

AKHUWAT (UK) TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

AKHUWAT (UK) TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr M A Javed Mr Omar Chaudhry Mr Izhar Ul Haq Hashmi
Charity number	1136317
Registered office	540 Valence Avenue Dagenham Essex England RM8 3QH
Accountants	BK Plus Limited 2 Highlands Court Cranmore Avenue Shirley Solihull West Midlands B90 4LE

AKHUWAT (UK) TRUST

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AKHUWAT (UK) TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 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 charity's [governing document], the Charities Act 2011 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

Akhuwat (UK) Trust has a number of charitable objectives. They are as follows:

To relieve financial hardship among the poor, the underprivileged, victims of natural and manmade disasters and people in need in the UK and Pakistan by means of, but not exclusively, making grants or loans for providing or payment for items, equipment, services and facilities for the benefit of said persons.

Significant activities undertaken

Financial year 22/23 was a pivotal year in the history of Akhuwat UK – key achievements included increasing awareness and on-the-ground fundraising within the UK and Europe.

The charity officially conducted 4 large-scale roadshows events across London, Birmingham, Manchester and Glasgow – improving both awareness and overall perception of the Akhuwat work (especially in light of the flood disasters which occurred in Pakistan 2022).

In addition to the fundraising work in the UK, the charity also launched and conducted some small-scale events in Europe to expand geographically.

Enabling the higher volume of donations was the implementation of a new digital platform and website which also allowed automated gift aid claims. The charity also engaged in several live television appeals on a notable television channel.

Despite the significant scale and rise of donation volumes, no formal employees were hired. The charity purposefully chose to run its operations using temporary consultants and volunteers.

Financial review

The charity saw a strong intake of income amounting to £964k, based on a new website and numerous fundraising events (both on-ground and through television appeals), which were further supported by the 2022 Pakistani floods that gathered significant public sentiment.

The funds this year were also significantly bolstered by a one-off donation of £228k as part of a Will execution.

The fundraising events described above did incur some travelling, catering and consultancy expenses that were agreed and approved by the Trustees. However, most services in these events were still carried out mostly by volunteers.

As part of our on-going efforts to support Akhuwat Pakistan with - a total contribution of £190,000 was made to support our overall charity objectives.

AKHUWAT (UK) TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

Financial year 22/23 was a stepping stone both in terms of on-the-ground activity and donations. The objective of the charity next year is to further consolidate this strong position, while tightening and formalising some of the day-to-day governance.

Increasing donation volumes, web-queries, and overall general interest in the charity has however added some further complexity. Thus, the trustees are considering measures to further formalise marketing, day-to-day financial management and a introduce a new CRM to streamline and more efficiently manage operations.

Increased financial risk management is another key priority highlighted for the coming year – through a more formalised monthly management reporting, as well as stringent screening of donations above a certain threshold.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Dr M A Javed

Mr Omar Chaudhry

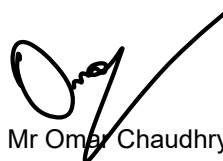
Mr Izhar Ul Haq Hashmi

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



Dr M A Javed

Trustee



Mr Omar Chaudhry

Trustee

7 February 2024

AKHUWAT (UK) TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF AKHUWAT (UK) TRUST

I report to the Trustees on my examination of the financial statements of Akhuwat (UK) Trust (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Paul Mannion
BK Plus
Chartered Certified Accountants

2 Highlands Court
Cranmore Avenue
Shirley
Solihull
West Midlands
B90 4LE

Dated: 7 February 2024

AKHUWAT (UK) TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Donations and legacies	3	478,315	181,289
Other trading activities	4	485,536	-
Total income		963,851	181,289
Expenditure on:			
Raising funds	5	353,437	109,539
Charitable activities	7	345,260	139,222
Total expenditure		698,697	248,761
Net income/(expenditure) and movement in funds		265,154	(67,472)
Reconciliation of funds:			
Fund balances at 1 April 2022		5,609	73,081
Fund balances at 31 March 2023		270,763	5,609

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

AKHUWAT (UK) TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	11	49,378		4,083	
Cash at bank and in hand		223,659		2,480	
		<u>273,037</u>		<u>6,563</u>	
Creditors: amounts falling due within one year	12	2,274		954	
		<u>270,763</u>		<u>5,609</u>	
Net current assets			270,763		5,609
The funds of the charity					
Unrestricted funds			270,763		5,609
			<u>270,763</u>		<u>5,609</u>

The financial statements were approved by the Trustees on 7 February 2024



Dr M A Javed
Trustee



Mr Omar Chaudhry
Trustee

AKHUWAT (UK) TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	15		221,179		(59,317)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			221,179		(59,317)
Cash and cash equivalents at beginning of year			2,480		61,797
Cash and cash equivalents at end of year			223,659		2,480

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Charity is registered as a Trust in accordance with the requirements of the Charities Act. The Charity's trust deed is dated 14 April 2010 and was amended on 12 October 2017. The Charity was registered on the Central Register of Charities on 10 June 2010.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. 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 charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity 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 donations are recognised once the charity has been notified of the 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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 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.

1.7 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 in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, 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.

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.

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 charity's contractual obligations expire or are discharged or cancelled.

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 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.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Individual donations	164,816	135,335
Organisational donations	85,642	45,954
Legacy donations	227,857	-
	<u>478,315</u>	<u>181,289</u>

4 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising events	<u>485,536</u>	<u>-</u>

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Fundraising costs associated with events held	233,105	-
Other fundraising costs	19,691	21,895
Broadcasting fees	68,750	79,126
Advertising	19,215	6,205
Platform fees	4,216	1,526
	<u>344,977</u>	<u>108,752</u>
Trading costs		
Support costs	8,460	787
	<u>8,460</u>	<u>787</u>
Total costs	<u><u>353,437</u></u>	<u><u>109,539</u></u>

6 Support and governance costs allocated to activities

	2023 £	2022 £
Consultancy fees	141,451	72,024
Bank charges	748	312
Telephone fees	288	249
IT costs	593	-
Printing, Postage & Stationery	4,415	-
Sundry expenses	2,416	226
Governance costs	13,809	8,956
	<u>163,720</u>	<u>81,767</u>

Analysed between:

Fundraising	8,460	787
Charitable activity	155,260	80,980
	<u>163,720</u>	<u>81,767</u>

Governance costs comprise:

	2023 £	2022 £
Consultancy fees	11,295	8,002
Accountancy	2,514	954
	<u>13,809</u>	<u>8,956</u>

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Expenditure on charitable activities

	Charitable activity 2023 £	Charitable activity 2022 £
Direct costs		
Donations - Akhuwat	190,000	50,000
Donations - Other	-	8,242
	<u>190,000</u>	<u>58,242</u>
Share of support and governance costs (see note 6)		
Support	141,451	72,024
Governance	13,809	8,956
	<u>345,260</u>	<u>139,222</u>
Analysis by fund		
Unrestricted funds	<u>345,260</u>	<u>139,222</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	42,779	-
Prepayments and accrued income	6,599	4,083
	<u>49,378</u>	<u>4,083</u>

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	2,274	954

13 Unrestricted 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.

	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	5,609	963,851	(698,697)	270,763
Previous year:	At 1 April 2021 £	Incoming resources £	Resources expended £	At 31 March 2022 £
General funds	73,081	181,289	(248,761)	5,609

14 Related party transactions

Transactions with related parties

The charity is controlled by the Board of Trustees and the parent charity, Akhuwat, a charity registered in Pakistan, whose purpose and activities are equal to Akhuwat (UK) Trust. During the year, none of the Trustees undertook any transactions with Akhuwat (UK) Trust.

During the year the charity entered into the following transactions with related parties:

	Unrestricted funds	
	2023 £	2022 £
Donations to parent - Akhuwat	190,000	50,000
Donations received from Akhuwat Sweden	60,295	-
	250,295	50,000

AKHUWAT (UK) TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15	Cash generated from operations	2023 £	2022 £
	Surplus/(deficit) for the year	265,154	(67,472)
	Movements in working capital:		
	(Increase)/decrease in debtors	(45,295)	8,155
	Increase in creditors	1,320	-
	Cash generated from/(absorbed by) operations	<u>221,179</u>	<u>(59,317)</u>

16 Analysis of changes in net funds

The charity had no material debt during the year.