

Charity number: 1000580

Shaukat Khanum Memorial Trust

Trustees' report and financial statements

for the year ended 31 December 2018

Shaukat Khanum Memorial Trust

Trustees' report and financial statements

for the year ended 31 December 2018

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Shaukat Khanum Memorial Trust

Legal and administrative information

for the year ended 31 December 2018

Status

Established under a Trust Deed Dated 27 July 1990

Trustees	Imran Khan Taher Nawaz Asmi Darr
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Charity number	1000580
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Charity Correspondent and address	Mr Ikhtlaq Ahmad PO Box 786 Bradford BD5 0YE
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Auditors	Shipleys LLP 10 Orange Street London WC2H 7DQ
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Bankers	Barclays Bank Plc National Westminster Bank PLC Habib Bank Limited
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Shaukat Khanum Memorial Trust

Trustees' report for the year ended 31 December 2018

The trustees present their report and accounts for the year ended 31 December 2018. The financial statements have been prepared in accordance with the accounting policies set out on pages 11 and 12 and comply with the Charity's Trust Deed and applicable law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects

Shaukat Khanum Memorial Trust (also known as The Imran Khan Cancer Appeal) was established under a trust deed dated 27 July 1990. Its objects are:-

- to promote research into the causes of and a cure for cancer and similar diseases
- the establishment, endowment of or making grants to hospitals and similar institutions in Pakistan for cancer sufferers
- The furtherance of cancer education
- Assisting cancer sufferers in Pakistan by grants
- Engaging in any activities which will lessen the sufferings of cancer patients in Pakistan

Governing Document

The charity's governing document is a trust deed dated 27 July 1990. The charity is not incorporated.

Trustees

Imran Khan, Taher Nawaz and Asmi Darr served as trustees during the year.

The power of appointing new Trustees of the Charity is vested in Imran Khan as the Settlor and after his death in such person or persons as he shall by deed or deeds revocable or irrevocable or by will or codicil appoint.

Any new trustees would receive training from an existing trustee about the charity and their responsibilities as a trustee and would receive a copy of the Charity Commission's guide for new trustees, "CC3 – The Essential Trustee: What You Need to Know". Ongoing training is provided as required.

The trustees are aware of their legal duties and comply with the Charity Governance Code.

Organisation

The overall policy for the charity is determined by the Trustees and the day to day management is overseen by Mr Ikhtlaq Ahmad with the assistance of other paid staff.

Risk Management

The Charity's trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage the risks.

The management ensures that the internal controls are observed and reviewed periodically. The management also ensures that sufficient resources are maintained to meet any adverse or emergency event.

Shaukat Khanum Memorial Trust

Trustees' report for the year ended 31 December 2018

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The trustees have given due regard to the Charity Commission's guidance on public benefit when reviewing the aims and objectives and in planning the future activities of the charity.

The charity continues to provide grants to support the Shaukat Khanum Memorial Cancer Hospital & Research Centre in Pakistan, which was founded in 1994 by Imran Khan, a trustee of the Charity. The hospital runs primarily on donations and generous contributions from around the world. The hospital has established itself as a centre of excellence, providing treatment to thousands of cancer patients, who would otherwise be unable to afford cancer care. The Shaukat Khanum Memorial Trust is committed to provide diagnostic and therapeutic care absolutely free to cancer patients who cannot afford it. Since 1994, the hospital has come a long way, but there is still a lot to be accomplished. Expansion plans for the future are already underway for upgrading existing facilities and diversifying efforts for cancer treatment and research.

Globally comparable with the best cancer hospitals, the Shaukat Khanum Memorial Cancer Hospital & Research Centre has the latest facilities for cancer diagnosis and treatment. The hospital has facilities for initial evaluation of suspected and diagnosed cancer patients - both for adults and children. Diagnostic facilities include radiology, laboratory medicine, endoscopies and nuclear medicine. Facilities for multimodality treatment include surgery, radiation and chemotherapy. The Bone Marrow/Stem Cell Transplant unit had been opened with the first Bone Marrow Transplantation procedure was carried out in April 2006. The Shaukat Khanum Memorial Cancer Hospital & Research Centre opened a multi-storey diagnostic centre in Karachi which is equipped with state of the art PET CT scanner. This will ensure that patients do not have to travel long distances for their diagnosis. The hospital has been able to provide free of cost treatment to the poor and over the years 75% of the patients have been so assisted. A specialist cancer hospital has been built in Peshawar and is now serving thousands of cancer patients in NWFP region.

The aim of the Shaukat Khanum Memorial Cancer Hospital & Research Centre in Pakistan is to alleviate the suffering of patients with cancer through the application of modern methods of curative and palliative therapy irrespective of their ability to pay, the education of health care professionals and the public, and perform research into the causes and treatment of cancer. The Charity provides the grant in furtherance of the charitable objectives of the Charity, which are in line with the objectives of the Hospital.

The trustees of the Charity give their time freely and receive no remuneration for their services.

The charity has the support of many volunteers to assist with fundraising, particularly during busy times of the year including during Ramadan. During the year the charity had 138 (2017: 178) volunteers.

Shaukat Khanum Memorial Trust

Trustees' report for the year ended 31 December 2018

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

The total income amounted to £6,746,349 (2017: £5,608,477). The principal source of income is donations. These are mainly from donors who have an affinity with Pakistan or who are relatives of the patients, but also from people who support the charity in providing quality cancer care to the underprivileged.

The charitable expenditure transferred an amount to Shaukat Khanum Memorial Trust in Pakistan for the benefit of the Shaukat Khanum Memorial Cancer Hospital & Research Centre in the year, totalling £6,000,000 in one instalment (2017: £5,000,000 in two instalments). Funds are sent either when adequate amounts have been collected or in response to a request from the Trust in Pakistan.

A second hospital in Peshawar was opened on 29th December 2015 which is making a huge difference.

The ground-breaking for a third Shaukat Khanum Memorial Cancer Hospital in Karachi took place on 29th December 2016. Thousands of poor cancer patients continue to suffer in and around Sindh province as they cannot afford to make repeated trips to Lahore or Peshawar. The Shaukat Khanum hospital in Karachi will be of an immense importance for such cancer patients, who would be able to access comprehensive cancer facilities all under one roof. The DHA city Karachi has already provided 20 acres of prime land at a highly advantageous rate for the new hospital. The aim is to finish the work and open the doors to the public by December 2021.

Whilst in the past fundraising has been arranged by events organised by volunteers, the spasmodic nature of such events meant that funds raised varied enormously. The mass market was approached through advertisements and mail shots and information leaflets to regular donors and others and this has now become the mainstay of the Charity's fundraising. Costs are kept low as much of the work is done by volunteers. The Charity prides itself on incurring the least possible costs when compared to funds generated, to ensure that as much of the funds reach their intended destination as is possible, instead of losing funds to costs. No professional fundraisers have been employed. This year fundraising costs, mainly postage, printing and online marketing amounted to £373,655 (2017: £280,475).

At the year-end the unrestricted funds or reserves available for distribution by the Trustees amounted to £2,064,757 (2017: £1,824,868). The Trustees intend to maintain enough reserves in order to meet any adverse or emergency event suffered by the Trust or the Shaukat Khanum Memorial Cancer Hospital & Research Centre, which is supported by the Trust. The minimum amount required to cover any emergency event is £100,000.

PLANS FOR THE FUTURE

The charity is committed to continue raising money for the Shaukat Khanum Memorial Cancer Hospital and Research Centre, so that the hospital can continue to function adequately, to expand its operations to other areas of Pakistan and to continue its research in the advancement of cancer treatment.

Shaukat Khanum Memorial Trust

Trustees' report for the year ended 31 December 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its income and expenditure for that period. In preparing those 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;
- 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 which 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 Charity (Accounts and Reports) Regulations 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.

This report was approved by the Trustees on 18 Oct 2019 and signed on its behalf by:



Mr T Nawaz
Trustee

Shaukat Khanum Memorial Trust

Independent Auditors' Report to the Trustees of Shaukat Khanum Memorial Trust for the year ended 31 December 2018

Opinion

We have audited the financial statements of Shaukat Khanum Memorial Trust (the 'Charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Shaukat Khanum Memorial Trust

Independent Auditors' Report to the Trustees of Shaukat Khanum Memorial Trust for the year ended 31 December 2018

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Shaukat Khanum Memorial Trust

Independent Auditors' Report to the Trustees of Shaukat Khanum Memorial Trust for the year ended 31 December 2018

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Kinton (Senior Statutory Auditor)
Shipleys LLP
Chartered Accountants & Statutory Auditors
10 Orange Street
London WC2H 7DQ

Date... 29 October 2019

Shaukat Khanum Memorial Trust

Statement of Financial Activities

For the year ended 31 December 2018

		Unrestricted Funds	
		2018	2017
		Total	Total
	Notes	£	£
INCOME			
Donations	2	6,746,349	5,608,205
Investment income	3	127	272
Total income		<u>6,746,475</u>	<u>5,608,477</u>
EXPENDITURE			
Costs of raising funds	4	(506,586)	(355,383)
Costs of Charitable activities	5	(6,000,000)	(5,000,000)
		<u>(6,506,586)</u>	<u>(5,355,383)</u>
Net income and movement in funds for the year		<u>239,889</u>	<u>253,094</u>
Total funds brought forward		<u>1,824,868</u>	<u>1,571,774</u>
Total funds carried forward		<u>£2,064,757</u>	<u>£1,824,868</u>

The notes on pages 12 to 16 form an integral part of these financial statements.

Shaukat Khanum Memorial Trust

Balance sheet

As at 31 December 2018

		2018	2017
	Notes	£	£
Current assets			
Cash at bank and in hand		747,594	738,236
Gift aid debtor		1,320,000	1,070,554
Other debtors and prepayments		13,735	34,762
		<u>2,081,329</u>	<u>1,843,552</u>
Creditors: amounts falling due in less than one year			
Other creditors and accruals		<u>(16,572)</u>	<u>(18,684)</u>
Net current assets		<u>2,064,757</u>	<u>1,824,868</u>
Total assets less current liabilities		<u>2,064,757</u>	<u>1,824,868</u>
Net assets		<u>2,064,757</u>	<u>1,824,868</u>
Funds of the charity			
Unrestricted funds	11	<u>2,064,757</u>	<u>1,824,868</u>
		<u>2,064,757</u>	<u>1,824,868</u>

The financial statements were approved by the Trustees on 19 Oct 2019 and signed on its behalf by:



Mr T Nawaz
Trustee

The notes on pages 12 to 16 form an integral part of these financial statements.

Shaukat Khanum Memorial Trust

Statement of Cash Flows

For the year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net income	239,889	253,094
<i>Adjustments for:</i>		
Increase in debtors	(228,419)	(70,213)
Decrease in creditors	(2,112)	8,905
Net cash provided by operating activities	<u>9,358</u>	<u>191,786</u>
Change in cash and cash equivalents during the year	9,358	191,786
Cash and cash equivalents at the beginning of the year	738,236	546,450
Cash and cash equivalents at the end of the year	<u>£747,594</u>	<u>£738,236</u>

Shaukat Khanum Memorial Trust

Notes to the financial statements for the year ended 31 December 2018

1. Accounting policies

1.1 General information

Shaukat Khanum Memorial Trust is an unincorporated trust governed by a trust deed and registered with the Charity Commission in England. The principal address is PO Box 786, Bradford, BD5 0YE. The objectives of the charity are set out on page 2.

1.2. Accounting convention

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The accounts are prepared on the going concern basis.

Shaukat Khanum Memorial Trust meets the definition of public benefit entity under FRS 102.

The functional currency of the charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling. The amounts in the financial statements are presented to the nearest £1, unless otherwise stated.

There are no significant areas requiring material judgements, estimates or assumptions.

1.3. Income recognition

Income is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.4. Expenditure

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:

Costs of raising funds comprise the costs associated with fundraising and attracting donations.

Expenditure of charitable activities includes grants made.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. Unconditional grant offers are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Shaukat Khanum Memorial Trust

Notes to the financial statements for the year ended 31 December 2018

1. Accounting policies (*continued*)

1.5. Expenditure (*continued*)

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, IT support costs and governance costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on staff time. Governance costs represents those costs of strategic management of the Charity and of complying with constitutional and statutory requirements.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 Debtors

Other debtors are recognised at the settlement amount due.

1.7 Cash at bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

2. Donations

	2018	2017
	£	£
Income from Donations	6,746,349	5,608,205

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

Shaukat Khanum Memorial Trust

Notes to the financial statements for the year ended 31 December 2018

3. Investment income

	2018 £	2017 £
Bank interest receivable	127	272

4. Cost of raising funds

	2018 £	2017 £
Fund Raising and publicity costs	373,655	280,475
Support costs	64,932	42,613
Wages and salaries	67,999	32,295
	<u>506,586</u>	<u>355,383</u>

5. Charitable activities

	Grant funded activity	
	2018 £	2017 £
Grants payable	6,000,000	5,000,000
	<u>6,000,000</u>	<u>5,000,000</u>

The grants are amounts paid to the Shaukat Khanum Memorial Cancer Hospital & Research Centre in Pakistan. The objectives of the hospital are in line with the charitable objectives of the charity.

Shaukat Khanum Memorial Trust

Notes to the financial statements for the year ended 31 December 2018

6	Support costs	2018	2017
		£	£
	Finance & card processing charges	36,943	22,189
	IT support costs	10,128	9,796
	Office	11,861	4,628
	Governance costs	6,000	6,000
		<u>64,932</u>	<u>42,613</u>

Support costs are allocated between cost of raising funds and expenditure on charitable activities based on staff time. Employee time is spent exclusively on raising funds for the charity.

7	Governance costs	2018	2017
		£	£
	Audit Fees	6,000	6,000
		<u>6,000</u>	<u>6,000</u>

8. Staff costs

	2018	2017
	£	£
Wages and salaries	67,999	32,295
	<u>67,999</u>	<u>32,295</u>

The average number of employees in the year was three (2017: three) with all employee time involved in raising funds for the charity. The number of employees that received emoluments of £60,000 or more in the year was Nil (2017: Nil).

No trustee received any remuneration or reimbursement of expenses in respect of the current or prior year. No trustee received payment for professional or other services supplied to the charity (2017: £nil).

No salaries were paid to members of key management during the current or prior period.

9 Taxation

The charity is exempt from tax on income and gains to the extent that these are applied to its charitable objectives.

Shaukat Khanum Memorial Trust

Notes to the financial statements for the year ended 31 December 2018

10 Financial Instruments

	2018	2017
	£	£

Financial assets that are measured at amortised cost:

Cash at bank and in hand	747,594	738,236
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Income received in respect of financial instruments is disclosed in note 3.

11 Unrestricted funds

The Purpose of the unrestricted funds is the promotion of research into the causes and a cure for cancer and similar diseases. Further to this, funds are intended for the establishment, the endowment of or making grants to Shaukat Khanum Memorial Cancer Hospital in Pakistan for cancer sufferers. The Trust is devoted to the furtherance of cancer education and engaging in any activities whatsoever which will lessen the sufferings of cancer patients in Pakistan.

12 Related Party Transactions

Imran Khan, a trustee of the Charity, is founder and Chairman of the Board of Governors' of the Shaukat Khanum Memorial Cancer Hospital & Research Centre in Pakistan. During the year, the Charity made a grant to the Shaukat Khanum Memorial Cancer Hospital & Research Centre of £6,000,000 (2017: £5,000,000).