SERVE AFGHANISTAN

England & Wales · Charity number 1105086

Details

Status	Registered
Legal form	Charitable company
Company number	04759091
Registered	2004-07-23
Register	View on the Charity Commission register

Contact

Address	C/O UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire
Phone	07928178580
Email	info@serveafghanistan.org
Website	www.serveafghanistan.org

Activities

Objects: (A) THE RELIEF OF POVERTY, SUFFERING AND DISTRESS AMONG THE NEEDY, THE SICK, THE AGED, THE HANDICAPPED, THE HOMELESS AND DISPLACED PERSONS IN AFGHANISTAN AND ANY OTHER PLACE IN THE WORLD;(B) THE PROMOTION OF AND PROVISION FOR THE ADVANCEMENT OF EDUCATION AND TRAINING BY WHATEVER MEANS MAY BE APPROPRIATE IN ALL CIRCUMSTANCES IN AFGHANISTAN AND THROUGHOUT THE WORLD AND IN PARTICULAR, BY;(I) ACQUIRING, FOUNDING AND DEVELOPING SCHOOLS AND COLLEGES FOR THE EDUCATION OF EITHER SEX;(II) PROVIDING, ASSISTING AND FACILITATING THE PROVISION OF SUCH EDUCATION IN SCHOOLS CARRIED ON BY OTHERS; AND (III) PROVIDING, ASSISTING AND FACILITATING TRAINING AND INSTRUCTION IN ALL BRANCHES OF LEARNING AND KNOWLEDGE, CITIZENSHIP, HYGIENE, ARTS AND CRAFTS OF ALL KINDS, INCLUDING MENTAL AND PHYSICAL TRAINING;(C) THE PROMOTION AND UPHOLDING OF THE PRINCIPLES OF THE CHRISTIAN RELIGION IN GENERAL.

Activities: The charity's activities include work in the areas of community development, preventative health and mainstreaming people with disabilities.

Downloaded from opencharities.uk/ew/1105086

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** IN AFGHANISTAN AND ANY OTHER PLACE IN THE WORLD.
- Afghanistan

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,380,366	£1,459,282	£384,452	144
2023-12-31	£1,640,954	£1,840,429	£485,524	115
2022-12-31	£1,833,327	£1,753,145	£639,791	95
2021-12-31	£1,047,392	£783,819	£594,423	105
2020-12-31	£813,341	£838,984	£373,659	105

Trustees

Name	Role	Appointed
Bruce Clark		2025-03-01
Dr Sara Varughese		2021-03-27
Jennifer Mary Collins		2019-09-14
Judith Helen Powell Thomas		2023-10-26
Mark Larson		2017-11-20
Matthew Wade		2022-11-26
Peter John Vander Meulen		2019-06-15

Downloaded from opencharities.uk/ew/1105086

SERVE AFGHANISTAN

England & Wales - Charity number 1105086

Accounts

CHARITY REGISTRATION NUMBER 1105086

COMPANY REGISTRATION NUMBER 04759091

SERVE AFGHANISTAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P J Fitzgerald Mr M Larson Mr P J Vander Meulen Ms J M Collins Dr. S Varughese Mr M V R Wade Ms J H Powell Thomas Mr B W Clark	(Appointed 1 March 2025)
Secretary	Mr M Larson	
Executive Director	Mr K Dhanabalan	
Charity number	1105086	
Company number	04759091	
Principal address	PO Box 4015 Karte Char Kabul Afghanistan	
Registered office	C/O UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Bankers

HSBC
2 Queens Road
Aberdeen
AB15 4ZT

Azizi Bank
Zanbaq Square
Kabul City
Afghanistan

Ghazanfar Bank
Wazir Akbar Khan Road
Sherpur
10th District, 240000
Kabul

SERVE AFGHANISTAN

CONTENTS

	Page
Trustees' report	1 - 9
Statement of trustees' responsibilities	10
Independent auditor's report	11 - 14
Statement of financial activities	15 - 16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 39

SERVE AFGHANISTAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Legal and Charitable Status
Serve Afghanistan ("the charity") is a company limited by guarantee (No. 4759091) and a registered English charity (No. 1105086), governed by its Memorandum and Articles of Association.

Objectives and activities
The charitable company's objects are:

a) To relieve poverty, suffering and distress among the sick, the aged, the homeless, the needy and displaced persons in any part of the world.

b) To promote and provide for the advancement of education and training.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives of the charitable company. Serve Afghanistan works with poor and marginalised people in Afghanistan irrespective of their ethnic background, religion, gender or social standing.

The charitable company is dependant on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge. It is not possible to quantify the value of this benefit to the charitable company. Out of pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Achievements and performance
During the year, the charitable company carried out various activities in Afghanistan, in pursuit of the aims stated above.

The charitable company's activities have been categorised according to five types:

HUMANITARIAN RESPONSE PROGRAMME (HRP)
Under these projects activities we submitted a proposal for Income Generation Programmes. These programmes were implemented through 4 projects across three regions, Central Region (Kabul), Eastern Region (Laghman) and Easter Region (Nangarhar) and Kandahar Region.

Across the three regions a total of 868 people were assisted to start income generation programmes (IGP) such as carpentry, masonry, welding, animal husbandry, poultry, mini car mechanic workshop, electrical workshop, tailoring, painting, sewing, quilt making, car wash, fruit selling, running a petty shop, cobbler, knitting, water hand pump repairing and stonework.

1. Achievement of Central Region Humanitarian Response

- **247** beneficiaries (176 male and 71 female) were provided grants for income generation tools. 14 people (5 male and 9 female) took up tailoring, 29 people took up goat and sheep keeping (18 male and 11 female), small grocery shops were given to 10 males, heifer keeping for 183 people (132 male and 51 female), Vehicle tire (puncture) repair tools for 4 males, repairing household electrical appliances for 2 males, 1 male took up mobile repairing, 1 male took up fruit juice selling, retail tool shop given for 1 male and 2 males were provided hand agricultural tractor. This project has been implemented with the support from Tearfund Australia and GC Relief. People are getting on an average of 500 AFN per day as a regular income through the income generation programmes.

- Two-day business plan training was conducted for 246 beneficiaries. Additionally, a two-day livestock training was conducted for 211 people who opted for livestock rearing under the income generation programme grant. Topics covered were better livestock management practices, diseases, local and preliminary treatment, and vaccination.

2. Achievement of Eastern Region Humanitarian response

a) Nangarhar-

- **201** beneficiaries were provided with income generation tools. 27 people were engaged in tailoring (12 male 15 females), 4 male provided with barber shop, 20 people (18 male and 2 female) provided with popcorn making machine, 9 people (8 male and 1 female) were provided four-wheel carts and dry fruit for selling, 1 male started a fast food stall, 57 people (18 male and 39 female) engage in goat and sheep keeping, 34 people (26 male and 8 female) started grocery shop, 8 males started repair workshop for bicycle, bike etc, 4 males engaged in carpentry work, 2 males in solar work, 9 males engage in mobile phone repair work, 2 males selling cosmetics, 3 males gas selling, 1 male engage in a juice shop, 1 male selling mud pots and 8 male engage in shoe selling, 7 people (5 male and 2 female) selling cloth and dresses and 4 males engage in cobbler work.

- 201 people (129 male and 72 female) are getting income from the income generation programme support provided by the project. The income ranges from 200 to 500 AFN per day.

b) Laghman-

- **204** beneficiaries were provided income generation tools. 30 people (11 male and 19 female) took up tailoring, 4 males started barber shop, 12 males took up popcorn business, 8 males took up selling fruits and vegetables on four-wheel carts, 47 people (20 male and 27 female) took up goat rearing, 22 males started small grocery shop, 42 people (19 male and 23 female) started cow rearing, 12 males took up tractor machines, 4 males took up welding machine, 1 male took up tyre puncture shop, 1 male took up painting shop, 1 male took up motorbike mechanic shop, 1 male started mobile repair shop, 1 male took up steel scrap business, 2 males took up jewellery shop, 1 male took up electronic shop, 1 male started blacksmith shop, 1 male started saw shop, 1 male butcher shop, 1 male started pico (making dress design using a particular sewing machine) shop, 2 males started kitchen utensils/ crockery shop, 3 males started cobbler shop, 2 males started car mechanic shop, 2 males took up carpentry and 2 males started bicycle mechanic shop.

- 204 people (135 male and 69 female) have started getting income from the income generation programme. The income ranges from 200 to 240 AFN.

3. Achievement of Kandahar Region Humanitarian response

- **216** beneficiaries were provided income generation tools. 12 beneficiaries (11 male and 1 female) opted for tailoring. 166 people (155 males and 11 female) opted for goat and sheep rearing. 25 people (22 males and 3 female) opted for small grocery shop and 13 males opted for small repair workshop for motorbike.

- 216 people (201 male and 15 female) have started getting income from the income generation programme. The income ranges from 210 to 300 AFN.

HEALTH PROGRAMME

Health projects have been implemented in 3 locations in 2024. They are in Alishang district in Laghman Province, Panjwayee in Kandahar Province and Kakor in Kabul Province.

1. SEHAT

Under the SEHAT project, the implementation was done in Laghman and Kandahar Province. These projects were funded by the GC Relief. The main focus of the project was to focus on pregnant and lactating mother and infants. Common illnesses treated were common cold, nose, ear and throat diseases, pneumonia, diarrheal diseases, malaria, gastric diseases, bone diseases, oral cavity diseases, HTN, anaemia, UTI, skin diseases and trauma.

- Alishang Project – A health clinic was set up. 1 doctor, 1 male nurse, 1 female nurse, 1 Pharmacist cum logistic officer, 1 midwife, 1 vaccinator, 1 lab technician and other support staff are running the Qandali BHC clinic. 3,276 people received treatment from health centre. 131 pregnant women consumed IFA tablets. 105 children whose MUAC (Mid Upper Arm Circumference) is normal or above. 917 children got full immunization on BCG, Hep B, OPV, Penta, PCV, IPV, Measle and TT. 1016 women improved their health status through PSS counselling. 917 children received IMNCI (Integrated Management of Neonatal and Childhood Illness) services. 655 women/ pregnant women/lactating mothers were trained. Basic health kits were provided to 10 Community Health Workers (CHWs).

- Panjawayee Project – A health clinic was set up. 1 doctor, 1 male nurse, 1 female nurse, 1 Pharmacist cum logistic officer, 1 midwife, 1 vaccinator, 1 lab technician and other support staff are running the Zala Khan BHC clinic. 13,676 people received treatment from the clinic. 450 pregnant women have received IFA during pregnancy. 1100 children have normal MUAC. 200 children received immunization on BCG, HEBs, OPV, PENTA, PCV13, ROTA, IPV, and Measle Vaccines. 445 Women Improved their health status through PSS. 400 received IMNCI services. 184 pregnant and lactating mothers are with normal BMI. Basic health kits were provided to 5 Community Health Workers (CHWs).

2. Kakor MCH project

This project is supported by Trust Bridge. Health Clinic was set up by the project, doctor and health professionals are running the clinic.

- A total of 520 women aged 18 to 50 years has increased their knowledge about safe deliveries and danger signs during delivery. The percentage of pregnant women who received at least two TT vaccinations is 65%. The percentage of pregnant women who consumed iron supplements is 80%. The percentage of mothers/ families who can name at least three essential newborn care practices is 78%. The average number of prenatal visits done by mothers before delivery is 620. The number of pregnant women who took 200 iron and folic acid tablets before delivery is 620. The number of pregnant women who were anaemic before delivery is 289. The number of pregnant women who took two TT shots during pregnancy is 421. The number of newborn babies with normal weight at birth is 133. The number of children who completed all the courses of vaccines is 2226. The percentage of children given appropriate complementary feeding after 6 months of life is 45%. The number of health camps conducted is 8. The number of people treated in the health camps are about 5,479 and 1,137 were referred to the the clinic. The number of pregnant women treated is 280. The number of lactating mothers treated is 502.

EDUCATION PROGRAMME

Serve Afghanistan implemented Serve Education Programme in Crisis where in the Minority (Pashai) children were provided preschool class and after school programme in Dara-i-Nur and Shewa (Kuz Kunar) district in Nangarhar Province. This project is supported by CEDAR Fund.

Under this project, School-aged Pashai boys and girls affected by shocks or crises have access to quality, basic education in a safe learning environment in their own mother tongue to be equipped to do well in their studies. In the preschool programme there are 320 children (220 Boys and 100 girls) in 11 classes. In the after-school programme, there are 320 children (100 Boys and 220 girls) in 16 classes.

Since the protocol was not signed, classes could not be held regularly for the Pashai writing workshop.

INCLUSIVE EDUCATION FOR CHILDREN WITH DISABILITIES

This project aims to empower and equip institutions and communities towards the integration of children with disability (mainly those with visual and hearing impairments) into mainstream life. Serve work with Visually Impaired, Hearing Impaired and low vision children. The particular focus has become inclusive education. For sustainability, Serve Afghanistan works with Model Schools where the school and community take responsibility for the inclusion of children with disabilities in the education system and Serve phases out after 3 years. In 2024, **887** children with disabilities such as visually impaired, hearing impaired, low vision etc were supported to continue their education in early intervention programme, preschool programme, inclusive education programme in government schools and Universities. Three Projects were implemented in Eastern Region, Central Region and Kandahar Region.

1. **Serve's Eastern Region Inclusive Education Project (ERIEP)**

   The project focuses mainly on the hearing and visually impaired children (HI and VI) and seeks to influence the wider community in Nangarhar and Laghman Provinces regarding attitudes to children with disabilities (CHWs). The project works to improve the quality of life for children with disabilities by promoting rehabilitation, equal opportunities, integration and protection of the rights of persons with disability, leading to their full participation in educational, economic, social, political and cultural activities in their communities. This project is supported by KNH.

   Achievements in 2024 included:

   - 301 CwD students attended home-based classes, pre-school programme and inclusive education classes this year. 156 HI and 95 VI students were provided with educational materials. This could relieve the poor parents from spending their hard money for books instead they could use it for their family needs. Conducted early intervention programme for 25 VI (11 male and 14 female) students. Conducted preschool programme for 40 VI (22 male and18 female) students. Conducted home based preparation class for 64 HI (39 male and 25 female) students. Facilitated 73 HI (52 male and 21 female) to attend segregated class from KG to grade 3. Facilitated 30VIs (21 male and 9 female) to attend Inclusive Education class in MoE school. Facilitated 19 HIs (14 male and 5 female) to attend inclusive education class in MoE school.
   - Referral was done for 20 PIs to other NGOs for rehabilitative Assistance.
   - Advocacy meetings were conducted 6 times with Education Department (PED),
   - 16 incentive teachers are working with HIs in KG, Grade 1 & 2. Three (3) interpreters are working with 3 Inclusive classes in the Govt. for HIs. 14 Incentive Teachers were hired for teaching 95 VI students in home-based program and Inclusive Education in Govt. Schools.
   - Awareness programme on disability was conducted by Master Trainers for 2475 (2245 male and 230 female) nondisabled students in 5 schools. They learned some sign language to communicate with the HI students in their class.

2. **Central Region Inclusive Education Project (CRIEP)**
The project aims to strengthen and empower people with disabilities towards full participation in every aspect of life – utilising rehabilitation, awareness, advocacy, education, as well as social support. This project is supported by KNH, Tearfund UK and for Braille materials by Linda Norgrove Trust.

Achievements in 2024 included:

- 436 CwDs were provided with educational materials. This could relieve the poor parents from spending their hard money for books instead they could use it for their family needs. Preschool classes were conducted for 51 VI children (37 male and 21 female). 94 VI students (57 male and 30 female) are attending MoE school. The project supported 36 university students. 23 males could attend their university studies.
- Awareness programmes were conducted in 20 MoEd and private schools for 12,500 non-disabled students during the morning assembly on issues of disability, how to communicate with children with disability and how to create a conducive environment. This helped to create a conducive and supportive environment for the CwDs in schools.
- Educational materials were developed and produced based on the government school and university curriculum. All braille books with new and old curriculum were checked and verified. 117 low vision books printed; 256 new curriculum braille books printed. This helped the CwDs to have timely access to study materials to continue their education.
- Books for HI students such as - 1st edition sign language dictionary books from grade 1 to 4, and first, second and third edition books for Grade 5 to 12 students, 70 parts sign language books distributed to 52 HI students and 18 HI teacher. 140 HI students received stationary such as notebook, pen, pencil, eraser, whiteboard, coloured pen and coloured paper were also distributed to HI students.
- Meeting with parents, school authority and shuras were conducted to motivate them to work for the rights of the CwDs.
- One advocacy meeting was conducted with 25 teachers in Ministry of Education school.

3. **Kandahar Inclusive Education Project (KIEP)**
The project aims to provide inclusive education for visually and hearing-impaired children in government schools. This project is supported by CEDAR Fund.

Achievements in 2024 included:

- The project supported 150 CwDs (121 Hearing Impaired and 29 Visually Impaired) to have access to quality education. 21 HI and 22 VI CwDs are in preschool program. 100 HI and 7 VI CwDs are in inclusive education classes in government schools. 107 CwDs were promoted to high classes with a good grade and are continuing their studies in government schools.
- Provided stationary and other education materials to 100 HI students (88 boys and 12 girls). Braille A4 papers were supplied to 7 VI students in 6 schools at varying times according to their needs.
- Conducted 2½ hours of classes for the VIs by the Incentive Teachers. For HI students teaching done during the regular class hours by AFSL translator's according to the class schedule in the school.
- 1 LV and 1 PI were referred to Eye Hospital and Handicap International for treatment.

EMERGENCY RELIEF PROGRAMME

During 2024, the charity undertook Emergency relief programme in different location of the county in response to the effects of the conflict and crisis situation in Afghanistan. Total of two relief operations were carried out. Total of **740** families were reached though the relief operation.

3. **Baghlan Flood Relief** – With the support of Tearfund Australia, Tearfund UK and CEDAR Fund, emergency relief was conducted for **630** families. Out of the total 630 families, 144 was supported by Tearfund UK, 382 by Tearfund Australia and 104 by CEDAR Fund.

   An cash amount of 11,000 Afghani per family was provided to each family in line with the Minimum Expenditure Basket under Multi-Purpose Cash Assistance (April 2024) set by Afghanistan Cash and Voucher working group (CVWG).

   The distribution was done on 12th & 13th of June 2024 at DDMO building, Markazi district, Baghlan Province with the pre-approval of the government. The distribution was done in the presence of government representatives.

1. **Forced Returnees Relief project-** The relief was supported by KNH.

   The relief programme covered 210 families.
   - In Alishang and Mehterlam districts in Laghman Province, distribution for 100 households was done on 1 February 2024 and 10 households on 4 February 2024.
   - In Chaparhar district in Nangarhar Province distribution was done for 100 households distributed on 31 January 2024.

   The relief package consisted of –

   Food package consists of:

Wheat Flour	100 Kg
Rice	49 Kg
Red Beans	14 Kg
Cooking Oil	10 litres
Salt	4 KG

   Hygiene kit consists of:

Hand Washing soap	8 Cakes
Laundry Soaps	10 Cakes
Toothpaste	4 Tubes
Tooth brush	16 pieces (8 adult & 8 child sizes)

   Blankets 2 Single bed blankets / each family.

   Cash Assistance:
   In Nangarhar and Laghman, in addition to the above-mentioned relief materials, Cash assistance of 7,000 Afs was also provided to each family.

Financial review

The financial statements for the year are set out in pages 16 to 42. The Statement of Financial Activities on pages 16 and 17 reflects net outgoing resources of $136,904 (2023: $233,385).

The trustees review the charitable company's reserves policy annually and regularly assess the adequacy of reserves against this policy.

The charitable company's policy aims to achieve a balance between its operating working capital and a level of reserves to be able to cope with unexpected events. Such events may include crisis response, evacuation and repatriation of expatriate and local staff, unexpected gaps in donor funding, local disaster response or sudden loss of assets or premises. Due to the highly unpredictable nature of the operating environment in Afghanistan and a degree of uncertainty over income flows, it has been the charity's policy to maintain unrestricted funds (excluding asset funds), which have arisen from past operating results, of 6 months of unrestricted operating expenditure plus a fixed amount necessary to close the organisation in the event of an emergency.

At 31 December 2024 unrestricted funds amounted to $317,308 (2023: $454,773), (of which designated funds amounted to $106,027 (2023: $106,027)) and restricted funds were $163,860 (2023: $163,299), totalling $481,168 (2023: $618,072). This is below the target level of the Reserve Fund.

Restricted funds are subject to specific conditions imposed by donors.

The charity receives the majority of its funding in the form of grants from international relief and development charities. A breakdown of expenditure according to the categories of activity shown above is shown in the Statement of Financial Activities and accompanying notes.

The trustees have overall responsibility for the charitable company's system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or frauds. There is a clear delegation of the trustees' authority through the Executive Director to the rest of the organisation.

The charitable company operates an annual planning and budgeting system with an annual budget approved by the Board of trustees. A financial reporting system compares results with the budget on a monthly basis.

A detailed register of the risks faced by the charitable company is maintained. This register identifies the major strategic and operational risks faced and how they are being managed. This register is reviewed annually by the trustees to reassess these risks and introduce procedures to address them as required.

The trustees are satisfied that systems are in place to monitor, manage and mitigate the charitable company's exposure to major risks. They consider that maintaining the charitable company's general reserves at the levels stated above and reviewing progress on addressing the charitable company's risk environment through the risk register will provide the charitable company with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of the charitable company's work requires active acceptance and management of some risks when undertaking activities to achieve its objectives.

Financial risk
The charitable company does not use complex financial instruments; it manages its activities using cash and cash equivalents and various items that arise directly from its operations.

The existence of these financial instruments exposes the charitable company to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the charitable company manages its cash and cash equivalent resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the charitable company earns interest on cash and cash equivalent deposits. With recent increases in interest rates, the trustees are exploring ways to improve income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

Credit risk – this arises from the possibility that amounts owed to the charitable company will not be repaid. The charitable company does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and investment companies and the prompt collection of amounts due.

Future Plans
In 2022 Serve prepared a strategic plan for the period 2024 - 2026. Suggestions to strengthen the projects which are implemented and new geographical areas and sectors were identified. The areas of funding and personnel recruitment were also discussed as an agenda given the current situation in Afghanistan. The on-going climate of insecurity and unpredictability has of course, always to be taken into account.

Structure, governance and management
Serve Afghanistan is a company limited by guarantee and a charity registered in England and Wales. The charitable company operates from Taimani, Kabul, Afghanistan.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
Mr P J Fitzgerald
Mr M Larson
Mr P J Vander Meulen
Ms J M Collins
Dr. S Varughese
Mr M V R Wade
Ms J H Powell Thomas
Mr B W Clark (Appointed 1 March 2025)

Nominations for appointment of trustees come from within the trustee board. Appointments are approved by a majority of the other trustees. Usually, those appointed will have connections to the organisation and have had exposure to the charity's work in Afghanistan.

There is an informal induction and training process for trustees.

The trustees (listed above) are responsible for the overall direction of the charity. Responsibility for the day to day management of the Charity's central administration is delegated to the Executive Director who is supported by two Directors and Finance Manager. During the year, the senior members of staff were the Executive Director and the Senior Management Team:

Kennedy Dhanabalan: Executive Director
Mohammad Saber Alimi: Director (Projects)
Ghulam Mujtaba Khan: Director (Operations)
Bakht Mohammad Momand: Manager (Finance)
Masood Mahzoon: Manager (Projects)
Abdul Hasib Abid: Manager (HR)

Remuneration of key management personnel is discussed at board meetings. Consideration is made of the pay required for expatriate staff to work in Afghanistan.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr M Larson
Trustee
Dated: 30 June 2025

SERVE AFGHANISTAN

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Serve Afghanistan for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN

Opinion

We have audited the financial statements of Serve Afghanistan (the 'charitable company') for the year ended 31 December 2024 which comprise the 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 2024 and of its incoming resources and application of resources, including 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 requires us to report to you if, in our opinion:

- adequate 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.
- the trustees were not entitled to prepare the financial statements in accordance with the companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M Mealing

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 30 June 2025

Chartered Accountants
Statutory Auditor

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds general $	Unrestricted funds $	Restricted funds $	Total 2024 $	Unrestricted funds general $	Unrestricted funds $	Restricted funds $	Total 2023 $
Income and endowments from:									
Donations and legacies	3	34,932	-	1,683,240	1,718,172	15,184	-	2,056,390	2,071,574
Charitable activities	4	-	-	-	-	-	-	509	509
Investments	5	8,949	-	-	8,949	4,878	-	-	4,878
Other income	6	496	-	-	496	11,973	-	-	11,973
Total income		44,377	-	1,683,240	1,727,617	32,035	-	2,056,899	2,088,934
Expenditure on:									
Charitable activities	7	292,842	-	1,533,543	1,826,385	268,696	-	2,074,170	2,342,866
Net gains/(losses) on investments	13	(2,541)	-	-	(2,541)	-	-	-	-
Net (outgoing)/incoming resources before transfers		(251,006)	-	149,697	(101,309)	(236,661)	-	(17,271)	(253,932)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Net (outgoing)/incoming resources before transfers		(251,006)	-	149,697	(101,309)	(236,661)	-	(17,271)	(253,932)
Gross transfers between funds		113,541	-	(113,541)	-	193,522	-	(193,522)	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(137,465)	-	36,156	(101,309)	(43,139)	-	(210,793)	(253,932)
Other recognised gains and losses									
Other gains or losses	**15**	-	-	(35,595)	(35,595)	7,412	-	13,135	20,547
Net movement in funds		(137,465)	-	561	(136,904)	(35,727)	-	(197,658)	(233,385)
Fund balances at 1 January 2024		348,746	106,027	163,299	618,072	384,473	106,027	360,957	851,457
Fund balances at 31 December 2024		211,281	106,027	163,860	481,168	348,746	106,027	163,299	618,072

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

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SERVE AFGHANISTAN

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		$	$	$	$
Fixed assets					
Tangible assets	**16**		22,511		25,346
Current assets					
Debtors	**17**	42,187		78,163	
Cash at bank and in hand		712,119		803,951	
		754,306		882,114	
Creditors: amounts falling due within one year	**18**	(295,649)		(289,388)	
Net current assets			458,657		592,726
Total assets less current liabilities			481,168		618,072
Income funds					
Restricted funds	**20**		163,860		163,299
Unrestricted funds:					
Designated funds	**21**	106,027		106,027	
General funds		211,281		348,746	
			317,308		454,773
			481,168		618,072

The financial statements were approved by the board of directors and authorised for issue on 30 June 2025 and are signed on its behalf by:

Mr M Larson
Trustee

Company Registration No. 04759091

SERVE AFGHANISTAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024		2023	
		$	$	$	$
Cash flows from operating activities					
Cash absorbed by operations	**25**		(51,576)		(190,491)
Investing activities					
Purchase of tangible fixed assets		(11,069)		(27,739)	
Loss on disposal of other investments		(2,541)		-	
Investment income		8,949		4,878	
Net cash used in investing activities			(4,661)		(22,861)
Net decrease in cash and cash equivalents			(56,237)		(213,352)
Cash and cash equivalents at beginning of year			803,951		996,756
Effect of foreign exchange rates			(35,595)		20,547
Cash and cash equivalents at end of year			712,119		803,951

1 Accounting policies

Charity information

The charity is a company limited by guarantee, incorporated in England and Wales and has no share capital. The liability of each member in the event of winding-up is limited to £5. At 31 December 2023, there were 7 members (2022: 6 members).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in US Dollars ($). Monetary amounts in these accounts are rounded to the nearest $.

The currency of the primary economic environment in which the organisation operates (its functional currency) is Afghanistan Afghani (AFN).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these accounts.

In reaching that conclusion the trustees are confident that the charity has sufficient liquidity and unrestricted reserves to meet its debts as they fall due over that period. They have also considered the possibility of having to cease operations in Afghanistan and are confident that they have sufficient reserves for an orderly reduction in operations. The charity has a history of having Ministry of Economy approval to operate in Afghanistan and despite the political changes they have continued to receive approval from the Ministry of Public Health until 30 June 2026. The trustees also continue to have support from their funding partners, with funds of $1.66million already being pledged for 2025 and 2026. The trustees are confident that the charity can continue providing support through their work in community development and empowering of people with disabilities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1 Accounting policies **(Continued)**

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other grants and donations are recognised once the charitable company has been notified of the grant or donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity is dependent on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge and it is not possible to quantify the value of this benefit to the charity. Out-of-pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Trading income represents income from evaluation services provided to other charities and the printing of Braille material.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Regional office support costs have been allocated to activities based upon annual budgeted expenditure and other support costs have been allocated to activities based upon actual expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33.33% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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

Ethical investments are social investments made in support of development projects, which benefit disadvantaged and marginalised individuals.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 **Accounting policies** **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.12 Employee savings fund

All Serve employees become part of the Serve savings scheme after working for one year. Under this scheme an amount is deducted monthly for each employee according to their grade on the Serve salary scale and the same amount is contributed by Serve towards a fund that is available to the employee for certain expenses. The Employee Savings Fund is kept in a separate account to the rest of Serve's funds. The fund is included in creditors.

2 Critical accounting estimates and judgements

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

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

The trustees do not consider there to be any critical accounting judgements or estimates.

3 Donations and legacies

	Unrestricted funds general 2024 $	Restricted funds 2024 $	Total 2024 $	Unrestricted funds general 2023 $	Restricted funds 2023 $	Total 2023 $
Donations and gifts	34,932	1,683,240	1,718,172	15,184	2,056,390	2,071,574
Donations and gifts						
TEAR Australia	-	562,659	562,659	-	471,879	471,879
Kindernotlife	-	378,275	378,275	-	194,979	194,979
Tearfund UK	7,747	222,195	229,942	-	399,016	399,016
CAM	-	39,516	39,516	-	78,986	78,986
Cedar Fund	-	81,550	81,550	-	75,225	75,225
Linda Norgrove Foundation	-	6,237	6,237	-	6,643	6,643
FiF	-	-	-	-	46,647	46,647
Trust Bridge Global Foundation	-	66,830	66,830	-	-	-
GCR		315,978	315,978		783,015	783,015
Other	27,185	10,000	37,185	15,184	-	15,184
	34,932	1,683,240	1,718,172	15,184	2,056,390	2,071,574

Other donations are donations from individuals.

4 Charitable activities

	2024 $	2023 $
Sale of goods	-	509

5 Investments

	2024 $	2023 $
Interest receivable	8,949	4,878

All investment income is unrestricted.

6 Other income

	Unrestricted funds general 2024 $	Restricted funds 2024 $	Total 2024 $	Unrestricted funds general 2023 $	Total 2023 $
Other income	496	-	496	11,973	11,973

7 Charitable activities

	Disability	Community Development	Relief Programmes	Total 2024	Disability	Community Development	Relief Programmes	Total 2023
	$	$	$	$	$	$	$	$
Staff costs	223,896	506,437	6,788	737,121	175,136	452,851	10,425	638,412
Activities and materials	1,579	45,316	-	46,895	33,767	7,337	-	41,104
Staff training	-	-	-	-	-	2,920	-	2,920
Incentive workers	65,745	-	-	65,745	42,648	-	-	42,648
Travel expenses	2,088	60,523	5,245	67,856	20,834	48,392	17,368	86,594
Office supplies	2,712	31,676	779	35,167	6,100	26,463	215	32,778
Communications	5,047	14,647	84	19,778	5,169	9,112	69	14,350
Premises	13,582	37,404	-	50,986	8,014	46,277	-	54,291
Bank charges	7,497	23,529	3,687	34,713	11,849	38,246	24,388	74,483
Legal and professional fees	-	4,935	-	4,935	-	1,634	-	1,634
Disaster relief	-	-	154,804	154,804	-	-	242,152	242,152
	322,146	724,467	171,387	1,218,000	303,517	633,232	294,617	1,231,366
Grant funding of activities (see note 9)	-	325,543	-	325,543	-	749,860	92,944	842,804
Share of support costs (see note 10)	250,697	-	-	250,697	236,584	-	-	236,584
Share of governance costs (see note 10)	32,145	-	-	32,145	32,112	-	-	32,112
	604,988	1,050,010	171,387	1,826,385	572,213	1,383,092	387,561	2,342,866

7 Charitable activities (Continued)

Analysis by fund

Unrestricted funds - general	282,842	10,000	-	292,842	268,696	-	-	268,696
Restricted funds	322,146	1,040,010	171,387	1,533,543	303,517	1,383,092	387,561	2,074,170
	604,988	1,050,010	171,387	1,826,385	572,213	1,383,092	387,561	2,342,866

8 Description of charitable activities:

To mainstream people with disabilities, Serve, in partnership with others, aims to empower and equip institutions and communities towards the integration of people with disability (mainly blind, deaf, mentally challenged and physically disabled) into mainstream life.

Activities facilitate processes within local communities leading to their ability to develop and access local, provincial and national resources and to strengthen livelihood opportunities of vulnerable groups in the concentration areas where Serve is active.

The charity undertakes emergency relief programmes in different locations of the country in response to the effects of the conflict and crisis situation in Afghanistan. A total of 5 (2023: 6) relief operations were carried out, which helped 830 (2023: 2,605) displaced families.

9 Grants payable

	Community Development	Total	Disability	Community Development	Relief Programmes	Total
	2024	2024	2023	2023	2023	2023
	$	$	$	$	$	$
Grants to institutions (1 grants):						
Sadaf Welfare & Technical Service Organiszation (SWTSO)	10,000	10,000	-	-	-	-
Grants to individuals	315,543	315,543	-	749,860	92,944	842,804
	325,543	325,543	-	749,860	92,944	842,804

10 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	$	$	$	$	$	$
Staff costs	105,765	-	105,765	72,813	-	72,813
Depreciation	13,903	-	13,903	11,179	-	11,179
Other support costs	131,029	-	131,029	152,592	-	152,592
Audit fees	-	32,145	32,145	-	32,112	32,112
	250,697	32,145	282,842	236,584	32,112	268,696
Analysed between						
Charitable activities	250,697	32,145	282,842	236,584	32,112	268,696

Governance costs includes payments to the auditors of $32,145 (2023- $32,112) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 4 (2023- 7) of them were reimbursed or had expenditure paid on their behalf to third parties totalling $8,294 for travelling expenses (2023- $16,812). One of these trustees also received an advance payment of $1,859 (2023: £nil) for future expenses incurred in 2025.

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	144	115

Employment costs	2024 $	2023 $
Wages and salaries	842,886	711,225

No remuneration was paid to any employee in excess of $75,125.

12 Employees (Continued)

Remuneration of key management personnel
The remuneration of key management personnel, is as follows.

	2024	2023
	$	$
Aggregate compensation	137,518	127,792

13 Gains and losses on investments

	Unrestricted funds 2024	Unrestricted funds 2023
Gains/(losses) arising on:	$	$
Sale of investments	(2,541)	-

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Other gains or losses

	Unrestricted funds general	Restricted funds	Total 2024	Total 2023
	$	$	$	$
Foreign exchange (loss)/gain	-	(35,595)	(35,595)	20,547

16 Tangible fixed assets

	Computer equipment	Office equipment	Motor vehicles	Total
	$	$	$	$
Cost				
At 1 January 2024	63,531	113,234	104,300	281,065
Additions	4,050	7,019	-	11,069
Disposals	(1,965)	(1,244)	-	(3,209)
At 31 December 2024	65,616	119,009	104,300	288,925
Depreciation and impairment				
At 1 January 2024	50,783	101,354	103,583	255,720
Depreciation charged in the year	8,369	4,936	598	13,903
Eliminated in respect of disposals	(1,965)	(1,244)	-	(3,209)
At 31 December 2024	57,187	105,046	104,181	266,414
Carrying amount				
At 31 December 2024	8,429	13,963	119	22,511
At 31 December 2023	12,748	11,880	718	25,346

17 Debtors

Amounts falling due within one year:	2024 $	2023 $
Trade debtors	8,510	51,402
Other debtors	12,687	6,715
Prepayments and accrued income	20,990	20,046
	42,187	78,163

18 Creditors: amounts falling due within one year

	Notes	2024 $	2023 $
Deferred income		120,407	142,940
Trade creditors		-	200
Other creditors		144,566	115,996
Accruals		30,676	30,252
		295,649	289,388

19 Deferred income

	2024	2023
	$	$
Deferred income is included within:		
Creditors due within one year	120,407	142,940
Deferred income at 1 January 2024	142,940	62,414
Released from previous years	(142,940)	-
Amounts deferred in the year	120,407	80,526
Deferred income at 31 December 2024	120,407	142,940

Deferred income in the year relates to funding from individuals received in advance of 2025 projects.

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds						Movement in funds				
	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 1 January 2024	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2024
	$	$	$	$	$	$	$	$	$	$	$
11- KHC	-	-	(21,756)	72,236	9	50,489	66,830	(71,033)	(8,065)	(1,773)	36,448
12- CRHR	33,172	379,431	(383,298)	(21,150)	(8,155)	-	188,792	(205,466)	21,566	(4,892)	-
20- AHC	-	45,058	(37,324)	(6,787)	(947)	-	136,817	(122,707)	(7,353)	(2,915)	3,842
21- ERHR-N	109,616	219,677	(306,653)	(28,536)	5,896	-	216,154	(196,283)	(15,133)	(4,738)	-
22 ERCDP	11,441	42,895	(30,675)	(2,756)	543	21,448	46,462	(37,294)	(4,365)	(950)	25,301
23- ERHR-L	45,131	170,924	(195,419)	(20,409)	(227)	-	169,976	(155,362)	(10,888)	(3,726)	-
32- CRDP	20,796	202,312	(150,737)	(24,175)	2,455	50,651	186,389	(141,654)	(35,663)	(3,437)	56,286
36- ERDP	23,622	104,197	(107,935)	(21,997)	2,113	-	153,881	(112,140)	(12,073)	(2,784)	26,884
55- PHC	-	43,920	(35,477)	(7,810)	(633)	-	117,163	(104,783)	(6,371)	(2,491)	3,518
56- KRHR	22,226	399,723	(403,167)	(25,375)	6,593	-	185,654	(184,375)	3,105	(4,384)	-
57- KDP	3,938	20,672	(14,169)	(1,325)	193	9,309	26,511	(31,059)	(3,992)	(769)	-
GCR 2000 poor families	-	294,038	(257,712)	(18,093)	6,976	25,209	-	-	(25,209)	-	-
61- KNH JLB	-	-	-	-	-	-	38,096	(30,313)	(1,377)	(470)	5,936
62- KNH LGH	-	-	-	-	-	-	38,096	(33,802)	(1,377)	340	3,257
67- Herat relief 465f	-	87,404	(89,024)	6,599	1,214	6,193	-	-	(3,805)	-	2,388
71- Baghlan 526	-	-	-	-	-	-	93,844	(89,485)	(2,156)	(2,203)	-
72- Baghlan 104	-	-	-	-	-	-	18,575	(17,787)	(385)	(403)	-

20 Restricted funds **(Continued)**

MCH	80,000	-	-	(80,000)	-	-	-	-	-	-	-
SRG KBL Relief	4,259	-	(1,841)	(2,418)	-	-	-	-	-	-	-
SRG Parwan Relief	6,756	-	-	(6,756)	-	-	-	-	-	-	-
FIF KDH Relief 140	-	36,225	(20,890)	(12,475)	(2,860)	-	-	-	-	-	-
FIF KDH Relief 44	-	10,423	(18,093)	7,705	(35)	-	-	-	-	-	-
	360,957	2,056,899	(2,074,170)	(193,522)	13,135	163,299	1,683,240	(1,533,543)	(113,541)	(35,595)	163,860

20 Restricted funds **(Continued)**

Eastern Region Humanitarian Response- Nangarhar Project (ERHR-N) - to empower vulnerable families in the target communities in the Eastern Region (Nangarhar) and to improve their livelihood through improved adult literacy and development of animal husbandry.

Serve's Eastern Region Disability Project (ERDP) (formerly Serve's Hearing-Impaired Project (SHIP)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Serve's Central Region Disability Project (CRDP) (formerly Enabling and Mobilizing Afghans with Disabilities Project (EMAD)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Central Region Humanitarian Response Project (CRHR) - to bring sustainable livelihood improvement for vulnerable people of Guldara district of Afghanistan.

Kandahar Community Development Project (KRHR) - to bring sustainable livelihood improvement for vulnerable people of Kandahar in Afghanistan.

Kandahar Disability Programme (KDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they do not have any barriers or discrimination to their education.

Eastern Region Humanitarian Response- Laghman Project (ERHR-L) - to empower vulnerable families in the target communities in the Eastern Region (Laghman) and to improve their livelihood through improved adult literacy and development of animal husbandry.

Eastern Region Community Disability Programme (ERCDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they do not have any barriers or discrimination to their education.

Alishang Health Clinic (AHC) -This project will provide and assist the people to access medical care and increase their knowledge on preventive and health care as the sanctions have affected them to access health care facilities. The project will specifically focus on mother and child health care and nutrition.

Panjwayee Health Clinic (PHC) - This project will provide and assist the people to access medical care and increase their knowledge on preventive and health care as the sanctions have affected them to access health care facilities. The project will specifically focus on mother and child health care and nutrition.

20 Restricted funds **(Continued)**

Kakor Health Clinic (KHC) - This project will provide and assist the people to access medical care and increase their knowledge on preventive and health care as the sanctions have affected them to access health care facilities. The project will specifically focus on mother and child health care and nutrition.

LGM, NGR Relief for Forced Returnees 200 families (KNH) - Total of 200 families benefitted from the project. 100 Forced Returnees families in Jalalabad City in Nangarhar Province on 31st January 2024, 100 families in Mehtarlam City and Alishang district in Laghman Province on 31st January 2024, received cash.

Baghlan Relief for Flood affected people 630 families (TF UK, TF Aus, CEDAR Fund) - Total of 630 families benefitted from the project. Flood affected families in Baghlan City on 12th & 13th June 2024, received cash.

Assets Fund - represents the net book value of the assets acquired by the restricted funds used for restricted purposes.

Transfers
$102,462 (2023: $147,769) transfer from restricted funds relates to the allocation of overhead costs in the year.

$11,079 (2023: $45,753) transferred from restricted funds relates to the reallocation of funds to other projects.

21 Designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

		Movement in funds			Movement in funds		
	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 1 January 2024	Incoming resources	Resources expended	Balance at 31 December 2024
	$	$	$	$	$	$	$
Large Equipment Replacement	106,027	-	-	106,027	-	-	106,027
	106,027	-	-	106,027	-	-	106,027

Large Equipment Replacement Fund - This fund represents money set aside by the Directors for future acquisition of vehicles and other large equipment for the general purposes of the charity.

22 Analysis of net assets between funds

	Unrestricted funds 2024	Designated funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Designated funds 2023	Restricted funds 2023	Total 2023
	$	$	$	$	$	$	$	$
Fund balances at 31 December 2024 are represented by:								
Tangible assets	22,511	-	-	22,511	25,346	-	-	25,346
Current assets/(liabilities)	188,770	106,027	163,860	458,657	323,400	106,027	163,299	592,726
	211,281	106,027	163,860	481,168	348,746	106,027	163,299	618,072

23 Related party transactions

Included in other debtors is an amount of $3,852 owing from K Dhanabalan. The balance has occurred due to cash drawn in excess of expenses during the year.

There were no related party transactions in the previous year.

24 Analysis of changes in net funds

The charitable company had no material debt during the year.

25 Cash generated from operations

	2024	2023
	$	$
Deficit for the year	(101,309)	(253,932)
Adjustments for:		
Investment income recognised in statement of financial activities	(8,949)	(4,878)
Loss on disposal of investments	2,541	-
Depreciation and impairment of tangible fixed assets	13,903	11,179
Movements in working capital:		
Decrease/(increase) in debtors	35,977	(53,929)
Increase in creditors	28,794	30,543
(Decrease)/increase in deferred income	(22,533)	80,526
Cash absorbed by operations	(51,576)	(190,491)

SERVE AFGHANISTAN

England & Wales - Charity number 1105086

Accounts

CHARITY REGISTRATION NUMBER 1105086

COMPANY REGISTRATION NUMBER 04759091

SERVE AFGHANISTAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

UHY Hacker Young
Chartered Accountants

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P J Fitzgerald	
	Mr M Larson	
	Mr P J Vander Meulen	
	Ms J M Collins	
	Dr. S Varughese	
	Mr M V R Wade	
	Ms J H Powell Thomas	(Appointed 26 October 2023)
Secretary	Mr M Larson	
Executive Director	Mr K Dhanabalan	
Charity number	1105086	
Company number	04759091	
Principal address	PO Box 4015 Karte Char Kabul Afghanistan	
Registered office	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Bankers

HSBC
2 Queens Road
Aberdeen
AB15 4ZT

Azizi Bank
Zanbaq Square
Kabul City
Afghanistan

Ghazanfar Bank
Wazir Akbar Khan Road
Sherpur
10th District, 240000
Kabul

SERVE AFGHANISTAN

CONTENTS

	Page
Trustees' report	1 - 9
Statement of trustees' responsibilities	10
Independent auditor's report	11 - 14
Statement of financial activities	15 - 16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 39

SERVE AFGHANISTAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Legal and Charitable Status
Serve Afghanistan ("the charity") is a company limited by guarantee (No. 4759091) and a registered English charity (No. 1105086), governed by its Memorandum and Articles of Association.

Objectives and activities
The charitable company's objects are:

a) To relieve poverty, suffering and distress among the sick, the aged, the homeless, the needy and displaced persons in any part of the world.

b) To promote and provide for the advancement of education and training.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives of the charitable company. Serve Afghanistan works with poor and marginalised people in Afghanistan irrespective of their ethnic background, religion, gender or social standing.

The charitable company is dependant on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge. It is not possible to quantify the value of this benefit to the charitable company. Out of pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Achievements and performance
During the year, the charitable company carried out various activities in Afghanistan, in pursuit of the aims stated above.

The charitable company's activities have been categorised according to five types:

HUMANITARIAN RESPONSE PROGRAMME (HRP)
Under these project activities we submitted a proposal for Income Generation Programmes and Health Programmes. These programmes were implemented through 7 projects across three regions, Central Region (Kabul), Eastern Region (Laghman and Nangahar) and Kandahar Region.

Across the three regions, a total of 2,101 people were assisted to start income generation programmes (IGP) such as carpentry, masonry, welding, animal husbandry, poultry, mini car mechanic workshop, electrical workshop, tailoring, painting, sewing, quilt making, car wash, fruit selling, running a petty shop, cobbler, knitting, water hand pump repairing and stonework.

1. Achievement of Central Region Humanitarian Response

- 621 people were supported for income generation programmes (358 men, 57 disabled men, 155 women 155, 26 disabled women, 4 boys and 21 girls). This project has been implemented with the support from Tearfund Australia and GC Relief. People are getting approx.150-300 AFN per day as a regular income through the IGP.

2. Achievement of Eastern Region Humanitarian response

a) Nangarhar

- In the Nangarhar Province, 465 people were supported for IGP. (294 men (16 disabled) 171 women (3 disabled). This project has been implemented with the support from Tear Australia, Tearfund UK and CAM.

b) Laghman

- In the Laghman Province, 333 people were supported for IGP (190 men, 8 disabled men, 130 women and 5 disabled women. This project was implemented with the support of Tearfund Australia and CAM.

3. Achievement of Kandahar Region Humanitarian response

- In Kandahar Province, 638 beneficiaries were supported. (67 child headed household 67 (63 male and 4 female), 289 people with disability 289 (273 male and 16 female), 57 internally displaced people (41 male and 16 female), 25 women headed household (12 male and 13 female and 200 drug rehabilitated people (200 male). All people opted for livestock rearing and so livestock were provided to them. This project was supported by Tearfund Australia, Tearfund UK, GC Relief and CAM. In addition to the 638 beneficiaries, through the livelihood programme of FiF 44 people were supported in Kandahar.

EDUCATION PROGRAMME

Under the HRP we also implemented the Serve Education Programme in Crisis where in the Minority (Pashai) children were provided preschool class and after school programme. This project is supported by Cedar Fund.

Under this project, School-aged Pashai boys and girls affected by shocks or crises have access to quality, basic education in a safe learning environment in their own mother tongue to be equipped to do well in their studies during the crisis situation. In the preschool programme there are 320 children (220 boys and 100 girls) in 11 classes. In the after-school programme, there are 320 children (100 boys and 220 girls) in 16 classes. Nine training programmes were conducted for 32 incentive teachers (16 male and 16 female) and 4 supervisors (2 male and 2 female), by the field team leader and field supervisor. Monitoring was done by the project coordinator. Distribution of stationery and education materials was done every month. Pashai writing workshops were conducted for 60 people (30 male and 30 female) in Dari Noor and Shewa district.

HEALTH PROGRAMME

Health projects have been implemented in 3 locations in 2023, Alishang in Laghman Province, Panjwayee in Kandahar Province and Kakor in Kabul Province.

1. **SEHAT** – Under the SEHAT project, the implementation was done in Alishang and Kandahar. These projects were funded by GC Relief.

    - Alishang Project – A health clinic was set up. 1 doctor, 1 male nurse % 1 female nurse, 1 Pharmacist cum logistic officer, 1 midwife, 1 vaccinator, 1 lab technician and other support staff were recruited. Purchased lab and general equipment, surgical items, medicines, iron folic acid etc. Furniture such as delivery bed, newborn bed, inverter & battery, water filter, refrigerator, safe for petty cash etc. were purchased. Vaccines were procured and administered. 3,199 children were immunized for polio according to the government rules. 19,563 people received treatment from the health clinic. 1,324 women are living a healthy life without any maternal issues and 2,436 of the targeted children live a healthy life due to the access to treatment and health awareness programme in the community. 334 children received IMNCI (Integrated Management of Neonatal and Childhood Illness) services. 521 pregnant and lactating mothers have normal Body Mass Index (BMI).

      Panjawayee Project – A health clinic was set up. 1 doctor, 1 male nurse, 1 female nurse, 1 Pharmacist cum logistic officer, 1 midwife, 1 vaccinator, 1 lab technician and other support staff were recruited. Purchase of lab and general equipment, surgical items, medicines, iron folic acid etc. Furniture such as delivery bed, newborn bed, inverter & battery, water filter, refrigerator, safe for petty cash etc were purchased. 4,100 people got treatment from health clinic. 1220 women are living a health life without any maternal issues and 1,434 under 5 children live a healthy life due to the access to treatment and health awareness programme in the community. In Panjwayee, 305 received IMNCI and 204 pregnant women have normal BMI.

2. Kakor MCH project – This project is supported by Trust Bridge. A health clinic was set up by the project. A doctor and health professional were recruited to run the clinic. 7 deliveries were conducted by the Kakor clinic midwife. 1,004 women had four or more health check-ups during their pregnancy period. About 387 mothers received a post-partum visit from an appropriately trained health worker. 571 babies received appropriate newborn care. About 12,971 people have better health through the treatment at Kakor health clinic. 987 women were trained about safe deliveries and danger signs during delivery among women aged 18 to 50 years. 314 pregnant women received at least two TT vaccinations. 621 pregnant women consumed iron supplements.1,333 mothers/family can name at least three essential newborn care practices. 801 Children aged 0 to 2 years were fully immunized. 1,479 children 0-5 months were exclusively breastfed. 383 children given appropriate complementary feeding after 6 months. 3,611 lactating mothers were treated.

MAINSTREAMING PEOPLE WITH DISABILITIES

This project aims to empower and equip institutions and communities towards the integration of people with disability (mainly those with visual and hearing impairments) into mainstream life. Serve works with visually impaired (VI, hearing impaired (HI) and low vision (LV) children. The particular focus has become inclusive education. For sustainability, Serve Afghanistan works with Model Schools where the school and community take responsibility for the inclusion of disabled children in the education system and Serve phases out after 3 years. In 2023, 881 children with disabilities such were supported to continue their education in early intervention programme, preschool Programme, Inclusive Education Programme in government school and University. Three Projects were implemented in Eastern Region, Central Region and Kandahar Region.

1. Serve's Eastern Region Disability Project (ERDP)

The project focuses mainly on the hearing and visually impaired children (HI and VI) and seeks to influence the wider community in Nangarhar and Laghman Provinces regarding attitudes to disabled people. The project works to improve the quality of life for people with disabilities by promoting rehabilitation, equal opportunities, integration and protection of the rights of persons with disability, leading to their full participation in educational, economic, social, political and cultural activities in their communities. This project is supported by KNH and Tearfund UK.

Achievements in 2023 included:

- A total of 301 CwDs attended home-based classes, re-school programme and inclusive education classes this year. 44 HI students (20 female and 24 male) are in segregated classes. The HI students were taught in separate classes in school. 94 HI (61 male and 33 female) attended preparation classes for entry to inclusive classes. 18 HI (13 male, 5 female) students were in inclusive classes in the Government schools. 30 VI (21 male, and 9 female) students attended schools in inclusive classes. 40 VI (22 male and 18 female) students attended PSP. 25 (11 male and 14 female) attended home based education programmes. 50 physically impaired (PI) (35 male and 15 female) students attended inclusive education programmes in government schools.
- 16 incentive teachers were hired for supporting kindergarden and grades 1 and 2. 3 interpreters were hired for 4 Inclusive classes in the government schools this year due to ban or sanction of the girls to study above grade six.
- This year the project distributed class materials and stationery to 156 HI and 95 VI students. Braille papers, sport materials for VI, whiteboard, trunk, farsh, water coolers, note books, pen, pencil, colour pencil, marker, eraser, slate, stylus, stylus frame, braille board, braille sixer were purchased for HI and VI students and were distributed to them.
- 60 government teachers were trained as planned. However, the PED of Laghman did not let us implement our training for 20 government teachers in Mastora high School because the protocol was not signed by the government.
- 4 IEAC members were trained.
- 100 (50 male and 50 female) hearing students received one day training in 2 government schools. They learned Afghan Sign Language (AFSL) so that they can communicate with HI students.

2. **Central Region Disability Project (CRDP)**
The project aims to strengthen and empower people with disabilities towards full participation in every aspect of life – utilising rehabilitation, awareness, advocacy, education, as well as social support. This project is support by KNH, Tearfund UK and for Braille materials by Linda Norgrove Trust.

Achievements in 2023 included:

- 420 CwDs were supported with educational materials so that they can continue their education without putting pressure on their poverty-stricken parents. Young VI children were also provided preschool provision to prepare them for higher education in MoE schools. Total of CWDs supported are 113 VI (72 male, 41 female), 85 LV (50 male, 35 female), 135 HI (75 male, 60 female), 28 PI (18 male, 10 female), 20 intellectually impaired (15 male, 5 female), 23 male university students and home visit support for 16 female university students who cannot attend university anymore. Braille books were printed as planned and distributed to the students.
- The project was able to work with 18,500 school students by conducting awareness programmes in the morning assembly on issues of disability, how to communicate with them and how to create a conducive environment.
- 68 Ministry of Education schools are adopting inclusive education systems and functioning effectively due the project support over the years.
- The project master trainer could train 77 male teachers from 3 government schools.
- 35 advocacy meetings conducted by project staff with the different Ministry of Education sectors.

3. **Kandahar Disability Project (KDP)**
The project aims to provide inclusive education of visually and hearing-impaired children in government schools. This project is supported by Cedar Fund.

Achievements in 2023 included:

- 24 HI and 26 VI CwDs are in preschool program. 93 HI and 7 VI CwDs are in inclusive education classes in government schools.
- Braille books provided to VI Students and other educational materials including desks, talking watches, and Mp3s according to their needs. Provided braille A4 papers at different times during the year.
- Purchased stationary including school bags, schoolbooks, notebooks, and other education materials which were provided to 117 HI and 33 VI students at different times according to their needs.
- 2 LV and 2 VI were referred to the eye hospital for treatment.

EMERGENCY RELIEF PROGRAMMES

During 2023, the charity undertook emergency relief programmes in different location of the county in response to the effects of the conflict and crisis situation in Afghanistan. A total of three relief operations were carried out with a total of 2,605 families reached though the relief operation.

1. Under the support of GC Relief, emergency relief was conducted for 2,000 families in the following places-
   - Nangarhar Province, Pacheer Agam district on 27.03.2023 for 500 families.
   - Kandahar Province, Panjwayee district on 21.03.2023 for 500 families.
   - Laghman Province, Alingar district on 22.05.2023 for 500 families.
   - Parwan Province, Charikar City on 19.04.23 for 500 families.

   The relief package for each household consisted of:
   - Food package- 24.5kg of rice, 50kg of wheat, 5 litres of cooking oil, 7kg of red beans and 2kg of salt.
   - WASH kit- 4 pieces of hand washing soap, 5 pieces of laundry soap, 2 tubes of toothpaste, 8 toothbrushes and 8 washable face masks.
   - Winterized item- Two blankets

3. **Kandahar Relief -** Under the support of **FiF,** 140 poor and vulnerable families were provided emergency relief in Arghistan district in Kandahar Province. The distribution took place on 22nd February 2023.

   The relief package for each household consisted of:
   - Food package- 25kg of rice, 50kg of wheat, 5 litres of cooking oil, 7kg of red beans and 2kg of salt.
   - Hygiene kit- 4 pieces of hand washing soap, 5 pieces of laundry soap, 2 tubes of toothpaste, 8 toothbrushes and 8 washable face masks.
   - Winterized item- Two blankets to each family.

4. **Herat Earthquake Relief -** With the support from Tearfund Australia, SRG, KNH and Cedar fund, earthquake relief was conducted in Zindajan district of Herat Province. The relief covered 465 families. The relief package consisted of $167 (AFN 12,500) per household.

Financial review

The financial statements for the year are set out in pages 16 to 42. The Statement of Financial Activities on pages 16 and 17 reflects net outgoing resources of $233,385 (2022: net incoming resources $47,084).

The trustees review the charitable company's reserves policy annually and regularly assess the adequacy of reserves against this policy.

The charitable company's policy aims to achieve a balance between its operating working capital and a level of reserves to be able to cope with unexpected events. Such events may include crisis response, evacuation and repatriation of expatriate and local staff, unexpected gaps in donor funding, local disaster response or sudden loss of assets or premises. Due to the highly unpredictable nature of the operating environment in Afghanistan and a degree of uncertainty over income flows, it has been the charity's policy to maintain unrestricted funds (excluding asset funds), which have arisen from past operating results, of 6 months of unrestricted operating expenditure plus a fixed amount necessary to close the organisation in the event of an emergency.

At 31 December 2023 unrestricted funds amounted to $454,773 (2022: $490,500), (of which designated funds amounted to $106,027 (2022: $106,027)) and restricted funds were $163,299 (2022: $360,957), totalling $618,072 (2022: $851,457). This is slightly below the target level of the Reserve Fund.

Restricted funds are subject to specific conditions imposed by donors.

The charity receives the majority of its funding in the form of grants from international relief and development charities. A breakdown of expenditure according to the categories of activity shown above is shown in the Statement of Financial Activities and accompanying notes.

The trustees have overall responsibility for the charitable company's system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or frauds. There is a clear delegation of the trustees' authority through the Executive Director to the rest of the organisation.

The charitable company operates an annual planning and budgeting system with an annual budget approved by the Board of trustees. A financial reporting system compares results with the budget on a monthly basis.

A detailed register of the risks faced by the charitable company is maintained. This register identifies the major strategic and operational risks faced and how they are being managed. This register is reviewed annually by the trustees to reassess these risks and introduce procedures to address them as required.

The trustees are satisfied that systems are in place to monitor, manage and mitigate the charitable company's exposure to major risks. They consider that maintaining the charitable company's general reserves at the levels stated above and reviewing progress on addressing the charitable company's risk environment through the risk register will provide the charitable company with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of the charitable company's work requires active acceptance and management of some risks when undertaking activities to achieve its objectives.

Financial risk
The charitable company does not use complex financial instruments; it manages its activities using cash and cash equivalents and various items that arise directly from its operations.

The existence of these financial instruments exposes the charitable company to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the charitable company manages its cash and cash equivalent resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the charitable company earns interest on cash and cash equivalent deposits. With recent increases in interest rates, the trustees are exploring ways to improve income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

Credit risk – this arises from the possibility that amounts owed to the charitable company will not be repaid. The charitable company does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and investment companies and the prompt collection of amounts due.

Future Plans

In 2022 Serve prepared a strategic plan for the period 2024 - 2026. Suggestions to strengthen the projects which are implemented and new geographical areas and sectors were identified. The areas of funding and personnel recruitment were also discussed as an agenda given the current situation in Afghanistan. The on-going climate of insecurity and unpredictability has of course, always to be taken into account.

Structure, governance and management
Serve Afghanistan is a company limited by guarantee and a charity registered in England and Wales. The charitable company operates from Taimani, Kabul, Afghanistan.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
Mr P J Fitzgerald
Mr M Larson
Mr P J Vander Meulen
Ms J M Collins
Dr. S Varughese
Mr M V R Wade
Ms J H Powell Thomas (Appointed 26 October 2023)

Nominations for appointment of trustees come from within the trustee board. Appointments are approved by a majority of the other trustees. Usually, those appointed will have connections to the organisation and have had exposure to the charity's work in Afghanistan.

There is an informal induction and training process for trustees.

The trustees (listed above) are responsible for the overall direction of the charity. Responsibility for the day to day management of the Charity's central administration is delegated to the Executive Director who is supported by two Directors and Finance Manager. During the year, the senior members of staff were the Executive Director and the Senior Management Team:

Kennedy Dhanabalan: Executive Director
Mohammad Saber Alimi: Director (Projects)
Ghulam Mujtaba Khan: Director (Operations)
Bakht Mohammad Momand: Manager (Finance)
Masood Mahzoon: Manager (Projects)
Abdul Hasib Abid: Manager (HR)

Remuneration of key management personnel is discussed at board meetings. Consideration is made of the pay required for expatriate staff to work in Afghanistan.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr M Larson
Trustee
Dated: 30 June 2024

SERVE AFGHANISTAN

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Serve Afghanistan for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

UHY Hacker Young
Chartered Accountants

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN

Opinion

We have audited the financial statements of Serve Afghanistan (the 'charitable company') for the year ended 31 December 2023 which comprise the 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 incoming resources and application of resources, including 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 requires us to report to you if, in our opinion:

- adequate 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.
- the trustees were not entitled to prepare the financial statements in accordance with the companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

30 June 2024

Chartered Accountants
Statutory Auditor

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2023 $	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2022 $
Income and endowments from:									
Donations and legacies	3	15,184	-	2,056,390	2,071,574	74,852	-	2,357,291	2,432,143
Charitable activities	4	-	-	509	509	-	-	2,110	2,110
Investments	5	4,878	-	-	4,878	4,033	-	-	4,033
Other income	6	11,973	-	-	11,973	1,571	-	-	1,571
Total income		32,035	-	2,056,899	2,088,934	80,456	-	2,359,401	2,439,857
Expenditure on:									
Charitable activities	7	268,696	-	2,074,170	2,342,866	199,393	-	2,133,755	2,333,148
Net (outgoing)/incoming resources before transfers		(236,661)	-	(17,271)	(253,932)	(118,937)	-	225,646	106,709

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Net (outgoing)/incoming resources before transfers		(236,661)	-	(17,271)	(253,932)	(118,937)	-	225,646	106,709
Gross transfers between funds		193,522	-	(193,522)	-	258,940	-	(258,940)	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(43,139)	-	(210,793)	(253,932)	140,003	-	(33,294)	106,709
Other recognised gains and losses									
Other gains or losses	**14**	7,412	-	13,135	20,547	(3,112)	-	(56,513)	(59,625)
Net movement in funds		(35,727)	-	(197,658)	(233,385)	136,891	-	(89,807)	47,084
Fund balances at 1 January 2023		384,473	106,027	360,957	851,457	247,582	106,027	450,764	804,373
Fund balances at 31 December 2023		348,746	106,027	163,299	618,072	384,473	106,027	360,957	851,457

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SERVE AFGHANISTAN

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		$	$	$	$
Fixed assets					
Tangible assets	15		25,346		8,786
Current assets					
Debtors	16	78,163		24,234	
Cash at bank and in hand		803,951		996,756	
		882,114		1,020,990	
Creditors: amounts falling due within one year	17	(289,388)		(178,319)	
Net current assets			592,726		842,671
Total assets less current liabilities			618,072		851,457
Income funds					
Restricted funds	19		163,299		360,957
Unrestricted funds:					
Designated funds	20	106,027		106,027	
General funds		348,746		384,473	
			454,773		490,500
			618,072		851,457

The financial statements were approved by the board of directors and authorised for issue on 30 June 2024 and are signed on its behalf by:

Mr M Larson
Trustee

Company Registration No. 04759091

SERVE AFGHANISTAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2023 $	2022 $	2022 $
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(190,491)		327,886
Investing activities					
Purchase of tangible fixed assets		(27,739)		(5,532)	
Proceeds on disposal of tangible fixed assets		-		1,466	
Investment income		4,878		4,033	
Net cash used in investing activities			(22,861)		(33)
Financing activities					
Repayment of borrowings		-		(44,723)	
Net cash used in financing activities			-		(44,723)
Net (decrease)/increase in cash and cash equivalents			(213,352)		283,130
Cash and cash equivalents at beginning of year			996,756		773,251
Effect of foreign exchange rates			20,547		(59,625)
Cash and cash equivalents at end of year			803,951		996,756

1 Accounting policies

Charity information

The charity is a company limited by guarantee, incorporated in England and Wales and has no share capital. The liability of each member in the event of winding-up is limited to £5. At 31 December 2023, there were 7 members (2022: 6 members).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in US Dollars ($). Monetary amounts in these accounts are rounded to the nearest $.

The currency of the primary economic environment in which the organisation operates (its functional currency) is Afghanistan Afghani (AFN).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these accounts.

In reaching that conclusion the trustees are confident that the charity has sufficient liquidity and unrestricted reserves to meet its debts as they fall due over that period. They have also considered the possibility of having to cease operations in Afghanistan and are confident that they have sufficient reserves for an orderly reduction in operations. The charity has a history of having Ministry of Economy approval to operate in Afghanistan and despite the political changes they have continued to receive approval from the Ministry of Public Health until 30 June 2026. The trustees also continue to have support from their funding partners, with funds of $2.25million already being pledged for 2025 and 2026. The trustees are confident that the charity can continue providing support through their work in community development and empowering of people with disabilities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1 Accounting policies (Continued)

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other grants and donations are recognised once the charitable company has been notified of the grant or donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity is dependent on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge and it is not possible to quantify the value of this benefit to the charity. Out-of-pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Trading income represents income from evaluation services provided to other charities and the printing of Braille material.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Regional office support costs have been allocated to activities based upon annual budgeted expenditure and other support costs have been allocated to activities based upon actual expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33.33% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies (Continued)

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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

Ethical investments are social investments made in support of development projects, which benefit disadvantaged and marginalised individuals.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

(Continued)

1 Accounting policies

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.12 Employee savings fund

All Serve employees become part of the Serve savings scheme after working for one year. Under this scheme an amount is deducted monthly for each employee according to their grade on the Serve salary scale and the same amount is contributed by Serve towards a fund that is available to the employee for certain expenses. The Employee Savings Fund is kept in a separate account to the rest of Serve's funds. The fund is included in creditors.

2 Critical accounting estimates and judgements

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

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

The trustees do not consider there to be any critical accounting judgements or estimates.

3 Donations and legacies

	Total	Total
	2023	2022
	$	$
Donations and gifts	2,071,574	2,432,143

3 Donations and legacies

(Continued)

Donations and gifts		
TEAR Australia	471,879	860,619
Kindernotlife	194,979	313,812
Tearfund UK	399,015	642,875
CAM	78,986	139,116
Cedar Fund	75,225	143,298
Linda Norgrove Foundation	6,643	7,880
FiF	46,647	48,510
CBM	-	9,200
Trust Bridge Global Foundation	-	80,000
SRG	-	125,003
GCR	783,015	-
Other	15,185	61,830
	2,071,574	2,432,143

Other donations are donations from individuals.

4 Charitable activities

	2023 $	2022 $
Sales within charitable activities	509	2,110

5 Investments

	2023 $	2022 $
Interest receivable	4,878	4,033

All investment income is unrestricted.

6 Other income

	Unrestricted funds general 2023 $	Restricted funds 2023 $	Total 2023 $	Unrestricted funds general 2022 $	Total 2022 $
Other income	11,973	-	11,973	1,571	1,571

7 Charitable activities

	Disability	Community Development	Relief Programmes	Total 2023	Disability	Community Development	Relief Programmes	Total 2022
	$	$	$	$	$	$	$	$
Staff costs	175,136	452,851	10,425	638,412	149,190	230,499	65,733	445,422
Depreciation and impairment	-	-	-	-	3,941	1,064	-	5,005
Activities and materials	33,767	7,337	-	41,104	20,859	23,018	19,576	63,453
Staff training	-	2,920	-	2,920	901	91	-	992
Incentive workers	42,648	-	-	42,648	35,743	13,510	-	49,253
Travel expenses	20,834	48,392	17,368	86,594	6,541	10,287	24,989	41,817
Office supplies	6,100	26,463	215	32,778	1,412	3,036	2,946	7,394
Communications	5,169	9,112	69	14,350	4,673	7,838	1,826	14,337
Premises	8,014	46,277	-	54,291	6,698	23,914	4,869	35,481
Bank charges	11,849	38,246	24,388	74,483	34,104	75,881	107,486	217,471
Legal and professional fees	-	1,634	-	1,634	7,013	30,600	7,762	45,375
Disaster relief	-	-	242,152	242,152	-	-	951,144	951,144
	303,517	633,232	294,617	1,231,366	271,075	419,738	1,186,331	1,877,144
Grant funding of activities (see note 9)	-	749,860	92,944	842,804	45,395	78,845	137,971	262,211
Share of support costs (see note 10)	236,584	-	-	236,584	164,873	-	-	164,873
Share of governance costs (see note 10)	32,112	-	-	32,112	28,920	-	-	28,920
	572,213	1,383,092	387,561	2,342,866	510,263	498,583	1,324,302	2,333,148

(Continued)

7 Charitable activities

Analysis by fund								
Unrestricted funds - general	268,696	-	-	268,696	193,793	5,600	-	199,393
Restricted funds	303,517	1,383,092	387,561	2,074,170	316,470	492,983	1,324,302	2,133,755
	572,213	1,383,092	387,561	2,342,866	510,263	498,583	1,324,302	2,333,148

8 Description of charitable activities:

Disability
To mainstream people with disabilities, Serve, in partnership with others, aims to empower and equip institutions and communities towards the integration of people with disability (mainly blind, deaf, mentally challenged and physically disabled) into mainstream life.

Community Development
Activities facilitate processes within local communities leading to their ability to develop and access local, provincial and national resources and to strengthen livelihood opportunities of vulnerable groups in the concentration areas where Serve is active.

Relief Programmes
The charity undertakes emergency relief programmes in different locations of the country in response to the effects of the conflict and crisis situation in Afghanistan. A total of 6 (2022: 10) relief operations were carried out, which helped 2,605 displaced families.

9 Grants payable

	Community Development 2023 $	Relief Programmes 2023 $	Total 2023 $	Disability 2022 $	Community Development 2022 $	Relief Programmes 2022 $	Total 2022 $
Grants to individuals	749,860	92,944	842,804	45,395	78,845	137,971	262,211
	749,860	92,944	842,804	45,395	78,845	137,971	262,211

10 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	$	$	$	$	$	$
Staff costs	72,813	-	72,813	85,316	-	85,316
Depreciation	11,179	-	11,179	3,813	-	3,813
Other support costs	152,592	-	152,592	75,744	-	75,744
Audit fees	-	32,112	32,112	-	28,920	28,920
	236,584	32,112	268,696	164,873	28,920	193,793
Analysed between Charitable activities	236,584	32,112	268,696	164,873	28,920	193,793

Governance costs includes payments to the auditors of $32,112 (2022- $28,920) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 7 (2022- 4) of them were reimbursed or had expenditure paid on their behalf to third parties totalling $16,812 for travelling expenses (2022- $3,998).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	115	95

Employment costs	2023 $	2022 $
Wages and salaries	711,225	530,738

No remuneration was paid to any employee in excess of $76,395.

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Other gains or losses

	Unrestricted funds general	Restricted funds	Total 2023	Total 2022
	$	$	$	$
Foreign exchange (loss)/gain	7,412	13,135	20,547	(59,625)

15 Tangible fixed assets

	Computer equipment	Office equipment	Motor vehicles	Total
	$	$	$	$
Cost				
At 1 January 2023	46,581	118,840	124,138	289,559
Additions	17,630	9,212	897	27,739
Disposals	(680)	(14,818)	(20,735)	(36,233)
At 31 December 2023	63,531	113,234	104,300	281,065
Depreciation and impairment				
At 1 January 2023	44,671	111,965	124,138	280,774
Depreciation charged in the year	6,792	4,207	179	11,178
Eliminated in respect of disposals	(680)	(14,818)	(20,735)	(36,233)
At 31 December 2023	50,783	101,354	103,582	255,719
Carrying amount				
At 31 December 2023	12,748	11,880	718	25,346
At 31 December 2022	1,911	6,875	-	8,786

16 Debtors

	2023	2022
Amounts falling due within one year:	$	$
Trade debtors	51,402	7,113
Other debtors	6,715	13,932
Prepayments and accrued income	20,046	3,189
	78,163	24,234

17 Creditors: amounts falling due within one year

	Notes	2023	2022
		$	$
Deferred income		142,940	62,414
Trade creditors		200	17,660
Other creditors		115,996	72,565
Accruals		30,252	25,680
		289,388	178,319

18 Deferred income

	2023	2022
	$	$
Deferred income is included within:		
Creditors due within one year	142,940	62,414
Deferred income at 1 January 2023	62,414	-
Released from previous years	-	-
Amounts deferred in the year	80,526	62,414
Deferred income at 31 December 2023	142,940	62,414

Deferred income in the year relates to funding from individuals received in advance of 2024 projects.

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds						Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2023
	$	$	$	$	$	$	$	$	$	$	$
ERCDP	49,857	46,391	(27,715)	(56,276)	(816)	11,441	42,895	(30,675)	(2,756)	543	21,448
ERDP (formerly SHIP)	12,996	126,611	(95,871)	(17,406)	(2,708)	23,622	104,197	(107,935)	(21,997)	2,113	-
CRDP (formerly EMAD)	15,944	231,075	(200,788)	(19,989)	(5,446)	20,796	202,312	(150,737)	(24,175)	2,455	50,651
CRHR (formerly CRCDP)	31,626	147,756	(123,195)	(19,601)	(3,414)	33,172	379,431	(383,298)	(21,150)	(8,155)	-
KRHR KDH(formerly KCDP)	11,117	161,549	(124,493)	(22,434)	(3,513)	22,226	399,723	(403,167)	(25,375)	6,593	-
KDP	-	24,214	(15,869)	(3,934)	(473)	3,938	20,672	(14,169)	(1,325)	193	9,309
COVID19 Relief Project	324,219	-	-	(324,219)	-	-	-	-	-	-	-
Restricted Assets	5,005	-	(5,005)	-	-	-	-	-	-	-	-
MCH	-	80,000	-	-	-	80,000	-	-	(80,000)	-	-
ERHR- N	-	333,490	(216,516)	(967)	(6,391)	109,616	219,677	(306,653)	(28,536)	5,896	-
ERHR- L	-	45,131	-	-	-	45,131	170,924	(195,419)	(20,409)	(227)	-
Cedar Relief	-	80,300	(73,308)	(5,086)	(1,906)	-	-	-	-	-	-

(Continued)

19 Restricted funds

IGP 300 CAm 2022	-	79,612	(68,711)	(9,042)	(1,859)	-	-	-	-	-	-
Kunar and Parwan Relief	-	132,654	(126,370)	(3,167)	(3,117)	-	-	-	-	-	-
Tearfund UK Relief	-	192,753	(329,756)	145,438	(8,435)	-	-	-	-	-	-
SRG KBL Relief	-	75,000	(64,787)	(4,302)	(1,652)	4,259	-	(1,841)	(2,418)	-	-
Tearfund Australia	-	265,568	(251,417)	(7,751)	(6,400)	-	-	-	-	-	-
Tearfund UK KBL Poor Relief	-	142,223	(130,231)	(8,671)	(3,321)	-	-	-	-	-	-
CAM KDH Relief	-	554	(92,563)	94,389	(2,380)	-	-	-	-	-	-
FiF KDH Relief	-	48,891	(52,183)	4,540	(1,248)	-	-	-	-	-	-
Tearfund UK Relief Paktika	-	95,626	(95,095)	1,893	(2,424)	-	-	-	-	-	-
SRG Parwan Relief	-	50,003	(39,882)	(2,355)	(1,010)	6,756	-	-	(6,756)	-	-
Kakor Health Clinic	-	-	-	-	-	-	-	(21,756)	72,236	9	50,489
Alishang Health Clinic	-	-	-	-	-	-	45,058	(37,324)	(6,787)	(947)	-
Panjwayee Health Clinic	-	-	-	-	-	-	43,920	(35,477)	(7,810)	(633)	-
GCR 2000 Poor Families	-	-	-	-	-	-	294,038	(257,712)	(18,093)	6,976	25,209
FIF KDH Relief 140	-	-	-	-	-	-	36,225	(20,890)	(12,475)	(2,860)	-

(Continued)

19 Restricted funds

FIF KDH Relief 44	-	-	-	-	-	-	10,423	(18,093)	7,705	(35)	-
Herat Relief 465f	-	-	-	-	-	-	87,404	(89,024)	6,599	1,214	6,193
	450,764	2,359,401	(2,133,755)	(258,940)	(56,513)	360,957	2,056,899	(2,074,170)	(193,522)	13,135	163,299

Analysis of restricted assets

	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2023
	$	$	$	$	$	$	$	$	$	$	$
ERCDP	1,054	-	(1,054)	-	-	-	-	-	-	-	-
ERDP	1,491	-	(1,491)	-	-	-	-	-	-	-	-
CRCDP	10	-	(10)	-	-	-	-	-	-	-	-
KCDP	-	-	-	-	-	-	-	-	-	-	-
KDP	2,450	-	(2,450)	-	-	-	-	-	-	-	-
	5,005	-	(5,005)	-	-	-	-	-	-	-	-

(Continued)

19 Restricted funds

Eastern Region Humanitarian Response- Nangarhar Project (ERHR-N) - to empower vulnerable families in the target communities in the Eastern Region (Nangarhar) and to improve their livelihood through improved adult literacy and development of animal husbandry.

Serve's Eastern Region Disability Project (ERDP) (formerly Serve's Hearing-Impaired Project (SHIP)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Serve's Central Region Disability Project (CRDP) (formerly Enabling and Mobilizing Afghans with Disabilities Project (EMAD)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Central Region Humanitarian Response Project (CRHR) - to bring sustainable livelihood improvement for vulnerable people of Guldara district of Afghanistan.

Kandahar Community Development Project (KRHR) - to bring sustainable livelihood improvement for vulnerable people of Kandahar in Afghanistan.

Kandahar Disability Programme (KDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they do not have any barriers or discrimination to their education.

Eastern Region Humanitarian Response- Laghman Project (ERHR-L) - to empower vulnerable families in the target communities in the Eastern Region (Laghman)and to improve their livelihood through improved adult literacy and development of animal husbandry.

Eastern Region Community Disability Programme (ERCDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they do not have any barriers or discrimination to their education.

Alishang Health Clinic (AHC) -This project will provide and assist the people to access medical care and increase their knowledge on preventive and health care as the sanctions have affected them to access health care facilities. The project will specifically focus on mother and child health care and nutrition.

Panjwayee Health Clinic (PHC) - This project will provide and assist the people to access medical care and increase their knowledge on preventive and health care as the sanctions have affected them to access health care facilities. The project will specifically focus on mother and child health care and nutrition.

(Continued)

19 Restricted funds

Kakor Health Clinic (KHC) - This project will provide and assist the people to access medical care and increase their knowledge on preventive and health care as the sanctions have affected them to access health care facilities. The project will specifically focus on mother and child health care and nutrition.

LGM, Parwan, KDH, NGR Relief for poor 2000 families (GCR) - Total of 2000 families benefitted from the project. 500 internally displace people (IDP) families in Jalalabad City and Pacheer Agam district in Nangarhar Province on 28th March 2023, 500 IDP families in Mehtarlam City and Alingar district in Laghman Province on 23rd May 2023, 500 IDP families in Kandahar and Panjwayee district in Kandahar Province on 21st March 2023 and 500 families in Charikar District in Parwan Province on 19th April 2023 received relief materials.

Kandahar IDP 140 families (FiF) - Total of 140 families benefitted. The distribution was done on 13th February 2023 at Arghasan District in Kandahar province.

Kandahar IGP 44 families (FiF) - Total of 44 families benefitted. The distribution was done on 25th December 2023 at A Panjwayee District in Kandahar province.

Heart Earthquake Relief 465 families (Cedar fund, KNH, SRG, TF Aus) - 465 families affected by the earthquake from Herat Province were provided 12,500 Afghani each as a multi-purpose cash assistance (MPCA) on 21st October 2023. These beneficiaries' houses were fully or partially damaged by the earthquake.

Assets Fund - represents the net book value of the assets acquired by the restricted funds used for restricted purposes.

Transfers
$147,769 (2022: $191,837) transfer from restricted funds relates to the allocation of overhead costs in the year.

$nil (2022: $40,480) transferred from restricted funds relates to the allocation of security costs in the year.

$45,753 (2022: $26,623) transferred from restricted funds relates to the reallocation of funds to other projects.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	$	$	$	$	$	$	$
Large Equipment Replacement	106,027	-	-	106,027	-	-	106,027
	106,027	-	-	106,027	-	-	106,027

Large Equipment Replacement Fund - This fund represents money set aside by the Directors for future acquisition of vehicles and other large equipment for the general purposes of the charity.

21 Analysis of net assets between funds

	Unrestricted funds 2023	Designated funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total 2022
	$	$	$	$	$	$	$	$
Fund balances at 31 December 2023 are represented by:								
Tangible assets	25,346	-	-	25,346	8,786	-	-	8,786
Current assets/(liabilities)	323,400	106,027	163,299	592,726	375,687	106,027	360,957	842,671
	348,746	106,027	163,299	618,072	384,473	106,027	360,957	851,457

22 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, is as follows.

	2023 $	2022 $
Aggregate compensation	127,792	46,583

There were no further related party transactions in the year (2022: none).

23 Analysis of changes in net funds

The charitable company had no debt during the year.

24 Cash generated from operations

	2023 $	2022 $
(Deficit)/surplus for the year	(253,932)	106,709
Adjustments for:		
Investment income recognised in statement of financial activities	(4,878)	(4,033)
Foreign exchange differences	(284)	-
Gain on disposal of tangible fixed assets	-	(613)
Depreciation and impairment of tangible fixed assets	11,179	8,818
Movements in working capital:		
(Increase)/decrease in debtors	(53,929)	65,445
Increase in creditors	30,543	89,146
Increase in deferred income	80,526	62,414
Cash (absorbed by)/generated from operations	(190,775)	327,886

SERVE AFGHANISTAN

England & Wales - Charity number 1105086

Accounts

CHARITY REGISTRATION NUMBER 1105086

COMPANY REGISTRATION NUMBER 04759091

SERVE AFGHANISTAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PAGES FOR FILING WITH REGISTRAR

UHY Hacker Young

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P J Fitzgerald	
	Mr M Larson	
	Mr P J Vander Meulen	
	Ms J M Collins	
	Dr. S Varughese	
	Mr M V R Wade	(Appointed 26 November 2022)
Secretary	Mr M Larson	
Executive Director	Mr K Dhanabalan	
Charity number	1105086	
Company number	04759091	
Principal address	PO Box 4015 Karte Char Kabul Afghanistan	
Registered office	c/o UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Bankers	HSBC 2 Queens Road Aberdeen AB15 4ZT Azizi Bank Zanbaq Square Kabul City Afghanistan

SERVE AFGHANISTAN

CONTENTS

	Page
Trustees' report	1 - 10
Statement of trustees' responsibilities	11
Independent auditor's report	12 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 42

SERVE AFGHANISTAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities
The charitable company's objects are:

a) To relieve poverty, suffering and distress among the sick, the aged, the homeless, the needy and displaced persons in any part of the world.

b) To promote and provide for the advancement of education and training.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives of the charitable company. Serve Afghanistan works with poor and marginalised people in Afghanistan irrespective of their ethnic background, religion, gender or social standing.

The charitable company is dependant on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge. It is not possible to quantify the value of this benefit to the charitable company. Out of pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Achievements and performance
During the year, the charitable company carried out various activities in Afghanistan, in pursuit of the aims stated above.

The charitable company's activities have been categorised according to three types:

1. Humanitarian Response Programme (HRP)

Due to sanctions and the situation in the Afghanistan the donors were not able to fund the on-going projects in its community development format. As a result, the strategy of the project was amended to focus on humanitarian response. Under these project activities we submitted a proposal for Income Generation Programmes (IGP) and Health Programmes. These programmes were implemented through 7 projects across three regions, Central Region (Kabul and Parwan), Eastern Region (Laghman and Nangarhar) and Kandahar Region.

Across the three regions, a total of 1,721 people were assisted to start Income Generation Activities such as carpentry, masonry, welding, animal husbandry, poultry, mini car mechanic workshop, electrical workshop, tailoring, painting, sewing, quilt making, car wash, fruit selling, running a petty shop, working as a cobbler knitting, water handpump repairing and stonework.

A. Achievement of Central Region Humanitarian Response

- 101 people are engaged in IGP activities.
- 100 people were supported for IGP and 95% of them are getting income through these activities.

B. Achievement of Eastern Region Humanitarian response-

- In the Eastern region, 200 (100 male and 100 female) people were selected. 100 in Nangarhar and 100 in Laghman. All these 200 people are engaged in some forms of IGP and they are receiving income from these activities. The activities include pickle processing, beads work, handicraft work, tailoring, poultry, mobile repairing, bicycle repairing, painting, solar repairs, carpentry, popcorn vending etc. Through the IGP activities they receive an income of 40 to 50 USD daily.
- 970 people are engaged in animal husbandry.

C. Achievement of Kandahar Region-

- In Kandahar 150 people have been supported with IGP (Goat rearing, Poultry, embroidery work, retail store) with the support of Tearfund Australia.

D. Serve Education Programme in Crisis was also implemented Under the HRP, wherein the Minority (Pashai) children were provided preschool class and after school programme. Under this project, School-aged Pashai boys and girls affected by shocks or crises have access to quality, basic education in a safe learning environment in their own mother tongue to be equipped to do well in their studies during the crisis situation. 640 children including 320 Boys and 320 girls were covered under this project with 440 in the preschool and 200 in the after-school programmes.

2. Mainstreaming people with disabilities

This project is to empower and equip institutions and communities towards the integration of people with disability (mainly those with visual and hearing impairments) into mainstream life. Serve works with visually impaired, hearing impaired and low vision children. The particular focus is to provide an inclusive education for children with disabilities. For sustainability, Serve works with model schools where the school and community take responsibility for the inclusion of disabled children in the education system and the project phases out after 3 years. In 2022, 911 children with disabilities such as visually impaired, hearing impaired and low vision were supported to continue their education in Early Intervention Programme, Preschool Programme, Inclusive Education Programme in government schools and University. Three Projects were implemented in the Eastern region, Central region and Kandahar.

In relation to **mainstreaming people with disabilities:**

A. Serve's Eastern Region Disability Project (ERDP) focuses mainly on the Hearing and Visually impaired children (HI and VI) and seeks to influence the wider community in Nangarhar and Laghman Provinces regarding attitudes to disabled people. The project works to improve the quality of life for people with disabilities by promoting rehabilitation, equal opportunities, integration and protection of the rights of persons with disability, leading to their full participation in educational, economic, social, political and cultural activities in their communities.

Achievements in 2022 included:

- 34 HI (3 female, 31 male) students are in segregated classes. The hearing impaired are taught in separate classes in school.
- 95 HI (62 male, 33 female) attended preparation classes for entry to inclusive classes.
- 19 HI (14 male, 5 female) students are in inclusive classes in the Government schools.
- 32 VI (22 male, 10 female) students attended schools in inclusive classes.
- 43 VI (21 male, 22 female) students attended PSP.
- 30 (17 male, 13 female) attending Home Based education programmes.
- 50 physically impaired (35 male, 15 female) students attended inclusive education programmes in Government schools.
- The project continued supporting 148 HI students to continue their education.
- 16 incentive teachers were hired to support kindergarden, Grade 1 and 2. Four interpreters were hired for 4 inclusive classes in the government schools this year.
- The project distributed all class materials and stationary to 148 HI and 105 VI students. These included braille papers, sport materials for VI, whiteboard, trunk, water coolers, notebooks, pens, pencils, colour pencils, markers, erasers, slate, stylus, stylus frame, braille board and braille sixer.
- 20 incentive teachers received refresher training.
- 9 teachers were trained on Afghan Sign Language (AFSL) grammar and 11 teachers were trained in braille and orientation mobility.
- 20 incentive teachers received refresher training.
- 4 Inclusive Education Action Committee (IEAC) members' trainings were done.

B. Serve's Central Region Disability Project (CRDP) aims to strengthen and empower people with disabilities towards full participation in every aspect of life – utilising rehabilitation, awareness, advocacy, education, as well as social support.

Achievements in 2022 included:

- 433 children with disabilities (CwDs) were supported by the project this year. 7 CwDs in preschool, 33 VI in university, 91 VI in Ministry of Education Schools (grade 1 to 12), 86 Low Vision school, 143 HI, 48 physically impaired (PI) and 25 intellectually disabled (ID).
- 68 Ministry of Education schools are conducting inclusive education classes. VI and HI students are attending these classes. There is no discrimination between disabled and non-disabled students.
- 433 CwDs passed in their final exams and were promoted to higher classes. 73 females from grade 7 to 12 who didn't attend classes were allowed to sit for exams and were promoted to higher class.
- 134 teachers were trained, 84 in inclusive education and 54 in braille.
- 20,000 students attended the awareness programmes in morning assembly and were made aware of the rights and plights of the CwDs.
- 18 key meetings were conducted with school authorities and education department.
- IEAC has been formed and functioning in 4 model school. 48 IEAC members are actively involved in creating awareness and advocating for the rights CwDs.
- Five days AFSL training was completed for 16 interpreters and 3 days inclusive education training was completed for 20 schoolteachers.

C. Serve Kandahar Disability Project (KDP) in the Southern Region works to provide inclusive education of visually and hearing impaired children in government schools.

Achievements in 2022 included:

- 30 HI students under home-based classes and preschool programmes are continuing their lessons.
- 28 VI students attend the preschool programmes and the classes are on-going.
- 6 VI students attended inclusive education in regular classes at government schools.
- Two types of classes are conducted. One group is a special HI class taught by the incentive teacher for 2 ½ hours. Another one is an inclusive education class taught by the AFSL interpreters. This group is taught in the class and follows the school routine.
- Braille books and other educational materials such as desks, talking watches, and Mp3s were provided to needy students.
- Braille papers were provided at different time to the students during the last 6 months.
- Purchased stationary like school bags, schoolbooks, notebooks, and other educational materials and provided to 138 HI and 37 VI Students at different times according to their needs.
- Conducted 8 IEAC meetings in two Model schools.
- Conducted 8 parent meetings in 8 schools.
- Conducted 6 disability, inclusive education and 7 awareness programmes in 10 Government schools in different months.
- Conducted 3 days of AFSL interpreter training for 5 interpreter teachers in August 2022.
- Conducted 5 days of AFSL, braille, and inclusive education training for 40 teachers in two model schools in August months 2022.
- Two Low Vision students were referred to the eye hospital for treatment.
- Staff attended four advocacy meetings with district officials and the Ministry of Education department.
- Staff conducted monthly meetings to review the project progress and plan every month.

3. Emergency Relief Programme-

During 2022, the charity undertook **emergency relief programmes** in different locations of the country in response to the effects of the conflict and crisis situation in Afghanistan. A total of 10 relief operations were carried out and 10,475 families were reached.

The emergency relief programmes included:

1. **HEF Project – (TU0K)** - Total of 2500 families benefitted from the project. 1,000 internally displace people (IDP) families in Jalalabad City and Surkhrod district in Nangarhar Province on 1st, 3rd, 5th and 6th January 2022, 625 IDP families in Mehtarlam City and Alingar district in Laghman Province on 17th and 19 th February 2022, 375 IDP families in Kandahar and Arghandab district in Kandahar Province on 7th March 2022 and 500 families in Shakar Dara District in Kabul Province on 26th March 2022 received relief materials.

   Families were provided with a relief package typically consisting of:

   a. Food package – 25 kg of rice, 50kg of wheat, 5 litres of cooking oil, 7kg of red beans and 2kg of salt.
   b. WASH kit – 4 pieces of hand washing soap, 5 pieces of laundry soap, 2 tubes of toothpaste, 8 toothbrushes and 8 washable face masks.
   c. Two blankets were distributed to each beneficiary household.

2. **Kabul IDP Relief (SRG)** – Total of 400 families benefitted. The distribution was done on 6th April 2022 at Mir Bacha Koot district in Kabul province.
3. **Parwan IDP Relief (SRG)** – The distribution was done on 18 & 19 December, 2022 at Charikar city of Parwan Province for 400 families.

4. **Kabul IDP Relief (Tear fund AUS)** – Total of 1800 families benefitted. Distribution was done for 500 households in Khak-i-Jabar of Kabul Province on 6th April 2022. 500 households in Sarobi district of Kabul Province on 26th April 2022. 400 households in PD 6, Kabul city on 21st June 2022. 400 households in PD 7, Kabul city on 23rd June 2022.

5. **Kandahar IDP (FiF)** – 460 families benefitted in three locations of Kandahar Province. Kandahar city- 141 families distributed on 11th January 2022, Dand district-100 families distributed on 7th February 2022 and Arghandab district- 219 families distributed on 1st March 2022. The staff were able to carry out the relief smoothly with women staff involved in assisting the female beneficiaries.

6. **Kandahar (CAM) -** In Kandahar Province, Serve was able to provide relief package to 800 families on 4 th and 10th of January, 7th of February, 1st of March and on 20th August to 200 families. The items provided were based on Sphere standards which will assist them to have food security at least for one month.

7. **CEDAR Relief including individuals**- In Jalalabad city of Nangarhar Province, Serve was able to provide relief package to 500 families on 1st, 3rd, 5th and 6th of January 2022.

8. **Kunar and Parwan Relief (KNH) -** 1300 families benefitted. Food and hygiene kits were distributed to 1000 families on 7th and 9th November 2022 in Kunar Province and in Parwan Province distribution was done for 300 families on 19th December 2022.

9. **Paktika Relief (TUK) -** 500 families affected by the earthquake from Paktika Province were provided 14,000 Afghani each as a multi-purpose cash assistance (MPCA) on 6th July 2022. These beneficiaries' houses were fully or partially damaged by the earthquake.

10. **Relief for poor Kabul (TUK) -** 1000 poor and vulnerable families from Kabul received Relief upport. The distribution date was 23rd November, 23rd December and 31st December 2022.

11. **Relief for poor Laghman and Parwan (Individual donor) -** 640 poor and vulnerable families from Laghman and Parwan received relief support. The distribution dates were for 375 families at Laghman on February 17th and 19th February 2022 and 240 families at Laghman on 18th of October 2022.

Financial review

The financial statements for the year are set out in pages 16 to 42. The Statement of Financial Activities on pages 16 and 17 reflects net incoming resources of $47,084 (2021: net incoming resources of $293,506).

The trustees review the charitable company's reserves policy annually and regularly assess the adequacy of reserves against this policy.

The charitable company's policy aims to achieve a balance between its operating working capital and a level of reserves to be able to cope with unexpected events. Such events may include crisis response, evacuation and repatriation of expatriate and local staff, unexpected gaps in donor funding, local disaster response or sudden loss of assets or premises. Due to the highly unpredictable nature of the operating environment in Afghanistan and a degree of uncertainty over income flows, it has been the charity's policy to maintain unrestricted funds (excluding asset funds), which have arisen from past operating results, of 6 months of unrestricted operating expenditure plus a fixed amount necessary to close the organisation in the event of an emergency.

At 31 December 2022 unrestricted funds amounted to $490,500 (2021: $353,609), (of which designated funds amounted to $106,027 (2021: $106,027)) and restricted funds were $360,957 (2021: $450,764), totalling $851,457 (2021: $804,373). This is above the target level and therefore the charitable company is planning to reduce its reserves level over the coming years.

Restricted funds are subject to specific conditions imposed by donors.

The charity receives the majority of its funding in the form of grants from international relief and development charities. A breakdown of expenditure according to the categories of activity shown above is shown in the Statement of Financial Activities and accompanying notes.

The trustees have overall responsibility for the charitable company's system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or frauds. There is a clear delegation of the trustees' authority through the Executive Director to the rest of the organisation.

The charitable company operates an annual planning and budgeting system with an annual budget approved by the Board of trustees. A financial reporting system compares results with the budget on a monthly basis.

A detailed register of the risks faced by the charitable company is maintained. This register identifies the major strategic and operational risks faced and how they are being managed. This register is reviewed annually by the trustees to reassess these risks and introduce procedures to address them as required.

The trustees are satisfied that systems are in place to monitor, manage and mitigate the charitable company's exposure to major risks. They consider that maintaining the charitable company's general reserves at the levels stated above and reviewing progress on addressing the charitable company's risk environment through the risk register will provide the charitable company with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of the charitable company's work requires active acceptance and management of some risks when undertaking activities to achieve its objectives.

Financial risk
The charitable company does not use complex financial instruments; it manages its activities using cash and cash equivalents and various items that arise directly from its operations.

The existence of these financial instruments exposes the charitable company to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the charitable company manages its cash and cash equivalent resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the charitable company earns interest on cash and cash equivalent deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

Credit risk – this arises from the possibility that amounts owed to the charitable company will not be repaid. The charitable company does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and investment companies and the prompt collection of amounts due.

Future Plans

In 2021 Serve Afghanistan initiated a strategic planning process for the period of 2022 to 2024. However in August 2021, the Taliban took power throughout the country. This resulted in the suspension of activities for a number of projects and uncertainty about future operations. Since that time, the Charity has been able to restart its activities and received letters of authorisation for its ongoing work in the country. During late 2021, and through 2022, the Charity has been able to continue much of its core programmes as well as undertake relief interventions in response to the ongoing crisis in the country, including responding to emergency needs. The ongoing climate of insecurity and unpredictability has of course, always to be taken into account.

Structure, governance and management
Serve Afghanistan is a company limited by guarantee and a charity registered in England and Wales. The charitable company operates from Karte Char, Kabul, Afghanistan.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:
Mr P J Fitzgerald
Mr M Larson
Mr P J Vander Meulen
Ms J M Collins
Dr. S Varughese
Mr M V R Wade (Appointed 26 November 2022)

Nominations for appointment of trustees come from within the trustee board. Appointments are approved by a majority of the other trustees. Usually, those appointed will have connections to the organisation and have had exposure to the charity's work in Afghanistan.

There is an informal induction and training process for trustees.

The trustees (listed above) are responsible for the overall direction of the charity. Responsibility for the day to day management of the Charity's central administration is delegated to the Executive Director who is supported by a Senior Finance Manager. During the year, the senior members of staff were the Executive Director and the Senior Management Team:

Kennedy Dhanabalan: Executive Director
Saber Alimi: Director (Projects)
Mujtaba Khan: Director (Operations)
Sajim Pardes: Senior Manager (Technical advisor for Disability)
Masood Mahsoon: Senior Manager (Projects)
Abdul Hasib Abid: Manager (HR)
Bakht Mohammad Momand: Manager (Finance)

Remuneration of key management personnel is discussed at board meetings. Consideration is made of the pay required for expatriate staff to work in Afghanistan.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr M Larson
Trustee
Dated: 27 September 2023

SERVE AFGHANISTAN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Serve Afghanistan for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN

Opinion

We have audited the financial statements of Serve Afghanistan (the 'charitable company') for the year ended 31 December 2022 which comprise the 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 2022 and of its incoming resources and application of resources, including 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.

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.

UHY Hacker Young

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 requires us to report to you if, in our opinion:

- adequate 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.
- the trustees were not entitled to prepare the financial statements in accordance with the companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

UHY Hacker Young

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Mealing (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 27 September 2023

Chartered Accountants
Statutory Auditor

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2022 $	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2021 $
Income and endowments from:									
Donations and legacies	3	74,852	-	2,357,291	2,432,143	94,035	-	1,309,263	1,403,298
Charitable activities	4	-	-	2,110	2,110	-	-	9,913	9,913
Investments	5	4,033	-	-	4,033	142	-	-	142
Other income	6	1,571	-	-	1,571	-	-	3,978	3,978
Total income		80,456	-	2,359,401	2,439,857	94,177	-	1,323,154	1,417,331
Expenditure on:									
Charitable activities	7	199,393	-	2,133,755	2,333,148	171,417	-	885,891	1,057,308
Other	13	-	-	-	-	3,356	-	-	3,356
Total resources expended		199,393	-	2,133,755	2,333,148	174,773	-	885,891	1,060,664
Net (outgoing)/incoming resources before transfers		(118,937)	-	225,646	106,709	(80,596)	-	437,263	356,667

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

Net (outgoing)/incoming resources before transfers		(118,937)	-	225,646	106,709	(80,596)	-	437,263	356,667
Gross transfers between funds		258,940	-	(258,940)	-	140,121	-	(140,121)	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		140,003	-	(33,294)	106,709	59,525	-	297,142	356,667
Other recognised gains and losses									
Other gains or losses	**15**	(3,112)	-	(56,513)	(59,625)	(63,161)	-	-	(63,161)
Net movement in funds		136,891	-	(89,807)	47,084	(3,636)	-	297,142	293,506
Fund balances at 1 January 2022		247,582	106,027	450,764	804,373	251,218	106,027	153,622	510,867
Fund balances at 31 December 2022		384,473	106,027	360,957	851,457	247,582	106,027	450,764	804,373

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SERVE AFGHANISTAN

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		$	$	$	$
Fixed assets					
Tangible assets	**16**		8,786		12,925
Current assets					
Debtors	**17**	24,234		89,679	
Cash at bank and in hand		996,756		773,251	
		1,020,990		862,930	
Creditors: amounts falling due within one year	**19**	(178,319)		(71,482)	
Net current assets			842,671		791,448
Total assets less current liabilities			851,457		804,373
Income funds					
Restricted funds	**21**		360,957		450,764
Unrestricted funds:					
Designated funds	**22**	106,027		106,027	
General funds		384,473		247,582	
			490,500		353,609
			851,457		804,373

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Mr M Larson
Trustee

Company Registration No. 04759091

SERVE AFGHANISTAN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		2021	
		$	$	$	$
Cash flows from operating activities					
Cash generated from operations	26		327,886		23,387
Investing activities					
Purchase of tangible fixed assets		(5,532)		(4,302)	
Proceeds on disposal of tangible fixed assets		1,466		120	
Investment income		4,033		142	
Net cash used in investing activities			(33)		(4,040)
Financing activities					
Proceeds from borrowings		-		44,723	
Repayment of borrowings		(44,723)		-	
Net cash (used in)/generated from financing activities			(44,723)		44,723
Net increase in cash and cash equivalents			283,130		64,070
Cash and cash equivalents at beginning of year			773,251		772,342
Effect of foreign exchange rates			(59,625)		(63,161)
Cash and cash equivalents at end of year			996,756		773,251

1 Accounting policies

Charity information

The charity is a company limited by guarantee, incorporated in England and Wales and has no share capital. The liability of each member in the event of winding-up is limited to £5. At 31 December 2022, there were 6 members (2021: 5 members).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in US Dollars ($). Monetary amounts in these accounts are rounded to the nearest $.

The currency of the primary economic environment in which the organisation operates (its functional currency) is Afghanistan Afghani (AFN).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these accounts.

In reaching that conclusion the trustees are confident that the charity has sufficient liquidity and unrestricted reserves to meet its debts as they fall due over that period. They have also considered the possibility of having to cease operations in Afghanistan and are confident that they have sufficient reserves for an orderly reduction in operations. The charity has a history of having Ministry of Economy approval to operate in Afghanistan and despite the political changes they have continued to receive approval from the Ministry of Public Health until 30 June 2026. The trustees also continue to have support from their funding partners, with funds of $1.3million already being pledged for 2023 and $2.5million for the years 2024 and 2025. The trustees are confident that the charity can continue providing support through their work in community development and empowering of people with disabilities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1 **Accounting policies** **(Continued)**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other grants and donations are recognised once the charitable company has been notified of the grant or donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity is dependent on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge and it is not possible to quantify the value of this benefit to the charity. Out-of-pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Trading income represents income from evaluation services provided to other charities and the printing of Braille material.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Regional office support costs have been allocated to activities based upon annual budgeted expenditure and other support costs have been allocated to activities based upon actual expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33.33% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 **Accounting policies** **(Continued)**

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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

Ethical investments are social investments made in support of development projects, which benefit disadvantaged and marginalised individuals.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 **Accounting policies** **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.12 Employee savings fund

All Serve employees become part of the Serve savings scheme after working for one year. Under this scheme an amount is deducted monthly for each employee according to their grade on the Serve salary scale and the same amount is contributed by Serve towards a fund that is available to the employee for certain expenses. The Employee Savings Fund is kept in a separate account to the rest of Serve's funds. The fund is included in creditors.

2 Critical accounting estimates and judgements

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

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

The trustees do not consider there to be any critical accounting judgements or estimates.

3 Donations and legacies

	Total	Total
	2022	2021
	$	$
Donations and gifts	2,432,143	1,403,298
Donations and gifts		
TEAR Australia	860,619	538,382
Kindernothilfe	313,812	183,055
Tearfund UK	642,875	367,186
CAM	139,116	99,726
Cedar Fund	143,298	74,925
Linda Norgrove Foundation	7,880	5,960
Jae-Chael Kim	-	51,000
FiF	48,510	-
CBM	9,200	-
Trust Bridge Global Foundation	80,000	-
SRG	125,003	-
Other	61,830	83,064
	2,432,143	1,403,298

Other donations are donations from individuals.

4 Charitable activities

	2022	2021
	$	$
Sales within charitable activities	2,110	9,913

5 Investments

	2022	2021
	$	$
Interest receivable	4,033	142

All investment income is unrestricted.

6 Other income

	Unrestricted funds general	Restricted funds	Total	Unrestricted funds general	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	$	$	$	$	$	$
Other income	1,571	-	1,571	-	3,978	3,978

7 Charitable activities

	Disability	Community Development	Relief Programmes	Total 2022	Disability	Community Development	Total 2021
	$	$	$	$	$	$	$
Staff costs	149,190	230,499	65,733	445,422	215,744	252,840	468,584
Depreciation and impairment	3,941	1,064	-	5,005	2,445	3,042	5,487
Activities and materials	20,859	23,018	19,576	63,453	24,458	173,391	197,849
Staff training	901	91	-	992	169	169	338
Incentive workers	35,743	13,510	-	49,253	28,861	11,434	40,295
Travel expenses	6,541	10,287	24,989	41,817	19,320	47,391	66,711
Office supplies	1,412	3,036	2,946	7,394	3,171	8,217	11,388
Communications	4,673	7,838	1,826	14,337	7,126	7,446	14,572
Premises	6,698	23,914	4,869	35,481	16,788	18,640	35,428
Bank charges	34,104	75,881	107,486	217,471	3,123	5,096	8,219
Legal and professional fees	7,013	30,600	7,762	45,375	-	15,599	15,599
Disaster relief	-	-	951,144	951,144	-	-	-
	271,075	419,738	1,186,331	1,877,144	321,205	543,265	864,470
Grant funding of activities (see note 9)	45,395	78,845	137,971	262,211	-	-	-
Share of support costs (see note 10)	164,873	-	-	164,873	169,798	-	169,798
Share of governance costs (see note 10)	28,920	-	-	28,920	9,214	13,826	23,040
	510,263	498,583	1,324,302	2,333,148	500,217	557,091	1,057,308

7 Charitable activities **(Continued)**

Analysis by fund							
Unrestricted funds - general	193,793	5,600	-	199,393	171,417	-	171,417
Restricted funds	316,470	492,983	1,324,302	2,133,755	328,800	557,091	885,891
	510,263	498,583	1,324,302	2,333,148	500,217	557,091	1,057,308

8 Description of charitable activities:

Disability

To mainstream people with disabilities, Serve, in partnership with others, aims to empower and equip institutions and communities towards the integration of people with disability (mainly blind, deaf, mentally challenged and physically disabled) into mainstream life.

Community Development

Activities facilitate processes within local communities leading to their ability to develop and access local, provincial and national resources and to strengthen livelihood opportunities of vulnerable groups in the concentration areas where Serve is active.

Relief Programmes

During 2022, the charity undertook emergency relief programmes in different locations of the country in response to the effects of the conflict and crisis situation in Afghanistan. A total of 10 relief operations were carried out, which included giving help to displaced people.

9 Grants payable

	Disability	Community Development	Relief Programmes	Total	Disability	Community Development	Relief Programmes	Total
	2022	2022	2022	2022	2021	2021	2021	2021
	$	$	$	$	$	$	$	$
Grants to individuals	45,395	78,845	137,971	262,211	-	-	-	-
	45,395	78,845	137,971	262,211	-	-	-	-

10 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	$	$	$	$	$	$
Staff costs	85,316	-	85,316	79,508	-	79,508
Depreciation	3,813	-	3,813	9,158	-	9,158
Other support costs	75,744	-	75,744	81,132	-	81,132
Audit fees	-	28,920	28,920	-	23,040	23,040
	164,873	28,920	193,793	169,798	23,040	192,838
Analysed between						
Charitable activities	164,873	28,920	193,793	169,798	23,040	192,838

Governance costs includes payments to the auditors of $28,920 (2021- $23,040) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 4 of them were reimbursed $3,998 for travelling expenses (2021- none).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	95	105

Employment costs	2022 $	2021 $
Wages and salaries	530,738	548,092

No remuneration was paid to any employee in excess of $72,613.

13 Other

	2022	2021
	$	$
Net loss on disposal of tangible fixed assets	-	3,356
	-	3,356

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Other gains or losses

	Unrestricted funds general	Restricted funds	Total 2022	Total 2021
	$	$	$	$
Foreign exchange (loss)/gain	(3,112)	(56,513)	(59,625)	(63,161)

16 Tangible fixed assets

	Computer equipment	Office equipment	Motor vehicles	Total
	$	$	$	$
Cost				
At 1 January 2022	47,722	123,718	141,376	312,816
Additions	2,027	3,505	-	5,532
Disposals	(3,167)	(8,383)	(17,238)	(28,788)
At 31 December 2022	46,582	118,840	124,138	289,560
Depreciation and impairment				
At 1 January 2022	45,346	117,205	137,340	299,891
Depreciation charged in the year	2,485	2,297	4,036	8,818
Eliminated in respect of disposals	(3,160)	(7,537)	(17,238)	(27,935)
At 31 December 2022	44,671	111,965	124,138	280,774
Carrying amount				
At 31 December 2022	1,911	6,875	-	8,786
At 31 December 2021	2,376	6,513	4,036	12,925

17 Debtors

	2022	2021
Amounts falling due within one year:	$	$
Trade debtors	7,113	65,476
Other debtors	13,932	19,702
Prepayments and accrued income	3,189	4,501
	24,234	89,679

18 Loans and overdrafts

	2022	2021
	$	$
Bank overdrafts	-	44,723
Payable within one year	-	44,723

19 Creditors: amounts falling due within one year

	Notes	2022 $	2021 $
Bank loans	18	-	44,723
Deferred income		62,414	-
Trade creditors		17,660	3,601
Other creditors		72,565	718
Accruals		25,680	22,440
		178,319	71,482

20 Deferred income

	2022 $	2021 $
Deferred income is included within:		
Creditors due within one year	62,414	-
Deferred income at 1 January 2022	-	52,420
Released from previous years	-	(52,420)
Amounts deferred in the year	62,414	-
Deferred income at 31 December 2022	62,414	-

Deferred income in the year relates to funding from individuals received in advance of 2023 projects.

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Movement in funds				
	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
	$	$	$	$	$	$	$	$	$	$
ERCDP	53,062	200,622	(174,700)	(29,127)	49,857	46,391	(27,715)	(56,276)	(816)	11,441
ERDP (formerly SIIIP)	8,829	111,954	(96,276)	(11,511)	12,996	126,611	(95,871)	(17,406)	(2,708)	23,622
CRDP (formerly EMAD)	9,100	179,176	(149,653)	(22,679)	15,944	231,075	(200,788)	(19,989)	(5,446)	20,796
CRHR (formerly CRCDP)	37,471	145,746	(128,911)	(22,680)	31,626	147,756	(123,195)	(19,601)	(3,414)	33,172
KRHR KDH(formerly KCDP)	15,831	93,935	(86,044)	(12,605)	11,117	161,549	(124,493)	(22,434)	(3,513)	22,226
KDP	15,560	78,161	(81,306)	(12,415)	-	24,214	(15,869)	(3,934)	(473)	3,938
COVID19 Relief Project	5,615	512,102	(164,394)	(29,104)	324,219	-	-	(324,219)	-	-
Restricted Assets	8,154	1,458	(4,607)	-	5,005	-	(5,005)	-	-	-
MCH	-	-	-	-	-	80,000	-	-	-	80,000
ERHR - N	-	-	-	-	-	333,490	(216,516)	(967)	(6,391)	109,616
ERHR - L	-	-	-	-	-	45,131	-	-	-	45,131
Cedar Relief	-	-	-	-	-	80,300	(73,308)	(5,086)	(1,906)	-
IGP 300 CAM 2022	-	-	-	-	-	79,612	(68,711)	(9,042)	(1,859)	-
Kunar and Parwan Relief	-	-	-	-	-	132,654	(126,370)	(3,167)	(3,117)	-
Tearfund UK Relief	-	-	-	-	-	192,753	(329,756)	145,438	(8,435)	-
SRG KBL Relief	-	-	-	-	-	75,000	(64,787)	(4,302)	(1,652)	4,259
Tearfund Australia Relief	-	-	-	-	-	265,568	(251,417)	(7,751)	(6,400)	-

21 Restricted funds **(Continued)**

Tearfund UK KBL Poor Relief										
	-	-	-	-	-	142,223	(130,231)	(8,671)	(3,321)	-
CAM KDH Relief	-	-	-	-	-	554	(92,563)	94,389	(2,380)	-
FiF KDH Relief	-	-	-	-	-	48,891	(52,183)	4,540	(1,248)	-
Tearfund UK Relief Paktika	-	-	-	-	-	95,626	(95,095)	1,893	(2,424)	-
SRG Parwan Relief	-	-	-	-	-	50,003	(39,882)	(2,355)	(1,010)	6,756
	153,622	1,323,154	(885,891)	(140,121)	450,764	2,359,401	(2,133,755)	(258,940)	(56,513)	360,957

Analysis of restricted assets

	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
	$	$	$	$	$	$	$	$	$	$
ERCDP	693	1,113	(752)	-	1,054	-	(1,054)	-	-	-
ERDP	2,176	-	(685)	-	1,491	-	(1,491)	-	-	-
CRCDP	1,024	345	(1,359)	-	10	-	(10)	-	-	-
KCDP	119	-	(119)	-	-	-	-	-	-	-
KDP	4,142	-	(1,692)	-	2,450	-	(2,450)	-	-	-
	8,154	1,458	(4,607)	-	5,005	-	(5,005)	-	-	-

21 Restricted funds **(Continued)**

Eastern Region Community Development Project (ERCDP) - to empower vulnerable families in the target communities in the Eastern Region and to improve their livelihood through improved adult literacy and development of animal husbandry.

Serve's Eastern Region Disability Project (ERDP) (formerly Serve's Hearing Impaired Project (SHIP)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Serve's Central Region Disability Project (CRDP) (formerly Enabling and Mobilising Afghans with Disabilities Project (EMAD)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Central Region Community Development Project (CRCDP) - to bring sustainable livelihood improvement for vulnerable people of Guldara district of Afghanistan.

Kandahar Community Development Project (KCDP) - to bring sustainable livelihood improvement for vulnerable people of Kandahar in Afghanistan.

Kandahar Disability Programme (KDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they do not have any barriers or discrimination to their education.

HEF Project – (TU0K) - Total of 2500 families benefitted from the project. 1,000 internally displace people (IDP) families in Jalalabad City and Surkhrod district in Nangarhar Province on 1st, 3rd, 5th and 6th January 2022, 625 IDP families in Mehtarlam City and Alingar district in Laghman Province on 17th and 19th February 2022, 375 IDP families in Kandahar and Arghandab district in Kandahar Province on 7th March 2022 and 500 families in Shakar Dara District in Kabul Province on 26th March 2022 received relief materials.

21 Restricted funds **(Continued)**

Kabul IDP Rellef (SRG) Total of 400 families benefitted. The distribution was done on 6th April 2022 at Mir Bacha Koot district in Kabul province.
Parwan IDP Relief (SRG) – The distribution was done on 18 & 19 December, 2022 at Charikar city of Parwan Province for 400 families.

Kabul IDP Relief (Tear fund AUS) – Total of 1800 families benefitted. Distribution was done for 500 households in Khak-i-Jabar of Kabul Province on 6th April 2022. 500 households in Sarobi district of Kabul Province on 26th April 2022. 400 households in PD 6, Kabul city on 21st June 2022. 400 households in PD 7, Kabul city on 23rd June 2022.

Kandahar IDP (FiF) – 460 families benefitted in three locations of Kandahar Province. Kandahar city- 141 families distributed on 11th January 2022, Dand district-100 families distributed on 7th February 2022 and Arghandab district- 219 families distributed on 1st March 2022. The staff were able to carry out the relief smoothly with women staff involved in assisting the female beneficiaries.

Kandahar (CAM) - In Kandahar Province, Serve was able to provide relief package to 800 families on 4th and 10th of January, 7th of February, 1st of March and on 20th August to 200 families. The items provided were based on Sphere standards which will assist them to have food security at least for one month.

CEDAR Relief including individuals- In Jalalabad city of Nangarhar Province, Serve was able to provide relief package to 500 families on 1st, 3rd, 5th and 6th of January 2022.

Kunar and Parwan Relief (KNH) - 1300 families benefitted. Food and hygiene kits were distributed to 1000 families on 7th and 9th November 2022 in Kunar Province and in Parwan Province distribution was done for 300 families on 19th December 2022.

Paktika Relief (TUK) - 500 families affected by the earthquake from Paktika Province were provided 14,000 Afghani each as a multi-purpose cash assistance (MPCA) on 6 th July 2022. These beneficiaries' houses were fully or partially damaged by the earthquake.

Relief for poor Kabul (TUK) - 1000 poor and vulnerable families from Kabul received Relief upport. The distribution date was 23rd November, 23rd December and 31st December 2022.

Relief for poor Laghman and Parwan (Individual donor) - 640 poor and vulnerable families from Laghman and Parwan received relief support. The distribution dates were for 375 families at Laghman on February 17th and 19th February 2022 and 240 families at Laghman on 18th of October 2022.

21 Restricted funds **(Continued)**

Assets Fund - represents the net book value of the assets acquired by the restricted funds used for restricted purposes.

Transfers

$191,837 (2021: $108,486) transfer from restricted funds relates to the allocation of overhead costs in the year.

$40,480 (2021: $31,635) transferred from restricted funds relates to the allocation of security costs in the year.

$26,623 (2021: $nil) transferred from restricted funds relates to the reallocation of funds to other projects.

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	$	$	$	$	$	$	$
Large Equipment Replacement	106,027	-	-	106,027	-	-	106,027
	106,027	-	-	106,027	-	-	106,027

Designated Assets Fund - represents the net book value of some of the charity's assets not funded by restricted income that have been classed as designated by the Trustees.

Large Equipment Replacement Fund - This fund represents money set aside by the Directors for future acquisition of vehicles and other large equipment for the general purposes of the charity.

23 Analysis of net assets between funds

	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total 2021
	$	$	$	$	$	$	$	$
Fund balances at 31 December 2022 are represented by:								
Tangible assets	8,786	-	-	8,786	7,920	-	5,005	12,925
Current assets/(liabilities)	375,687	106,027	360,957	842,671	239,662	106,027	445,759	791,448
	384,473	106,027	360,957	851,457	247,582	106,027	450,764	804,373

24 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, is as follows.

	2022	2021
	$	$
Aggregate compensation	46,583	33,504

There were no further related party transactions in the year (2021: none).

25 Analysis of changes in net funds

	At 1 January 2022	Cash flows	At 31 December 2022
	$	$	$
Cash at bank and in hand	773,251	223,505	996,756
Loans falling due within one year	(44,723)	44,723	-
	728,528	268,228	996,756

26 Cash generated from operations

	2022	2021
	$	$
Surplus for the year	106,709	356,667
Adjustments for:		
Investment income recognised in statement of financial activities	(4,033)	(142)
(Gain)/loss on disposal of tangible fixed assets	(613)	3,356
Depreciation and impairment of tangible fixed assets	8,818	14,645
Movements in working capital:		
Decrease/(increase) in debtors	65,445	(85,079)
Increase/(decrease) in creditors	89,146	(213,640)
Increase/(decrease) in deferred income	62,414	(52,420)
Cash generated from operations	327,886	23,387

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

SERVE AFGHANISTAN

England & Wales - Charity number 1105086

Accounts

CHARITY REGISTRATION NUMBER 1105086

COMPANY REGISTRATION NUMBER 04759091

SERVE AFGHANISTAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P J Fitzgerald Mr M Larson Mr P J Vander Meulen Ms J M Collins Dr. S Varughese	(Appointed 27 March 2021)
Secretary	Mr M Larson	
Executive Director	Mr K Dhanabalan	
Charity number	1105086	
Company number	04759091	
Principal address	PO Box 4015 Karte Char Kabul Afghanistan	
Registered office	c/o UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Bankers

HSBC
2 Queens Road
Aberdeen
AB15 4ZT

Azizi Bank
Zanbaq Square
Kabul City
Afghanistan

SERVE AFGHANISTAN

CONTENTS

	Page
Trustees' report	1 - 11
Statement of trustees' responsibilities	12
Independent auditor's report	13 - 16
Statement of financial activities	17 - 18
Balance sheet	19
Statement of cash flows	20
Notes to the financial statements	21 - 38

SERVE AFGHANISTAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable company's objects are:

a) To relieve poverty, suffering and distress among the sick, the aged, the homeless, the needy and displaced persons in any part of the world.

b) To promote and provide for the advancement of education and training.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives of the charitable company. Serve Afghanistan works with poor and marginalised people in Afghanistan irrespective of their ethnic background, religion, gender or social standing.

The charitable company is dependant on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge. It is not possible to quantify the value of this benefit to the charitable company. Out of pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Achievements and performance

During the year, the charitable company carried out various activities in Afghanistan, in pursuit of the aims stated above. However, due to the conflict and crisis situation, the activities were suspended in the field from Mid-August to end of October, 2021.

The charitable company's activities have been categorised according to three types:

1. **Community development** activities facilitated in empowering the target communities by strengthening the Local Leader group (shuras) and Self-Help Group (SHG). The CDP also provided livelihood opportunities to vulnerable and poor families, and increased health knowledge & practice among the target community especially women.
   In the Eastern Region there is also a significant focus on minority language development with the Pashai people.

2. **Mainstreaming people with disabilities**, to empower and equip institutions and communities towards the integration of people with disability (mainly those with visual and hearing impairments) into mainstream life. Serve work with Visually Impaired, Hearing Impaired and low vision children. The particular focus has become inclusive education. For sustainability, Serve work with Model Schools where the school and community take responsibility for the inclusion of disabled children in the education system and Serve phases out after 3 years.

3. **Emergency Relief Programme**, where food and non-food items and cash given to individual families to cope with the hazard such as Covid, conflict, cold wave and floods to overcome the vulnerable situation they face to sustain their lives.

1. In relation to Community Development:

The goal of the **Kandahar Community Development Project** is to contribute to the empowerment of vulnerable communities in the Southern region of Afghanistan, strengthening their ability to identify and address their basic/felt needs. The project aims to do this by strengthening and expanding the community organisational structures in the selected areas, mobilising and encouraging the community to increase the participation of vulnerable people and building the capacity of community members so that they can better obtain the skills and resources needed to meet basic needs.

Achievements in 2021 included:

- KCDP supported and strengthened 6 male and 6 female shuras.
- Conducted training on leadership, health issues and advocacy for 36 male and 48 female shura members.
- KCDP met weekly with the shuras to discuss their problems and build up their capacity.
- KCDP have trained old 6 self-help group (SHG) members in leadership development, SHG concepts, community health, livelihood, disaster mitigation and advocacy.
- KCDP surveyed the new village (Zoor Shar) and formed 6 new self-help groups – 2 male and 4 female – at the beginning of the year.
- 28 female and 5 male members of SHGs received loans for their family needs and repaid them on time.
- KCDP trained and encouraged all new SHG members for advocacy initiatives.

From July 2021, the activities of KDCP were suspended due to the conflict in the region.

The **Central Region Community Development Project** (CRCDP) aims to help vulnerable Afghan communities build up strong social structures to address local problems by developing and mobilising local capacities. By altering counterproductive attitudes and behaviour, that inhibit development and to empower individuals, families and communities so that they are able to change their lives in a sustainable way. Through Self Help Groups, the members are supported with an essential empowerment package such as a savings scheme and loan programme (expertise brought in by Serve and savings and loans developed without Serve capital input), and a capacity building programme containing lessons regarding public health, advocacy, business development, kitchen gardening, disaster mitigation, livestock keeping, gender equality, leadership, etc.

Achievements in 2021 included:

- 20 shuras were strengthened through various programmes. 10 female shuras could not function after August due to political change in the country.
- Stationery was purchased for shura training.
- Conducted training for 35 women's community development committee members in Shakar Dara district in the first six months.
- 80 male and female village shura members attended the quarterly meetings.
- The project strengthened 10 existing SHGs with a total membership of 250 which had been formed in 2020. 10 new SHGs were formed in Jan – Feb 2021.
- The SHG members are receiving loans from their group savings. Most of them use it for urgent needs of the family or small livelihood programmes.
- The project purchased and distributed stationery, blackboards and notebooks, saving and loan pass books and chalk to SHGs.
- The project female workers conducted weekly meetings of the self-help groups including monitoring their savings and loans. Meetings were conducted by phone after August 2021.
- A survey was conducted and 25 community health workers (CHWs) were identified. Meetings were conducted with Ministry of Public Health (MoPH) to understand the roles, expectations and support of the CHWs as they had not previously received any training or orientation from the government.
- The project printed 6 health training modules for both the trainers and CHWs.
- 13 SHG members received livelihood support. A market survey was conducted on the type of business people wanted. 13 heifers were distributed to selected SHG members.
- Compost tools were purchased but could not be distributed due to the political situation.
- 2 SHGs were provided disaster management grant. One SHG used it for making a concrete road on their street and the other one is using it to repair an approach road.
- Training was conducted for 20 trainees on maintenance and repairing of handpumps.
- The project purchased water hand pump machines, skewer, washers, cylinder etc in the month of June.

Some activities were not conducted since the project activities were suspended for almost 4 months in the second half of the year due to the crisis situation.

The **Eastern Region Community Development Project** (ERCDP) is primarily aimed at addressing the issues of multi-dimensional poverty and the marginalisation of people of minority language, women, poor and other groups.

Achievements in 2021 included:

- 22 Shuras, 12 from the last year and 10 from 2021 (10 male and 12 female) were supported and strengthened.
- 5 Shuras (3 male and 2 female) in Dara-I-Noor, 7 Shuras (2 male and 5 female) Shewa, 10 Shuras (5 female and 5 male) in Mehterlam city.
- 11 new SHGs (3 male and 8 female) were formed in Jan 2021 in Dara-i- Noor, Shewa, Mehterlam city and Qarghayi districts.
- Supported and strengthened existing 12 SHGs (from 2020) and 11 new SHGs with 460 members.
- 11 new SHGs were trained during the first six months of the year.
- Conducted meetings for 23 SHGs on a monthly basis and contributed money towards their saving.
- Training was conducted for 20 CHWs (10 Shewa+10 Qarghayee).
- Purchased and distributed 14 heifers for 14 selected group members.
- Conducted training for 116 farmers on animal husbandry, milk processing, common diseases, prevention & control of diseases during first six months in Mehterlam and Qarghayi district.
- Conducted training on Business development (tailoring program) for 70 SHG members (30 male and 40 female SHG members) in Qarghayi, Shewa and Dara-i- Noor districts.
- Conducted vocational training for 73 SHG members (43 female and 30 male) in Qarghayi, Shewa and Dara-i- Noor districts.
- Raw materials (sewing needle, thread, scissors, machine oil, cloth etc) were provided for business development to 66 SHG members in Qarghayi and Shewa.
- Compost training conducted for 69 farmers (39 male & 30 female) in Qarghayi and Mehterlam.
- Maintenance and repair of 6 water hand pumps (4 Qarghyi & 2 Dara-i- Noor). 3 in 1st six month and 3 in last six months of 2021.

Some activities were not conducted since the project activities were suspended for almost 4 months in the second half of the year due to the crisis situation.

Minority (Pashai) Children Education Programme

- Training was conducted for 32 Incentive Teachers and 4 supervisors.
- Stationery and education materials were purchased.
- The stationery and education materials were distributed to 320 children.
- Classes were conducted for 3 hours each day for 5 days in a week for preschool children.
- Classes are conducted in the after-school programme for 1 ½ hours, 5 days a week.
- The project staff attended monthly meeting conducted by the education department.

Classes were not conducted for few months in the second six months of the year due to the crisis situation in the country.

2. In relation to mainstreaming people with disabilities:

Serve's Eastern Region Disability Project (ERDP) focuses mainly on the hearing and visually impaired children (HI and VI) and seeks to influence the wider community in Nangarhar and Laghman Provinces regarding attitudes to disabled people. The project works to improve the quality of life for people with disabilities by promoting rehabilitation, equal opportunities, integration and protection of the rights of persons with disability, leading to their full participation in educational, economic, social, political and cultural activities in their communities.

Achievements in 2021 included:

- Conducted survey in Qarghai district and Mehterlam city of Laghman province and Sorkhroad in Shewa district, Jalalabad city of Nangarhar Province.
- Total of 303 children with disabilities (CwDs) attended home-based classes, PSP and inclusive education classes this year.
- Distributed some class materials and stationery to 148 HI and 105 VI students. Bags, braille papers, Sport materials for VI, talking watch, tape recorder, white board, trunk, farsh (carpet), water coolers, note books, pen, pencil, colour pencil, marker, eraser were purchased for HI and VI Students and were distributed to them.
- The project continued supporting and monitoring 148 HI students to continue their education.
- 32 CwDs (22M, 10F) were referred to other NGOs for rehabilitation assistance and they received the devices.
- Supervisors and teachers conducted 5 meetings with the parents of CwDs on the issues of disability.
- 20 Incentive Teachers received refresher training.
- 9 teachers were trained on Afghan sign language (AFSL) grammar and 11 teachers in Braille and Orientation Mobility.
- 4 Interpreters received refresher training on AFSL Grammer.
- Provide training/ refresher training for the 12 trainers of 4 model schools each year.
- Trained 4 inclusive education awareness committee (IEAC) members to increase their monitoring skill.
- 100 (50M, 50F) hearing students received 4 days training in 2 government schools. They learned AFSL so that they can communicate with HI students.
- Awareness programmes were conducted for Shuras.

Some activities could not be conducted due to the crisis situation from August to October.

Serve's **Central Region Disability Project (CRDP)** aims to strengthen and empower people with disabilities towards full participation in every aspect of life – utilising rehabilitation, awareness, advocacy, education, as well as social support.

Achievements in 2021 included:

- Stationery and educational materials were distributed to 433 CwDs (131 VI, 143 HI, 86 low vision, 25 movement impaired and 48 physically impaired).
- 4 model schools selected and in each school one IEAC established.
- 9 LV and 1 VI students referred to the relevant hospitals for rehabilitation devices.
- Family meetings with 68 HI and 45 VI families were held on different dates and areas.
- Meetings with the IEAC held monthly.
- 185 school teachers trained in inclusive education.
- Provided interpreting and AFSL grammar training at the Faculty of Special Education for 5 days for 6 people.
- Facilitated visits to the 30 Special Education faculty students for their practically work with HI and VI students.
- Trained 48 IEAC members to advocate and raise awareness in their communities.
- 20 AFSL trainers and helpers got training in AFSL and AFSL Grammar.
- Education materials such as Braille books, Audio books etc. were developed and distributed.
- Verification of transcribed Braille books was done.
- 30 University students were provided AFSL grammar training.

Some activities could not be completed due to the crisis situation in the second six months.

The **Kandahar Disability Project** (KDP) in the Southern Region works to provide inclusive education of visually and hearing impaired children in government schools.

Achievements in 2021 included:

- Survey was conducted.
- Enrolled 8 New Hearing-Impaired children in preschool. 3 VI children were also identified through the survey.
- The old 12 HI students are being taught in Home Based Programme (HBP).
- 16 VI students attended preschool and HBP. 4 VI students passed exams and enrolled in IE (Regular classes) in the Govt schools.
- Conducted after-school class for 2½ hours for VI students by trained Incentive Teachers. Classes were suspended for 4 months, but could resume again from the last week of October.
- 12 VI students received Braille School curriculum books.
- Conducted 6 IEACs meetings in two Model schools till June.
- Organized Three-day IE Seminar for 20 IEAC members in two Model schools in June 2021.
- Organized one Parent and teachers' meeting in Male school in July 2021.
- Conducted one day IE awareness program for 30 male teachers and 27 female teachers at 4 government schools.
- Conducted 10 days training for 6 Master trainers in two model schools on AFSL, Braille & inclusive education concept and teaching methodology.

Some activities were not done since the project had to be suspended for few months in the second six months.

3. In relation to Emergency Relief Programme-

During 2021, the charity undertook the **Emergency relief programme** for the Internally Displaced People (IDP) in the Eastern region of the country in response to effects of the conflict and crisis situation in Afghanistan. Achievements included:

1. In Jalalabad city, 385 families were provided relief. The distribution took place on 18th of July 2021. The items provided were-

Materials given	
Food package	**Hygiene kit**
Flour – 100 kg Rice – 49 kg Oil – 10 litres Red bean – 14 kg Salt – 4 kg	Handwash soap – 8 pieces Laundry soap – 10 pieces Tooth paste – 4 tubes Tooth brush – 16 pieces Masks (washable) – 16 pieces

2. In Mehtarlam city 1000 families were provided Relief. The distribution took place from July 14th to 11th of August, 2021.

Materials given	
Food package	**Hygiene kit**
Flour – 50 kg Rice – 24.5 kg Oil – 5 litres Red bean – 7 kg Salt – 2 kg	Hand wash soap – 4 pieces Laundry soap – 5 pieces Tooth paste – 2 tubes Tooth brush – 8 pieces Masks (washable) – 8 pieces

Covid Phase II Relief Programme

Covid Phase II project was implemented among those people who have either faced a setback or lost their livelihood due to the Covid-19. The project aimed at assisting 179 people to start or restart their livelihood. 30 people from CRDP, 30 from CRCDP, 30 from ERDP, 30 from ERCDP and 59 from Kandahar.

1. **Petty business:** 44 people were provided grant to start petty business. Vegetable vendour-6, food cart/street food-2, popcorn-1, fruit selling-2, beverage-1, retail& grocery shop- 24, push card selling petty things- 2, shoe selling-2, mobile shop for women's clothes-1, dairy products- 1, food selling in wooden shop-2.

2. **Skill based Livelihood:** 61 people were provided grant/ tools to engage in various Skills based livelihood. Tailoring- 34, embroidery work- 2, Barber shop- 1, snack making -1, radiator fixing 1, Herbal medicine-3, Tin plate-1, candle making-1, Zarang Repairing-1, Bicycle repair shop-4, electrical repair shop-1, car mechanic-3, Welding work-3, carpentry work-2, butchery-1, carpet sewing- 1 and cobbler-1.

3. **Livestock and Poultry programme:** 74 people are engaged in livestock rearing and poultry. Livestock rearing (goat and heifer)- 45, Poultry and egg selling-2.

Financial review

The financial statements for the year are set out in pages 17 to 39. The Statement of Financial Activities on pages 17 and 18 reflects net incoming resources of $293,506 (2020: net outgoing resources of $26,565).

The trustees review the charitable company's reserves policy annually and regularly assess the adequacy of reserves against this policy.

The charitable company's policy aims to achieve a balance between its operating working capital and a level of reserves to be able to cope with unexpected events. Such events may include crisis response, evacuation and repatriation of expatriate and local staff, unexpected gaps in donor funding, local disaster response or sudden loss of assets or premises. Due to the highly unpredictable nature of the operating environment in Afghanistan and a degree of uncertainty over income flows, it has been the charitable company's policy to maintain unrestricted funds (excluding asset funds), which have arisen from past operating results, of 6 months or 30% of operating expenditure excluding relief projects.

At 31 December 2021 unrestricted funds amounted to $353,609 (2020: $357,245), (of which designated funds amounted to $106,027 (2020: $106,027)) and restricted funds were $450,764 (2020: $153,622), totalling $804,373 (2020: $510,867). This is above the target level and therefore the charitable company is planning to reduce its reserves level over the coming years.

Restricted funds are subject to specific conditions imposed by donors.

The charity receives the majority of its funding in the form of grants from international relief and development charities. A breakdown of expenditure according to the categories of activity shown above is shown in the Statement of Financial Activities and accompanying notes.

The trustees have overall responsibility for the charitable company's system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or frauds. There is a clear delegation of the trustees' authority through the Executive Director to the rest of the organisation.

The charitable company operates an annual planning and budgeting system with an annual budget approved by the Board of trustees. A financial reporting system compares results with the budget on a monthly basis.

A detailed register of the risks faced by the charitable company is maintained. This register identifies the major strategic and operational risks faced and how they are being managed. This register is reviewed annually by the trustees to reassess these risks and introduce procedures to address them as required.

The trustees are satisfied that systems are in place to monitor, manage and mitigate the charitable company's exposure to major risks. They consider that maintaining the charitable company's general reserves at the levels stated above and reviewing progress on addressing the charitable company's risk environment through the risk register will provide the charitable company with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of the charitable company's work requires active acceptance and management of some risks when undertaking activities to achieve its objectives.

Financial risk
The charitable company does not use complex financial instruments; it manages its activities using cash and cash equivalents and various items that arise directly from its operations.

The existence of these financial instruments exposes the charitable company to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the charitable company manages its cash and cash equivalent resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the charitable company earns interest on cash and cash equivalent deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

Credit risk – this arises from the possibility that amounts owed to the charitable company will not be repaid. The charitable company does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and investment companies and the prompt collection of amounts due.

Future Plans

In 2021 Serve Afghanistan initiated a strategic planning process for the period of 2022 to 2024. However in August 2021, the Taliban took power throughout the country. This resulted in the suspension of activities for a number of projects and uncertainty about future operations. Since that time, the Charity has been able to restart its activities and received letters of authorisation for its ongoing work in the country. During late 2021, and through 2022, the Charity has been able to continue much of its core programmes as well as undertake relief interventions in response to the ongoing crisis in the country. The strategic planning process is expected to recommence towards the end of 2022 that will account for the new economic and political situation in the country.

Structure, governance and management
Serve Afghanistan is a company limited by guarantee and a charity registered in England and Wales. The charitable company operates from Karte Char, Kabul, Afghanistan.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr P J Fitzgerald	
Mr M Larson	
Mrs G Nissley	(Resigned 27 March 2021)
Mr P J Vander Meulen	
Ms J M Collins	
Dr. S Varughese	(Appointed 27 March 2021)

Nominations for appointment of trustees come from within the trustee board. Appointments are approved by a majority of the other trustees. Usually, those appointed will have connections to the organisation and have had exposure to the charity's work in Afghanistan.

There is an informal induction and training process for trustees.

The trustees (listed above) are responsible for the overall direction of the charity. Responsibility for the day to day management of the Charity's central administration is delegated to the Executive Director who is supported by a Senior Finance Manager. During the year, the senior members of staff were the Executive Director and the Senior Management Team:

Kennedy Dhanabalan: Executive Director
Zulaikha Bashir: Senior Manager for Community Development
Sajim Pardes: Senior Manager (Technical advisor for Disability)
Saber Alimi, Manager (OD)
Hashim Fitrat: Senior Finance Manager
Mujtaba Khan: Senior Operations Manager

Among them the following staff resigned in October 2021
Zulaikha Bashir: Senior Manager for Community Development
Hashim Fitrat: Senior Finance Manager

Saber Alimi's designation now is Manager (Projects & OD)

Remuneration of key management personnel is discussed at board meetings. Consideration is made of the pay required for expatriate staff to work in Afghanistan.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr M Larson
Trustee
Dated: 8 December 2022

SERVE AFGHANISTAN

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of Serve Afghanistan for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN

Opinion

We have audited the financial statements of Serve Afghanistan (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 2021 and of its incoming resources and application of resources, 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 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 directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 requires us to report to you if, in our opinion:

- adequate 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.
- the trustees were not entitled to prepare the financial statements in accordance with the companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 8 December 2022

Chartered Accountants
Statutory Auditor

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2021 $	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2020 $
Income and endowments from:									
Donations and legacies	3	94,035	-	1,309,263	1,403,298	6,186	-	1,089,274	1,095,460
Charitable activities	4	-	-	9,913	9,913	-	-	-	-
Investments	5	142	-	-	142	1,707	-	-	1,707
Other income	6	-	-	3,978	3,978	6,615	-	8,218	14,833
Total income		94,177	-	1,323,154	1,417,331	14,508	-	1,097,492	1,112,000
Expenditure on:									
Charitable activities	7	171,417	-	885,891	1,057,308	188,095	-	958,964	1,147,059
Other	12	3,356	-	-	3,356	-	-	-	-
Total resources expended		174,773	-	885,891	1,060,664	188,095	-	958,964	1,147,059
Net (outgoing)/incoming resources before transfers		(80,596)	-	437,263	356,667	(173,587)	-	138,528	(35,059)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Net (outgoing)/incoming resources before transfers		(80,596)	-	437,263	356,667	(173,587)	-	138,528	(35,059)
Gross transfers between funds		140,121	-	(140,121)	-	139,661	-	(139,661)	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		59,525	-	297,142	356,667	(33,926)	-	(1,133)	(35,059)
Other recognised gains and losses									
Other gains or losses	13	(63,161)	-	-	(63,161)	8,494	-	-	8,494
Net movement in funds		(3,636)	-	297,142	293,506	(25,432)	-	(1,133)	(26,565)
Fund balances at 1 January 2021		251,218	106,027	153,622	510,867	276,650	106,027	154,755	537,432
Fund balances at 31 December 2021		247,582	106,027	450,764	804,373	251,218	106,027	153,622	510,867

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SERVE AFGHANISTAN

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		$	$	$	$
Fixed assets					
Tangible assets	14		12,925		26,744
Current assets					
Debtors	15	89,679		4,600	
Cash at bank and in hand		773,251		772,342	
		862,930		776,942	
Creditors: amounts falling due within one year	17	(71,482)		(292,819)	
Net current assets			791,448		484,123
Total assets less current liabilities			804,373		510,867
Income funds					
Restricted funds	19		450,764		153,622
Unrestricted funds:					
Designated funds	20	106,027		106,027	
General funds		247,582		251,218	
			353,609		357,245
			804,373		510,867

The financial statements were approved by the board of directors and authorised for issue on 8 December 2022 and are signed on its behalf by:

Mr M Larson
Trustee

Company Registration No. 04759091

SERVE AFGHANISTAN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		$	$	$	$
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		23,387		(39,544)
Investing activities					
Purchase of tangible fixed assets		(4,302)		(13,059)	
Proceeds on disposal of tangible fixed assets		120		147	
Investment income		142		1,707	
Net cash used in investing activities			(4,040)		(11,205)
Financing activities					
Proceeds from borrowings		44,723		-	
Net cash generated from/(used in) financing activities			44,723		-
Net increase/(decrease) in cash and cash equivalents			64,070		(50,749)
Cash and cash equivalents at beginning of year			772,342		814,597
Effect of foreign exchange rates			(63,161)		8,494
Cash and cash equivalents at end of year			773,251		772,342

1 Accounting policies

Charity information

The charity is a company limited by guarantee, incorporated in England and Wales and has no share capital. The liability of each member in the event of winding-up is limited to £5. At 31 December 2021, there were 5 members (2020: 5 members).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in US Dollars ($). Monetary amounts in these accounts are rounded to the nearest $.

The currency of the primary economic environment in which the organisation operates (its functional currency) is Afghanistan Afghani (AFN).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these accounts.

In reaching that conclusion the trustees are confident that the charity has sufficient liquidity and unrestricted reserves to meet its debts as they fall due over that period. They have also considered the possibility of having to cease operations in Afghanistan and are confident that they have sufficient reserves for an orderly reduction in operations. The charity has a history of having Ministry of Economy approval to operate in Afghanistan and despite the political changes they have continued to receive approval from the Ministry. The trustees also continue to have support from their funding partners and are confident that the charity can continue providing support through their work in community development and empowering of people with disabilities.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1 Accounting policies (Continued)

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other grants and donations are recognised once the charitable company has been notified of the grant or donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity is dependent on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge and it is not possible to quantify the value of this benefit to the charity. Out-of-pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Trading income represents income from evaluation services provided to other charities and the printing of Braille material.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Regional office support costs have been allocated to activities based upon annual budgeted expenditure and other support costs have been allocated to activities based upon actual expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33.33% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 **Accounting policies** **(Continued)**

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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

Ethical investments are social investments made in support of development projects, which benefit disadvantaged and marginalised individuals.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies (Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.12 Employee savings fund

All Serve employees become part of the Serve savings scheme after working for one year. Under this scheme an amount is deducted monthly for each employee according to their grade on the Serve salary scale and the same amount is contributed by Serve towards a fund that is available to the employee for certain expenses. The Employee Savings Fund is kept in a separate account to the rest of Serve's funds. The fund is included in creditors.

2 Critical accounting estimates and judgements

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

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

The trustees do not consider there to be any critical accounting judgements or estimates.

3 Donations and legacies

	Total 2021 $	Total 2020 $
Donations and gifts	1,403,298	1,095,460
Donations and gifts		
TEAR Australia	538,382	489,410
Kindernothilfe	183,055	202,605
Tearfund UK	367,186	180,620
CAM	99,726	-
Cedar Fund	74,925	39,975
Linda Norgrove Foundation	5,960	5,941
Jae-Chael Kim	51,000	51,000
Other	83,064	125,909
	1,403,298	1,095,460

Other donations are donations from individuals.

4 Charitable activities

	2021 $	2020 $
Sales within charitable activities	9,913	-

5 Investments

	2021 $	2020 $
Interest receivable	142	1,707

All investment income is unrestricted.

6 Other income

	Unrestricted funds general 2021 $	Restricted funds 2021 $	Total 2021 $	Unrestricted funds general 2020 $	Restricted funds 2020 $	Total 2020 $
Other income	-	3,978	3,978	6,615	8,218	14,833

7 Charitable activities

	Disability	Community Development	Total 2021	Disability	Community Development	Total 2020
	$	$	$	$	$	$
Staff costs	215,744	252,840	468,584	218,235	262,325	480,560
Depreciation and impairment	2,445	3,042	5,487	2,338	1,813	4,151
Activities and materials	24,458	173,391	197,849	61,718	226,456	288,174
Staff training	169	169	338	4,022	10,707	14,729
Incentive workers	28,861	11,434	40,295	24,154	9,622	33,776
Travel expenses	19,320	47,391	66,711	10,084	35,001	45,085
Office supplies	3,171	8,217	11,388	4,629	6,256	10,885
Communications	7,126	7,446	14,572	7,710	7,397	15,107
Premises	16,788	18,640	35,428	20,397	22,292	42,689
Bank charges	3,123	5,096	8,219	2,610	3,355	5,965
Legal and professional fees	-	15,599	15,599	-	-	-
	321,205	543,265	864,470	355,897	585,224	941,121
Share of support costs (see note 9)	169,798	-	169,798	183,462	-	183,462
Share of governance costs (see note 9)	9,214	13,826	23,040	12,441	10,035	22,476
	500,217	557,091	1,057,308	551,800	595,259	1,147,059
Analysis by fund						
Unrestricted funds - general	171,417	-	171,417	188,095	-	188,095
Restricted funds	328,800	557,091	885,891	363,705	595,259	958,964
	500,217	557,091	1,057,308	551,800	595,259	1,147,059

8 Description of charitable activities:

Disability
To mainstream people with disabilities, Serve, in partnership with others, aims to empower and equip institutions and communities towards the integration of people with disability (mainly blind, deaf, mentally challenged and physically disabled) into mainstream life.

Community Development
Activities facilitate processes within local communities leading to their ability to develop and access local, provincial and national resources and to strengthen livelihood opportunities of vulnerable groups in the concentration areas where Serve is active.

9 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	$	$	$	$	$	$
Staff costs	79,508	-	79,508	102,079	-	102,079
Depreciation	9,158	-	9,158	13,206	-	13,206
Other support costs	81,132	-	81,132	68,177	-	68,177
Audit fees	-	23,040	23,040	-	21,840	21,840
Board expenses and travel	-	-	-	-	636	636
	169,798	23,040	192,838	183,462	22,476	205,938
Analysed between Charitable activities	169,798	23,040	192,838	183,462	22,476	205,938

Governance costs includes payments to the auditors of $23,040 (2020- $21,840) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any travelling expenses (2020- 6 were reimbursed $636 of travelling expenses).

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	105	105

Employment costs	2021 $	2020 $
Wages and salaries	548,092	582,639

No remuneration was paid to any employee in excess of $81,213.

12 Other

	2021 $	2020 $
Net loss on disposal of tangible fixed assets	3,356	-
	3,356	-

13 Other gains or losses

	2021 $	2020 $
Foreign exchange (loss)/gain	(63,161)	8,494

14 Tangible fixed assets

	Computer equipment	Office equipment	Motor vehicles	Total
	$	$	$	$
Cost				
At 1 January 2021	54,825	135,687	141,376	331,888
Additions	700	3,602	-	4,302
Disposals	(7,803)	(15,571)	-	(23,374)
At 31 December 2021	47,722	123,718	141,376	312,816
Depreciation and impairment				
At 1 January 2021	49,423	122,610	133,111	305,144
Depreciation charged in the year	3,505	6,911	4,229	14,645
Eliminated in respect of disposals	(7,582)	(12,316)	-	(19,898)
At 31 December 2021	45,346	117,205	137,340	299,891
Carrying amount				
At 31 December 2021	2,376	6,513	4,036	12,925
At 31 December 2020	5,402	13,077	8,265	26,744

15 Debtors

Amounts falling due within one year:	2021 $	2020 $
Trade debtors	65,476	-
Other debtors	19,702	97
Prepayments and accrued income	4,501	4,503
	89,679	4,600

16 Loans and overdrafts

	2021 $	2020 $
Bank overdrafts	44,723	-
Payable within one year	44,723	-

17 Creditors: amounts falling due within one year

	Notes	2021 $	2020 $
Bank loans	16	44,723	-
Deferred income		-	52,420
Trade creditors		3,601	210,666
Other creditors		718	4,325
Accruals		22,440	25,408
		71,482	292,819

18 Deferred income

	2021 $	2020 $
Deferred income is included within:		
Creditors due within one year	-	52,420
Deferred income at 1 January 2021	52,420	117,813
Released from previous years	(52,420)	(117,813)
Amounts deferred in the year	-	52,420
Deferred income at 31 December 2021	-	52,420

Deferred income in the year relates to funding from individuals received in advance of 2022 projects.

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	$	$	$	$	$	$	$	$	$
ERCDP	50,987	218,902	(186,713)	(30,114)	53,062	200,622	(174,700)	(29,127)	49,857
ERDP (formerly SHIP)	17,417	127,380	(119,906)	(16,062)	8,829	111,954	(96,276)	(11,511)	12,996
CRDP (formerly EMAD)	4,440	186,411	(157,967)	(23,784)	9,100	179,176	(149,653)	(22,679)	15,944
CRCDP	33,437	162,852	(135,799)	(23,019)	37,471	145,746	(128,911)	(22,680)	31,626
KCDP	21,352	106,612	(97,741)	(14,392)	15,831	93,935	(86,044)	(12,605)	11,117
KDP	25,561	86,806	(83,872)	(12,935)	15,560	78,161	(81,306)	(12,415)	-
COVID19 Relief Project	-	197,784	(172,814)	(19,355)	5,615	512,102	(164,394)	(29,104)	324,219
Restricted Assets	1,561	10,745	(4,152)	-	8,154	1,458	(4,607)	-	5,005
	154,755	1,097,492	(958,964)	(139,661)	153,622	1,323,154	(885,891)	(140,121)	450,764

19 Restricted funds

(Continued)

Analysis of restricted assets

	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Balance at 31 December 2021
	$	$	$	$	$	$	$	$	$
ERCDP	1,008	250	(565)	-	693	1,113	(752)	-	1,054
ERDP	-	2,823	(647)	-	2,176	-	(685)	-	1,491
CRCDP	-	1,780	(756)	-	1,024	345	(1,359)	-	10
KCDP	500	111	(492)	-	119	-	(119)	-	-
KDP	53	5,781	(1,692)	-	4,142	-	(1,692)	-	2,450
	1,561	10,745	(4,152)	-	8,154	1,458	(4,607)	-	5,005

19 Restricted funds (Continued)

Eastern Region Community Development Project (ERCDP) - to empower vulnerable families in the target communities in the Eastern Region and to improve their livelihood through improved adult literacy and development of animal husbandry.

Serve's Eastern Region Disability Project (ERDP) (formerly Serve's Hearing Impaired Project (SHIP)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Serve's Central Region Disability Project (CRDP) (formerly Enabling and Mobilising Afghans with Disabilities Project (EMAD)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Central Region Community Development Project (CRCDP) - to bring sustainable livelihood improvement for vulnerable people of Guldara district of Afghanistan.

Kandahar Community Development Project (KCDP) - to bring sustainable livelihood improvement for vulnerable people of Kandahar in Afghanistan.

Kandahar Disability Programme (KDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they do not have any barriers or discrimination to their education.

Assets Fund - represents the net book value of the assets acquired by the restricted funds used for restricted purposes.

Transfers
$108,486 (2020: $106,769) transfer from restricted funds relates to the allocation of overhead costs in the year.

$31,635 (2020: $32,892) transferred from restricted funds relates to the allocation of security costs in the year.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	$	$	$	$	$	$	$
Large Equipment Replacement	106,027	-	-	106,027	-	-	106,027
	106,027	-	-	106,027	-	-	106,027

Designated Assets Fund - represents the net book value of some of the charity's assets not funded by restricted income that have been classed as designated by the Trustees.

Large Equipment Replacement Fund - This fund represents money set aside by the Directors for future acquisition of vehicles and other large equipment for the general purposes of the charity.

21 Analysis of net assets between funds

	Unrestricted funds 2021	Designated funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020	Designated funds 2020	Restricted funds 2020	Total 2020
	$	$	$	$	$	$	$	$
Fund balances at 31 December 2021 are represented by:								
Tangible assets	7,920	-	5,005	12,925	18,590	-	8,154	26,744
Current assets/(liabilities)	239,662	106,027	445,759	791,448	232,628	106,027	145,468	484,123
	247,582	106,027	450,764	804,373	251,218	106,027	153,622	510,867

22 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, is as follows.

	2021	2020
	$	$
Aggregate compensation	33,504	38,516

There were no further related party transactions in the year (2020: none).

23 Analysis of changes in net funds

	At 1 January 2021	Cash flows	At 31 December 2021
	$	$	$
Cash at bank and in hand	772,342	909	773,251
Loans falling due within one year	-	(44,723)	(44,723)
	772,342	(43,814)	728,528

24 Cash generated from operations

	2021	2020
	$	$
Surplus/(deficit) for the year	356,667	(35,059)
Adjustments for:		
Investment income recognised in statement of financial activities	(142)	(1,707)
Loss on disposal of tangible fixed assets	3,356	-
Depreciation and impairment of tangible fixed assets	14,645	17,357
Movements in working capital:		
(Increase)/decrease in debtors	(85,079)	3,282
(Decrease)/increase in creditors	(213,640)	41,976
(Decrease) in deferred income	(52,420)	(65,393)
Cash generated from/(absorbed by) operations	23,387	(39,544)

SERVE AFGHANISTAN

England & Wales - Charity number 1105086

Accounts

CHARITY REGISTRATION NUMBER 1105086

COMPANY REGISTRATION NUMBER 04759091

SERVE AFGHANISTAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

UHY Hacker Young
Chartered Accountants

SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P J Fitzgerald Mr M Larson Mr P J Vander Meulen Ms J M Collins Dr. S Varughese	(Appointed 27 March 2021)
Secretary	Mr M Larson	
Executive Director	Rev. K Dhanabalan	
Charity number	1105086	
Company number	04759091	
Principal address	PO Box 4015 Karte Char Kabul Afghanistan	
Registered office	c/o UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
Auditors	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Bankers

HSBC
2 Queens Road
Aberdeen
AB15 4ZT

Azizi Bank
Zanbaq Square
Kabul City
Afghanistan

SERVE AFGHANISTAN

CONTENTS

	Page
Trustees' report	1 - 10
Statement of trustees' responsibilities	11
Independent auditor's report	12 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 37

SERVE AFGHANISTAN

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable company's objects are:

a) To relieve poverty, suffering and distress among the sick, the aged, the homeless, the needy and displaced persons in any part of the world.

b) To promote and provide for the advancement of education and training.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives of the charitable company. Serve Afghanistan works with poor and marginalised people in Afghanistan irrespective of their ethnic background, religion, gender or social standing.

The charitable company is dependant on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge. It is not possible to quantify the value of this benefit to the charitable company. Out of pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Achievements and performance

During the year, the charitable company carried out various activities, mainly in Afghanistan, in pursuit of the aims stated above.

The charitable company's activities have been categorised according to two types:

Community development activities facilitate processes within local communities leading to their ability to develop and access local, provincial and national resources and to strengthen livelihood opportunities of vulnerable groups in the concentration areas where Serve is active. All 3 Serve regions run a Self Help Group Programme. In the Eastern Region there is also a significant focus on minority language development with the Pashai people.

Mainstreaming people with disabilities, to empower and equip institutions and communities towards the integration of people with disabilities (mainly those with visual and hearing impairments) into mainstream life. The particular focus has become inclusive education. For sustainability new work is in Model Schools where the school and community take responsibility and Serve phases out after 3 years.

In relation to **Community Development**:

The goal of the **Kandahar Community Development Project** is to contribute to the empowerment of vulnerable communities in the Southern region of Afghanistan, strengthening their ability to identify and address their basic/felt needs. The project aims to do this by strengthening and expanding the community organisational structures in the selected areas, mobilising and encouraging the community to increase the participation of vulnerable people and building the capacity of community members so that they can better obtain the skills and resources needed to meet basic needs.

Achievements in 2020 included:

- A graduation ceremony for 4 female and 2 male groups has been celebrated in Tora Pikhola.
- Each Shura (male & female) was monitored and supervised on a weekly and monthly basis.
- Training for Shuras from Tora Pikhola, Spin Zarayat & Rohani on child protection, leadership, and conflict management, Participatory Learning and Action, Participatory Rural Appraisal and Disaster Risk Reduction.
- Self=help Group (SHG) Baseline conducted for the 6 new SHGs started in 2020
- Stationary (white board, markers, flip charts, notebooks and pens) were purchased and provided for all new SHGs in 2020.
- Cluster level leadership, advocacy, livestock management, conflict and DRR trainings were conducted for all the newly established 6 SHG leaders and deputies.
- Awareness programmes on health issues & specifically on Covid -19 conducted for 13 SHGs.
- WASH and BLiSS course were conducted for 6 SHG members.
- 4 Model latrines were designed and constructed.
- 30 SHG members trained on handpump maintenance.
- 8 handpumps were repaired.
- 114 SHG members were trained in small businesses.
- Provided grants to 12 SHG members selected for small business grants by the SHGs members.
- Provided grants for 6 vulnerable SHG members selected by the SHGs members.

The **Central Region Community Development Project** (CRCDP) aims to help vulnerable Afghan communities build up strong social structures to address local problems by developing and mobilising local capacities. By altering counterproductive attitudes and behaviour, that inhibit development and to empower individuals, families and communities are able to change their lives in a sustainable way. Through groups, the members are supported with an essential empowerment package such as a savings scheme and loan programme (expertise brought in by Serve and savings and loans developed without Serve capital input), and a capacity building programme containing lessons regarding public health, BLiSS (Birth Life Saving Skills), literacy, advocacy, business development, kitchen gardening, disaster mitigation, livestock keeping, gender equality, leadership, etc.

Achievements in 2020 included:

- 20 village shuras actively involved in project implementation. (10F & 10M).
- SHG baseline survey was conducted.
- Management and leadership trainings conducted for 120 SHG members.
- Training on WASH and BLiSS conducted for 125 SHG members.
- 6 water handpumps maintained and repaired.
- 2 wells were dug.
- 1 bridge and 1 sub-street cemented.
- 3 solar water supplies done.
- 117 people were trained on disaster mitigation.
- 10 people received handpump maintenance training.
- Grant distributed to 10 SHGs formed in 2020 for disaster management projects, water solar system, infrastructure projects etc.
- 27 women trained on business development.
- 27 women trained on small business and vocation.
- 27 women received 27 sewing machines under the vocational program.
- 10 heifers were distributed to SHG.
- 680 poultry distributed to 40 SHG women.
- Vaccination and medication were provided for 20 heifers (10 heifers distributed in 2019 and 10 heifers distributed in 2020).
- Vaccination & medication were provided to 1480 poultries. (783 distributed in 2019 and 680 distributed in 2020).
- Provided materials to make poultries coops and food supplement for poultries (40 SHG members) and heifers (10 SHG Members).
- Distribution of compost tools for 15 SHG members.
- Training of food supplement and compost for 115 community people.

The **Eastern Region Community Development Project** (ERCDP) is primarily aimed at addressing the issues of multi-dimensional poverty and the marginalisation of people with disabilities (PwDs), minority language, women, poor and other groups.

- Development of a sustainable animal husbandry system by providing 1.5 year-old heifers and 1 year-old goats to poor and vulnerable families as a means of income generation, improvement of dairy farming, and broader development.
- Establishment of literacy courses for adults in Pashto, one of the two official languages in the country, and in Pashai, the mother tongue of the Pashai people.
- Development of the Pashai language through Pashai primer classes, a pilot Multilingual Education (MLE) programme for Pashai children, and the publishing of Pashai books and reading materials.
- Establishment of male and female Self Help Groups (SHGs) with a group savings and loan system for small businesses. Members discuss and prioritise community needs and receive training as appropriate.

Achievements in 2020 included:

- 30 Shuras trained in 30 villages.
- Conducted capacity building trainings for 228 people in different locations – Dara-I-Noor, Shewa, Gambiry and Laghman areas.
- 18 SHGs (8M-10F) established in 2019 with a total member of 360 (160 M-200 F) are functioning well and graduated in Dec 2020.
- 12 SHGs were established in Jan 2020 (7 Male-5 Female) with a total member of 240 (140 Male – 100 Female) and will graduate in Dec. 2021.
- Organized basic training for all 600 SHG members.
- Purchased and provided stationaries to the SHGs.
- Training of 600 SHG members on WASH and BLiSS from 30 SHGs.
- The project constructed 4 model latrines.
- Conducted Preschool programme for 200 children and Afterschool programme for 400 Pashai children.
- Training conducted for 30 Pashai Pre-school and Afterschool Teachers.
- The project has repaired 6 hand pumps and water well.
- The project conducted practical training to 6 persons on maintenance and repair of the handpumps.
- Vocational training conducted for 135 people.
- 50 heifers were distributed to marginalized families through SHGs.
- The project distributed 2500 KG of cotton cake meals for cows and heifers as feed supplements for the winter season.
- The project team demonstrated methods of urea treatment and animal feed for 240 male farmers in Qarghai, Dara-I-Noor, and Laghman province.
- The project team conducted livestock relevant training (Zoonosis diseases, personal and environmental sanitation, urea treatment, feed, and feeding) for 30 farmers in Laghman province.
- 120 farmers were trained by the project on the designing of feeding places and the farmers are adopting it and doing it by themselves.

During 2020, the charity undertook the **Covid-19 emergency relief programme** in 3 regions of the country in response to effects of the Covid-19 pandemic in Afghanistan. Achievements included:

- Conducted need assessment in the three regions.
- Purchase and payment of relief materials from selected shops.
- Distribution of Food package consisting of Wheat Flour-50kgs, Rice-24.5Kgs, Red Beans-7Kgs, Cooking Oil-5 litres, Salt- 4 Kgs to 2800 families.
- Distribution of Hygiene package consisting of Hand Washing Soaps- 4 Cakes, Laundry Soaps -5 Cakes, Toothpaste- 2 Tubes, Tooth Brush- 8 Pieces (4 adult size and 4 child size) were distributed to 2800 families.
- Training of 16 staff on Psychological First Aid (PFA) was conducted.
- 36 field staff and 170 community members were trained on PFA by the trained 16 staff.
- Post distribution monitoring through phone calls to 141 families to receive their feedback.
- 6000 copies of booklets explaining what is COVID-19 and its preventive measure was purchased and distributed.
- 4800 posters on COVID-19 were printed and displayed in different places.
- 129 awareness programmes conducted on COVID-19 prevention and safety norms.
- One phone number was designated for complain and feedback mechanisms.

In relation to **mainstreaming people with disabilities**:

Serve's Eastern Region Disability Project (previously called Serve Hearing Impaired Project or SHIP) focuses mainly on the hearing and visually impaired children (HI and VI) and seeks to influence the wider community in Nangarhar and Laghman provinces regarding attitudes to disabled people. The project works to improve the quality of life for people with disabilities by promoting rehabilitation, equal opportunities, integration and protection of the rights of persons with disability, leading to their full participation in educational, economic, social, political and cultural activities in their communities.

Achievements in 2020 included:

- 80 government school teachers received training on Inclusive Education.
- 6 meetings with Parents were conducted.
- 119 HI and 79 VI students supported with educational materials.
- 251 disabled students supported by the project.
- 20 Incentive Teachers received refresher training. 9 teachers on AFSL grammar and 11 teachers in Braille and Orientation Mobility.
- Training conducted for 40 IEAC members.
- Training on AFSL grammar given to 4 Interpreter.
- Advocacy meetings with government were held.
- Disability day was celebrated.
- AFSL training for 15 parents was conducted.
- 100 hearing students were trained on AFSL to communicate with HI students.
- 2000 AFSL grammar books printed and distributed.
- Class room materials like cupboard, white board, trunk, carpet and water cooler were provided to the centres.

Serve's **Central Region Disability Project** (previously called Enabling and Mobilising Afghan Disabled or EMAD) aims to strengthen and empower people with disabilities towards full participation in every aspect of life – utilising rehabilitation, awareness, advocacy, education, as well as social support.
The main activities of the project are as follows:

- Advocacy
- Inclusive education for deaf and visually impaired children
- Braille materials production and Afghan Sign Language dictionary development
- Inclusive education, Teaching of Braille, Orientation and Mobility in special education faculty
- Interpreting of sign language for deaf students in Special Education Faculty
- Support of deaf and visually impaired students in higher education
- Capacity building of teachers of PwDs from pre-school to university level.

Achievements in 2020 included:

- The project distributed Education materials to 433 CwDs.
- Training conducted for 302 School teachers in IE, 50 in Braille and 20 in AFSL.
- 5 project staff were trained in Braille.
- 3 Project staff were trained on Conflict Management by IAM.
- Braille papers purchased and used for printing.
- 12 monthly advocacy meetings were conducted along with other NGOs.
- 42 family meetings were conducted for 75 HI and 65 VI families.
- 22 Low Vision and 21 blind students referred to the relevant hospitals for rehabilitation devices.
- 25 monthly awareness meetings were conducted.
- A video on AFSL grammar was made and uploaded to a designated website with the help from an expert.
- In 2020, the curriculum for grade 1 to 6 was revised by the government. Accordingly Serve printed new materials to be used by the students.
- University books were recorded in MP3.
- 50 mobility canes purchased for the blind students, 20 small desks purchased and distributed and 240 bags given to disabled students.

The **Kandahar Disability Project** (KDP) in the Southern Region works to provide inclusive education of visually and hearing impaired children in government schools.

Achievements in 2020 included:

- Awareness seminar for 223 (158 Male and 65 Female) conducted in 13 schools.
- Five advocacy meetings and disability awareness raising programmes were conducted.
- Disability day was celebrated in 13 government schools on 3rd December 2020.
- Monthly meetings conducted in 14 government schools.
- Home based education for 10 HI and 18 VI pre-school students provided.
- Purchase stationery and distribution to 140 HI and VI students.
- 12 walking canes, 40 school bags, 12 talking watch purchased and distributed to CwDs.

Financial review

The financial statements for the year are set out in pages 16 to 37. The Statement of Financial Activities on pages 16 and 17 reflects net outgoing resources of $26,565 (2019: $66,088).

The trustees review the charitable company's reserves policy annually and regularly assess the adequacy of reserves against this policy.

The charitable company's policy aims to achieve a balance between its operating working capital and a level of reserves to be able to cope with unexpected events. Such events may include crisis response, evacuation and repatriation of expatriate and local staff, unexpected gaps in donor funding, local disaster response or sudden loss of assets or premises. Due to the highly unpredictable nature of the operating environment in Afghanistan and a degree of uncertainty over income flows, it has been the charitable company's policy to maintain unrestricted funds (excluding asset funds), which have arisen from past operating results, of 6 months of unrestricted operating expenditure plus a fixed amount necessary to close the organisation in the event of an emergency.

At 31 December 2020 unrestricted funds amounted to $357,245 (2019: $382,677), (of which designated funds amounted to $106,027 (2019: $106,027)) and restricted funds were $153,622 (2019: $154,755), totalling $510,867 (2019: $537,432). This is above the target level and therefore the charitable company is planning to reduce its reserves level over the coming years.

Restricted funds are subject to specific conditions imposed by donors.

The charity receives the majority of its funding in the form of grants from international relief and development charities. A breakdown of expenditure according to the categories of activity shown above is shown in the Statement of Financial Activities and accompanying notes.

The trustees have overall responsibility for the charitable company's system of internal control. Such a system can provide only reasonable and not absolute assurance against errors or frauds. There is a clear delegation of the trustees' authority through the Executive Director to the rest of the organisation.

The charitable company operates an annual planning and budgeting system with an annual budget approved by the Board of trustees. A financial reporting system compares results with the budget on a monthly basis.

A detailed register of the risks faced by the charitable company is maintained. This register identifies the major strategic and operational risks faced and how they are being managed. This register is reviewed annually by the trustees to reassess these risks and introduce procedures to address them as required.

The trustees are satisfied that systems are in place to monitor, manage and mitigate the charitable company's exposure to major risks. They consider that maintaining the charitable company's general reserves at the levels stated above and reviewing progress on addressing the charitable company's risk environment through the risk register will provide the charitable company with adequate risk assurance and sufficient resources in the event of adverse conditions. They also recognise that the nature of some of the charitable company's work requires active acceptance and management of some risks when undertaking activities to achieve its objectives.

Covid-19

The charities activities were significantly affected by Covid-19 for the period between March and August 2020. During this time, only limited field activities could be undertaken in order to limit the spread of the disease and comply with government guidelines. However, in response to the hardships on local communities caused by the disease, funds were raised to undertake significant relief activities to help vulnerable community members in the areas where Serve works. All donors continued to support Serve throughout the period, with additional funds also being secured for the Covid-19 relief project.

We raised a separate fund to transport all staff, both in HO and Projects, to respective work stations in private vehicles and not using public transport to avoid them contracting the virus and also provided them with face shields, masks and hand sanitizers to use constantly. Staff temperatures were monitored when they visited the office and sanitization of vehicles and the office was done periodically.

Financial risk

The charitable company does not use complex financial instruments; it manages its activities using cash and cash equivalents and various items that arise directly from its operations.

The existence of these financial instruments exposes the charitable company to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the charitable company manages its cash and cash equivalent resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the charitable company earns interest on cash and cash equivalent deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

Credit risk – this arises from the possibility that amounts owed to the charitable company will not be repaid. The charitable company does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and investment companies and the prompt collection of amounts due.

Future plans

In 2017 Serve underwent a strategic planning process for the period of 2018 to 2022. Certain key areas for development and attention have already been identified. The areas of funding and personnel recruitment are highest on the agenda given the current situation in Afghanistan.

Since the year end, the withdrawal of US forces and foreign troops has meant a resurgence of fighting from the Taliban and they have taken control of the country. While the Trustees intend to continue to operate in the country, the full impact of these events is not yet known.

Structure, governance and management

Serve Afghanistan is a company limited by guarantee and a charity registered in England and Wales. The charitable company operates from Karte Char, Kabul, Afghanistan.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr P J Fitzgerald	
Mr M Larson	
Mrs G Nissley	(Resigned 27 March 2021)
Mr J Keuning	(Resigned 15 June 2020)
Mr P J Vander Meulen	
Ms J M Collins	
Dr. S Varughese	(Appointed 27 March 2021)

Nominations for appointment of trustees come from within the trustee board. Appointments are approved by a majority of the other trustees. Usually, those appointed will have connections to the organisation and have had exposure to the charity's work in Afghanistan.

There is an informal induction and training process for trustees.

The trustees (listed above) are responsible for the overall direction of the charity. Responsibility for the day to day management of the charitable company's central administration is delegated to the Executive Director. During the year, the senior members of staff were the Executive Director and the Senior Administrative Team:

Kennedy Dhanabalan: Executive Director
Zulaikha Bashir: Senior Manager for Community Development
Sajim Pardes: Senior Manager for Disability
Saber Alimi, Eastern Region Location Senior Manager and ERCDP Project Manager
Hashim Fitrat: Senior Finance Manager
Mujtaba Khan: Senior Operations Manager

Remuneration of key management personnel is discussed at board meetings. Consideration is made of the pay required for expatriate staff to work in Afghanistan.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr M Larson
Trustee
Dated: 1 September 2021

SERVE AFGHANISTAN

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Serve Afghanistan for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN

Opinion

We have audited the financial statements of Serve Afghanistan (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 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 2020 and of its incoming resources and application of resources, 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.

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.

Material uncertainty relating to going concern

We draw your attention to the disclosure in note 1.2 to the financial statements, which details the factors that the Trustees have considered in making their going concern assessment.

The withdrawal of US forces and foreign troops has meant a resurgence of fighting from the Taliban and they have taken control of the country. At the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. It is therefore not possible for the Trustees to predict the implications for the charity.

While the Trustees consider the Charity has sufficient liquidity and unrestricted reserves to meet its debts as they fall due for a period of at least 12 months from the date of the approval of these accounts, the uncertainty around the magnitude of the impact of the war in Afghanistan indicates the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern. The financial statements do not include any adjustment that would result if the going concern basis of preparation was not considered appropriate. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 course of 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 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 directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 requires us to report to you if, in our opinion:

- adequate 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.
- the trustees were not entitled to prepare the financial statements in accordance with the companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVE AFGHANISTAN CONTINUED

Based on our understanding of the charity and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations related to the acts by the charity, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charity's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Charity Commission, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and in testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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. 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 auditors' 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, for our audit work, for this report, or for the opinions we have formed.

Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young 1 September 2021

Chartered Accountants
Statutory Auditor

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2020 $	Unrestricted funds general $	Unrestricted funds designated $	Restricted funds $	Total 2019 $
Income and endowments from:									
Donations and legacies	3	6,186	-	1,089,274	1,095,460	-	-	872,233	872,233
Investments	4	1,707	-	-	1,707	9,750	-	-	9,750
Other income	5	6,615	-	8,218	14,833	-	-	5,687	5,687
Total income		14,508	-	1,097,492	1,112,000	9,750	-	877,920	887,670
Expenditure on:									
Charitable activities	6	188,095	-	958,964	1,147,059	175,340	8,139	760,100	943,579
Net (outgoing)/incoming resources before transfers		(173,587)	-	138,528	(35,059)	(165,590)	(8,139)	117,820	(55,909)

SERVE AFGHANISTAN

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Net (outgoing)/incoming resources before transfers		(173,587)	-	138,528	(35,059)	(165,590)	(8,139)	117,820	(55,909)
Gross transfers between funds		139,661	-	(139,661)	-	178,417	(59,963)	(118,454)	-
Net expenditure for the year/ Net outgoing resources		(33,926)	-	(1,133)	(35,059)	12,827	(68,102)	(634)	(55,909)
Other recognised gains and losses									
Other gains or losses	11	8,494	-	-	8,494	(10,179)	-	-	(10,179)
Net movement in funds		(25,432)	-	(1,133)	(26,565)	2,648	(68,102)	(634)	(66,088)
Fund balances at 1 January 2020		276,650	106,027	154,755	537,432	274,002	174,129	155,389	603,520
Fund balances at 31 December 2020		251,218	106,027	153,622	510,867	276,650	106,027	154,755	537,432

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SERVE AFGHANISTAN

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		$	$	$	$
Fixed assets					
Tangible assets	12		26,744		31,189
Current assets					
Debtors	13	4,600		7,882	
Cash at bank and in hand		772,342		814,597	
		776,942		822,479	
Creditors: amounts falling due within one year	14	(292,819)		(316,236)	
Net current assets			484,123		506,243
Total assets less current liabilities			510,867		537,432
Income funds					
Restricted funds	16		153,622		154,755
Unrestricted funds:					
Designated funds	17	106,027		106,027	
General funds		251,218		276,650	
			357,245		382,677
			510,867		537,432

The financial statements were approved by the board of directors and authorised for issue on 1 September 2021 and are signed on its behalf by:

Mr M Larson
Trustee

Company Registration No. 04759091

SERVE AFGHANISTAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		$	$	$	$
Cash flows from operating activities					
Cash absorbed by operations	22		(39,544)		(151,175)
Investing activities					
Purchase of tangible fixed assets		(13,059)		(8,593)	
Proceeds on disposal of tangible fixed assets		147		400	
Investment income		1,707		9,750	
Net cash (used in)/generated from investing activities			(11,205)		1,557
Net decrease in cash and cash equivalents			(50,749)		(149,618)
Cash and cash equivalents at beginning of year			814,597		974,394
Effect of foreign exchange rates			8,494		(10,179)
Cash and cash equivalents at end of year			772,342		814,597

1 Accounting policies

Charity information

The charity is a company limited by guarantee, incorporated in England and Wales and has no share capital. The liability of each member in the event of winding-up is limited to £5. At 31 December 2020, there were 5 members (2019: 6 members).

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in US Dollars ($). Monetary amounts in these accounts are rounded to the nearest $.

The currency of the primary economic environment in which the organisation operates (its functional currency) is Afghanistan Afghani (AFN).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least 12 months from the date of the approval of these accounts.

In reaching that conclusion the trustees are confident that the charity has sufficient liquidity and unrestricted reserves to meet its debts as they fall due over that period and have specifically considered (i) the impact of the coronavirus on the operations of the charity, alongside actions taken to mitigate that impact and (ii) the political instability in Afghanistan following the withdrawal of the US forces and foreign troops and the fighting from the Taliban who have now taken control of the country.

However, the trustees are unable to forecast exactly how and for how long the conflict will affect the operations of the charity and therefore uncertainty exists on the impact to the charity in the longer term.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1 **Accounting policies** **(Continued)**

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other grants and donations are recognised once the charitable company has been notified of the grant or donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The charity is dependent on the services of its expatriate staff to carry out its objectives. Most of the expatriates give their time without charge and it is not possible to quantify the value of this benefit to the charity. Out-of-pocket expenses are reimbursed to the staff and are shown under travelling expenses in the financial statements.

Trading income represents income from evaluation services provided to other charities and the printing of Braille material.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Regional office support costs have been allocated to activities based upon annual budgeted expenditure and other support costs have been allocated to activities based upon actual expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	33.33% straight line
Office equipment	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1 **Accounting policies** **(Continued)**

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

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

Ethical investments are social investments made in support of development projects, which benefit disadvantaged and marginalised individuals.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 **Accounting policies** **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies (Continued)

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.12 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.13 Employee savings fund

All Serve employees become part of the Serve savings scheme after working for one year. Under this scheme an amount is deducted monthly for each employee according to their grade on the Serve salary scale and the same amount is contributed by Serve towards a fund that is available to the employee for certain expenses. The Employee Savings Fund is kept in a separate account to the rest of Serve's funds. The fund is included in creditors.

2 Critical accounting estimates and judgements

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

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

The trustees do not consider there to be any critical accounting judgements or estimates.

3 Donations and legacies

	Total	Total
	2020 $	2019 $
Donations and gifts	1,095,460	872,233
Donations and gifts		
TEAR Australia	489,410	392,346
Kindernothilfe	202,605	228,023
Tearfund UK	180,620	106,250
Cedar Fund	39,975	14,975
Linda Norgrove Foundation	5,941	-
Jae-Chael Kim	51,000	50,000
Other	125,909	80,639
	1,095,460	872,233

Other donations are donations from individuals.

4 Investments

	2020 $	2019 $
Interest receivable	1,707	9,750

All investment income is unrestricted.

5 Other income

	Unrestricted funds general 2020 $	Restricted funds 2020 $	Total 2020 $	Unrestricted funds general 2019 $	Restricted funds 2019 $	Total 2019 $
Other income	6,615	8,218	14,833	-	5,687	5,687

6 Charitable activities

	Disability	Community Development	Total 2020	Disability	Community Development	Total 2019
	$	$	$	$	$	$
Staff costs	218,235	262,325	480,560	208,647	247,379	456,026
Depreciation and impairment	2,338	1,813	4,151	9,161	-	9,161
Activities and materials	61,718	226,456	288,174	40,737	57,104	97,841
Staff training	4,022	10,707	14,729	2,221	3,913	6,134
Incentive workers	24,154	9,622	33,776	38,564	13,030	51,594
Travel expenses	10,084	35,001	45,085	17,321	33,451	50,772
Office supplies	4,629	6,256	10,885	3,167	3,401	6,568
Communications	7,710	7,397	15,107	5,980	6,830	12,810
Premises	20,397	22,292	42,689	21,129	25,615	46,744
Bank charges	2,610	3,355	5,965	3,246	4,187	7,433
	355,897	585,224	941,121	350,173	394,910	745,083
Share of support costs (see note 8)	183,462	-	183,462	8,139	153,869	162,008
Share of governance costs (see note 8)	12,441	10,035	22,476	9,266	27,222	36,488
	551,800	595,259	1,147,059	367,578	576,001	943,579
Analysis by fund						
Unrestricted funds - general	188,095	-	188,095	1,454	173,886	175,340
Unrestricted funds - designated	-	-	-	8,139	-	8,139
Restricted funds	363,705	595,259	958,964	357,985	402,115	760,100
	551,800	595,259	1,147,059	367,578	576,001	943,579

7 Description of charitable activities:

Disability

To mainstream people with disabilities, Serve, in partnership with others, aims to empower and equip institutions and communities towards the integration of people with disability (mainly blind, deaf, mentally challenged and physically disabled) into mainstream life.

Community Development

Activities facilitate processes within local communities leading to their ability to develop and access local, provincial and national resources and to strengthen livelihood opportunities of vulnerable groups in the concentration areas where Serve is active.

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	$	$	$	$	$	$
Staff costs	102,079	-	102,079	58,574	-	58,574
Depreciation	13,206	-	13,206	8,139	-	8,139
Other support costs	68,177	-	68,177	88,174	-	88,174
Legal and professional	-	-	-	7,121	-	7,121
Audit fees	-	21,840	21,840	-	22,080	22,080
Board expenses and travel	-	636	636	-	14,408	14,408
	183,462	22,476	205,938	162,008	36,488	198,496
Analysed between Charitable activities	183,462	22,476	205,938	162,008	36,488	198,496

Governance costs includes payments to the auditors of $21,840 (2019- $22,080) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 6 of them were reimbursed a total of $636 travelling expenses (2019- 6 were reimbursed $14,408).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	105	108

Employment costs	2020 $	2019 $
Wages and salaries	582,639	514,600

No remuneration was paid to any employee in excess of $79,607.

11 Other gains or losses

	2020 $	2019 $
Foreign exchange (loss)/gain	8,494	(10,179)

12 Tangible fixed assets

	Computer equipment	Office equipment	Motor vehicles	Total
	$	$	$	$
Cost				
At 1 January 2020	57,111	155,065	193,871	406,047
Additions	6,433	6,626	-	13,059
Disposals	(8,719)	(26,004)	(52,495)	(87,218)
At 31 December 2020	54,825	135,687	141,376	331,888
Depreciation and impairment				
At 1 January 2020	53,425	141,056	180,377	374,858
Depreciation charged in the year	4,717	7,411	5,229	17,357
Eliminated in respect of disposals	(8,719)	(25,857)	(52,495)	(87,071)
At 31 December 2020	49,423	122,610	133,111	305,144
Carrying amount				
At 31 December 2020	5,402	13,077	8,265	26,744
At 31 December 2019	3,686	14,009	13,494	31,189

13 Debtors

Amounts falling due within one year:	2020 $	2019 $
Other debtors	97	3,023
Prepayments and accrued income	4,503	4,859
	4,600	7,882

14 Creditors: amounts falling due within one year

	Notes	2020 $	2019 $
Deferred income		52,420	117,813
Trade creditors		210,666	171,824
Other creditors		4,325	217
Accruals		25,408	26,382
		292,819	316,236

15 Deferred income

	2020	2019
	$	$
Deferred income is included within:		
Creditors due within one year	52,420	117,813
Deferred income at 1 January 2020	117,813	162,750
Released from previous years	(117,813)	(162,750)
Amounts deferred in the year	52,420	117,813
Deferred income at 31 December 2020	52,420	117,813

Deferred income in the year relates to funding from individuals received in advance of 2021 projects.

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	$	$	$	$	$	$	$	$	$
ERCDP	57,908	213,157	(190,242)	(29,836)	50,987	218,902	(186,713)	(30,114)	53,062
ERDP (formerly SHIP)	11,927	119,233	(101,884)	(11,859)	17,417	127,380	(119,906)	(16,062)	8,829
CRDP (formerly EMAD)	10,172	191,677	(172,849)	(24,560)	4,440	186,411	(157,967)	(23,784)	9,100
CRCDP	32,950	159,685	(136,529)	(22,669)	33,437	162,852	(135,799)	(23,019)	37,471
KCDP	17,884	94,064	(77,403)	(13,193)	21,352	106,612	(97,741)	(14,392)	15,831
KDP	19,793	92,231	(73,486)	(12,977)	25,561	86,806	(83,872)	(12,935)	15,560
COVID19 Relief Project	-	-	-	-	-	197,784	(172,814)	(19,355)	5,615
Restricted Assets	4,755	7,873	(7,707)	(3,360)	1,561	10,745	(4,152)	-	8,154
	155,389	877,920	(760,100)	(118,454)	154,755	1,097,492	(958,964)	(139,661)	153,622

16 Restricted funds

(Continued)

Analysis of restricted assets

	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	$	$	$	$	$	$	$	$	$
Restricted assets	216	4,513	(4,729)	-	-	-	-	-	-
ERCDP	2,314	117	(1,306)	(117)	1,008	250	(565)	-	693
ERDP	-	117	-	(117)	-	2,823	(647)	-	2,176
CRDP	-	117	-	(117)	-	-	-	-	-
CRCDP	684	1,447	(684)	(1,447)	-	1,780	(756)	-	1,024
KCDP	1,435	781	(935)	(781)	500	111	(492)	-	119
KDP	106	781	(53)	(781)	53	5,781	(1,692)	-	4,142
	4,755	7,873	(7,707)	(3,360)	1,561	10,745	(4,152)	-	8,154

16 Restricted funds (Continued)

Eastern Region Community Development Project (ERCDP) - to empower vulnerable families in the target communities in the Eastern Region and to improve their livelihood through improved adult literacy and development of animal husbandry.

Serve's Eastern Region Disability Project (ERDP) (formerly Serve's Hearing Impaired Project (SHIP)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Serve's Central Region Disability Project (CRDP) (formerly Enabling and Mobilising Afghans with Disabilities Project (EMAD)) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.

Central Region Community Development Project (CRCDP) - to bring sustainable livelihood improvement for vulnerable people of Guldara district of Afghanistan.

Kandahar Community Development Project (KCDP) - to bring sustainable livelihood improvement for vulnerable people of Kandahar in Afghanistan.

Kandahar Disability Programme (KDP) - This programme works to provide inclusive education for blind and deaf children in government schools. The programme aims to support children suffering these disabilities throughout their school lives and ensure they co not have any barriers or discrimination to their education.

Assets Fund - represents the net book value of the assets acquired by the restricted funds used for restricted purposes.

16 **Restricted funds** **(Continued)**

Transfers

$106,769 (2019: $85,537) transfer from restricted funds relates to the allocation of overhead costs in the year.

$nil (2019: $nil) transferred from restricted funds relates to the allocation of regional office costs in the year.

$32,892 (2019: $34,408) transferred from restricted funds relates to the allocation of security costs in the year.

$nil (2019: $3,360) was the transfer of fixed assets bought with restricted funds but for general use of the charity during the year.

$nil (2019: $(4,851)) was the transfer from unrestricted funds of the profit on the sale of a fixed asset where the money received was to be used for a restricted fund.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

					Movement in funds		
	Balance at 1 January 2019	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	$	$	$	$	$	$	$
Large Equipment Replacement	164,140	-	(58,113)	106,027	-	-	106,027
Designated Assets Fund	9,989	(8,139)	(1,850)	-	-	-	-
	174,129	(8,139)	(59,963)	106,027	-	-	106,027

Designated Assets Fund - represents the net book value of some of the charity's assets not funded by restricted income that have been classed as designated by the Trustees.

Large Equipment Replacement Fund - This fund represents money set aside by the Directors for future acquisition of vehicles and other large equipment for the general purposes of the charity.

Transfers
$nil (2019: $nil) relates to the transfer of assets purchased during the year using the Large Equipment Replacement Fund to the general unrestricted funds.

$nil (2019: $58,113) relates to the additional transfer of funds from the Large Equipment Replacement Fund to general unrestricted funds that was agreed by the trustees.

$nil (2019: $1,850) relates to the transfer of the assets in the Designated Assets Fund to the general unrestricted funds.

18 Analysis of net assets between funds

	Unrestricted funds 2020	Designated funds 2020	Restricted funds 2020	Total 2020	Unrestricted funds 2019	Designated funds 2019	Restricted funds 2019	Total 2019
	$	$	$	$	$	$	$	$
Fund balances at 31 December 2020 are represented by:								
Tangible assets	18,590	-	8,154	26,744	29,628	-	1,561	31,189
Current assets/(liabilities)	232,628	106,027	145,468	484,123	247,022	106,027	153,194	506,243
	251,218	106,027	153,622	510,867	276,650	106,027	154,755	537,432

19 Events after the reporting date

As referred to in the going concern section of the accounting policies, the trustees are monitoring the situation concerning the coronavirus and the withdrawal of the US-NATO troops from the country and any impact it may have on the charity. Given the current uncertainties, any longer term financial effect cannot be estimated.

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, is as follows.

	2020	2019
	$	$
Aggregate compensation	38,516	13,766

During the year, a company owned by the husband of one of the trustees was paid £nil (2019: £7,121) for services provided to the charity.

There were no further related party transactions in the year (2019: none).

21 Analysis of changes in net funds

The charitable company had no debt during the year.

22 Cash generated from operations

	2020	2019
	$	$
Deficit for the year	(35,059)	(55,909)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,707)	(9,750)
Depreciation and impairment of tangible fixed assets	17,357	17,300
Movements in working capital:		
Decrease/(increase) in debtors	3,282	(2,918)
Increase/(decrease) in creditors	41,976	(54,961)
(Decrease) in deferred income	(65,393)	(44,937)
Cash absorbed by operations	(39,544)	(151,175)