Group              | • Lyon's Family Trust                  |
| • Capital Group                        | • Miss K.M. Harbinson Charitable Trust |
| • Cecil Pilkington Charitable Trust    | • P&G Charitable Trust                 |
| • CHK Foundation                       | • Rhododendron Trust                   |
| • Diane McMullen Educational Trust     | • Skythorn Trust                       |
| • Eddie Dinshaw Foundation             | • Untamed Borders                      |
| • Global Giving Emergency Relief Fund  | • Utley Foundation                     |
| • Grassington and District Peace Group | • Vitol Foundation                     |
| • Hoare Trustees - Miranda Fund        | • Watani Box                           |
| • Joss Stone Foundation                | • Wild Frontiers                       |



## Communications



**In 2023, the Communications and Giving team continued to roll out a retention strategy to ensure the portfolio of supporters we gained in 2021 and 2022, alongside our existing community, continued to positively engage with Afghanaid. This included continuing to build out the capacity of our new Customer Relationship Management software and marketing cloud, developing more tailored engagement plans for the segmented donor base, hosting a range of events, and improving organisational capacity for impact reporting. Notably, the team were able to carry the support of 70% of its high value donor portfolio from 2022 to 2023, highlighting the success of its refined stewardship portfolio.**

During the first quarter of 2023, the team continued to deliver activities related to Times and Sunday Times prestigious Christmas Appeal, however, the appeal coincided with the suspension of all Afghanaid operations in the first quarter of the year, following the de facto authority's announcement of the decree banning national women staff from working for NGOs. The communications team worked positively with the Times and Sunday Times to coordinate the issuance of statements and additional news pieces to readers to ensure they were informed through the challenging period. Despite these challenges, by the end of the appeal in February 2023, we had raised a further £250k from the appeal and welcomed a total of over 1,500 new donors.

The final quarter of the year was our most active in terms of appeals and activities: the communications ran four multi-channel fundraising appeals, including an emergency earthquake appeal in October, and the annual Big Give Christmas campaign.

Afghanaid also seized the opportunity to cultivate new and maintain existing relationships through activities as part of our 40th anniversary celebrations. This included a large-scale event in November at the Royal Geographical Society, an exclusive event at the House of Lords, and the release of a documentary film reflecting on four decades of work. As well as raising vital funds - in part due to generous match funding from the CHK Foundation - the 40th campaign played a key role in continuing to elevate brand awareness. We utilised several celebrity connections to promote the film and anniversary campaign both on digital channels and at in-person events.

Our engaging campaign, storytelling and stewardship activities throughout the year enabled us to continue to significantly grow our increase in digital engagement seen across 2021 and 2022, with total website users for the year reaching 168,043, an increase of over 40% from 2022 figures. Additionally, through refining our search engine optimisation (SEO) and Google Advertising strategies, we tripled our Google Search impressions from a 2022 base of 958,000. On social channels, we kept pace with algorithm changes and increased our total following by a further 16%, strategically using these digital channels to reach new audiences, build relationships with celebrities and high-profile diaspora members, and build a community.

In 2024, the team will continue to hit key strategic milestones in the organisational five-year strategy, notably building out its capacity to recruit new supporters through enlisting the services of a Digital Advertising Agency to launch an integrated, full-funnel paid marketing strategy across Meta and Google, and increasing its capacity to generate earned media through increasing human resource in this area.

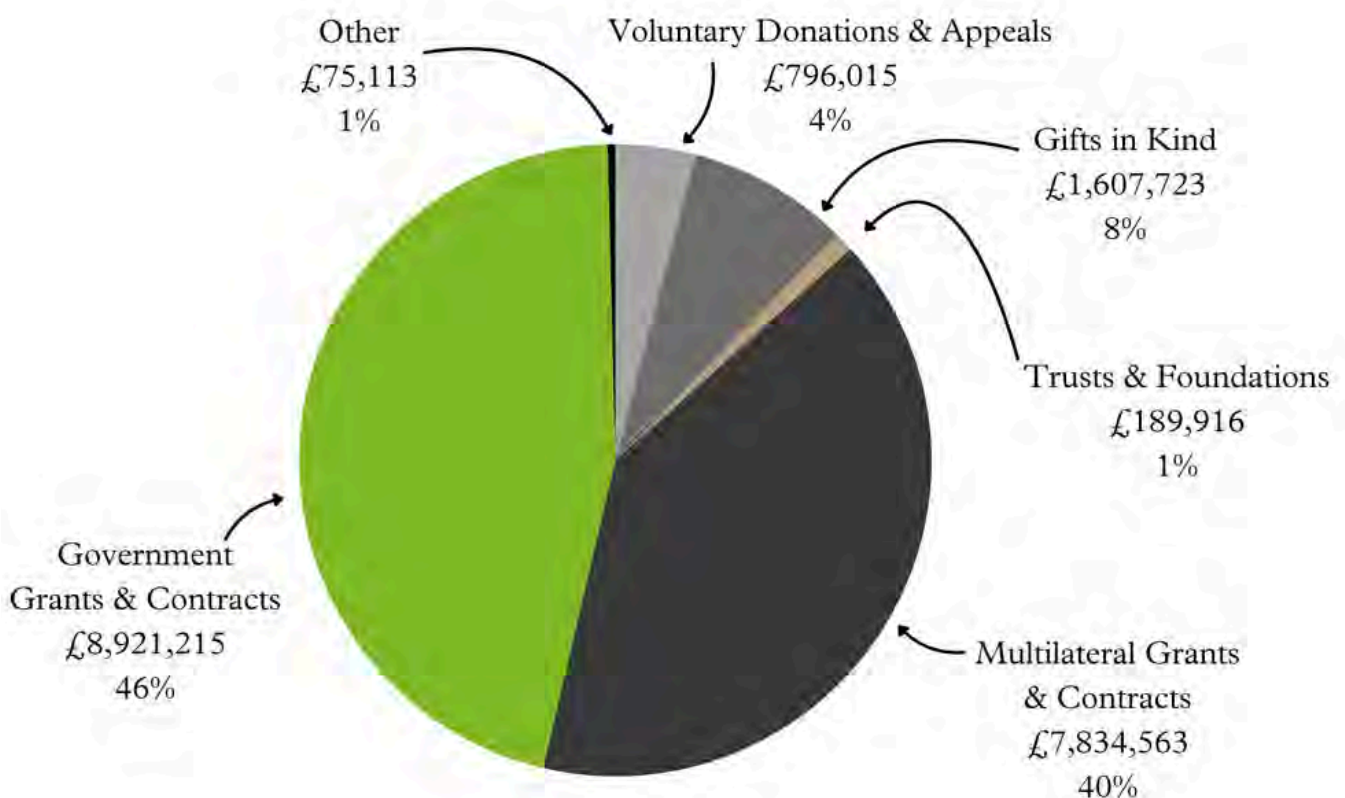




## Financial Review

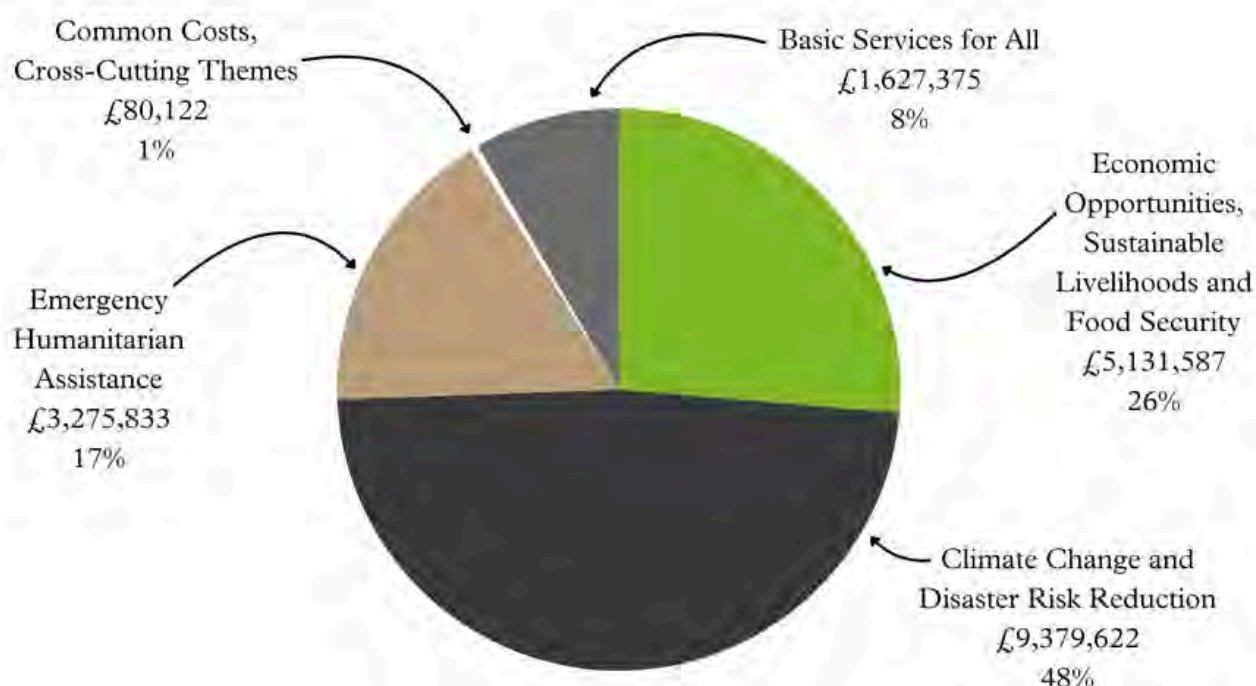
In the financial year of 2023, income of £19.425 million was recognised, an increase from the £16.581 million income reported in 2022. This upturn in income was primarily driven by an increase in government grants and contracts, amounting to £3.636 million (a 69% rise compared to 2022). This is largely attributed to the EU-funded Faragir project, the UK FCD0-funded Emergency Rural Livelihoods Recovery project, and the Sida-funded Community-Based Eco-DRR (CBED Phase II) project.

Income from multilateral grants and contracts experienced an increase of £2.611 million (a 50% increase compared to 2022), primarily due to various short term emergency projects funded by FAO and the Afghanistan Community Resilience & Livelihoods project funded by UNOPS. There was a decrease in gift-in-kind income, amounting to £2.474 million (a 61% decline). This reduction is mainly attributed to WFP-funded unconditional seasonal food support projects which closed in 2022 and for grants awarded in 2023 involving substantial food distributions, the food distribution component of these projects was postponed to 2024. Below is the breakdown of total income by category:



Charitable expenditure in the year amounted to £19.495 million (2022 £16.319 million). This growth was mainly driven by a £3.832 million rise (69% higher than in 2022) in expenditures within the climate change and disaster risk reduction programme pillar. This increase is primarily attributed to spending on the Sida-funded Community-Based Eco-DRR (CBED II) project and the FCDO-funded Emergency Rural livelihoods Recovery project. Expenditure linked to the Economic Opportunities, Sustainable Livelihoods and Food Security programme pillar rose by £1.772 million (53% higher than in 2022), driven by the WFP-funded Rural Resilience Building Programme projects, UNOPS funded Afghanistan Community Resilience and Livelihoods (Lot3) project and the FCDO-funded Empowering Women through Improved Animal Husbandry project.

Expenditures associated with the Basic Services for All programme pillar increased by £258k (a 19% increase from 2022), mainly due to the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) funded Emergency WASH projects. Expenditures under the Emergency Humanitarian Assistance programme pillar decreased by £2.562 million (44% lower than in 2022), primarily due to reduced spending on winterisation projects funded by the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) and completion of WFP-funded unconditional seasonal food support (SSUP) project, which was predominantly spent during 2022. Expenditures on Cross-Cutting Themes within the programme pillar decreased by £124k (61% lower than in 2022), largely due to reduced expenditures on unrestricted projects. Below is the breakdown of total expenditure by category:





During 2023 £378k (2022 £1.076 million) of Appeal funds were used to co-fund various humanitarian projects. This includes £251k (2022 £1.076 million) from the Crisis Appeal Programme, £14k (nil in 2022) for the By Her Side Appeal, £78k (nil in 2022) from The Times & Sunday Times Appeal, and £35k (nil in 2022) from the Earthquake Appeal. Appeal funds will be further spent down in 2024.

Between July 2023 and November 2023 there was a substantial appreciation of the Afghani (AFN) against the United States Dollar (USD) by 22.06% and 16.13% against GBP respectively which was largely attributed to stringent measures enforced by the Da Afghanistan Bank (DAB). These measures included restrictions on deposit withdrawals, capital outflows, and the prohibition of non-AFN currencies in local transactions. This considerable fluctuation resulted in a foreign exchange loss of £518k.

## **Risks, uncertainties and management thereof:**

### **Ban on Afghan women working for NGOs**

In late December 2022, the Taliban authorities announced a complete ban on Afghan women working for NGOs. Afghanaid immediately suspended all activities in Afghanistan while we took stock of the situation. A number of donors also suspended funding. Over the next two months we devised and implemented a plan that would allow women to work from home while remotely liaising with female community leaders to socialise projects; select female project participants; deliver training through video, MP3 and demonstration; distribute equipment and materials; and monitor and evaluate project performance – thereby ensuring the meaningful involvement of women in Afghanaid's work by women for women. All the while we negotiated with



local district and provincial authorities to build confidence and allow our female staff to visit target communities. Gradually, these efforts paid off, donor confidence returned and most female project staff were able to visit female project participants in most locations most of the time. Still, through 2024 it will remain a work in progress; we must be careful, but we will continually negotiate with the authorities for improved access for and to women.

### **Banking sector**

The residual fragility of the banking sector remains a concern going forward, but the situation has significantly improved throughout 2023. As of the start of 2024 we will cease the international Hawala transfers that we have largely relied on since September 2021, using the Afghanistan International Bank (AIB), Crown Agent Bank, Convera, and UN Money Transfer System, thereby considerably reducing the cost of international fund transfers, reducing risk and bolstering the confidence of our UK banks. We continue to hold the majority of funds in the UK with transfers made to Afghanistan as required for operational requirements. For fund transfers inside Afghanistan in 2024 we will also begin utilising Azizi Bank to make domestic salary payments to staff based in Kabul and provincial capitals (though not yet to district capitals), and we will increasingly use the banks to make payments to suppliers. Where we need to continue to use Hawala services in Afghanistan, we will rapidly move away from post-payment transfers to pre-payments arrangements with well-established and now proven money service providers (MSPs), thereby further and significantly reducing the cost of domestic fund transfers.

### **Currency volatility**

During 2023, the volatility of the Afghani against the major currencies and the risk of exchange rate loss presented a further risk on the financial front. However, we were successful in renegotiating contracts with both UNOPS and Sida to cover exchange rate losses on the two projects where losses were most significant. We applied judicious measures to minimise losses, negotiating contracts in hard currencies and holding funds in hard currencies in UK-based bank accounts, only converting to Afghani when absolutely needed. We will continue the same practices going forward.

### **Bureaucratic impediments**

In 2023, NGOs were confronted with numerous and repeated bureaucratic impediments created by the de facto authorities. The Taliban Ministry of Education decreed that international NGOs immediately turn over direct implementation of



education programmes to national NGOs; as time has gone by, the NGO community has negotiated some compromise but despite there being no supporting evidence, the spectre that this order will be expanded to other sectors has not gone away. There has also been pressure from the de facto authorities to increase direct funding to local NGOs. However, it is important to note that no major donor and no donor of Afghanaid has any appetite to increase funding levels directly to local NGOs in the next several years.

Many NGOs have experienced lengthy delays in registering new projects already contracted with donors. Each new project must be registered with the Ministry of Economy and a Memorandum of Understanding (MoU) agreed with the most relevant line ministry. During the registration and MoU process, NGOs are often confronted with pressures from de facto authorities to reduce project management costs to an arbitrary 25 to 35%; demands to relocate projects to target areas of their choosing; as well as demands for the assigned ministry's involvement in procurement and/or recruitment. However, as we headed into 2024 and beyond, by remaining determinedly true to our principles, investing the time and effort to pre-emptively engage the authorities in project design and build understanding, and striving to design projects that do not exceed the de facto authority's expectation of administrative costs, Afghanaid is increasingly confident that we can negotiate resolution in most instances, as proven by eventual resolution of long-running negotiations for the EU-funded Faragir project in February 2024.

### **Loss of staff due to resettlement cases**

A further threat that came to the fore in 2023 was the pending resettlement to the USA of 19 well established head office staff. Though Afghanaid has lost a few staff to various resettlement countries since 2021 these departures had been over an extended period and more easily managed. The risk of losing 19 staff within the space of a year or two posed a greater risk, therefore, in 2023 Afghanaid undertook a thorough assessment of each position and individual that could be affected and tailored succession plans to mitigate the disruption. To date four important head office staff, out of the 19 have embarked on their resettlement journey, but by pre-emptively recruiting and training replacements, putting in place detailed handover plans, and allowing departing staff to work remotely for several weeks, we have been able to mitigate the impacts.

## **Security**

Given the current context, Afghanaid acknowledges the significant improvements in nationwide physical security compared to the Republican era. Threats do still continue and encompass direct and indirect violence by armed groups, civil unrest, natural and man-made disasters, workplace accidents, and mental and physical health challenges.

To actively manage security and safety risks, we implement a comprehensive security policy, regularly updated risk register, and stringent due diligence on partners and service providers ensure that we remain vigilant and prepared for various threats. We have robust training programs for staff and project participants in security, and safeguarding protocols, supported by regular security drills and the provision of protective equipment. Furthermore, we provide mental health and psychosocial support, with adequate insurance coverage to maintain staff well-being. Our preparedness plans, including hibernation, relocation, and evacuation strategies, ensure we can continue our operations safely. The Security Management and Access Committee (SMAC) meets every two weeks to discuss political and security developments and their likely impact to the organisation. The actions recommended are monitored and implemented as appropriate. The SMAC is ably supported by a Senior Security Advisor and a Head of Security who manage security strategy and day-to-day management respectively. A Board Security Committee also meets quarterly to provide strategic oversight and advice to Afghanaid management.

An organisation risk register is maintained by the Director of Finance and Operations, reviewed regularly by the Directorate and the Board of Trustees. Management has set up a Management Risk Committee to provide in-depth review and support in the areas of Risk, Due Diligence, Safeguarding and Fraud and Corruption, anti-money laundering and counter terrorism, to ensure more attention and time is devoted to these areas of our risk framework, and to provide summary reports to the Board of Trustees on a regular basis.

Afghanaid's Executive Team is responsible for ensuring that risk management processes are embedded in the day-to-day operations through effective implementation of policies and procedures. The trustees are ultimately responsible for risk management and the effectiveness of Afghanaid's internal control systems.



## Going Concern

The trustees are required to consider whether it is appropriate for Afghanaid's accounts to be prepared on a 'going concern' basis. These accounts have been prepared on a going concern basis, the assumption underpinning this being that Afghanaid will continue in operational existence for the foreseeable future and has neither the intention nor need to significantly curtail the scale of its operations. In an assessment to support going concern for the 2023 Financial Statements, a detailed review of income and expenditure for 2024 and 2025 was conducted together with cash flow projections. Regular reassessments will continue to be carried out as necessary and the organisation could adjust operating expenditure in the event that funding is curtailed whilst still maintaining core operating capabilities and, if necessary, draw down on reserves. The trustees are satisfied with the measures implemented to mitigate the risks in Afghanistan's operating environment. For these reasons, the trustees continue to adopt the going concern basis in preparing the financial statements.

Factors which support this assumption include the following:

1. Further awards from a range of donors have been agreed in the 2024 financial year along with a viable pipeline of future multi-year funding.
2. Core operating expenses are closely aligned to income.
3. Continued strong cash management and cash flow projections.
4. The expectation is that we will be able to deliver our programmes. We will adjust core operating costs should our programme activities be severely impacted by either restrictive operating guidelines imposed by the authorities or security considerations.

Whilst the risks associated with operating in Afghanistan have the potential for a significant impact on the operations of the organisation, the trustees believe, they are not however considered material uncertainties in relation to Afghanaid's ability to continue as a going concern.

## Reserves

At 31 December 2023, Afghanaid had total reserves of £2.512m, made up of £2.362m of unrestricted reserves and an expendable endowment fund of £150k. This is a decrease from the total reserves of £3.100m as at 31 December 2022, which included restricted appeal funds of £445k that were spent in 2023.

The total of unrestricted reserves is made up as follows:

### **General Funds**

An amount that allows Afghanaid to pursue its agreed purpose and strategy, specifically to meet short term funding gaps and thereby maintain capacity, to cover short-term working capital needs and potential co-financing requirements. This reserve was £884k at the end of 2023, a decrease from £1.042m at the end of 2022. The largest component of this reduction was due to unrealised foreign exchange losses.

### **Fixed Asset Reserve**

An amount to cover funds invested in tangible and intangible fixed assets, totalling £34k at the end of 2023 (£52k at the end of 2022).

### **Appeal Funds**

At 31 December 2023, Afghanaid had a designated unrestricted reserve of £919k representing appeal funds carried forward at the end of the year amounting to £307k from Crisis Appeal Programme Funds, £150k By Her Side Appeal Funds, £429k The Times & Sunday Times Appeal Funds and £33k Earthquake appeal Funds. At the end of 2022 this reserve was £960k.

### **Designated Contingency Funds**

Working in a complex and insecure environment, such as Afghanistan, makes it important for us to cover the costs which might arise from the risk of having to cancel or seriously curtail planned programmes, or the cost arising from closing and/or relocating all or parts of our operations to the extent that these costs cannot be recovered from donor contracted funding. The trustees believe the costs of winding down the organisation (designated contingency fund) are £525k (£450k in 2022). The £75k increase in designated contingency funds is associated with scaling up our operations.

The trustees review the reserves policy annually and have decided that a range of £1.5 million to £2 million in respect of general funds and contingency funds is appropriate for the charity. The reserves are primarily used to support working capital needs, to meet the cost of unanticipated severe curtailment of programmes or to clear the liabilities linked with closing part of or, in extreme but unlikely circumstances, the whole organisation, and pay off the accumulated liabilities not recoverable from any unrestricted funding sources.



# Statement of Trustees' Responsibilities

The trustees (who are also directors of Afghanaid for the purposes of company law) are responsible for preparing the trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

- each of the trustees has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

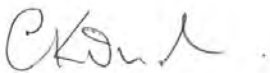
The trustees fully subscribe to the tenets of Charity Governance Code which is anchored on seven principles, namely organisational purpose; leadership; integrity; decision-making, risk and control; board effectiveness; diversity; and openness and accountability. The trustees are aware that the Charity Governance Code is not a regulatory requirement but recommends best practice and assists in making well considered decisions, which are in the best interest of the charity.

### **Auditors**

Crowe UK LLP was appointed auditor for the year. In accordance with the provisions of the Companies Act, it is proposed that it be re-appointed auditor for the ensuing year.

The Trustees' Report, incorporating the Strategic and Directors' Report, was approved by the trustees on

Tuesday 9th July 2024 \_\_\_\_\_ and signed on their behalf by:



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\_\_\_\_\_  
Christopher Kinder  
Chairman Board of Trustees



# Independent Auditor's Report to the Members and the Trustees of Afghanaid

## Opinion

We have audited the financial statements of Afghanaid ('the charitable company') for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the

going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and



- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 45, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and

report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We

assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, and Employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



## **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink, appearing to read 'Dipesh Chhatralia', with a stylized flourish at the end.

Dipesh Chhatralia  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London  
12 July 2024

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

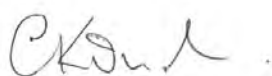
	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total Funds	2022 Total Funds
		£	£	£	£	£
<b>Income and endowments from:</b>						
<b>Donation and Legacies</b>	4a	796,015	-	-	<b>796,015</b>	1,181,911
<b>Gift in kind</b>		-	1,607,723		<b>1,607,723</b>	4,081,371
<b>Charitable activities</b>	4b	1,231,740	15,763,347	-	<b>16,995,087</b>	11,260,492
<b>Investments</b>		13,780	-	-	<b>13,780</b>	1,735
<b>Other</b>		11,940	-	-	<b>11,940</b>	55,353
<b>Total</b>		<b>2,053,475</b>	<b>17,371,070</b>	<b>-</b>	<b>19,424,545</b>	16,580,862
<b>Expenditure on:</b>						
<b>Raising funds</b>		161,002	-	-	<b>161,002</b>	<b>157,763</b>
<b>Rural Rehabilitations &amp; Emergencies</b>		1,479,099	17,854,439	-	<b>19,333,538</b>	16,160,839
<b>Total</b>		<b>1,640,101</b>	<b>17,854,439</b>	<b>-</b>	<b>19,494,540</b>	16,318,602
<b>Net income/(expenditure)</b>		<b>413,374</b>	<b>(483,369)</b>	<b>-</b>	<b>(69,995)</b>	<b>262,260</b>
<b>Other recognised gains:</b>						(136,288)
<b>Gains/ (losses) on foreign exchange retranslation</b>		(556,380)	38,300	-	<b>(518,080)</b>	125,972
<b>Net Movement in Funds</b>		(143,006)	(445,069)	-	<b>(588,075)</b>	
<b>Reconciliation of funds:</b>						2,973,979
<b>Total funds brought forward</b>		2,504,882	445,069	150,000	<b>3,099,951</b>	3,099,951
<b>Total funds carried forward</b>		<b>2,361,876</b>	<b>-</b>	<b>150,000</b>	<b>2,511,876</b>	

**COMPANY NUMBER: 3034888**

**BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2023**

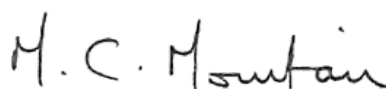
	Notes	As at 31 December 2023 £	As at 31 December 2022 £
<b>Fixed Assets:</b>			
Intangible assets	9	28,298	34,469
Tangible assets	10	5,530	17,750
<b>Total fixed assets</b>		<b>33,828</b>	<b>52,219</b>
<b>Current Assets:</b>			
Debtors	11	2,395,558	5,888,392
Cash at bank and in hand	12	5,047,738	7,697,978
<b>Total current assets</b>		<b>7,443,296</b>	<b>13,586,370</b>
Creditors: Amounts falling due within one year	13	4,965,248	10,538,638
<b>Net Current Assets</b>		<b>2,478,048</b>	<b>3,047,732</b>
<b>Total Net Assets</b>		<b>2,511,876</b>	<b>3,099,951</b>
<b>The funds of the charity:</b>			
Endowment Fund		150,000	150,000
Restricted Appeal Funds		-	445,069
<b>Unrestricted Funds</b>			
Designated Contingency Funds		525,000	450,000
Appeal Funds		919,404	960,443
Fixed Assets Reserve		33,828	52,219
General Funds		883,644	1,042,220
Subtotal		<b>2,361,876</b>	<b>2,504,882</b>
<b>Total charity funds</b>	<b>16</b>	<b>2,511,876</b>	<b>3,099,951</b>

Approved by the trustees, and authorised for distribution, on Tuesday 9th July 2024 signed on their behalf by:



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Christopher Kinder  
**Chairman**



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Mary Mountain  
**Treasurer**



## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2023

	As at 31 December 2023	As at 31 December 2022
	£	£
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	(2,145,940)	4,239,875
<b>Cash flows from investing activities:</b>		
Interest received	13,780	1,735
Purchase of tangible fixed assets	-	(42,937)
Net cash (used in ) / provided by financing activities	13,780	(41,202)
Change in cash and cash equivalents during the reporting period	(2,132,160)	4,198,673
Cash and cash equivalents at the beginning of the reporting period	7,697,978	3,635,593
Change in cash and cash equivalents due to exchange rate movements	(518,080)	(136,288)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,047,738</b>	<b>7,697,978</b>
<b>Net income/(expenditure) for the reporting period:</b>	<b>(69,995)</b>	<b>262,260</b>
Adjustments for:		
Returns on investment	(13,780)	(1,735)
Depreciation and amortisation of fixed assets	28,430	36,838
Revaluation of tangible fixed assets	(10,039)	(10,877)
(Increase) / decrease in debtors	3,492,834	(4,167,871)
Increase / (decrease) in creditors	(5,573,390)	8,121,260
<b>Net cash flow from operating activities</b>	<b>(2,145,940)</b>	<b>4,239,875</b>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **NOTE 1: CHARITY INFORMATION**

Afghanaid is a company limited by guarantee, which is incorporated in England and Wales. Afghanaid is a registered charity in England and Wales, and Scotland, and is a public benefit entity.

The address of the registered office is Omnibus Business Centre, 39-41 North Road, London N7 9DP.

- Company Name: Afghanaid, LBG
- Company No. 3034888
- Charity Nos. 1045348 (England and Wales)  
SC044614 (Scotland)

### **NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of Afghanaid's accounting policies, which are described in note 3, trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the trustees and management, the following are the most significant accounting estimates and areas of judgement:

- The treatment of deferred income balances related to restricted contracts as monetary liabilities.
- The judgement that expenditure incurred on performance related grants is a reliable basis for estimating the right to receive payment for the work received.
- The judgement that, subject to evidence to the contrary, all expenditure incurred under a signed funding agreement is recoverable from funders.
- The judgement that there is no provision required for disallowed expenditure under donor funding agreements.
- Gifts-in-kind received during the reporting period have been valued at fair value of these gifts based on donor published commodities rates.

### **NOTE 3: ACCOUNTING POLICIES**

The principal accounting policies which have been adopted have been set out below:

#### **1. Accounting Convention**

The accounts (financial statements) have been prepared under the historical cost convention and in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and UK Generally Accepted Practice.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 3: ACCOUNTING POLICIES (CONTINUED)

#### 2. Branch accounting

Operations in Afghanistan are treated as a branch of Afghanaid and their results are included herein.

#### 3. Preparation of the accounts on a going concern basis

The trustees are required to consider whether it is appropriate for Afghanaid's accounts to be prepared on a 'going concern' basis. These accounts have been prepared on a going concern basis, the assumption underpinning this being that Afghanaid will continue in operational existence for the foreseeable future and has neither the intention nor need to significantly curtail the scale of its operations. In an assessment to support going concern for the 2023 Financial Statements, a detailed review of income and expenditure for 2024 and 2025 was conducted together with cash flow projections. Regular reassessments will continue to be carried out and the organisation could adjust operating expenditure in the event that funding is curtailed whilst still maintaining core operating capabilities and, if necessary, draw down on reserves. The trustees are satisfied with the measures implemented to mitigate the risks in Afghanistan's operating environment. For these reasons, the trustees continue to adopt the going concern basis in preparing the financial statements. More information is included within the risks and uncertainties section of the trustees' report.

#### 4. Functional/Presentation Currency

The functional currency of Afghanaid and its branches is considered to be in Afghanis because that is the currency of the primary economic environment in which the charity operates i.e. Afghanistan. The financial statements are presented in pounds sterling.

#### 5. Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when Afghanaid is entitled to the income, when it is probable that the incoming resource will be received and the amount can be quantified with reasonable accuracy.

The following specific policies apply to categories of income:

Performance based contracts: where Afghanaid provides goods and/or services in return for a fee as part of its charitable activities such contractual income is recognised as income in the SOFA to the extent that Afghanaid has provided the goods and/or services thereby earning the right to consideration by its performance.

Grants from governments, institutional donors and trusts & foundations: due to the fragile nature of the areas that we work, entitlement to programmatic income is recognised when the underlying expenditure has been incurred. For those agreements related to specific conditions, income is recognised in the SOFA when the conditions have been substantially met and expenditure incurred. For those agreements with unconditional entitlement, income is recognised based on expenditure incurred. Where income is received in advance of its recognition in the SOFA it is deferred as a



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 3: ACCOUNTING POLICIES (CONTINUED)

liability until probability exists that the entitlement to that income has been incurred. Where entitlement occurs before incoming resources are received, the income is accrued.

Appeals income: Appeals income is raised from individual giving, trusts, and major donors and is recognised as income in the SOFA when it is received. The funds will be used according to implementation plans developed in response to the needs specified in the appeal, and must be approved by directors according to their authority limits.

Investment income is recognised when receivable.

Gift in kind: Gifts-in-kind represent non-monetary contributions in the form of donated goods, services and facilities made by benefactors to support the organisation's mission and activities. An equivalent amount is included in the SOFA at fair value of these gifts.

Other income, including proceeds from the sale of assets, is recognised in the period it is receivable and to the extent that Afghanaid has provided the goods or services.

### 6. Expenditure

Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the category. Cost of raising funds relates to direct costs incurred in obtaining future funding, including an allocation of salaries and resources used. Direct charitable expenditure comprises all expenditure directly relating to the objects of the charitable company.

Support costs comprise all administrative services supplied centrally, identifiable as wholly or mainly in support of the emergency and rural rehabilitation programmes as well as governance costs related to the management of Afghanaid's assets, organizational management and compliance with constitutional and statutory requirements. These have been apportioned to the charitable activities and costs of raising funds on the basis of staff time spent on each area.

### 7. Intangible Fixed Assets

Software and website development costs are capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised on the straight-line basis over the anticipated life of the benefits arising from the completed project.

### Tangible Fixed Assets

Depreciation is provided on a straight-line basis on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Motor vehicles: 4 years

Office equipment: 4 years

Plant and machinery: 5 years

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 3: ACCOUNTING POLICIES (CONTINUED)

Items of equipment are capitalised where the purchase price exceeds £3,928 (US\$ 5,000).

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

#### 8. Financial Instruments

Afghanaid has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Financial assets held at fair value at the Balance Sheet date comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

#### 9. Fund Accounting

Restricted funds are donations and grants for which the donor has specified an intention to support a particular aspect of Afghanaid's charitable activities, together with investment income accruing directly to those restricted funds. Only expenditure which meets the criteria agreed by the donor is charged against each fund. Surpluses are held until they can be fully expended on the activity to which the restriction applies. In the case of grant funds, unspent balances are usually returnable at the end of the grant period.

Endowment funds are resources held by Afghanaid on trust, comprising monetary and other assets which represent capital. Expendable endowment funds are held for the purpose specified by the donor. The balance of expendable endowment funds is maintained to provide working capital for the charity, structured as a stability fund to meet cash flow needs while preserving resources for core expenses. This grant acts as a reserve, accessible as required, with the expectation of replenishment during favourable conditions.

All other funds are unrestricted income and may be used for any of the organisation's charitable purposes.

General reserve: an amount that allows Afghanaid to pursue its agreed purpose and strategy, specifically to meet short term funding gaps and thereby maintain capacity, to cover short term cash flow needs and potential co-financing requirements.

Designated funds are amounts set aside from the general fund which are being held at the discretion of the Afghanaid Board of Trustees.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **NOTE 3: ACCOUNTING POLICIES (CONTINUED)**

#### **10. Foreign Currency Transactions**

Transactions in foreign currencies are recorded using the monthly average rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated. Gains or losses on transactions are included in the Statement of Financial Activities. Where exchange differences are directly attributable to a particular fund, they have been included in the movements against that fund.

#### **11. Leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the lease term.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 4A: DONATIONS AND LEGACIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>
Donations from Crisis Appeal	30,661	-	30,661	141,929	-	141,929
Donations from By Her Side Appeal	-	-	-	163,975	163,975	327,950
Donations from The Times & Sunday Times Appeal	253,830	-	253,830	268,121	-	268,121
Earthquake Appeal	68,654	-	68,654	-	-	-
Others	442,870	-	442,870	443,911	-	443,911
<b>TOTAL</b>	<b>796,015</b>	<b>-</b>	<b>796,015</b>	<b>1,017,936</b>	<b>163,975</b>	<b>1,181,911</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 4B: GRANTS & CONTRACTS FOR RURAL REHABILITATION & EMERGENCIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>
<b>Government Grants &amp; Contracts (Note 4b.1 &amp; 4b.2)</b>						
European Commission	-	813,373	<b>813,373</b>	-	-	-
UK Foreign, Commonwealth, and Development Office (FCDO)	-	4,101,719	<b>4,101,719</b>	-	1,061,300	<b>1,061,300</b>
Swiss Agency for Development and Cooperation (SDC)	-	-	-	-	400,878	<b>400,878</b>
Swedish International Development Cooperation Agency (Sida)	-	3,674,959	<b>3,674,959</b>	-	2,484,915	<b>2,484,915</b>
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	-	179,031	<b>179,031</b>	-	1,056,592	<b>1,056,592</b>
<b>Sub total</b>	-	<b>8,769,082</b>	<b>8,769,082</b>	-	<b>5,003,685</b>	<b>5,003,685</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### Multilateral Grants & Contracts

United Nations World Food Programme (WFP)	-	1,952,250	<b>1,952,250</b>	-	1,173,543	<b>1,173,543</b>
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	-	3,549,255	<b>3,549,255</b>	-	3,329,354	<b>3,329,354</b>
United Nations Food and Agriculture Organization (FAO)	-	1,056,600	<b>1,056,600</b>	-	281,518	<b>281,518</b>
United Nations Office for Projects Services (UNOPS)	1,184,717	-	<b>1,184,717</b>	365,603	-	<b>365,603</b>
United Nations Women (UN Women)	-	91,741	<b>91,741</b>		73,515	<b>73,515</b>
<b>Sub total</b>	1,184,717	6,649,846	<b>7,834,563</b>	365,603	4,857,930	<b>5,223,533</b>
Search for Common Ground (SfCG)	-	152,133	<b>152,133</b>		-	<b>-</b>
By Her Side Appeal- Match Funding		-	<b>-</b>		281,094	<b>281,094</b>
Trusts & Foundations Grants	-	190,612	<b>190,612</b>	-	719,606	<b>719,606</b>
Other Grants & Contracts	47,023	1,674	<b>48,697</b>	21,858	10,716	<b>32,574</b>
<b>Sub total</b>	47,023	344,419	<b>391,442</b>	21,858	1,011,416	<b>1,033,274</b>
<b>TOTAL</b>	<b>1,231,740</b>	<b>15,763,347</b>	<b>16,995,087</b>	<b>387,461</b>	<b>10,873,031</b>	<b>11,260,492</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 4B.1: INCOME FROM GOVERNMENT GRANTS & CONTRACTS (2023)**

Income from governments during the reporting period include:

<b>Government/Agency</b>	<b>Nature</b>	<b>Amount £</b>	<b>Unfulfilled conditions</b>
European Commission	Inclusive Livelihoods Recovery and Community Resilience	813,373	None
UK Foreign, Commonwealth, and Development Office (FCDO)	Grants for Emergency Rural Livelihoods Recovery	4,101,719	None
Swedish International Development Cooperation Agency (SIDA)	Grants for Community Based-Eco-Disaster Risk Reduction	3,674,959	None
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Grants for Forest Landscape Restoration and Transitional Development Assistance.	179,031	None
<b>TOTAL</b>		<b>8,769,082</b>	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 4B.2: INCOME FROM GOVERNMENT GRANTS & CONTRACTS (2022)**

Income from governments during the reporting period include:

<b>Government/Agency</b>	<b>Nature</b>	<b>Amount £</b>	<b>Unfulfilled conditions</b>
Swedish International Development Cooperation Agency (SIDA)	Grants for Community Based-Eco-Disaster Risk Reduction	2,484,915	None
UK Foreign, Commonwealth, and Development Office (FCDO)	Grants for Emergency Rural Livelihoods Recovery	1,061,300	None
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Grants for Forest Landscape Restoration and Transitional Development Assistance.	1,056,592	None
Swiss International Development Cooperation Agency (SDC)	Rangeland Management - Phase 1	400,878	None
<b>TOTAL</b>		<b>5,003,685</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 5: EXPENDITURE

	Raising funds	Rural Rehabilitations & Emergencies	2023 Total	2022 Total
	£	£	£	£
Staff costs	62,976	4,200,380	4,263,356	3,231,959
Sub-Grants/Sub-Contracts to Implementing Partners (note 5.1 & 5.2)	-	3,784,461	3,784,461	1,717,873
Direct costs	89,078	9,144,155	9,233,233	6,695,702
Gift in kind	-	1,607,723	1,607,723	4,081,371
Support costs (note 5.3)	8,948	596,819	605,767	591,697
<b>Total</b>	<b>161,002</b>	<b>19,333,538</b>	<b>19,494,540</b>	<b>16,318,602</b>

### NOTE 5.1: EXPENDITURE

	Grants to Institutions	Support Costs	Year ended 31 December 2023	Year ended 31 December 2022
	£	£	£	£
Basic Services	645,230	-	645,230	228,339
Improved Livelihoods	184,920	-	184,920	31,692
Climate Change and Disaster Risk Reduction	2,420,623	-	2,420,623	440,534
Emergency Humanitarian Assistance	498,232	-	498,232	1,017,308
Common Costs, Cross- cutting Themes & Other Unallocated	35,456	596,819	632,275	581,880
<b>Total</b>	<b>3,784,461</b>	<b>596,819</b>	<b>4,381,280</b>	<b>2,299,753</b>

### NOTE 5.2: SUB GRANTS PER PARTNER (excluding support costs)

	Year ended 31 December 2023 (£)	Year ended 31 December 2022 (£)
Concern Worldwide Afghanistan	670,382	260,908
Action Aid – Afghanistan	513,845	330,409
Save the Children Afghanistan (SCI)	965,204	510,478
Deutsche Welthungerhilfe.V (WHH)	199,810	-
Coordination of Humanitarian Assistance (CHA)	392,215	106,303
Rural Rehabilitation Association for Afghanistan (RRAA)	288,470	122,037
The Liaison Office (TLO)	667,790	356,046
Humanity & Inclusion (HI)	71,382	-
Efforts Organization for Women Advocacy (EOWA)	15,363	-
The Share Trust Inc.	-	31,692
<b>Total</b>	<b>3,784,461</b>	<b>1,717,873</b>

100% of grants are to institutions; no grants are paid to individuals (2022: £ nil).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 5.3: ANALYSIS OF SUPPORT COSTS

	Raising funds	Rural Rehabilitations & Emergencies	Year ended 31/12/23	Year ended 31/12/22
			Total	Total
	£	£	£	£
Staff costs	6,128	180,426	186,554	288,029
Governance	853	60,877	61,730	60,282
Administrative costs	1,967	355,516	357,483	243,386
Total	8,948	596,819	605,767	591,697

### NOTE 6: NET INCOME FOR THE YEAR IS STATED AFTER CHARGING:

	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Amortisation and depreciation	28,430	36,838
Trustees' travel expenses	1,669	3,056
Auditors' remuneration:		
Afghanistan – Other Auditors	11,475	7,464
United Kingdom – Crowe U.K. LLP	35,220	29,760
<b>Operating lease payments:</b>		
Land and buildings	217,105	193,409
Other assets	4,209	3,427

### NOTE 7: STAFF COSTS

	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Staff costs were as follows:		
Gross salaries - Afghanistan	3,603,314	2,917,607
Gross salaries – UK	324,774	294,909
Pension and Social security costs	521,822	307,472
<b>Total</b>	<b>4,449,910</b>	<b>3,519,988</b>

No trustee received any remuneration for their services in 2023 (nil in 2022).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### Number of employees who earned more than £60,000 during the period:

	Year ended 31 December 2023	Year ended 31 December 2022
£60,000 - £69,999	1	2
£70,000 - £79,999	2	2
£80,000 - £89,999	3	2
£90,000 - £99,999	1	-
£100,000 - £109,999	-	2
£110,000 - £119,999	1	-
£120,000 - £129,999	2	-
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-

In addition to the amounts disclosed above, Afghanaid have incurred security costs of £63,846 (2022: £48,841) and employer national insurance contributions of £6,839 (2022: £8,755).

	Year ended 31 December 2023	Year ended 31 December 2022
<b>Key Management Personnel Remuneration</b>	<b>£806,149</b>	<b>£754,938</b>

Key management personnel costs include salaries as well as all associated benefits for the following key management positions:

- Managing Director
- Director Operations
- Director Programme Development and Impact Learning
- Programme Implementation & Quality Director
- Deputy Director ARC
- Deputy Director of Programme Performance and Monitoring
- Deputy Director Finance and Administration
- Deputy Director Human Resources

#### Staff Numbers

Staff numbers indicate the average head count during the reporting period.

	No. in 2023	No. in 2022
<b>United Kingdom</b>		
• National Staff	8	7
<b>Afghanistan</b>		
• International Staff	12	10
• National Staff-Fixed Term	358	309
• National Staff- Freelance	213	109
<b>Total</b>	<b>591</b>	<b>435</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### NOTE 8: TAXATION

As a charity, Afghanaid is exempt from tax on income and gains under sections 466 to 493 of the Corporation Tax Act 2010, to the extent that all income is applied for charitable purposes. No tax charges have arisen in the charity in the current or prior year.

#### NOTE 9: INTANGIBLE FIXED ASSETS

Cost	Software £
At 01 January 2023	99,043
Additions in the year	
Disposals in the year	-
Forex Movement During the year	19,044
<b>At 31 December 2023</b>	<b>118,087</b>
Amortisation	
At 01 January 2023	(64,474)
Charge for the year	(12,798)
Disposals in the year	-
Forex Movement During the year	(12,517)
<b>At 31 December 2023</b>	<b>(89,789)</b>
<b>Net Book Value</b>	
At 31 December 2023	<b>28,298</b>
At 31 December 2022	34,469

#### NOTE 10: TANGIBLE FIXED ASSETS

	Motor Vehicles (£)	Office Equipment (£)	Total (£)
<b>Cost</b>			<b>Total</b>
At 01 January 2023	480,793	186,050	666,843
Additions in the year	-	-	-
Forex movement during the year	92,445	35,773	128,218
<b>At 31 December 2023</b>	<b>573,238</b>	<b>221,823</b>	<b>795,061</b>
<b>Depreciation</b>			
At 01 January 2023	(471,358)	(177,735)	(649,093)
Charge for the year	(11,248)	(4,384)	(15,632)
Forex movement during the year	(90,632)	(34,174)	(124,806)
<b>At 31 December 2023</b>	<b>(573,238)</b>	<b>(216,293)</b>	<b>(789,531)</b>
<b>Net Book Value</b>			
<b>At 31 December 2023</b>	<b>-</b>	<b>5,530</b>	<b>5,530</b>
At 31 December 2022	9,435	8,315	17,750



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 11: DEBTORS

Cost	2023	2022
	£	£
Prepayments	38,495	39,142
Grants receivable	908,238	3,922,128
Accrued income	1,329,676	1,558,483
Other debtors	119,149	368,639
<b>Total Debtors</b>	<b>2,395,558</b>	<b>5,888,392</b>

### NOTE 12: CASH & CASH EQUIVALENTS

Cost	2023	2022
	£	£
Cash at bank	5,033,195	7,687,299
Cash in hand	14,543	10,679
<b>Total Cash &amp; Cash Equivalents</b>	<b>5,047,738</b>	<b>7,697,978</b>

### NOTE 13: CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	615,275	2,605,764
Deferred income (Note 13.1)	3,095,016	6,567,062
Grants payable	128,453	601,315
Accruals	339,118	358,674
Taxation and social security	402,541	175,330
Other creditors	384,845	230,493
<b>Total Creditors</b>	<b>4,965,248</b>	<b>10,538,638</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### NOTE 13.1: DEFERRED INCOME

Award Name	Balance at 01 January 2023	Receipts	Release to SOFA	Balance at 31 December 2023
	£	£	£	£
Afghanistan Resilience Consortium Project (SIDA)	1,883,030	1,806,300	(3,674,959)	14,371
Emergency Livelihood Support (FAO)	-	281,195	(281,195)	-
Resilience Building Programme-Ghor (WFP)	-	1,100,205	(1,100,205)	-
Resilience Building Programme-Samangan (WFP)	-	247,409	(247,409)	-
Emergency Livelihood Support-Daykundi (FAO)	-	274,569	(274,569)	-
Emergency Rural Livelihoods Recovery Project (FCDO)	2,112,789	1,988,929	(4,101,718)	-
Winterization Assistance (RA 2022) Project (UNODC)	453,276	140,286	(593,562)	-
Winterization Assistance (3rd RA 2022) Project (UNODC)	454,714	136,984	(591,698)	-
Seasonal Food Support-Ghor (WFP)	-	290,786	(290,786)	-
Cash for Food Assistance-Daikundi (UNOCHA)	477,933	336,274	(814,207)	-
Provision of Emergency WASH Supplies (BDK RA3) -(UNOCHA)	298,177	70,656	(368,833)	-
Provision of emergency WASH supplies (Ghor RA3)- (UNOCHA)	246,710	68,433	(315,143)	-
Provision of emergency WASH supplies (SMG RA3)- (UNOCHA)	427,678	102,691	(530,369)	-
Inclusive Livelihoods Recovery & Community Resilience (EU)	-	2,105,188	(813,373)	1,291,815
Forest Landscape Restoration for Food Security (GiZ)	-	212,592	(96,359)	116,233
Programme to Renew Collaborative Civi Space (FCDO)	-	152,133	(152,133)	-
Women's SHGs (Ignite)	-	183,238	(31,931)	151,307
Food Security, Climate and Resources (GiZ)	-	427,460	(82,673)	344,787
Emergency Food Assistance-Daikundi (FAO)	-	418,921	(46,137)	372,784
Emergency Water Source Repair (UNOCHA)	-	430,965	(56,814)	374,151
Disaster Resilience and Community Development (Hilton Foundation)	-	392,776	(697)	392,079
Others	212,755	1,123,311	(1,298,577)	37,489
<b>Total Deferred Income</b>	<b>6,567,062</b>	<b>12,291,301</b>	<b>(15,763,347)</b>	<b>3,095,016</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### NOTE 14: OPERATING LEASE COMMITMENTS

Afghanaid has total commitments under non-cancellable operating leases as follows

	2023 (£)	2022 (£)
<b>Land and Buildings</b>		
Within one year	42,851	14,524
<b>Other assets</b>		
Within one year	4,209	3,427
<b>Total Operating Lease Commitment</b>	<b>47,060</b>	<b>17,951</b>

### NOTE 15: ANALYSIS OF NET ASSETS BETWEEN FUNDS (2023)

	Expendable Endowment Funds	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£	£
Total fixed assets	-	33,828	-	33,828
Current assets	150,000	7,293,296	-	7,443,296
Current liabilities	-	(4,965,248)	-	(4,965,248)
<b>Net assets at 31 December 2023</b>	<b>150,000</b>	<b>2,361,876</b>	<b>-</b>	<b>2,511,876</b>

### NOTE 15: ANALYSIS OF NET ASSETS BETWEEN FUNDS (2022)

	Expendable Endowment Funds	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£	£
Total fixed assets	-	52,219	-	52,219
Current assets	150,000	12,991,301	445,069	13,586,370
Current liabilities	-	(10,538,638)	-	(10,538,638)
<b>Net assets at 31 December 2022</b>	<b>150,000</b>	<b>2,504,882</b>	<b>445,069</b>	<b>3,099,951</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 16: FUNDS MOVEMENT (2023)**

	<b>At 1 January 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, (Losses) £</b>	<b>Transfers £</b>	<b>At 31 December 2023 £</b>
Endowment Funds:	150,000	-	-	-	-	150,000
Total Restricted Funds (Note 16.1)	445,069	17,371,070	(17,854,439)	38,300	-	-
Total Unrestricted Funds						
Designated Contingency Funds	450,000	-	-	-	75,000	525,000
Appeal Funds (Note 16.2)	960,443	353,145	(378,073)	(16,111)	-	919,404
Fixed Assets Reserve	52,219	-	(24,900)	6,509		33,828
General Funds	1,042,220	1,700,330	(1,237,128)	(546,778)	(75,000)	883,644
<b>Subtotal</b>	<b>2,504,882</b>	<b>2,053,475</b>	<b>(1,640,101)</b>	<b>(556,380)</b>	<b>-</b>	<b>2,361,876</b>
<b>TOTAL FUND</b>	<b>3,099,951</b>	<b>19,424,545</b>	<b>(19,494,540)</b>	<b>(518,080)</b>	<b>-</b>	<b>2,511,876</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 16.1: RESTRICTED FUNDS MOVEMENT (2023)**

	At 1 January 2023 £	Income £	Expenditure £	Gains, (Losses) £	At 31 December 2023 £
Emergency Rural Livelihoods Recovery Project (FCDO)	-	4,101,718	(4,101,718)	-	-
Community Based Eco-DRR (CBED)-Phase II (Sida)	-	3,674,959	(3,674,959)	-	-
Afghanistan Community Resilience & Livelihoods (UNOPS)	-	1,184,717	(1,184,717)	-	-
Resilience Building Program-Ghor (WFP)	-	1,100,205	(1,100,205)	-	-
Faragir Project (EU)	-	813,373	(813,373)	-	-
Cash for Food Assistance-Daikundi (UNOCHA)	-	814,207	(814,207)	-	-
Winterization Assistance (RA 2022) Project (UNODC)	-	593,562	(593,562)	-	-
Winterization Assistance (3rd RA 2022) Project (UNODC)	-	591,698	(591,698)	-	-
Provision of emergency WASH supplies (SMG RA3)- (UNOCHA)	-	530,369	(530,369)	-	-
Provision of emergency WASH supplies (BDK RA3) - (UNOCHA)	-	368,833	(368,833)	-	-
Provision of emergency WASH supplies (Ghor RA3)- (UNOCHA)	-	315,143	(315,143)	-	-
Others	445,069	1,674,563	(1,674,563)	38,300	-
Gift in Kind	-	1,607,723	(1,607,723)	-	-
<b>TOTAL</b>	<b>445,069</b>	<b>17,371,070</b>	<b>(17,854,439)</b>	<b>38,300</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>NOTE 16.2: APPEAL FUNDS MOVEMENT (2023)</b>	<b>At 1 January 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, (Losses) £</b>	<b>Transfers £</b>	<b>At 31 December 2023 £</b>
Crisis Appeal Program Funds	528,347	30,661	(250,949)	(1,006)	-	307,053
By Her Side Appeal Funds	163,975	-	(13,885)	-	-	150,090
The Times & Sunday Times Appeal Funds	268,121	253,830	(77,783)	(15,380)	-	428,788
Earthquake Appeal	-	68,654	(35,456)	275	-	33,473
<b>TOTAL FUNDS</b>	<b>960,443</b>	<b>353,145</b>	<b>(378,073)</b>	<b>(16,111)</b>	<b>-</b>	<b>919,404</b>

<b>NOTE 16.3: FUNDS MOVEMENT (2022)</b>	<b>At 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, (Losses) £</b>	<b>Transfers £</b>	<b>At 31 December 2022 £</b>
Endowment Funds:	150,000	-	-	-	-	150,000
Total Restricted Funds	-	15,118,377	(14,673,308)	-	-	445,069
<b>Total Unrestricted Funds</b>						
Designated Contingency Funds	450,000	-	-	-	-	450,000
Appeal Funds (Note 16.4)	1,357,085	556,845	(1,075,616)	122,129	-	960,443
Fixed Assets Reserve	35,242	-	5,845	11,132	-	52,219
General Funds	981,652	905,640	(575,523)	(269,549)	-	1,042,220
<b>Subtotal</b>	<b>2,823,979</b>	<b>1,462,485</b>	<b>(1,645,294)</b>	<b>(136,288)</b>	<b>-</b>	<b>2,504,882</b>
<b>TOTAL FUNDS</b>	<b>2,973,979</b>	<b>16,580,862</b>	<b>(16,318,602)</b>	<b>(136,288)</b>	<b>-</b>	<b>3,099,951</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**NOTE 16.4: APPEAL FUNDS MOVEMENT (2022)**

	<b>At 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, (Losses) £</b>	<b>Transfers £</b>	<b>At 31 December 2022 £</b>
Crisis Appeal Program Funds	1,357,085	141,929	(1,075,616)	104,949	-	528,347
By Her Side Appeal Funds	-	157,490	-	6,485	-	163,975
The Times & Sunday Times Appeal Funds	-	257,426	-	10,695	-	268,121
<b>TOTAL FUNDS</b>	<b>1,357,085</b>	<b>556,845</b>	<b>(1,075,616)</b>	<b>122,129</b>	<b>-</b>	<b>960,443</b>



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

### **NOTE 17: RELATED PARTIES**

There were no related party transactions in 2023 (Nil 2022).

**END**