

**THE CHARLES WALLACE PAKISTAN TRUST**

**REPORT AND FINANCIAL STATEMENTS**

**for the year ended**

**31 August 2022**

Registered Charity No 283337

# **CHARLES WALLACE PAKISTAN TRUST ANNUAL REPORT**

**Financial year 2021-22 (1 September – 31 August)**

## **TRUSTEES AND ADVISERS**

Trustees	Mr Peter Elborn OBE (Chair) Professor Sarah Ansari Dr Nada Raza Dr Shehla Zaidi Professor Adnan Khan Ms Rosemary Arnott OBE Professor Faisal Devji
Secretary	Mr Tim Butchard
Address	4, Dorville Crescent London W6 0HJ
Website	<a href="http://www.wallace-trusts.org.uk">www.wallace-trusts.org.uk</a>
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 educational pursuit, or
- 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. During the year, Dr Farzana Shaikh stepped down from the Board and Ms Rosemary Arnott OBE and Professor Faisal Devji accepted invitations to join the Board.

#### 4. Financial position

This was the forty first year of operation of the trust, and as at 31 August, 2022, the financial position was as follows:

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Investment funds:	1,773,743	1,953,784	1,744,428
Total income:	50,636	58,779	63,379
Expenditure on awards:	21,390	13,000	45,514
British Council Levy	4,335	-	-
Admin. expenses:	6,414	4,255	5,816
Admin. as %age of activity:	29.99%	32.73%	12.78%
Invest.fees as %age of income:	22.69%	14.06%	17.29%

#### 5. Notes on the above summary (2021-2022)

The audited accounts for 2021-22 accompany this report. This has been the second year in which the activities of the Trust were severely curtailed by the covid pandemic. The movement of people between Pakistan and the UK was closed down, and only commenced again during the later months of the year.

Recruitment for the 2021-22 Open Fellowship Programme was cancelled altogether, and only two Reserved Fellows were able to take up their awards in early 2022 after the pandemic had abated. The pandemic also impacted negatively on the Trust's Doctoral Bursary Programme. The Trust has been able to put aside a cash reserve during the pandemic (currently in the region of £100k), but set against that has been a dramatic fall of over £170k in the overall value of our portfolio, following the invasion of Ukraine and a downward spiral in global financial markets.

#### 6. Investment update

Putin's invasion, and the impact of that on energy prices worldwide, combined with the residual fall-out from the pandemic, sent global equities into a bear market, and the first half of 2022 was extremely difficult for investors, hence the declining value of our portfolio. Substantial capital losses proved impossible to avoid as inflation took hold across the world and interest rates rose in quick succession. Beating inflation, rather than growth, became the key focus of central banks, and the UK entered a recession. Political turmoil in the UK has worsened the situation. It remains to be seen how long these setbacks will impact negatively on our assets and our income. Investec is obviously working on counter-measures, but only time will tell whether these will bear fruit.

## 7. The British Council and policy changes during the year

The focus during the year was on the revival of the Trust's programmes during the slow aftermath of the pandemic. Our fear that the British Council in Pakistan would be unable to continue working in partnership with the Trust proved unjustified. Pakistan continues to be one of the Council's key directorates, and the mooted creation of a regional management unit for all Charles Wallace activity in South Asia never materialised. As a consequence, a new 3-year agreement was signed during the year confirming that the Council would continue to manage the Open Fellowship programme and the pre-departure needs of all our visitors to the UK. A negative development was that the Trust is now obliged to contribute modestly towards the Council's staff overheads, including some of the local costs of the Open Fellowship interviews. In 2021-22 these items added up to £4,335.

## 8. Grant-funded activity in 2021-22

### 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 early 2020. The remaining seven award-winners were informed that their awards would be honoured during the subsequent year, but only one of these was able to take up his award in 2021-22. The remainder have been given a deadline of end-March, 2023, to take up their awards, after which our offer will be withdrawn. The 2020-21 recruitment round was cancelled altogether. After further delays to the 2021-22 programme caused by the pandemic and a reorganisation in the British Council, a recruitment round finally took place in late August, 2022, and the Secretary spent a week in Pakistan, liaising with the British Council about future activity and chairing interview boards. During this round of interviews, no less than 23 Fellows were recruited, utilising some of the funds underspent during the pandemic, and taking financial advantage of the growing number of applications for shorter stays in the UK by senior beneficiaries. A discussion took place with the British Council about whether the programme should be re-named 'Senior Visiting Fellowships', lasting a maximum of two months, thereby eliminating the cadre of Life Scientists seeking intensive, three-month research attachments. This change has not yet been adopted, and requires further discussion with both Trustees and the British Council. The British Council attaches high value to this programme in raising its profile in Pakistan.

### 8.2 Reserved Visiting Fellowships

Oxford: After a long delay, the Visiting Fellow recruited by Oxford's Contemporary South Asian Studies Programme at St Antony's College in early 2020 finally took up his two-month award.

SOAS: The South Asian Institute advertised and recruited a Visiting Fellow who spent three months in London in the Spring of 2022.

LSE: The South Asia Centre was close to recruiting a Visiting Fellow at the end of the year.

Nottingham: The Asia Research Institute has not yet decided whether to undertake a recruitment in 2022-23.

London School of Hygiene & Tropical Medicine: The establishment of a new annual fellowship remains at the discussion phase, and may be aborted altogether.

The general point to be made about these fellowships is that host institutions have varying success recruiting strong and/or deserving candidates, while the awards absorb a high proportion of the Trust's funds since they are all a full three months in duration.

### 8.3 Doctoral Bursaries

Six final-year doctoral students were supported with grants of £1,000. Demand for these awards is expected to increase once the effects of the pandemic are behind us. Trustees continue to believe that these modest grants have a positive impact on the lives and studies of the beneficiaries.

### 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, sponsored jointly by the trust and the Rangoonwala Foundation. Her visit to the UK was initially postponed by the pandemic but in 2022 has been repeatedly delayed by her failure to be awarded a UK visa, for which no reason has been given.

Prince's School of Traditional Arts: The Quetta-based artist, Mahzaib Zain Baloch, was recruited in 2020 but prevented by the pandemic from taking up her award. She will have taken up her award in September, 2022.

British Museum: After we credited the Museum with £5,000 for Iffat Azeem in 2021, she was blocked by her employer, the Lahore Museum, from visiting the UK following a staff dispute. No-one was recruited for the 2022 summer programme, but the credit remains with the British Museum for 2023.

Ashmolean: The Trust contributed towards the travel costs of the Pakistani artist, Ali Kazim, whose exhibition was such a success at the museum in early 2022.

## 9 Individual beneficiaries and sums expended in 2021-22

### 9.1 Open Visiting Fellows

Syed Anwar Jamal Shah	Provincial Governance	Dudley	3,918
-----------------------	-----------------------	--------	-------

### 9.2 Reserved Visiting Fellows

Naoman Ghazanfar Ali	Political Science	Oxford	3,927
Samia Muneer	Judicial Review	SOAS	5,445

### 9.3 Visiting Artists

Ali Kazim	Painting	Ashmolean	2,100
-----------	----------	-----------	-------

### 9.4 Doctoral Bursars (£1,000 each)

Hafiz Md Salman Rafi	Political Science	SOAS	1,000
Sheherzad Salman	Endocrinology	Manchester	1,000
Iqra Younus	Bio-informatics	Manchester	1,000
Jamal Abdul Nasir	Chemistry	UCL	1,000
Bareeha Fatima	International Relations	Aberdeen	1,000
Rabia Sohag	Gender Studies	King's London	1,000
			<u>21,390</u>

<b>10. Administrative expenses</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
Trustees' meetings	725	-	81
Accountable costs	76	36	292
Sec's honorarium	2,500	2,500	2,500
Sec's fixed overheads	432	432	432
Sec's visit to Pakistan	1,379	-	651
Audit fee (Thornton Springer)	1,200	1,200	1,800
British Council Staff Levy	4,335		
Bank charges	102	87	60
<b>TOTAL:</b>	<b>10,749</b>	<b>4,255</b>	<b>5,816</b>

# **11 Summary**

2021-22 was again dominated by the devastating impact of the Corona virus which halted most international activity until late in the year. Another negative factor was the imposition of the British Council's overhead charges (see para 7. above), dictated by their own financial circumstances. However, good relations with the Council were maintained, and they repeatedly acknowledged the positive contribution made by the Trust to the UK's profile in Pakistan. In this respect, the ground has been prepared for a much more productive year in 2022-23.

Signed.....

Date.....

Peter Elborn OBE  
Chairman

Signed.....

Date.....

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 2022 set out on pages eleven to thirteen.

### **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 reached.

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

Date: .....



# THE CHARLES WALLACE PAKISTAN TRUST

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2022

			<u>2022</u>	<u>2021</u>
	<u>Note</u>	<u>Capital Fund</u>	<u>Unrestricted Funds</u>	<u>Total Funds</u>
<b>INCOME:</b>				
Incoming resources from generated funds:				
<b>Income from investments:</b>				
From portfolio	5		50,628	58,779
Interest			8	-
<b>TOTAL INCOME</b>			<u>50,636</u>	<u>58,779</u>
<b>EXPENDITURE ON:</b>				
<b>Raising funds :</b>				
Investment Management costs			11,485	8,267
<b>Charitable Activities:</b>				
Direct: Charitable expenditure	3		21,390	13,000
Indirect: Support costs	4a		9,549	3,055
<b>Governance costs</b>	4b		1,200	1,200
<b>TOTAL RESOURCES EXPENDED</b>			<u>43,624</u>	<u>25,522</u>
<b>Net movement in in funds</b>			7,012	33,257
<b>OTHER RECOGNISED GAINS &amp; LOSSES</b>				
Net gains / (losses) on investments		141,353	141,353	41,621
<b>Net income</b>		141,353	7,012	74,878
Transfer between funds			-	
Gains/(losses) on revaluation of investments		(265,021)	(265,021)	185,592
<b>NET MOVEMENT IN FUNDS</b>		<u>(123,668)</u>	<u>7,012</u>	<u>260,470</u>
Fund balances brought forward		2,015,355	32,005	1,786,890
<b>Fund balances carried forward</b>		<u>£ 1,891,687</u>	<u>£39,017</u>	<u>£ 2,047,360</u>

The income and expenditure of the general funds are unrestricted.

There were no recognised gains or losses for either 2022 or 2021 other than those included in the Statement of Financial Activities. 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 2022**

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<b>FIXED ASSETS</b>			
Listed Investments	6	1,773,743	1,953,784
<b>CURRENT ASSETS</b>			
Debtors	9	15,386	12,509
Cash at bank and brokers		<u>161,244</u>	<u>82,267</u>
		176,630	94,776
<b>LESS: CURRENT LIABILITIES</b>			
Creditors - amounts falling due within one year:	10	<u>19,669</u>	<u>1,200</u>
<b>NET CURRENT ASSETS</b>		<b>156,961</b>	<b>93,576</b>
<b>NET ASSETS</b>		<b><u>£1,930,704</u></b>	<b><u>£2,047,360</u></b>
<b>The funds of the charity (all unrestricted) :</b>			
Capital Fund		1,891,687	2,015,355
General Funds		39,017	32,005
		<b><u>£1,930,704</u></b>	<b><u>£2,047,360</u></b>

**The notes form part of these Accounts.**

The financial statements were approved by the Trustees on

.....

.....

Trustees

## **THE CHARLES WALLACE PAKISTAN TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 August 2022**

#### **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 2022

	<u>2022</u>	<u>2021</u>
<b>3 DIRECT CHARITABLE EXPENDITURE</b>		
Doctoral bursaries	6,000	13,000
Reserved Visiting Fellowships	9,372	-
Open Visiting Fellowships	3,918	-
Visiting artists	2,100	-
	<u>21,390</u>	<u>13,000</u>
<b>4. a INDIRECT SUPPORT COSTS</b>		
British Council Levy	4,335	-
Secretary's Honorarium	2,500	2,500
Travel expenses	1,379	-
Sundry administration expenses	1,335	555
	<u>9,549</u>	<u>3,055</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.		
<b>4.b GOVERNANCE COSTS</b>		
Independent Examiner's remuneration	<u>1,200</u>	<u>1,200</u>
<b>5. INVESTMENT INCOME</b>		
Quoted stocks and shares	50,628	58,779
Interest receivable	-	-
	<u>50,628</u>	<u>58,779</u>
<b>6. INVESTMENTS Quoted on the UK Stock Exchange</b>		
<b>Market value at 1 September 2021</b>	<b>1,953,784</b>	
Additions	556,501	
Sale proceeds	(141,353)	
Realised loss on sale	141,353	
Unrealised profit on revaluation	(265,021)	
	<u>2,245,264</u>	
<b>Market value at 31 August 2022</b>	<b>2,245,264</b>	
<b>Cost 31 August 2022</b>	<b>1,574,398</b>	
Cost 31 August 2021	<u>1,488,274</u>	
<b>The following holdings represent more than 5% of the total value :</b>		
JPMorgan Fund Icvc JPM Us Equity Income C2 GBP Net Dis	89,621	
Vanguard Funds Plc S&P 500 Ucuts Etf USD Dis	122,144	
Charities Property Fund Charities Property Dis	102,804	

All quoted investments are stated at market value. The basis used is the mid point price as at 31 August 2022.

# **THE CHARLES WALLACE PAKISTAN TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)** **for the year ended 31 August 2022**

### **7. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<u>Capital Fund</u>	<u>General Fund</u>	<u>2022</u> <u>Total Funds</u>	<u>2021</u> <u>Total Funds</u>
Investments	2,245,264	0	2,245,264	1,953,784
Current assets	(353,577)	39,017	(314,560)	93,576
	<u>1,891,687</u>	<u>39,017</u>	<u>1,930,704</u>	<u>2,047,360</u>

The capital fund is a designated fund. The Trustees have the power, when required and in accordance

<b>8. MOVEMENT IN FUNDS</b>	<u>At 1.9.21</u>	<u>Net</u> <u>movement in</u> <u>funds</u>	<u>Transfers</u> <u>between</u> <u>funds</u>	<u>At 31.8.22</u>
Capital Fund	2,015,355	(123,668)	-	1,891,687
General Fund	32,005	7,012	-	39,017
	<u>2,047,360</u>	<u>(116,656)</u>	<u>-</u>	<u>1,930,704</u>

### **9. DEBTORS**

	<u>2022</u>	<u>2021</u>
Accrued income	10,386	12,509
British Museum prepayment	5,000	-
	<u>£15,386</u>	<u>£12,509</u>

### **10. CREDITORS (amounts falling due within one year)**

Accruals and other creditors	<u>£19,669</u>	<u>£1,200</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.