

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

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<b>Trustees</b>	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)
<b>Secretary</b>	Mr M Larson	
<b>Executive Director</b>	Mr K Dhanabalan	
<b>Charity number</b>	1105086	
<b>Company number</b>	04759091	
<b>Principal address</b>	PO Box 4015 Karte Char Kabul Afghanistan	
<b>Registered office</b>	C/O UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield South Yorkshire S8 0XF	
<b>Auditors</b>	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF	

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SERVE AFGHANISTAN

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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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

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## **SERVE AFGHANISTAN**

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

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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.

## **SERVE AFGHANISTAN**

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

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#### **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.

## SERVE AFGHANISTAN

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

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#### **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.

## SERVE AFGHANISTAN

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

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#### **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 and 18 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.

## SERVE AFGHANISTAN

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

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#### 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.

## SERVE AFGHANISTAN

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

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#### **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.

## SERVE AFGHANISTAN

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

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#### 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.

## SERVE AFGHANISTAN

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

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#### 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 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 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.

## SERVE AFGHANISTAN

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

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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**

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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.

## **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.



**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 \$
<b><u>Income and endowments from:</u></b>									
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
<b>Total income</b>		44,377	-	1,683,240	1,727,617	32,035	-	2,056,899	2,088,934
<b><u>Expenditure on:</u></b>									
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)	-	-	-	-
<b>Net (outgoing)/incoming resources before transfers</b>		(251,006)	-	149,697	(101,309)	(236,661)	-	(17,271)	(253,932)

**SERVE AFGHANISTAN**

**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)
<b>Other recognised gains and losses</b>								
Other gains or losses	-	-	(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
<b>Fund balances at 31 December 2024</b>	<b>211,281</b>	<b>106,027</b>	<b>163,860</b>	<b>481,168</b>	<b>348,746</b>	<b>106,027</b>	<b>163,299</b>	<b>618,072</b>

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
		\$	\$
<b>Fixed assets</b>			
Tangible assets	16	22,511	25,346
<b>Current assets</b>			
Debtors	17	42,187	78,163
Cash at bank and in hand		712,119	803,951
		754,306	882,114
<b>Creditors: amounts falling due within one year</b>	18	(295,649)	(289,388)
Net current assets		458,657	592,726
<b>Total assets less current liabilities</b>		481,168	618,072
<b>Income funds</b>			
Restricted funds	20	163,860	163,299
<u>Unrestricted funds:</u>			
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

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		2024		2023	
	Notes	\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(51,576)		(190,491)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(11,069)		(27,739)	
Loss on disposal of other investments		(2,541)		-	
Investment income		8,949		4,878	
<b>Net cash used in investing activities</b>			(4,661)		(22,861)
<b>Net decrease in cash and cash equivalents</b>			(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
<b>Cash and cash equivalents at end of year</b>			712,119		803,951

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# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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### 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.

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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### 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.

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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### 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.

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

### 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.

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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### 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.

**SERVE AFGHANISTAN**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**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
<b>Donations and gifts</b>						
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.

## SERVE AFGHANISTAN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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

**SERVE AFGHANISTAN**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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## SERVE AFGHANISTAN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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 Organization (SWTSO)	10,000	10,000	-	-	-	-
Grants to individuals	315,543	315,543	-	749,860	92,944	842,804
	<u>325,543</u>	<u>325,543</u>	<u>-</u>	<u>749,860</u>	<u>92,944</u>	<u>842,804</u>

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

### 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
	<u>250,697</u>	<u>32,145</u>	<u>282,842</u>	<u>236,584</u>	<u>32,112</u>	<u>268,696</u>
Analysed between Charitable activities	<u>250,697</u>	<u>32,145</u>	<u>282,842</u>	<u>236,584</u>	<u>32,112</u>	<u>268,696</u>

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
	<u>144</u>	<u>115</u>
<b>Employment costs</b>	<b>2024 \$</b>	<b>2023 \$</b>
Wages and salaries	<u>842,886</u>	<u>711,225</u>

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

## SERVE AFGHANISTAN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 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

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

### 16 Tangible fixed assets

	Computer equipment \$	Office equipment \$	Motor vehicles \$	Total \$
<b>Cost</b>				
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
<b>Depreciation and impairment</b>				
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
<b>Carrying amount</b>				
At 31 December 2024	8,429	13,963	119	22,511
At 31 December 2023	12,748	11,880	718	25,346

### 17 Debtors

	2024 \$	2023 \$
<b>Amounts falling due within one year:</b>		
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

## SERVE AFGHANISTAN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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19	Deferred income	2024 \$	2023 \$
	Deferred income is included within:		
	Creditors due within one year	120,407	142,940
		<u>120,407</u>	<u>142,940</u>
	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
		<u>120,407</u>	<u>80,526</u>
	<b>Deferred income at 31 December 2024</b>	<u>120,407</u>	<u>142,940</u>

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

# SERVE AFGHANISTAN

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

### 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.

	Balance at 1 January 2023	Movement in funds				Balance at 1 January 2024	Movement in funds				Balance at 31 December 2024
		Incoming resources	Resources expended	Transfers	Gains and losses		Incoming resources	Resources expended	Transfers	Gains and losses	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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)	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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## SERVE AFGHANISTAN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2024

20	Restricted funds	(Continued)
		<b>Eastern Region Humanitarian Response- Nangarhar Project (ERHR-N)</b> - 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.
		<b>Serve's Eastern Region Disability Project (ERDP)</b> (formerly <b>Serve's Hearing-Impaired Project (SHIP)</b> ) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.
		<b>Serve's Central Region Disability Project (CRDP)</b> (formerly <b>Enabling and Mobilizing Afghans with Disabilities Project (EMAD)</b> ) - to empower Afghan communities towards the integration of people with disabilities in all aspects of life.
		<b>Central Region Humanitarian Response Project (CRHR)</b> - to bring sustainable livelihood improvement for vulnerable people of Guldara district of Afghanistan.
		<b>Kandahar Community Development Project (KRHR)</b> - to bring sustainable livelihood improvement for vulnerable people of Kandahar in Afghanistan.
		<b>Kandahar Disability Programme (KDP)</b> - 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.
		<b>Eastern Region Humanitarian Response- Laghman Project (ERHR-L)</b> - 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.
		<b>Eastern Region Community Disability Programme (ERCDDP)</b> - 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.
		<b>Alishang Health Clinic (AHC)</b> -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.
		<b>Panjwayee Health Clinic (PHC)</b> - 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.

**SERVE AFGHANISTAN**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

20	Restricted funds	(Continued)
		<b>Kakor Health Clinic (KHC)</b> - 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.
		<b>LGM, NGR Relief for Forced Returnees 200 families (KNH)</b> - Total of 200 families benefitted from the project. 100 Forced Returnees families in Jalalabad City in Nangarhar Province on 31 <sup>st</sup> January 2024, 100 families in Mehtarlam City and Alishang district in Laghman Province on 31 <sup>st</sup> January 2024, received cash.
		<b>Baghlan Relief for Flood affected people 630 families (TF UK, TF Aus, CEDAR Fund)</b> - Total of 630 families benefitted from the project. Flood affected families in Baghlan City on 12 <sup>th</sup> & 13 <sup>th</sup> June 2024, received cash.
		<b>Assets Fund</b> - represents the net book value of the assets acquired by the restricted funds used for restricted purposes.
		<b>Transfers</b>
		\$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.

SERVE AFGHANISTAN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024

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 31 December 2024
	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 1 January 2024	Incoming resources	Resources expended	
	\$	\$	\$	\$	\$	\$	\$
Large Equipment Replacement	106,027	-	-	106,027	-	-	106,027
	<u>106,027</u>	<u>-</u>	<u>-</u>	<u>106,027</u>	<u>-</u>	<u>-</u>	<u>106,027</u>

**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.

**SERVE AFGHANISTAN**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

**22 Analysis of net assets between funds**

Fund balances at 31 December 2024 are represented by:

Tangible assets

Current assets/(liabilities)

	Unrestricted funds 2024		Designated funds Restricted funds 2024		Total 2024		Unrestricted funds 2023		Designated funds Restricted funds 2023		Total 2023	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	22,511	-	-	-	22,511	25,346	-	-	-	-	25,346	
	188,770	106,027	163,860	163,860	458,657	323,400	106,027	163,299	163,299	592,726		
	211,281	106,027	163,860	163,860	481,168	348,746	106,027	163,299	163,299	618,072		

## SERVE AFGHANISTAN

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 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
<b>Cash absorbed by operations</b>	<b>(51,576)</b>	<b>(190,491)</b>