

THE CHARLES WALLACE PAKISTAN TRUST

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2021

Registered Charity No 283337

CHARLES WALLACE PAKISTAN TRUST ANNUAL REPORT

Financial year 2020-21 (1 September – 31 August)

TRUSTEES AND ADVISERS

Trustees	Professor Sarah Ansari (Chair) Mr Peter Elborn OBE Dr Farzana Shaikh Ms Nada Raza Dr Shehla Zaidi Professor Adnan Khan
Secretary	Mr Tim Butchard
Address	4, Dorville Crescent London W6 0HJ
Website	www.wallace-trusts.org.uk
Independent Examiner	S B Ison FCCA Thornton Springer Chartered Accountants 67, Westow Street London SE19 3RW
Bankers	Charities Aid Foundation CAF Bank Ltd 25, King's Hill Avenue King's Hill West Malling Kent ME19 4JQ
Charity Number	283337
Investments	Investec Wealth & Investment 2, Gresham Street London EC2V 7QN

Report of the Trustees
For the Year Ended 31st August 2021

The trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

1. Background

The Charles Wallace Pakistan Trust was set up by means of a Declaration of Trust dated 24 June, 1981, amended by a Deed of Variation dated 28 February, 2002, and by a further Deed of Variation dated 12 June, 2017, and is registered with the Charity Commissioners as Charity Number 283337.

2. Objectives and Activities

Under the Declaration of Trust, the trustees are empowered to use all or any of the capital or income of the fund for the provision of financial assistance for either:

- a. Men and women of Pakistani nationality who are domiciled and normally resident in Pakistan to enable them to travel to the United Kingdom to follow a course of study, research or other
- b. Any charitable educational institution in the United Kingdom serving persons of Pakistani nationality domiciled and normally resident in Pakistan.

In the event of the trust failing, the trustees are empowered to use funds for charitable purposes

generally

Public benefit

The Trustees have complied with their duty to have regard to the Charity commission's published guidance on the public benefit requirements. The public benefit of the charity's activities are outlined under objectives and activities above.

3. Trustees

The operations of the Trust are governed by a Board of Trustees, consisting of a Chair, up to six Trustees, and a Secretary. In 2016-17, the British Council resigned as a Corporate Trustee, and revised Trust Deeds were approved to accommodate this change. The Chair, the Secretary, and new Trustees are appointed by the Trustees. Although designated a Corporate Trustee, in recent years the Pakistan High Commission has chosen not to be represented on the Board. In September, 2019, Dr Shehla Zaidi was welcomed onto the Board, and in early 2020 both Dr David Taylor and Mr David Martin stepped down, the former after many years valued service. In July, 2020, Professor Adnan Qadir Khan accepted an invitation to join the Board.

4. Financial position

This was the fortieth year of operation of the trust, and as at 31 August, 2021, the financial position was as follows:

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Investment funds:	1,953,784	1,744,428	1,871,191
Total income:	58,779	63,379	73,502 *
Expenditure on awards:	18,000	45,514	69,673
Admin. expenses:	4,255	5,816	7,115
Admin. as %age of activity:	23.64%	12.78%	10.21%
Invest.fees as %age of income:	16.58%	16.58%	16.58%

5. Notes on the above summary (2020-2021)

The audited accounts for 2020-21 accompany this report. It is abundantly clear from the above figures that the impact of the covid pandemic has had a devastating impact on the normal activities of the trust. The trust aims to bring suitably-qualified Pakistanis to the UK on short professional and research visits. Since travel was initially restricted, and then barred altogether, between the two countries, the only activity which could continue as normal was the Doctoral Bursaries Programme: grants to doctoral students already in the UK. All other programmes were postponed indefinitely for the duration of the pandemic travel restrictions, though one individual was supported on the British Museum's 2021 International Training Programme, the early stages of which are being conducted by the museum at a distance.

6. Investment update

The impact of the pandemic outweighed any other factor influencing world markets during the financial year. Astonishingly, the signs of recovery which were evident towards the end of 2019-20 continued, and substantial economic activity proved possible, even as successive lockdowns occurred and large sections of the UK workforce worked from home. By the end of the year, the roll-out of effective vaccination programmes had transformed working environments in most of the countries in which the trust's investments are held, and those who predicted a world recession were proved wrong. The Trust was unable to meet its obligations to its beneficiaries, but was able, as a result, to continue building up a surplus on its current account for future deployment. At the close of the year this amounted to just over £66k.

7. Policy changes during the year

The trust's principal concern was not the impact of the pandemic upon its investments, which on the whole have been holding steady, but its impact upon the future stability of the British Council, our partner in Pakistan. It has become clear in recent months that the prolonged closure of the Council's language schools and examination businesses around the world has had a devastating impact on its resources and led to the closure of several of its international offices. The Pakistan office will survive, but some of its operations, including its support for CWPT, will henceforth be managed regionally. It is not yet clear how this will work in practice, nor how it will impact on our beneficiaries. One aspect of the new relationship will be our obligation to contribute towards the staff costs of those administering CWPT programmes. The figures tabled so far have been modest and manageable. As a token of our long-standing relationship with the Council and of our goodwill towards that organisation, we have accepted their initial estimate of these costs, and waived the protection against staff charges given to us under the 3-year bilateral agreement signed between the Council and CWPT in March, 2020. It remains to be seen how the new relationship will work in practice.

8. Grant-funded activity in 2020-21

8.1 Open Visiting Fellowships

11 candidates had been selected during the Secretary's visit to Pakistan in May, 2019, but only four of these were able to take up their awards in the UK before the pandemic took hold in 2020. The remaining seven awards will continue to be held over into 2021-22. Meanwhile recruitment for 2020-21 was unable to take place, and eventually it was agreed that the 2020-21 programme would be cancelled altogether.

8.2 Reserved Visiting Fellowships

Oxford: The Reserve Fellow recruited by Oxford's Contemporary South Asian Studies Programme at St Antony's College was prevented by the pandemic from taking up his award, which will be held over until January, 2022.

SOAS: Recruitment by the South Asian Institute has been postponed until the latter quarter of 2021.

LSE: At the time of writing, no visiting fellows will be admitted to LSE's South Asia Centre during the next academic year, 2021-22.

Nottingham: The Asia Research Institute has not yet decided whether to attempt a recruitment this autumn.

8.3 Doctoral Bursaries

Thirteen final-year doctoral students were supported with grants of £1,000, and one further ‘emergency grant’ of £500 was awarded to Muhammad Naeem, whose completion had been postponed by the pandemic. Their names are as follows:

<u>Name</u>	<u>Subject</u>	<u>University</u>
Muhammad Naeem	Education	Plymouth Marjon
Nayab Nawaz	Cell Biology	Manchester
Talha Shafi	Structural Biology	Manchester
Md Babar Suleman	Fine Art	Oxford
Khursheed Ahmad	Linguistics	Aberdeen
Sara Jabeen	Economics	Leicester
Nauman Hafeez	Bio-engineering	Brunel
Salman Asghar	Design	Loughborough
Zia-Ul-Hassan Khan	Economics	Essex
Dr Qurat-Ul-Ain Wahid	Cancer Sciences	Loughborough
Erum Haider	Dental Sciences	Manchester
Faisal Batool	Clinical Medicine	Imperial
Sadaf Sadaf	Economics	Leicester

8.4 Visiting Artists

The state of play in respect of the trust’s principal partners was as follows:

Gasworks Arts Centre: In early 2020, Gasworks recruited the artist and art teacher, Rameesha Azeem, from Lahore for their annual residency, which is sponsored jointly by the trust and the Rangoonwala Foundation. Her visit to the UK has twice been delayed and has now been postponed until 2022.

Prince’s School of Traditional Arts: The Quetta-based artist, Mahzaib Zain Baloch, was recruited in 2020 but unable to take up her award. She and the School have now agreed that she can take up her award in September, 2022.

British Museum: After several false starts, the Museum has now embarked on their International Training programme, starting with a series of e-learning sessions. The delegates, including our beneficiary, Iffat Azeem, Research Officer at the Lahore Museum, will come to the UK in March, 2022, but in the meantime we accepted the Museum’s request for an advance payment of £5,000 towards costs arising on her behalf in advance of her UK visit.

9. Administrative expenses	2020-21	2019-20	2018-19
Trustees' meetings	-	81	209
Accountable costs	36	292	358
Sec's honorarium	2,500	2,500	2,500
Sec's fixed overheads	432	432	432
Sec's visit to Pakistan	-	651	1,756
Audit fee (Thornton Springer)	1,200	1,800	1,800
Bank charges	87	60	90
TOTAL:	4,255	5,816	7,145

10. Summary

2020-21 was dominated by the devastating impact of the Corona virus which halted all international activity. The immediate future remains uncertain but at least there are some grounds for expecting activity to pick up again in 2021-22, and at least the trust's coffers are full.

Signed.....

Signed.....

Date.....

Date.....

Professor Sarah Ansari
Chairman

Tim Butchard
Secretary

The Charles Wallace Pakistan Trust

Independent Examiner's Report to the Trustees

I report on the accounts for the year ended 31 August 2021 set out on pages seven to eleven.

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 required.

It is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- 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
- to state whether particular matters have come to my attention.

Basis of the 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 statements below.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be

S B Ison FCCA
Thornton Springer LLP
Chartered Accountants
67 Westow Street
Upper Norwood
London
SE19 3RW

Date:

THE CHARLES WALLACE PAKISTAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES **for the year ended 31 August 2021**

			<u>2021</u>	<u>2020</u>
	<u>Note</u>	<u>Capital Fund</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
INCOME:				
Donation			-	-
Incoming resources from generated funds:				
Income from investments:				
From portfolio	5		58,779	63,379
Interest			-	-
TOTAL INCOME			<u>58,779</u>	<u>63,379</u>
EXPENDITURE ON:				
Raising funds :				
Investment Management costs			8,267	10,958
Charitable Activities:				
Direct: Charitable expenditure	3		18,000	45,514
Indirect: Support costs	4a		3,055	4,016
Governance costs	4b		1,200	1,800
TOTAL RESOURCES EXPENDED			<u>30,522</u>	<u>62,288</u>
Net movement in in funds			28,257	1,091
OTHER RECOGNISED GAINS & LOSSES				
Net gains / (losses) on investments		41,621	41,621	-
Net income		41,621	69,878	1,091
Transfer between funds			-	
Gains/(losses) on revaluation of investments		185,592	185,592	(150,683)
NET MOVEMENT IN FUNDS		227,213	255,470	(149,592)
Fund balances brought forward		1,788,142	1,786,890	1,936,482
Fund balances carried forward		<u>£2,015,355</u>	<u>£ 2,042,360</u>	<u>£ 1,786,890</u>

The income and expenditure of the general funds are unrestricted.

There were no recognised gains or losses for either 2020 or 2019 other than those included in the Statement of FinancialActivities. The income and results derive from continuing activities.

The notes form part of these financial statements.

THE CHARLES WALLACE PAKISTAN TRUST

BALANCE SHEET **as at 31 August 2021**

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
FIXED ASSETS			
Listed Investments	6	1,953,784	1,744,428
CURRENT ASSETS			
Debtors	9	12,509	11,749
Cash at bank and brokers		<u>82,267</u>	<u>32,513</u>
		94,776	44,262
LESS: CURRENT LIABILITIES			
Creditors - amounts falling due within one year:	10	<u>6,200</u>	<u>1,800</u>
NET CURRENT ASSETS		88,576	42,462
NET ASSETS		<u><u>£2,042,360</u></u>	<u><u>£1,786,890</u></u>
The funds of the charity (all unrestricted) :			
Capital Fund		2,015,355	1,788,142
General Funds		27,005	(1,252)
		<u><u>£2,042,360</u></u>	<u><u>£1,786,890</u></u>

The notes form part of these Accounts.

The financial statements were approved by the Trustees on

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Trustees

THE CHARLES WALLACE PAKISTAN TRUST

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 August 2021**

1. ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention (as amended by valuing investments at market value), in accordance with applicable accounting standards, current statutory requirements and the Statement of Recommended Practice for Charities.
- b. Direct currency conversions are translated at the exchange rate at the time of transaction; other balances are converted at year end rates; any difference arising on exchange is written off in the year concerned.
- c. The Trust's financial statements have been prepared to comply with "Accounting and Reporting by Charities" the Statement of Recommended Practice (SORP), produced by the Charity Commission in 2005 and thus with the accounting requirements of the Charities Act 1993.
- d. Quoted investments are shown at the midpoint market value.

Both realised and unrealised gains/losses are credited or charged to the Statement of Financial Activities.

- e. Income from investments is included in the Statement of Financial Activities in the period as receivable. Deposit interest is credited on the due dates.
- f. All grants payable are recognised in the financial statements when the award is authorised by the trustees and paid.
- g. No permanent endowments have been received in the period.
- h. In accordance with Financial Reporting Standard number 1, no cash flow statement is included in these financial statements as the Charity is covered by the small entity exemption.
- i. The Charity is exempt from taxes on income and capital gains under the provisions of section 505 Income and Corporation Taxes Act 1988. The Charity is not exempt from VAT; irrecoverable VAT is included within the expense heading to which it relates.

2. STATEMENT OF TRUSTEES' RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

The Trustees accept that it is primarily their responsibility:

- a. to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of its results for that period;
and to achieve that end:
- b. to select suitable accounting policies and apply them consistently;
- c. to make judgements and estimates that are reasonable and prudent; and
- d. to prepare the financial statements on a going concern basis unless it is inappropriate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. 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.

The financial statements comply with current statutory requirements and with the Trust's governing document.

THE CHARLES WALLACE PAKISTAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 August 2021

	<u>2021</u>	<u>2020</u>
3 DIRECT CHARITABLE EXPENDITURE		
Doctoral bursaries	13,000	7,750
Reserved Visiting Fellowships	-	11,456
Open Visiting Fellowships	-	11,954
Visiting artists	5,000	14,354
	<u>18,000</u>	<u>45,514</u>
4. a INDIRECT SUPPORT COSTS		
Secretary's Honorarium	2,500	2,501
Travel expenses	-	651
Sundry administration expenses	555	864
	<u>3,055</u>	<u>4,016</u>
Since the vast majority of support costs are related to the principal charitable activity of grant making, no apportionment is made to the Governance heading in the financial statements.		
4.b GOVERNANCE COSTS		
Independent Examiner's remuneration	<u>1,200</u>	<u>1,800</u>
5. INVESTMENT INCOME		
Quoted stocks and shares	58,779	63,379
Interest receivable	-	-
	<u>58,779</u>	<u>63,379</u>
6. INVESTMENTS Quoted on the UK Stock Exchange		
Market value at 1 September 2020	1,744,428	
Additions	348,050	
Sale proceeds	(367,768)	
Realised loss on sale	41,621	
Unrealised profit on revaluation	185,592	
adjustment	1,861	
Market value at 31 August 2021	<u>1,953,784</u>	
Cost 31 August 2021	<u>1,488,274</u>	
Cost 31 August 2020	<u>1,430,810</u>	

The following holdings represent more than 5% of the total value :

1630 Vanguard Funds Plc 101,920

All quoted investments are stated at market value. The basis used is the mid point price as at 31 August 2021.

7. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Capital Fund</u>	<u>General Fund</u>	<u>2021</u> <u>Total Funds</u>	<u>2020</u> <u>Total Funds</u>
Investments	1,953,784	0	1,953,784	1,745,725
Current assets	61,571	27,005	88,576	41,165
	<u>2,015,355</u>	<u>27,005</u>	<u>2,042,360</u>	<u>1,786,890</u>

The capital fund is a designated fund. The Trustees have the power, when required and in accordance with the Trust Deed, to use the capital or income in accordance with the charity's objectives as set out in note 2 of the Trustees' Report.

THE CHARLES WALLACE PAKISTAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) **for the year ended 31 August 2021**

8. MOVEMENT IN FUNDS	<u>At 1.9.20</u>	<u>Net movement in funds</u>	<u>Transfers between funds</u>	<u>At 31.8.21</u>
Capital Fund	1,788,142	227,213	-	2,015,355
General Fund	(1,252)	28,257	-	27,005
	<u>1,786,890</u>	<u>255,470</u>	<u>-</u>	<u>2,042,360</u>

	<u>2021</u>	<u>2020</u>
9. DEBTORS		
Accrued income	<u>£12,509</u>	<u>£11,749</u>
10. CREDITORS (amounts falling due within one year)		
Accruals and other creditors	<u>£6,200</u>	<u>£1,800</u>

11. TRUSTEES

There were no transactions involving Trustees or other related parties for the period under review.

No Trustee or other connected persons received any remuneration or expenses from the Charity in the current or preceding year.

12. RELATED PARTY

The Trust acknowledges the British Council as a related party. The Visiting Fellowships Programme is arranged in conjunction with the Council. Awards payable to the Visiting Fellows are made available through the Council, which does not itself retain any pecuniary benefit.