

Strategic Report, Report of the Trustees and
Financial Statements
for the Year Ended 31st January 2023
for
Orphans in Need

Sadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

Orphans in Need

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Orphans in Need
Strategic Report
for the year ended 31st January 2023

The trustees present their strategic report for the year ended 31st January 2023.

REVIEW OF BUSINESS

The charity continued its charitable activities during the year.

Total income dropped slightly from £16m in the previous year to £15.7m.

However net income increased from £1.4m to £3.4m and net assets increased from £8.8m to £12.2m.

The trustees are therefore pleased with the performance and will seek to continue this good work.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit Risk

Orphans in Need recognises the critical importance of effective credit risk management in ensuring the sustainability of our mission to support vulnerable orphaned children and widows globally. We are committed to implementing our robust credit risk assessment processes to evaluate the financial stability of our partners and our donors, minimising the potential for defaults or financial setbacks that could impact our programs. Orphans in Need does not rely on credit loans to undertake our work, and we have upheld an appropriate cash reserve of £11.8m, to ensure our stability.

Liquidity Risk

Based on our financial records, the charity has upheld an appropriate cash reserve of £11.8m, ensuring our stability and enabling us to sustain our ongoing support to our beneficiaries.

Foreign Exchange Risk

Foreign exchange implications have the potential to hinder business operations involving overseas offices. To manage this risk, Orphans in Need consistently maintain strong relationships with financial service providers and collaborates with the wider sector to seek out effective strategies to explore ways in which to mitigate FX challenges.

Interest Rates and Cash Flow Risk

As per our accounts, the charity maintained a favourable cash balance throughout the year, and, as a result, does not perceive interest rates or cash flow as posing substantial risks.

Orphans in Need employs a robust Assurance Framework to ensure effective governance, risk management, and internal controls. Our organisation is fortified by a dedicated Internal Audit Team, complemented by external experts who share our commitment to continuous improvement.

In our ongoing efforts to manage organisational risks, we have identified risks at the organisational level. These risks are closely monitored by our Senior Leadership Team (SLT) and Board of Trustees, who track specific actions and performance indicators associated with each risk. This proactive approach ensures that we remain vigilant and respond to potential challenges, thereby safeguarding the interests of our beneficiaries and supporters.

Approved by order of the board of trustees on 24th October 2023 and signed on its behalf by:

A Musa - Trustee

Report of the Trustees
for the year ended 31st January 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st January 2023. The trustees have adopted the provisions of 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

Objectives, aims and public benefit

The objectives of Orphans in Need are wholly for the public benefit. The principal aims of the charity and objective of the charitable company are:

The relief of poverty and sickness anywhere in the world, and in particular, those affected by natural causes or by wars and conflicts either foreign or domestic by the provision of financial or other assistance including but not limited to medicines, shelter, furniture, stationery, food, clothing, sanitation and clean drinking water and also the construction of schools, hospitals and medical centers.

To advance the education of persons in need, including orphans, anywhere in the world by the provision of financial aid and materials including but not limited to books, furniture, stationery, clothing and electronic hardware/software and also through the construction of schools, colleges, training centres, orphanages and universities.

The trustees have had regard to the Charity Commission's guidance on public benefit.

Grantmaking

Orphans in Need are always actively seeking out partner organisations that can further their objectives in an efficient and effective manner. As a result, the charity will make grants to other organisations where the trustees feel this is deserving and in line with the Orphans in Need policies.

Report of the Trustees
for the year ended 31st January 2023

Achievement and performance

In 2022, Orphans in Need pushed on with its delivery of its one-to-one orphan sponsorship programme, food parcel distributions to widows, and increased support for the needs of orphans through its Global Orphan Care campaign.

Orphans in Need USA was established in December 2021 after nearly a year of efforts to facilitate its registration, and OIN USA is now a key driver in securing income for the purpose of our objectives.

Orphans in Need forged ahead with their plans for the school project, and have now procured land in Haryana, Bihar and Nepal. The architectural plans for the initial school construction (in Haryana, New Delhi) are underway.

Orphans sponsorship

Through our orphan sponsorship programme, we continue to support over 13,000 children across 14 countries. Each of these children continue to receive a fixed monthly stipend contributing towards their education, food, clothing and other necessities. The progress of these children is measured by our partners on the ground, who maintain that each child on the programme has access to education as a minimum.

We strive to ensure that our children stay with extended family, where possible. The support we provide them allows them to send the child to school where in other circumstances they may be forced onto the streets to beg or into manual labour. The success of our orphan sponsorship programme is down to our generous donors, who undertake to provide these children with hope through their regular donations.

Our Global Orphan Care campaign has allowed us to raise extra funds with which we can supplement the care provided to these children when they need extra support.

Global Orphan Care

The Global Orphan Care programme funds have allowed us to support individual requests for the care of orphans and widows, as well supporting other orphan care institutions to maintain and improve their services. This allows us to support thousands more orphans in addition to those on our sponsorship programme.

The extra support ranges from extensive medical care such as for cancer and serious illnesses to the provision of accommodation assistance for institutions who are unable to improve housing conditions because of a lack of funding and guidance. We were also able to use this for emergency aid distribution during the pandemic.

Orphan village and orphanages

Our Orphans' Village in Delhi has progressed over the past years by providing care to 100s of orphans and widows. Our other orphanages in Jammu and Kashmir including, Bait ul Altaf and Bait ul Salaam, are carefully monitored. Regular contact with our partners and visits are carried out to ensure the welfare of our orphans is maintained. Children in our care are given food, clothing, medical support, counselling where needed, and education.

Ramadan and Qurbani

During April 2022, 18,219 food parcels were delivered to our beneficiaries for the month of Ramadan. These months are a crucial time for us during the year as most of our charitable donations come during then.

Governance, administration and monitoring

Monitoring of our work ensuring delivery in line with our charitable objects is carried out through an extensive paper trail for all projects along with monitoring visits carried out by staff to the areas of need. These trips include an assessment of the quality of delivery to our beneficiaries along with an examination of the financial and administration records.

Orphans in Need is entrusted by donors to deliver to orphans and widows and we maintain strict controls on expenditure, striving to keep associated costs to a minimum. Although we work to keep our administration costs to a minimum, we also value our commitment to ensuring that we are monitoring, assessing and improving our work with beneficiaries and this does require us to invest in thorough due diligence, staff and appropriate policies and procedures.

Report of the Trustees
for the year ended 31st January 2023

Orphans in Need has signed up to the Code of Fundraising Practice for the UK, working with the Fundraising Regulator to ensure that our fundraising is respectful, open, honest and accountable to the public.

FINANCIAL REVIEW

Reserves policy

The trustees regularly review the risks to the charity and are actively monitoring the reserves available to the charity. As there are no significant ongoing commitments and the work continues only when funds are available, the trustees have decided to maintain a minimal reserve amount of £100,000 to cover any contingencies.

The charity currently holds more than this as they have raised funds for projects that have yet to go ahead. See note 6 for more details.

Going concern

There are no material uncertainties relating to events or conditions that cast significant doubt on the Charity's ability to continue as a going concern.

The charity relies fully on income which was £15.7m during 2022/23. At the year end the charity had unrestricted funds of £12.2m.

The trustees are satisfied that all the funds received have been applied in a wholly effective manner.

FUTURE PLANS

In 2022, there continues to be the challenge of steep global price rises in food, fuel, and many other commodities. These provide a greater need within our beneficiaries but also make fundraising more challenging as our UK-based individual donors also feel the effects of the rising cost of living.

We will continue the development of our orphan sponsorship programme, working closely with in-country teams to provide the best possible care for our children. We will arrange workshops with our teams for the provision of training and knowledge sharing, and for the Global Orphan Care programme, we will push forward raising funds but also be distributing these for needy orphan and widow support causes around the world.

To enhance educational opportunities for disadvantaged orphaned and underprivileged children, we are progressing with our initiative to construct schools in strategic areas. Our first endeavour will be the establishment of a school situated near our Orphans' Village in Haryana, New Delhi, followed by expansions into Bihar and Nepal. By implementing our school model, Orphans in Need can deliver a high standard of education to the children enrolled, who might otherwise lack access or resources for their schooling.

Through our school project, our primary goal is to equip the enrolled children with the necessary knowledge and tools they require, enabling them to pursue higher education and secure positions in their chosen profession.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Orphans in Need is incorporated as a company limited by guarantee and is registered as a charity number 1144812.

The trustees, who are also the directors of the company, are responsible for the overall management and control of the company working with other persons on an entirely voluntary basis.

Recruitment and appointment of new trustees

Trustees are appointed in accordance with Orphans In Need constitution. Once appointed, Trustees are given introduction of the charity and information about its objects; Trustees are also given the copy of the constitution and the aims and objective. Role descriptions are issued to each Trustee and full induction is given setting out the obligations of a trustee. All trustees are issued with a copy of the Charity Commission's guide "The Essential Trustee".

The trustees meet every 6 weeks.

Report of the Trustees
for the year ended 31st January 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07797095 (England and Wales)

Registered Charity number

1144812

Registered office

Windsor House
10 Manchester Road
Bradford
West Yorkshire
BD5 0QH

Trustees

A Musa Director
I Vania Teacher
Mrs V A Scarll Bookkeeper (resigned 29/11/22)
S Ali Director (resigned 13/12/22)
A Mohammad Director
Mrs L M Bansal Director (appointed 28/11/22)

Auditors

Sadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

Bankers

National Westminster Bank plc
Corporate Services Team
PO Box 111
1 Victoria Place
Leeds
LS11 4AN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Report of the Trustees
for the year ended 31st January 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Sadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 24th October 2023 and signed on its behalf by:

A Musa - Trustee

Report of the Independent Auditors to the Members of **Orphans in Need**

Opinion

We have audited the financial statements of Orphans in Need (the 'charitable company') for the year ended 31st January 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st January 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Orphans in Need

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 Strategic Report and the Report of the Trustees.

We have nothing to report in respect of the following matters where 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.

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 purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditors to the Members of **Orphans in Need**

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, UK tax legislation, and data protection, anti-bribery, employment, environmental, health and safety legislation along with industry specific regulations and requirements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud and irregularities relating to revenue recognition we:

- performed checks on the bespoke CRM system which records and monitors donations;
- traced records to bank receipts and Gift Aid claims, there is no cash income.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Report of the Independent Auditors to the Members of
Orphans in Need

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

Paul Drant ACA (Senior Statutory Auditor)
for and on behalf of Sadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

24th October 2023

Orphans in Need

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31st January 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,106,848	10,612,531	15,719,379	15,958,574
Charitable activities					
General	4	1,408	-	1,408	33,376
Investment income	3	51,383	-	51,383	10,830
Other income		-	-	-	18
Total		<u>5,159,639</u>	<u>10,612,531</u>	<u>15,772,170</u>	<u>16,002,798</u>
EXPENDITURE ON					
Raising funds	5	1,573,438	-	1,573,438	1,727,032
Charitable activities					
General	6	202,187	10,612,531	10,814,718	12,831,232
Other	9	(31,487)	-	(31,487)	14,549
Total		<u>1,744,138</u>	<u>10,612,531</u>	<u>12,356,669</u>	<u>14,572,813</u>
NET INCOME		3,415,501	-	3,415,501	1,429,985
RECONCILIATION OF FUNDS					
Total funds brought forward		8,860,685	-	8,860,685	7,430,700
TOTAL FUNDS CARRIED FORWARD		<u>12,276,186</u>	<u>-</u>	<u>12,276,186</u>	<u>8,860,685</u>

The notes form part of these financial statements

Orphans in Need (Registered number: 07797095)

Balance Sheet
31st January 2023

	Notes	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Intangible assets	14	30,734	-	30,734	31,387
Tangible assets	15	852,837	-	852,837	854,173
Investment property	16	125,000	-	125,000	125,000
		<u>1,008,571</u>	<u>-</u>	<u>1,008,571</u>	<u>1,010,560</u>
CURRENT ASSETS					
Debtors	17	343,696	-	343,696	176,178
Cash at bank		<u>11,828,900</u>	<u>-</u>	<u>11,828,900</u>	<u>8,298,510</u>
		<u>12,172,596</u>	<u>-</u>	<u>12,172,596</u>	<u>8,474,688</u>
CREDITORS					
Amounts falling due within one year	18	(904,981)	-	(904,981)	(624,563)
NET CURRENT ASSETS		<u>11,267,615</u>	<u>-</u>	<u>11,267,615</u>	<u>7,850,125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,276,186</u>	<u>-</u>	<u>12,276,186</u>	<u>8,860,685</u>
NET ASSETS		<u>12,276,186</u>	<u>-</u>	<u>12,276,186</u>	<u>8,860,685</u>
FUNDS	20				
Unrestricted funds				<u>12,276,186</u>	<u>8,860,685</u>
TOTAL FUNDS				<u>12,276,186</u>	<u>8,860,685</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24th October 2023 and were signed on its behalf by:

A Musa - Trustee

The notes form part of these financial statements

Orphans in Need

Cash Flow Statement
for the year ended 31st January 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>3,515,635</u>	<u>1,944,178</u>
Net cash provided by operating activities		<u>3,515,635</u>	<u>1,944,178</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(11,589)	(11,520)
Purchase of tangible fixed assets		(18,739)	(4,085)
Sale of tangible fixed assets		-	654
Interest received		<u>45,083</u>	<u>5,080</u>
Net cash provided by/(used in) investing activities		<u>14,755</u>	<u>(9,871)</u>
Change in cash and cash equivalents in the reporting period		<u>3,530,390</u>	<u>1,934,307</u>
Cash and cash equivalents at the beginning of the reporting period		<u>8,298,510</u>	<u>6,364,203</u>
Cash and cash equivalents at the end of the reporting period		<u>11,828,900</u>	<u>8,298,510</u>

The notes form part of these financial statements

Orphans in Need

Notes to the Cash Flow Statement
for the year ended 31st January 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	3,415,501	1,429,985
Adjustments for:		
Depreciation charges	32,317	28,061
Profit on disposal of fixed assets	-	(18)
Interest received	(45,083)	(5,080)
Increase in debtors	(167,518)	(4,439)
Increase in creditors	280,418	495,669
Net cash provided by operations	<u>3,515,635</u>	<u>1,944,178</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/2/22	Cash flow	At 31/1/23
	£	£	£
Net cash			
Cash at bank	8,298,510	3,530,390	11,828,900
	<u>8,298,510</u>	<u>3,530,390</u>	<u>11,828,900</u>
Total	<u>8,298,510</u>	<u>3,530,390</u>	<u>11,828,900</u>

The notes form part of these financial statements

Orphans in Need

Notes to the Financial Statements **for the year ended 31st January 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Orphans in Need is a company, limited by guarantee, registered in England and Wales. The company's registered numbers and registered office can be found on the Report of the Trustees on page 3.

The presentation currency of the financial statements is the Pound Sterling (£).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 to which they relate.

Key judgements concerned the inclusion of a provision for payments to OIN Pakistan of £752k post year which had been delayed due to registration issues only.

Key estimates are the carrying value of freehold properties under the revaluation model.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. There are three main types of income

Donations - for these to be recognised the charity will have been notified of the amounts and the settlement date in writing, if there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable they will be fulfilled.

Gift Aid - this is recognised as claimed and receivable from HMRC.

Donated Facilities and Professional Services - these are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Orphans in Need

Notes to the Financial Statements - continued for the year ended 31st January 2023

1. ACCOUNTING POLICIES - continued

Website costs

Website costs are amortised over 5 years.

TV Commercials are amortised over 5 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Freehold Property is held under the revaluation model.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Government grants

Government grants are recognised using the accruals model. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the assets to which they relate.

A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the company with no future related costs, is credited to income in the period in which it becomes receivable.

Orphans in Need

Notes to the Financial Statements - continued for the year ended 31st January 2023

2. DONATIONS AND LEGACIES

			2023 Restricted	2023 Unrestricted	2023 Total	2022 Total
	£	£	£	£		
Donations			7,556,464	3,841,765	11,398,229	12,009,578
Gift Aid			-	1,265,083	1,265,083	1,234,646
Donated Services and Facilities			3,056,067	-	3,056,067	2,714,350
			<u>10,612,531</u>	<u>5,106,848</u>	<u>15,719,379</u>	<u>15,958,574</u>

Restricted income is based on the donors specified cause. A breakdown is provided below.

			2023	2022
	£	£		
Water			1,040	14,790
Orphans			4,939,188	5,187,119
Places of Worship			120	935
Food			2,615,141	2,634,150
Emergency			950	439,665
Medical Supplies			3,056,067	2,714,350
			<u>10,612,531</u>	<u>10,991,009</u>

Cause details:

Water - Project to provide access to clean water.

Orphans - Sponsorship of orphans helps house orphans throughout the world in order to help ensure that they receive an education, food, healthcare and medical support that children need.

Places of Worship - Providing the community with a place to congregate for Worship and community activities.

Food - Providing monthly food parcels to widows and orphans.

Emergency - Providing emergency aid to conflict areas.

Medical Supplies - Medical supplies donated and supplied by a partner.

3. INVESTMENT INCOME

	2023	2022
	£	£
Rents received	6,300	5,750
Deposit account interest	<u>45,083</u>	<u>5,080</u>
	<u>51,383</u>	<u>10,830</u>

Orphans in Need

Notes to the Financial Statements - continued for the year ended 31st January 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	General	Total activities
	£	£
Grants	<u>1,408</u>	<u>33,376</u>

5. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Staff costs	320,599	394,887
Postage and stationery	15,451	12,083
Digital exposure	366,504	573,239
Marketing	355,397	362,373
Fund raising expenses	365,329	294,563
Telephone	10,964	9,209
Motor and travel	71,819	24,602
Accommodation	25,517	2,096
Bank charges	41,858	53,980
	<u>1,573,438</u>	<u>1,727,032</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£	£
General	<u>974,928</u>	<u>9,790,520</u>	<u>49,270</u>	<u>10,814,718</u>

7. GRANTS PAYABLE

	2023	2022
	£	£
General	<u>9,790,520</u>	<u>11,867,987</u>

The total donations paid to institutions during the year was as follows:

	2023	2022
	£	£
Orphans in Need - India	1,343,054	4,558,146
Orphans in Need - Jammu & Kashmir	1,571,778	1,400,000
Alsabil Welfare House	1,141,791	1,296,643
Orphans in Need - Pakistan	300,400	300,400
Novo Jibon	268,673	320,129
OIN Nepal	647,489	263,240
OIN USA	532,434	156,426
African Development Trust	194,662	211,283

Orphans in Need

Notes to the Financial Statements - continued
for the year ended 31st January 2023

7. GRANTS PAYABLE - continued

Donated Pharmaceuticals	3,056,067	2,714,350
Other grants of less than £150,000 in the period	<u>734,171</u>	<u>647,370</u>
	<u>9,790,519</u>	<u>11,867,987</u>

A full list of individual grants and projects is available from our principal office.

8. SUPPORT COSTS

	Management	Governance	Totals
	£	costs £	£
General	<u>10,103</u>	<u>39,167</u>	<u>49,270</u>

9. OTHER

	2023	2022
	£	£
Foreign exchange	2,078	-
Loans written off	<u>(33,565)</u>	<u>14,549</u>
	<u>(31,487)</u>	<u>14,549</u>

The loan written off relates to the recovery of the Cafe Blu loan.

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	6,200	5,700
Depreciation - owned assets	20,075	18,136
Surplus on disposal of fixed assets	-	(18)
TV Commercial amortisation	2,125	-
Website Costs amortisation	<u>10,117</u>	<u>9,925</u>

Orphans in Need

Notes to the Financial Statements - continued for the year ended 31st January 2023

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st January 2023 nor for the year ended 31st January 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st January 2023 nor for the year ended 31st January 2022.

12. STAFF COSTS

		2023	2022
	£		
Wages and salaries		628,993	655,088
Social security costs		51,206	52,660
Pension		9,667	11,071
		<u>689,866</u>	<u>718,819</u>

The average monthly number of employees during the year was as follows:

2023	2022
<u>28</u>	<u>29</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	4,967,565	10,991,009	15,958,574
Charitable activities			
General	33,376	-	33,376
Investment income	10,830	-	10,830
Other income	18	-	18
Total	<u>5,011,789</u>	<u>10,991,009</u>	<u>16,002,798</u>
EXPENDITURE ON			
Raising funds	1,727,032	-	1,727,032
Charitable activities			
General	1,840,223	10,991,009	12,831,232
Other	14,549	-	14,549
Total	<u>3,581,804</u>	<u>10,991,009</u>	<u>14,572,813</u>

Orphans in Need

Notes to the Financial Statements - continued
for the year ended 31st January 2023

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
NET INCOME	1,429,985	-	1,429,985
RECONCILIATION OF FUNDS			
Total funds brought forward	7,430,700	-	7,430,700
TOTAL FUNDS CARRIED FORWARD	<u>8,860,685</u>	<u>-</u>	<u>8,860,685</u>

14. INTANGIBLE FIXED ASSETS

	TV Commercial £	Website Costs £	Totals £
COST			
At 1st February 2022	-	50,584	50,584
Additions	11,589	-	11,589
At 31st January 2023	<u>11,589</u>	<u>50,584</u>	<u>62,173</u>
AMORTISATION			
At 1st February 2022	-	19,197	19,197
Charge for year	2,125	10,117	12,242
At 31st January 2023	<u>2,125</u>	<u>29,314</u>	<u>31,439</u>
NET BOOK VALUE			
At 31st January 2023	<u>9,464</u>	<u>21,270</u>	<u>30,734</u>
At 31st January 2022	<u>-</u>	<u>31,387</u>	<u>31,387</u>

Orphans in Need

Notes to the Financial Statements - continued
for the year ended 31st January 2023

15. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st February 2022	800,000	103,649	9,778	204,610	1,118,037
Additions	-	-	-	18,739	18,739
At 31st January 2023	<u>800,000</u>	<u>103,649</u>	<u>9,778</u>	<u>223,349</u>	<u>1,136,776</u>
DEPRECIATION					
At 1st February 2022	-	70,007	7,701	186,156	263,864
Charge for year	-	5,046	519	14,510	20,075
At 31st January 2023	-	<u>75,053</u>	<u>8,220</u>	<u>200,666</u>	<u>283,939</u>
NET BOOK VALUE					
At 31st January 2023	<u>800,000</u>	<u>28,596</u>	<u>1,558</u>	<u>22,683</u>	<u>852,837</u>
At 31st January 2022	<u>800,000</u>	<u>33,642</u>	<u>2,077</u>	<u>18,454</u>	<u>854,173</u>

The Freehold Property was professionally valued by Hayfield Robinson in October 2021. Original cost was £644,091.

16. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st February 2022 and 31st January 2023	<u>125,000</u>
NET BOOK VALUE	
At 31st January 2023	<u>125,000</u>
At 31st January 2022	<u>125,000</u>

The investment property was professionally valued by Hayfield Robinson in October 2021.

Orphans in Need

Notes to the Financial Statements - continued
for the year ended 31st January 2023

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Other debtors	82,974	52,053
Prepayments	<u>260,722</u>	<u>124,125</u>
	<u>343,696</u>	<u>176,178</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	109,667	138,940
Social security and other taxes	12,752	14,848
Other creditors	8,677	2,897
Accrued expenses	<u>773,885</u>	<u>467,878</u>
	<u>904,981</u>	<u>624,563</u>

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	28,513	30,000
Between one and five years	<u>27,580</u>	<u>43,750</u>
	<u>56,093</u>	<u>73,750</u>

20. MOVEMENT IN FUNDS

	At 1/2/22	Net movement in funds	At 31/1/23
	£	£	£
Unrestricted funds			
General fund	8,860,685	3,415,501	12,276,186
TOTAL FUNDS	<u>8,860,685</u>	<u>3,415,501</u>	<u>12,276,186</u>

Orphans in Need

Notes to the Financial Statements - continued
for the year ended 31st January 2023

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,159,639	(1,744,138)	3,415,501
Restricted funds			
Restricted Fund	10,612,531		-
TOTAL FUNDS	15,772,170	(12,356,669)	3,415,501

Comparatives for movement in funds

	At 1/2/21 £	Net movement in funds £	At 31/1/22 £
Unrestricted funds			
General fund	7,430,700	1,429,985	8,860,685
TOTAL FUNDS	7,430,700	1,429,985	8,860,685

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,011,789	(3,581,804)	1,429,985
Restricted funds			
Restricted Fund	10,991,009	(10,991,009)	-
TOTAL FUNDS	16,002,798	(14,572,813)	1,429,985

Orphans in Need

Notes to the Financial Statements - continued
for the year ended 31st January 2023

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/2/21 £	Net movement in funds £	At 31/1/23 £
Unrestricted funds			
General fund	7,430,700	4,845,486	12,276,186
TOTAL FUNDS	<u>7,430,700</u>	<u>4,845,486</u>	<u>12,276,186</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	10,171,428	(5,325,942)	4,845,486
Restricted funds			
Restricted Fund	21,603,540	(21,603,540)	-
TOTAL FUNDS	<u>31,774,968</u>	<u>(26,929,482)</u>	<u>4,845,486</u>

Restricted funds relate to donations made by individuals to one of the charities specific projects/areas as per note 2.

21. RELATED PARTY DISCLOSURES

Trustees Val Scarll and Anis Musa are directors in Cafe Blu Limited, which was originally set up by the charity to promote itself and attract donations.

Cafe Blu Limited in the year repaid loans previously written off to the value of £33,565 after sale of final assets (2022: £14,549 written off). There is no balance due to Orphans in Need as at 31st January 2023.