

PAK7 INTERNATIONAL CIO
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PAK7 INTERNATIONAL CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Mahand Bishop M Nazir-Ali A Mall N Khan
Charity number	1192770
Principal address	Marlborough House 2 Charnwood Street Derby DE1 2GT
Independent examiner	Azets Audit Services Gladstone House 77-79 High Street Egham Surrey TW20 9HY United Kingdom

PAK7 INTERNATIONAL CIO

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PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their first report and accounts of the charity for the year ended 31 December 2022.

Structure, governance and management

The charity was established as a Charitable Incorporated Organisation on 14 December 2020.

The trustees who served during the year were:

U Ashiq	(Resigned 4 November 2022)
A Sumera	(Resigned 4 November 2022)
Dr J Benita Dln	(Resigned 4 November 2022)
Y Naseer	(Resigned 4 November 2022)
Father A Charles	(Resigned 26 March 2022)
A Mahand	
Rev C Young	(Resigned 4 November 2022)
I Gill	(Resigned 4 November 2022)
Bishop M Nazir-Ali	
Dr M Kamil	(Resigned 4 November 2022)
G Bell	(Resigned 4 November 2022)
Rev Z Sadiq	(Resigned 4 November 2022)
A Sandhu	(Resigned 16 May 2023)
Dr F Nazir	(Resigned 4 November 2022)
A Mall	
T Waris	(Resigned 10 May 2023)
N Khan	
Bishop A Marshall	(Resigned 24 August 2023)

Management is delegated on a daily basis to the Chief Executive Officer.

Objectives and activities

The objects of the CIO are, for the public benefit, to advance the Christian religion throughout the United Kingdom and Pakistan in accordance with the statement of faith.

To this end PAK7 International works with partners in Pakistan in 4 key areas:

1. Programs for National TV: that change attitudes to Christians and the Gospel.
2. Programs for Christian TV: where we strengthen the church and invest in the next generation.
3. Social Media: where videos lead to online chat about issues of life and faith.
4. Capacity Building: by investing in media training and equipment.

Public benefit statement

Section 4 of the Charities Act 2011 require charity trustees to comply with their duty to have due regard to public benefit guidance published by the Charity Commission in exercising their power and duties.

The trustees have referred to the guidance regarding our aims and objectives and when planning future activities. We have also considered how our planned activities will contribute to the aims and objectives we have set.

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Programs for National Television

- PAK7 partnered with a Drug Rehabilitation Centre in Pakistan to renovate their meeting rooms, dining room, outdoor spaces and to televise the process. This TV programme also enabled the Centre to show how it was serving people of all faiths in the community.
- A business program was produced that showed people of different faiths sharing their experiences with one another. This show also portrayed Christians in Pakistan in a positive way, as educated and successful people in the nation.
- These programs help to foster good relationships between people of all faiths in Pakistan, and show the positive ways that Christians are serving their nation.

Programs for Christian Television

- In April 2022, PAK7 was able to launch a satellite TV channel for Pakistan, on the AsiaSat 7 satellite. This channel launched with 4 hours per day of kids content, with the rest being music videos
- A large number of programmes were produced by PAK7 partners in 4 production centres across Pakistan. These included programs for children, youth and women.
- Key programmes made for children included: Christian music videos, Little Detectives (about caring for the environment), Story Camp (where Bible stories are taught by 2 puppets), and Christmas and Easter shows.
- Women's programs included a magazine show called Daughter of Eve with interviews, a house band and a cooking segment; a counselling show called Best Friend; Women of the Bible, a discussion show with clips of Bible stories.
- Youth programs included Perspectives, a discussion show about short dramas and Christian music for young people.
- Viewing statistics are not currently available for the channel and audience research is likely to be conducted in 2023 to better understand the impact on viewers of this content.

Social Media

- PAK7 and its partners produced a number of videos to be shown on Facebook and other online platforms, that addressed felt-needs like: loneliness, anger, forgiveness, etc.
- Audiences who responded to these videos were able to contact our support team and talk about their challenges and experiences.
- In 2022 our videos were watched over 24 million times and over 40,000 people contacted us for help through online chat. We were able to pray with many of these people and help them by sharing articles about the Christian faith.

Capacity Building

- Through our partners we ran a 10-week residential Media Training course for 23 young Pakistani Christians to help them grow in their faith and to learn how to communicate that faith through video. The course covered storytelling, pre-production, camera skills, audio, lighting, editing.
- To facilitate the running of this course we rented a training centre in the hills above Islamabad on a 3-year lease. This will be a permanent training centre where we can run a number of courses in future years.
- At the end of the course we invited all of the graduating students to join a 12 month internship program where they could continue to practise their skills.
- PAK7 also ran 4 week-long video skills courses in different cities across Pakistan where local charities and churches were able to send their people to learn how to use the media.
- In total PAK7 has trained over 100 young people to use the media in 2022.
- A 4th office was opened during 2022 with a partner in Faisalabad. This, in addition to the 3 partner offices already in place, has grown the number of video production units to 7 which is enabling us to make more quality Christian programming for the channel.

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risks and uncertainties

As a relatively new charity, PAK7 International's challenges are frequently resource based.

- Firstly, finding sufficient numbers of staff with good media skills is a challenge. It is partly for this reason that PAK7 ran a comprehensive set of training courses and internships.
- Secondly, building reliable income streams takes time, and although PAK7 met its income budget, cashflows were at times under pressure.
- Thirdly, although out of our control, Pakistan's economic situation has been challenging including a balance of payments issue, depleted foreign currency reserves and high inflation. In general this has benefited PAK7 as our funds go further, but the volatility has made some activities (like importing equipment) harder.

Financial review

PAK7 International was the beneficiary of a number of grants from its sister charity PAK7 US, a registered 501(c)3 in the USA, which accounted for much of the income. PAK7 US raises funds in the name of PAK7, and is fully aligned with the aims and objectives of PAK7 International.

A small number of UK donors provided a monthly income to support the work, although fundraising in the UK has been hampered by our inability to secure a UK bank account.

Overall PAK7 International raised sufficient funds to meet its obligations during the period.

PAK7 International has a reserves policy to hold 3 months of planned expenditure of reserves to ensure continued financial security and to provide for contingencies. However, thus far insufficient funds have been raised to enable this policy to be applied. Note, that these reserves may be held by PAK7 sister charities around the world.

Plans for the future

PAK7 International plans to run ongoing media training courses in Pakistan in 2023.

With regards to the operation of the channel, it is important that we continue to produce more and better programming to build the audience and communicate the positive messaging that we want to encourage local Christians and to be a good witness to people of other faiths. In 2023 we hope to increase programming hours to 9 hours per day by the end of the year (up from 4 hours per day in 2022).

Audience research is planned for 2023 that will enable us to better understand the needs of our viewers, and to understand the impact that our programs are having on them.

Social Media activities will continue to share our messaging with people across Pakistan, and we hope to assist similar numbers of people in 2023 (40,000+ people).

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011 and the provisions of the trust deed. 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.

On behalf of the board of trustees



Monsignor M Nazir-Ali

Trustee

Dated: 24th October 2023

PAK7 INTERNATIONAL CIO

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PAK7 INTERNATIONAL CIO

I report on the accounts of the charity for the year ended 31 December 2022, which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of .

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Paul Creasey FCA
Azets Audit Services

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Dated: 27 October 2023
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PAK7 INTERNATIONAL CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<u>Incoming resources from generated funds</u>			
Donations and legacies	2	707,077	232,253
<u>Resources expended</u>	3		
Costs of generating funds			
Costs of generating donations and legacies		31,833	8,767
Net incoming resources available		675,244	223,486
Charitable activities			
Activities undertaken and support costs		634,503	207,989
Governance costs		15,445	4,149
Total resources expended		681,781	220,905
Net income for the year/ Net movement in funds		25,296	11,348
Fund balances at 1 January 2022		11,348	-
Fund balances at 31 December 2022		36,644	11,348

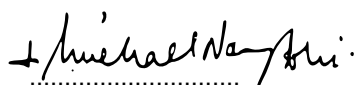
PAK7 INTERNATIONAL CIO

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	10	60,225		15,308	
Creditors: amounts falling due within one year	11	<u>(23,581)</u>		<u>(3,960)</u>	
Total assets less current liabilities			<u>36,644</u>		<u>11,348</u>
Income funds					
Unrestricted funds			<u>36,644</u>		<u>11,348</u>
			<u>36,644</u>		<u>11,348</u>

The accounts were approved by the Trustees on 24th October 2023



Bishop M Nazir-Ali
Trustee

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

1.1 Basis of preparation

PAK7 International CIO is a charitable incorporated organisation registered with the Charity Commission in England & Wales. The office address is Marlborough House, 2 Charnwood Street, Derby, Derbyshire, DE1 2GT.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities" ("The Charities SORP FRS 102), effective 1 January 2019 and the Charities Act 2011.

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

Going concern

The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being for a period of at least 12 months from the approval of these financial statements and believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.2 Incoming resources

Donations are recognised when the company has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.3 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities

Expenditure on charitable activities comprise 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.

Governance costs

Governance costs includes those costs associated with the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity.

1.4 Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.5 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

2 Donations and legacies

	2022 £	2021 £
Gifts in kind	681,781	217,323
Donations	25,296	14,930
	<u>707,077</u>	<u>232,253</u>

3 Total resources expended

	2022 £	2021 £
Costs of generating funds		
Costs of generating donations and legacies	31,833	8,767
Charitable activities		
<u>Activities undertaken and support costs</u>		
Activities undertaken directly	502,758	137,885
Support costs	131,745	70,104
Total	634,503	207,989
Governance costs	15,445	4,149
	<u>681,781</u>	<u>220,905</u>

4 Costs of generating donations and legacies

	2022 £	2021 £
Staff costs	26,720	-
Software	-	174
Office supplies	206	-
Travel	4,276	8,407
Subsistence	631	186
	<u>31,833</u>	<u>8,767</u>

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Activities undertaken directly

	2022 £	2021 £
Staff costs	64,128	-
Utilities	1,202	-
Rent	40,385	-
Maintenance and repairs	3,647	118
Office supplies	11,168	71
Production costs	184,429	33,897
Contractors	178,068	45,855
Software	631	2,058
Legal and professional fees	12,690	3,567
Education and training	661	48,308
Travel	5,270	406
Subsistence	119	-
Bank charges	360	3,605
	<u>502,758</u>	<u>137,885</u>

6 Support costs

	2022 £	2021 £
Staff costs	16,032	3,220
Repairs and maintenance	9,149	534
Rent	17,542	2,101
Office supplies	1,111	118
Telephone and fax	505	128
Postage and stationery	2	34
Contractors	15,007	30,344
Software	5,218	1,006
Legal and professional fees	31,264	407
Insurance	1,649	2,362
Education and training	6,982	1,098
Travelling expenses	23,382	16,558
Subsistence	2,193	450
Subscriptions	1,005	375
Bank charges	672	717
Marketing	-	6,511
Sundry expenses	-	4,140
Fines and penalties	32	-
	<u>131,745</u>	<u>70,104</u>

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Governance costs

	2022 £	2021 £
Auditors remuneration	4,500	3,960
Trustee expenses	10,945	189
	<u>15,445</u>	<u>4,149</u>

8 Trustees

The only transactions with the trustees relate to the reimbursement of reasonable travel costs to attend meetings held by the charity of £10,945 (2021: £16,990).

No remuneration was paid to the Trustees in the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Employees	<u>3</u>	<u>2</u>

Employment costs

	2022 £	2021 £
Wages and salaries	96,905	1,000
Social security costs	3,381	1,197
Other pension costs	6,594	1,023
	<u>106,880</u>	<u>3,220</u>

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

10 Debtors

	2022 £	2021 £
Amounts owed by group undertakings	28,112	-
Other debtors	32,113	15,308
	<u>60,225</u>	<u>15,308</u>

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11	Creditors: amounts falling due within one year	2022	2021
		£	£
	Other taxation and social security	7,940	-
	Accruals	15,641	3,960
		23,581	3,960

12 Unrestricted funds

	Balance at 1 January 2022	Movement in funds		Balance at 31 December 2022
	£	Income	Expenditure	£
Unrestricted funds	11,348	707,077	(681,781)	36,644
	11,348	707,077	(681,781)	36,644

13 Related parties

Costs totalling £681,781 (2021: £217,323) were paid in the period and subsequently donated to the charity by PAK7 US, a related not for profit entity with trustees and objectives in common.

The Chief Executive is also remunerated for his services by PAK7 US and the associated costs totalling £53,931 (2021: £nil) are recognised in these financial statements.