

PAK7 INTERNATIONAL CIO
TRUSTEES' REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

PAK7 INTERNATIONAL CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A Mahand Monsignor 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

PAK7 INTERNATIONAL CIO

CONTENTS

	Page
Trustees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the accounts	8 - 13

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their first report and accounts of the charity for the year ended 31 December 2023.

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:

A Mahand

Monsignor M Nazir-Ali

A Sandhu (Resigned 16 May 2023)

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 improve relationships between people of different faiths, and 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, relationships 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.

Achievements and performance

Programs for National Television

- PAK7 produced a flood documentary that tracked the progress of several individuals who had been affected by the 2022 floods, showing how Christians were supporting people of all faiths on the long road to recovery.
- Another exciting program for children called Asool School helped them to learn skills for life like how to call an ambulance, how to stay safe on the roads, and how to behave in a variety of circumstances
- 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.

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Programs for Christian Television in Pakistan

- A large number of programs were produced by PAK7 partners in 4 production centres across Pakistan (Rawalpindi, Lahore, Faisalabad, Karachi). These included programs for children, youth and women.
- Key programs made for children included: Christian music videos, Little Detectives Season 3 (about caring for the environment), Learn and Pass it on (where school children learned about the key sections of the Bible), and a fabulous Bible game show that involved over 100 children.
- Women's programs were once again a focus and we made further seasons of Women of the Bible and Best Friend. We also made a testimony program which featured dramatised retellings of people's life stories and how God had been real to them in those situations.
- Youth programs included a Discover Bible Study show that featured a group of young people exploring the Bible together, a film review programme and Christian music for young people.
- The TV channel celebrated its first year on air in April 2023, although as yet viewing statistics are not available for the channel and audience research is now likely to be conducted in 2024 to better understand the impact on viewers of this content.

Social Media in Pakistan

- 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 2023 our videos were watched over 20 million times and over 60,000 people contacted us for help through online chat. We were able to pray with over 4,000 of these people and help them by sharing about the Christian faith and provision of online Bibles.

Capacity Building in Pakistan and in the UK

- 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.
- At the end of the course we invited 13 of the graduating students to join a 12 month internship program where they could continue to practise their skills.
- PAK7 also ran 6 one week 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 120 young Pakistanis to use the media in 2023.
- We made an investment in our fundraising capacity to enable us to broaden the base of donors and ultimately grow revenue from UK & Europe.

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 continues to run 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.

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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. No reasons are given by UK banks as to why account applications have been rejected, but it is thought that this is due to perceived risks of sending funds to Pakistan and fear of sanctions. Notably many other UK charities have been similarly poorly treated by the banks.

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 2024, and to extend the number of one-week courses to include two new cities: Hyderabad and Quetta.

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. We will continue to focus on children, youth and women - although hope to increase the entertainment value of our programs, recognising that we need to compete for audience attention.

Audience research is planned for 2024 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 are now working with partner organisations to improve the follow up with those who want to learn more about the Christian faith.

PAK7 INTERNATIONAL CIO

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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: 31st August 2024

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 2023, which are set out on pages 6 to 13.

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 Institute of Chartered Accountants in England and Wales.

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.

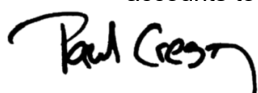
Basis of independent examiner's report

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

Institute of Chartered Accountants in England and Wales
Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY
United Kingdom

Dated: 9 September 2024

PAK7 INTERNATIONAL CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
<u>Incoming resources from generated funds</u>			
Donations and legacies	2	738,929	707,077
<u>Resources expended</u>	3		
Costs of generating funds			
Costs of generating donations and legacies		60,998	31,833
Net incoming resources available		677,931	675,244
Charitable activities			
Activities undertaken and support costs		652,279	634,503
Governance costs		28,620	15,445
Total resources expended		741,897	681,781
Net (expenditure)/income for the year/ Net movement in funds		(2,968)	25,296
Fund balances at 1 January 2023		36,644	11,348
Fund balances at 31 December 2023		33,676	36,644

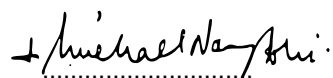
PAK7 INTERNATIONAL CIO

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	10	71,502		60,225	
Creditors: amounts falling due within one year	11	<u>(37,826)</u>		<u>(23,581)</u>	
Total assets less current liabilities			<u>33,676</u>		<u>36,644</u>
Income funds					
Unrestricted funds			<u>33,676</u>		<u>36,644</u>
			<u>33,676</u>		<u>36,644</u>

The accounts were approved by the Trustees on 31st August 2024



Monsignor M Nazir-Ali
Trustee

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023

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 charity's work or for specific projects being undertaken by the charity.

2 Donations and legacies

	2023 £	2022 £
Donations in kind	713,785	681,781
Donations	25,144	25,296
	<u>738,929</u>	<u>707,077</u>

3 Total resources expended

	2023 £	2022 £
Costs of generating funds		
Costs of generating donations and legacies	60,998	31,833
	<u> </u>	<u> </u>
Charitable activities		
<u>Activities undertaken and support costs</u>		
Activities undertaken directly	592,047	502,758
Support costs	60,232	131,745
	<u> </u>	<u> </u>
Total	652,279	634,503
	<u> </u>	<u> </u>
Governance costs	28,620	15,445
	<u> </u>	<u> </u>
	<u>741,897</u>	<u>681,781</u>

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Costs of generating donations and legacies

	2023 £	2022 £
Staff costs	50,468	26,720
Office studio/rental	252	-
Office supplies	224	206
Travel	8,243	4,276
Telephone	47	-
Printing	30	-
Postage & shipping	66	-
Education and training	547	-
Bank fees	34	-
Subsistence	878	631
Other expenses	209	-
	<u>60,998</u>	<u>31,833</u>

5 Activities undertaken directly

	2023 £	2022 £
Staff costs	78,728	64,128
Utilities	-	1,202
Rent	34,917	40,385
Maintenance and repairs	34,840	3,647
Office supplies	22,838	11,168
Production costs	138,922	184,429
Contractors	238,399	178,068
Software	3,023	631
Legal and professional fees	18,870	12,690
Education and training	6,922	661
Travel	12,261	5,270
Subsistence	1,232	119
Subscriptions	720	-
Bank charges	375	360
	<u>592,047</u>	<u>502,758</u>

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Support costs

	2023 £	2022 £
Staff costs	37,749	16,032
Repairs and maintenance	-	9,149
Rent	656	17,542
Office supplies	1,638	1,111
Telephone and fax	368	505
Printing	184	-
Postage and stationery	13	2
Contractors	-	15,007
Software	2,855	5,218
Legal and professional fees	4,134	31,264
Insurance	1,757	1,649
Education and training	48	6,982
Travelling expenses	7,908	23,382
Subsistence	430	2,193
Subscriptions	265	1,005
Bank charges	988	672
Exchange gain or loss	487	-
Fines and penalties	752	32
	<u>60,232</u>	<u>131,745</u>

7 Governance costs

	2023 £	2022 £
Auditors remuneration	4,500	4,500
Trustee expenses	24,119	10,945
	<u>28,620</u>	<u>15,445</u>

8 Trustees

The only transactions with the trustees relate to the reimbursement of reasonable travel and subsistence costs to attend meetings held by the charity of £24,119 (2022: £10,945).

No remuneration was paid to the Trustees in the year.

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Employees	5	3

Employment costs

	2023 £	2022 £
Wages and salaries	152,756	96,905
Social security costs	15,222	3,381
Other pension costs	8,966	6,594
	176,944	106,880

There was one employee whose annual remuneration was £60,000 or more. In 2022, this employee's wages were paid by PAK7 US Inc for part of the year.

10 Debtors

	2023 £	2022 £
Amounts owed by group undertakings	-	28,112
Other debtors	57,214	12,492
Prepayments	4,046	-
Accrued Income	10,242	19,621
	71,502	60,225

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	29,066	7,940
Accruals	8,760	15,641
	37,826	23,581

PAK7 INTERNATIONAL CIO

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Unrestricted funds

	Balance at 1 January 2023	Movement in funds		Balance at 31 December 2023
		Income	Expenditure	
	£	£	£	£
Unrestricted funds	36,644	791,555	(751,144)	77,055
	<u>36,644</u>	<u>791,555</u>	<u>(751,144)</u>	<u>77,055</u>

13 Related parties

Costs totalling £752,644 (2022: £681,781) were paid in the period and subsequently donated to the charity by PAK7 US Inc, a related not for profit entity with trustees and objectives in common.

The Chief Executive is also remunerated for his services by PAK7 US Inc and the associated costs totalling £nil (2022: £17,829) are recognised in these financial statements.