

Charity registration number 1172092

DH FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 05 APRIL 2023

DH FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mohamad Ullah (Chair) Imran Nabi Mohammed Mostak Ahmed Homuyan Kamal Abdul Rouf
Charity number	1172092
Principal address	DH Centre 31 Church Road Manor Park London E12 6AD
Accountants	Grip Business Consultancy Ltd 101 Lockhurst Lane Coventry CV6 5SF
Bankers	HSBC Account Name: DH Foundation Account Number: 62690977 Sort Code: 400244

DH FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 4
Independent examiners' report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 16

DH FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Trustees present their report along with the consolidated financial statements of the Charity for the year ended 5 April 2023. The financial statements have been prepared based on the accounting policies set out in the notes to the financial statements and comply with the charity's governing document.

About DH Foundation

DH Foundation is a UK registered charity (UK registered charity no. 1172092), established in 1997 determined to make a difference to the lives of those afflicted by poverty and suffering in Bangladesh. DH Foundation implements a range of charitable programmes aimed at not only providing immediate relief to the poor and needy but also address ways in which the Charity's beneficiaries can become economically active and self-sufficient in the long term. The Organisation takes a holistic view to tackling poverty and its actions and activities encompass all the essential requirements of human life such as food, water, shelter, clothing, medicine, education, training and employment.

Objectives:

The Charity's objectives are –

- The relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities.
- The promotion of sustainable means of achieving economic growth and regeneration.
- The perseveration, conservation and the protection of the environment and the prudent use of resources.

How We Work

The Charity delivers its charitable aims in two ways:

- Through direct delivery in areas where we have own personnel; and
- Through grant making, using our partner organisations.

Work is carried out by partner organisations is especially useful in areas where the charity has no established infrastructure for managing personnel and operations or where it provides a more economical approach than using our own teams. We decide on which areas of Bangladesh we work, taking into account the following factors:

- Incidence of natural disasters;
- Data on levels of poverty and vulnerability;
- Honouring our existing commitments to prevent or relieve poverty and suffering;
- Information from our partners about areas of deprivation and need;
- Availability of local partners with their willingness and capacity to work with us; and
- The degree of stability, safety and security in the areas of operation.

DH FOUNDATION

We have an ethical stance where we seek to provide our programmes without detriment to the local economy or community. To this end, where beneficial, we seek to locally source labour, materials and supplies. This approach assists local businesses and the local economy.

Governance and Management

The board of trustees aim to ensure the critical functions of the Charity have access to expertise from a non-executive level. The board of trustees is eager to build further competence and over the next 12-24 months is seeking to build a network of specialist advisors to provide further support to the trustees in management and programmes.

The governance of the charity is supported through monthly board of trustees meetings, which ensures all fiduciary responsibilities are completed and support is given to the delivery of the Charity's strategic and operational plan.

Achievement and Performance

2023 was a year of substantial progress from a programme's perspective. The key achievements for the Charity during the year are:

- During Ramadan, 100,000 needy and vulnerable people were supported through the Charity's Ramadan food aid programme.
- Over 1,000 orphans were given Eid gifts on the occasion of Eid ul Fitr and Eid ul Adha.
- As part of the Charity's WASH (water, sanitation and hygiene) programme, 30 deep water wells were installed in communities which face water scarcity.
- The Charity supported over 90 new shelter constructions in communities affected by floods.
- During the Charity's annual Winter programme, 4,500 winter blankets were distributed with a particular focus on vulnerable families living on streets.
- 40 students graduated from Hifz and educational programmes supported by the Charity.
- The Charity supported over 20 mosque constructions.
- 500 tonnes of rice were distributed to poor and needy families facing food scarcity and poverty.
- The Charity also provided emergency food assistance to thousands of people affected by floods.

Use of volunteers

Volunteers are an important resource in our work. Volunteers are involved in most of our activities and we have over 20 people as well as our trustees all giving their time freely. Volunteers are trained in their roles and are provided expenses and are provided assistance where and when required. We regularly encourage people from the community to get involved and offer their support however big or small.

Financial Review

In 2023, the Charity's total income for the year was £ 773,662 (2022: £597,458), representing 29.49% increase on last year.

- Donations and legacies: The total donations received during the year were £ 773,662 (2022: £597,458), representing an increase in donation from the prior year. There is encouraging progress reflecting the work done to increase awareness of the Charity and its impactful work in Bangladesh. In 2024, the Charity will focus on building upon this further in addition to working on increasing the level of regular donations.
- Charitable expenditure: these include cost of fundraising activities and operations. Overall the expenditure increased by 275% to £118,896 (2022: £31,705), driven by the increase in activities. Aid payments increased by 16% due to the Charity increasing its activities in Bangladesh supporting needy

DH FOUNDATION

beneficiaries through various projects such as the construction of water wells, food aid, shelters and emergency relief.

- The Charity's total operational expenditure, including cost of fundraising during 2023 was £780,970.

Reserves Policy

DH Foundation's board of trustees has determined that a minimum of 3 months' operational expenditure be maintained as reserves. The Board reviews the reserves policy annually.

At year-end, DH Foundation funds amount to £12,870.

Plans for the Future

The Charity will continue to meet its stated objectives over the next few years and will increase its focus on long-term sustainable development and economic empowerment projects.

Risk Management

All significant activities undertaken are subject to a risk review as part of the initial activity assessment and implementation. Major risk are identified and ranked in terms of their potential impact and likelihood.

The Charity, guided by external consultants seeks to develop its culture of risk identification and management further over the short-term future.

Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to our personnel and volunteers;
- Financial sustainability, including stability and security of funds;
- Achievement of our aims and objectives; or
- Meeting the expectations of our beneficiaries and/or supporters

The trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage identified risks. Where appropriate, risks are mitigated/managed through insurance policies.

The following framework is central to ensuring adequate risk assurance:

- Regular monitoring of major risks and development of action plans;
- Embedding risk identification and assessment within operating procedures;
- A clear structure of delegated authority and control;
- Review of key systems and procedures through internal arrangements;
- Income and profit targets for our fundraising activities;
- Maintaining reserves in line with set policies; and
- Regular summary reports on risk management to the Board of Trustees which are discussed in meetings of the Board of trustees and a resolution put in place to manage those risks.

Trustees' Responsibilities Statement

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

DH FOUNDATION

The law applicable to charities in England and Wales require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees Responsibilities

Each of the persons who is a trustee at the date of approval of this report confirmed that:

- as they are aware, there is no relevant information of which the Charity's accountants are unaware and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant examined information and to establish the Charity's accountants aware of that information.

The trustees' annual report was approved on 31st December 2023 and signed of behalf of the Board of Trustees by:

Mohammed Ullah
Chair of the Board of Trustees

I report to the trustees on my examination of the financial statements of DH Foundation for the year ended 5 April 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

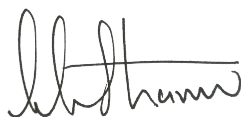
As the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination by being a qualified member of Chartered Institute Management Accountants.

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

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

We have examined the financial statements of the charity and found that the charity has lost £30,000 due to poor internal control. We strongly recommend that the charity adopts all the control measures as per the Charity Commission guidelines in the UK to prevent such losses in the future.

I have no other 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.



Grip Business Consultancy Ltd
101 Lockhurst Lane
Coventry
CV6 5SF
05 April 2023

H Ganeswaran ACMA, CGMA
Grip Business Consultancy Ltd
Chartered Management Accountants
T: 0203 086 9055 F: 0207 691 7422
E: harish@gripbusiness.co.uk
W: www.gripbusiness.co.uk

DH Foundation
Statement of Financial Activities
for the year ended 5 April 2023

	Notes	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:				
Donations and legacies	3	773,662	773,662	597,458
Total		773,662	773,662	597,458
Expenditure on:				
Raising funds	4	34,653	34,653	18,220
Charitable activities	5	662,074	662,074	569,564
Other	6	84,243	84,243	13,485
Total		780,970	780,970	601,269
Net gains on investments		-	-	-
Net expenditure		(7,308)	(7,308)	(3,811)
Transfers between funds		-	-	-
Net expenditure before other gains/(losses)		(7,308)	(7,308)	(3,811)
Other gains and losses				
Net movement in funds		(7,308)	(7,308)	(3,811)
Reconciliation of funds:				
Total funds brought forward		20,178	20,178	23,989
Total funds carried forward		12,870	12,870	20,178

DH Foundation
Balance Sheet

at 5 April 2023

Charity No. 1172092

	2023 £	2022 £
Current assets		
Cash at bank and in hand	12,870	20,178
	<u>12,870</u>	<u>20,178</u>
Net current assets	12,870	20,178
Total assets less current liabilities	<u>12,870</u>	<u>20,178</u>
Net assets excluding pension asset or liability	<u>12,870</u>	<u>20,178</u>
Total net assets	<u>12,870</u>	<u>20,178</u>
The funds of the charity		
Restricted funds	8	
Unrestricted funds	8	
General funds	12,870	20,178
	<u>12,870</u>	<u>20,178</u>
Reserves	8	
Total funds	<u>12,870</u>	<u>20,178</u>

Approved by the trustees on 05 April 2023

And signed on their behalf by:

Mohammed Ullah



Chair of the Board of Trustees
05 April 2023

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice: 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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
-----------------------	---

Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
---------------------------------	--

Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
------------------------	--

Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
-------------------------------------	---

Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
---------------------------------	--

Volunteer help	The value of any volunteer help received is not included in the accounts.
----------------	---

Investment income	This is included in the accounts when receivable.
-------------------	---

Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
---	---

Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.
-------------------------------------	--

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from tax on its charitable activities.

Freehold investment property

Investment properties are measured initially at cost and subsequently at fair value at each balance sheet date and are not depreciated. All gains or losses are taken to the Statement of Financial Activities as they arise.

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities denominated in currencies other than the functional currency of the charity are translated at the rates of exchange prevailing at the end of the reporting period.

Transactions in currencies other than the functional currency of the charity are recorded at the rate of exchange on the date that the transaction occurred.

All exchange differences are taken into account in arriving at net income/expenditure.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Statement of Financial Activities - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Income and endowments from:		
Donations and legacies	597,458	597,458
Total	<u>597,458</u>	<u>597,458</u>
Expenditure on:		
Raising funds	18,220	18,220
Charitable activities	569,564	569,564
Other	13,485	13,485
Total	<u>601,269</u>	<u>601,269</u>
Net income	<u>(3,811)</u>	<u>(3,811)</u>
Net income before other gains/(losses)	(3,811)	(3,811)
Other gains and losses:		
Net movement in funds	<u>(3,811)</u>	<u>(3,811)</u>
Reconciliation of funds:		
Total funds brought forward	23,988	23,988
Total funds carried forward	<u><u>20,177</u></u>	<u><u>20,177</u></u>

3 Income from donations and legacies

Unrestricted	Total 2023	Total 2022
£	£	£
773,662	773,662	597,458
<u>773,662</u>	<u>773,662</u>	<u>597,458</u>

4 Expenditure on raising funds

Unrestricted	Total 2023	Total 2022
£	£	£
<i>Fundraising trading costs</i>		
34,653	34,653	18,220
<u>34,653</u>	<u>34,653</u>	<u>18,220</u>

5 Expenditure on charitable activities

	Unrestricted	Total 2023	Total 2022
	£	£	£
<i>Expenditure on charitable activities</i>			
	662,074	662,074	569,564
<i>Governance costs</i>			
	<u>662,074</u>	<u>662,074</u>	<u>569,564</u>

6 Other expenditure

	Unrestricted	Total 2023	Total 2022
	£	£	£
Exceptional costs	30,000	30,000	-
Employee costs	50,031	50,031	1,903
Premises costs	1,000	1,000	4,210
General administrative costs	2,862	2,862	872
Legal and professional costs	350	350	6,500
	<u>84,243</u>	<u>84,243</u>	<u>13,485</u>

7 Staff costs

	2023	2022
Salaries and wages	49,780	-
	<u>49,780</u>	<u>-</u>

No employee received emoluments in excess of £60,000.

8 Movement in funds

	At 6 April 2022	Incoming resources (including other gains/losses) £	Resources expended £	At 5 April 2023 £
Restricted funds:				
Unrestricted funds:				
General funds	20,178	773,662	(780,970)	12,870
	<u>20,178</u>	<u>773,662</u>	<u>(780,970)</u>	<u>12,870</u>

9 Analysis of net assets between funds

	Unrestricted funds £	Total £
Net current assets	12,870	12,870
	<u>12,870</u>	<u>12,870</u>

10 Reconciliation of net debt

	At 6 April 2022 £	Cash flows £	At 5 April 2023 £
Cash and cash equivalents	20,178	(7,308)	12,870
	<u>20,178</u>	<u>(7,308)</u>	<u>12,870</u>
Net debt	<u>20,178</u>	<u>(7,308)</u>	<u>12,870</u>

DH Foundation
Statement of Cash flows
for the year ended 5 April 2023

	2023 £	2022 £
Cash flows from operating activities		
Net expenditure per Statement of Financial Activities	(7,308)	(3,811)
Net cash used in operating activities	<u>(7,308)</u>	<u>(3,811)</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(7,308)	(3,811)
Cash and cash equivalents at the beginning of the year	20,178	23,988
Cash and cash equivalents at the end of the year	<u>12,870</u>	<u>20,177</u>
Components of cash and cash equivalents		
Cash and bank balances	12,870	20,178
	<u>12,870</u>	<u>20,178</u>

DH Foundation
Detailed Statement of Financial Activities
for the year ended 5 April 2023

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:			
Donations and legacies	773,662	773,662	597,458
	<u>773,662</u>	<u>773,662</u>	<u>597,458</u>
Total income and endowments	773,662	773,662	597,458
Expenditure on:			
Costs of other trading activities	34,653	34,653	18,220
	<u>34,653</u>	<u>34,653</u>	<u>18,220</u>
Total of expenditure on raising funds	34,653	34,653	18,220
Charitable activities	662,074	662,074	569,564
	<u>662,074</u>	<u>662,074</u>	<u>569,564</u>
Total of expenditure on charitable activities	662,074	662,074	569,564
Exceptional costs	30,000	30,000	-
	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Employee costs			
Salaries/wages	49,780	49,780	-
Staff training	251	251	1,903
	<u>50,031</u>	<u>50,031</u>	<u>1,903</u>
Premises costs			
Rent	1,000	1,000	4,210
	<u>1,000</u>	<u>1,000</u>	<u>4,210</u>
General administrative costs, including depreciation and amortisation			
Sundry expenses	2,862	2,862	872
	<u>2,862</u>	<u>2,862</u>	<u>872</u>
Legal and professional costs			
Solicitor's fees	350	350	6,500
	<u>350</u>	<u>350</u>	<u>6,500</u>
Total of expenditure of other costs	<u>84,243</u>	<u>84,243</u>	<u>13,485</u>
Total expenditure	780,970	780,970	601,269
Net gains on investments	-	-	-

DH Foundation
Detailed Statement of Financial Activities

Net expenditure	(7,308)	(7,308)	(3,811)
Net expenditure before other gains/(losses)	(7,308)	(7,308)	(3,811)
Other Gains	-	-	-
Net movement in funds	(7,308)	(7,308)	(3,811)
Reconciliation of funds:			
Total funds brought forward	20,178	20,178	23,989
Total funds carried forward	12,870	12,870	20,178