

Charity registration number: 1178778

Aghosh UK

Annual Report and Financial Statements
for the Year Ended 31 December 2021

Aghosh UK

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 4

Aghosh UK

Reference and Administrative Details

Trustees	Dr Adeel Riaz Muhammad Luqman Usama Ayoub Farid ud Din Lodhi
Principal Office	Dua Governance Bradford Court Business Centre 123-131 Bradford St Birmingham B12 0NS
Charity Registration Number	1178778
Bankers	Barclays PLC

Aghosh UK

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2021.

Objectives and activities

Objects and aims

- a) the prevention or relief of poverty or financial hardship in Pakistan, specifically Azad Jammu and Kashmir and also anywhere in the world;
- b) the relief and assistance of persons who are the victims of war or natural or other kinds of disaster, trouble, or catastrophe;
- c) for the public benefit to promote and advance the education (including social and physical training) in such ways as the charity trustees think fit;
- d) the relief of sickness and the preservation of health in Pakistan, specifically Azad Jammu and Kashmir and in any part of the world;
- e) the advancement of such other purposes as are exclusively charitable in England and Wales as the trustees shall determine in their sole discretion.

Public benefit

The section of this report below entitled 'objectives and activities' sets out the objects and aims of the charity. The trustees have considered this, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that:

- the aims of the charity continue to be charitable;
- the work done by the charity gives identifiable benefits to the charitable sector and both directly and indirectly to individuals in need;
- the benefits are for the public; not unreasonably restricted in any way;
- there is no detriment or harm arising from the aims or activities.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Aghosh UK

Trustees' Report

Achievements and performance

Orphans -

Orphans are those innocent souls who suffer the most on earth due to the absence of proper parental support. Being from the most suffering segment of society, they require an abundance of support to have their lives restored back to normality. According to the United Nations, there are more than 4.6 million orphan children in Pakistan.

We work with a local partner, Alkhidmat foundation Pakistan, to provide a comprehensive mental, social and moral growth of the sponsored children through a comprehensive multi-module framework.

Our sponsored orphans (aged 16 or below) continue to live with their parent or any other related guardian in the case of both parents dying. This programme provides the necessary financial support for educational and everyday needs. The financial support includes school fees and an allowance on a quarterly basis along with regular provision of an educational kit which includes school bag, curriculum books, stationery, seasonal uniforms, and shoes. Additionally, Child Character Development Program has also been designed for moral and social growth of the sponsored children.

Aghosh UK are presently sponsoring 152 orphans in Azad Kashmir.

Education -

Pakistan is among the developing countries where majority of people are deprived of quality education. Poverty is one of the main reason for the lack of education. People residing in Pakistan do not have enough resources to meet the educational expenses for their children.

Aghosh UK is currently holding an educational campaign, in partnership with Al Khidmat Foundation Pakistan, to support 600 talented students in Punjab, Pakistan for 6 months, from December 2020 to May 31 2021. Majority of the students at the chosen institution are orphans and the objective is to provide them with education as well as food, accommodation, and medical facilities. Similarly, the rest of the students are belonging to extremely poor families and their parents are not able to afford expenses for their education. The students will be provided with education up to bachelor level. The project will help the talented students of Pakistan to complete their studies, become useful members of society, support their families with regular income and serve their motherland.

Aghosh UK have also supported a Girls School Lab in Punjab, Pakistan. Currently, Aghosh Alkhidmat Sheikhpura (Boys Campus) was established in April, 2016 in Sheikhpura. It is a huge capacious building and offers unmatched boarding/lodging, education and health care facilities to orphan boys from Class 1 to Class 10 on the pattern of a Cadet College. Presently, 70 Orphan boys are benefiting from this project.

Aghosh Alkhidmat Sheikhpura (Girls Camps) will be established on same pattern. The construction of Aghosh Alkhidmat Sheikhpura (Girls Campus) had started in May 2018 and will eventually have capacity to accommodate 250 orphan Girls. The project is set to be completed in March 2021. Establishment of Aghosh Alkhidmat Sheikhpura (Girls) will help provide better boarding, lodging & educational facilities to orphan girls residing in it. The execution of this project will ensure students to be excellent and responsible citizens of Pakistan.

Water project -

Pakistan is on its way to become a water deficient country as it stands at 14th position among the most water-deficient countries in the world. Safe drinking water is one of Pakistan's most immediate and crucial problems that demands earliest action to be taken for its resolution.

Aghosh UK, working alongside Alkhidmat Foundation Pakistan, is practically active to ensure the provision of clean drinking water by installing hand-pumps in arid lands, drilling water-wells in remote water-scarce areas, installing water-filtration plants in cities, and supplying water to homes in villages through its water schemes. Aghosh UK's Clean Water Programme takes every possible measure according to the needs of the water-scarce regions to implement its mission.

Aghosh UK

Trustees' Report

Emergency and Food Packs -

Due to the outbreak of Coronavirus (COVID-19), which was declared a public health emergency of international concern by the World Health Organisation (WHO), Pakistan was put under a nationwide lockdown. Millions of labourers, including women, unfortunately had no work during this lockdown. They were struggling to survive and were unable to feed their family. Labourers, especially daily wagers and contract employees were laid off without any notice.

Aghosh UK helped provide 862 Food Packages for the underprivileged people of Azad Jammu & Kashmir (AJK) and Gilgit Baltistan (GB)-Pakistan. Majority of the people residing in these areas have poor & low-social economic background and do not have enough resources to provide the basic necessities of life to their families. Each food package cost approximately £20 and consisted of flour, oil, butter, rice, sugar and pulses.

Aghosh UK also provided 239 Food Packages among the Flood Affectees of Sindh-Pakistan. According to a report released by Provincial Disaster Management Authority (PDMA) regarding the casualties and damages in rain-related incidents, hundreds of people including women and children have died in Sindh and Balochistan during the monsoon rains. The flash floods injured thousands of people and caused damage to more than 2,000 houses. Provision of food packages brought some sort of normality for a day in the lives of poor & deserving families that were severely affected by the flood.

Financial review

The charity raised £211k (2020: £87.4k) and spent £126.7k (2020: £87.3k). The charity made a surplus of £84,8k (2020: Surplus £47). The charity spent the surplus after year end.

Policy on reserves

The trustees believe that the charity has sufficient cash in the bank and adequate fundraising plans in place to ensure the charity is able to meet its costs.

Structure, governance and management

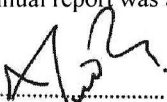
Organisational structure

The charity is an Charitable Incorporated Organisation, CIO – Foundation governed by a Constitution dated 13 June 2018 and registered with the Charities Commission on the same date.

Trustees are legally responsible for the governance and management of the charity. The Trust has Trustees appointed for life.

Trustees are responsible of setting strategies and policies for ensuring these are implemented.

The annual report was approved by the trustees of the charity on 31 October 2022 and signed on its behalf by:


.....
Dr Adeel Riaz
Trustee

Aghosh UK

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Aghosh UK

Independent Examiner's Report to the trustees of Aghosh UK

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2021 which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

As the charity's trustees of Aghosh UK you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the Aghosh UK's accounts 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

I have completed my examination. I 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:

1. accounting records were not kept in respect of Aghosh UK as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting 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 accounts to be reached.



Naeem Shareef
ICAEW

Shareef & Co
Chartered Accountants
18-22 Stoney Lane
Yardely
Birmingham
B25 8YP

Date: 31 October 2022

Aghosh UK

Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		5,188	206,306	211,494
Expenditure on:				
Raising funds		-	(2,678)	(2,678)
Charitable activities		(6,648)	(117,340)	(123,988)
Total expenditure		(6,648)	(120,018)	(126,666)
Net (expenditure)/income		(1,460)	86,288	84,828
Net movement in funds		(1,460)	86,288	84,828
Reconciliation of funds				
Total funds brought forward		3,698	905	4,603
Total funds carried forward	12	2,238	87,193	89,431

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies		13,105	74,301	87,406
Total income		13,105	74,301	87,406
Expenditure on:				
Charitable activities		(1,204)	(86,155)	(87,359)
Total expenditure		(1,204)	(86,155)	(87,359)
Net income/(expenditure)		11,901	(11,854)	47
Gross transfers between funds		(12,759)	12,759	-
Net movement in funds		(858)	905	47
Reconciliation of funds				
Total funds brought forward		4,556	-	4,556
Total funds carried forward	12	3,698	905	4,603

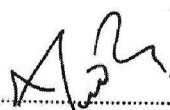
All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 12.

Aghosh UK

**(Registration number: 1178778)
Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
Current assets			
Cash at bank and in hand	10	93,431	5,503
Creditors: Amounts falling due within one year	11	<u>(4,000)</u>	<u>(900)</u>
Net assets		<u><u>89,431</u></u>	<u><u>4,603</u></u>
Funds of the charity:			
Restricted income funds			
Restricted funds		87,193	905
Unrestricted income funds			
Unrestricted funds		<u>2,238</u>	<u>3,698</u>
Total funds	12	<u><u>89,431</u></u>	<u><u>4,603</u></u>

The financial statements on pages 8 to 15 were approved by the trustees, and authorised for issue on 31 October 2022 and signed on their behalf by:


.....
Dr Adeel Riaz
Trustee

Aghosh UK

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Aghosh UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Aghosh UK

Notes to the Financial Statements for the Year Ended 31 December 2021

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Aghosh UK

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from individuals	5,188	206,306	211,494	87,406
	<u>5,188</u>	<u>206,306</u>	<u>211,494</u>	<u>87,406</u>

3 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Restricted funds £	Total 2021 £
Marketing and publicity		<u>2,678</u>	<u>2,678</u>

4 Expenditure on charitable activities

	Grant funding of activity £	Activity support costs £	Total 2021 £	Total 2020 £
Orphans	68,070	-	68,070	12,690
Education	27,485	-	27,485	31,000
Water Project	1,925	-	1,925	9,685
Emergency	-	-	-	28,420
Food	19,860	-	19,860	4,360
General	-	6,648	6,648	1,204
	<u>117,340</u>	<u>6,648</u>	<u>123,988</u>	<u>87,359</u>

Aghosh UK

Notes to the Financial Statements for the Year Ended 31 December 2021

£6,148 (2020 - £1,204) of the above expenditure was attributable to unrestricted funds and £117,340 (2020 - £86,155) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £4,000 (2020 - £900) which relate directly to charitable activities. See note 5 for further details.

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	1,500	1,500	900
Accountancy Fees	2,500	2,500	-
	<u>4,000</u>	<u>4,000</u>	<u>900</u>

6 Grant-making

Analysis of grants

The support costs associated with grant-making are £Nil (31 December 2020 - £Nil).

Below are details of material grants made to institutions.

Name of institution	Activity	2021 £	2020 £
Al Khidmat Foundation		<u>117,340</u>	<u>86,155</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>1,500</u>	<u>900</u>

Aghosh UK

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Taxation

The charity is a registered charity and is therefore exempt from taxation.

10 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>93,431</u>	<u>5,503</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	<u>4,000</u>	<u>900</u>

12 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Balance at 31 December 2021 £
Unrestricted funds				
<i>General</i>				
General	3,698	5,188	(9,326)	(440)
Restricted funds				
Orphans	-	134,774	(68,070)	66,704
Water	55	5,037	(1,925)	3,167
Emergency	-	10,669	-	10,669
Education	-	23,795	(27,485)	(3,690)
Food	850	29,094	(19,860)	10,084
Zakat	-	2,937	-	2,937
Total restricted funds	<u>905</u>	<u>206,306</u>	<u>(117,340)</u>	<u>89,871</u>
Total funds	<u>4,603</u>	<u>211,494</u>	<u>(126,666)</u>	<u>89,431</u>

Aghosh UK

Notes to the Financial Statements for the Year Ended 31 December 2021

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
General	4,556	13,105	(1,204)	(12,759)	3,698
Restricted funds					
Orphans	-	5,555	(12,690)	7,135	-
Water	-	9,740	(9,685)	-	55
Emergency	-	22,797	(28,420)	5,623	-
Education	-	30,999	(31,000)	1	-
Food	-	5,210	(4,360)	-	850
Total restricted funds	-	74,301	(86,155)	12,759	905
Total funds	<u>4,556</u>	<u>87,406</u>	<u>(87,359)</u>	<u>-</u>	<u>4,603</u>

13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds 2021 £
Current assets	6,497	86,934	93,431
Current liabilities	(3,500)	-	(3,500)
Total net assets	<u>2,997</u>	<u>86,934</u>	<u>89,931</u>

	Unrestricted funds General £	Total funds 2020 £
Current assets	5,503	5,503
Current liabilities	(900)	(900)
Total net assets	<u>4,603</u>	<u>4,603</u>