

REGISTERED CHARITY NUMBER: 802000

Report of the Trustees and
Audited Financial Statements for the Year Ended 31 August 2019
for
The Al-Khoei Benevolent Foundation

Merali's
Chartered Accountants & Statutory Auditors
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

The Al-Khoei Benevolent Foundation

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for the Year Ended 31 August 2019**

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The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2019**

The trustees present their report with the financial statements of the charity for the year ended 31 August 2019. 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity as set out in the charity's trust deed is to advance the Islamic religion by all or any of the following means:

- a) Providing and maintaining mosques and religious centres for the worship of Islamic religion.
- b) Teaching and educating young members of the Islamic community in the doctrines and practices of the Islamic religion.

Strategies and Significant Activities

The Charity in pursuance of its charitable aims and objectives carries out a wide range of activities in the following sectors:

- a) General charitable purposes
- b) Education and training
- c) The prevention or relief of poverty
- d) Religious activities

The charity concentrates its activities around children and young people; elderly and old people, and as well as general public.

The Charity operates mosques and religious centres at Brondesbury complex in North London, Swansea and Manchester. These mosques are open to the general public as place of worship for the followers of Islamic faith. Religious centres organises various religious activities and functions and provides information to raise the awareness of the Islamic faith.

The mosque and centre in Manchester is currently run by The Shia Welfare Association, an independent organisation.

The charity also operates Al-Sadiq school for boys, Al-Zahra school for girls and Al-Ghadeer nursery for pre school age children. All these institutions are licenced by the OFSTED and follows UK national curriculum. The schools provide full time education for up to 400 pupils. In addition, pupils attend classes in Islamic studies and Arabic, which take up around ten percentage of pupils time.

Grantmaking

The Charity administered collection and distribution of various religious dues like Khums, Zakat, Sadaqat in accordance with the teachings of Islamic faith.

The charity collects general donations and are distributed in pursuance of the Charity's objectives to support education and training, relief of poverty and various religious activities.

Volunteers

We encourage all members of our mosques and centres to be involved in voluntary activities and to share their skills with others. Volunteers are not paid any salaries but only reimbursed reasonable out of pocket expenses such as travel costs. All volunteers working with children or other vulnerable groups are CRB checked.

ACHIEVEMENT AND PERFORMANCE

How our activities deliver public benefit

A wide range of activities are carried out in pursuance of the charitable aims and objectives. The trustees consider that these activities, summarised below, provide benefit to the wider community.

The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2019**

ACHIEVEMENT AND PERFORMANCE

Religious activities

Our mosques are open for prayers, worship and for the activities associated with our faith. The centres are open for the wider public.

During the year under review, we offer a range of religious services and activities including:

Prayers

Our mosques are available daily for prayers to the general public of Islamic faith. We have hundreds of people attending our mosque for prayers.

Festivals

The Mosques celebrate Ramadan and serve food for those attending our Mosques who wish to break their fast together. We also hold special events and serve food during the Islamic months of Muharram and Safar on the annual commemoration of the martyrdom of Imam Hussein, the grandson of Prophet Muhammad (PBUH).

The Mosques celebrate the birth and commemorate the martyrdom of all Imams of Shia Ishna Ashari faith during the year.

We hold weekly gathering in the mosques for worship, prayers and recitation of supplications every Thursday evening.

Civil marriages

The Mosques provide Muslim couples with an appropriate location for their civil marriage and Nikkah (Islamic marriage).

Quran classes

Memorisation and recitation of the Quran are considered important elements of religious education and training. We continue to provide this facility for young people in the mosque.

Inter-faith events

We encourage and lead by example the commemoration of national symbolic occasions like Remembrance Sunday. This year involved an interfaith walk marking Remembrance Sunday.

We often hold public manifestation of our faith e.g. street walks to commemorate certain events such as the fortieth day after the massacre at Karbala (Arbaeen) or Good Friday processions, and thus are a significant opportunity to build bridges between different faiths by communicating the philosophy and principles they are based upon.

During the year we had an interfaith pilgrimage and marked Remembrance Day.

Religious dues

It is part of our faith that we should offer Zakat, Khums, and Sadaqat. They are collected in accordance with the teaching of Islam and distributed for a number of specific purposes including to help others and to further the teachings of Islam.

The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2019**

ACHIEVEMENT AND PERFORMANCE

Community activities

Al-Sadiq and Al-Zahra School

Well established schools that provide primary education in a mixed setting up to Year 2 and single sex education from Year 3 to Year 11. They are situated in the urban district of Brondesbury in the London Borough of Brent and provide full-time education for up to 400 pupils.

The schools are founded on the Quran and the teachings of the Prophet Mohammed and his Progeny. Through training in the art of building strong community relationships and taking effective public actions, the schools have given pupils the confidence to participate in public life for the good of their communities.

During the year school pupils in addition to educational activities took part in various community based activities relating to inter faith events.

The School and Nursery also offers bursaries and discount on fees for families who are not able to afford to pay the full fees provided that the child demonstrates very good academic history. The school fees is set up in a way not to exclude those on lower income.

Al-Ghadeer Nursery

We strive to support and provide children with the necessary skills to help enable them develop a good foundation in learning and expressing themselves through play. This in turn helps children to acquire independence, confidence and effective communication.

Halls and rooms

Our halls and rooms are available to use by local groups, organisations and communities.

Prison service

The charity is a member of the prison service chaplaincy council acting as advisory role for Shia Muslim prisoners in HM Prisons. It also nominates sessional and part time Shia chaplains to the prison service to supplement chaplaincy services already offered to Muslim prisoners.

Youth Activities

The Charity offers facilities for youth to gather and involve in educational and sports activities and to develop the youth to be active and law abiding members of the community.

Women

Women and family programme at mosques offer advice and counselling for couples and empowering women in society offering them educational and sports facilities.

The Charity also runs an academic arm to deal with research on the Shia community and other religious communities and raises the concerns of religious and ethnic minorities at different forums.

Interfaith events

The Charity is a member of Faith Forum for London and contributes to the cohesion and the needs of faith communities in London.

The Charity is a member of the Religious Education Council and is involved in the development of religious education curriculum and takes part in activities and celebrations of other faiths and regularly holds community events and sharing of food, Iftar.

MINAB

The Charity is one of the founding member and hosts the offices of the Mosques and Imams National Advisory Board on its premises. MINAB aims to raise standards in mosques and the training of Imams.

Centre for Academic Shia Studies

The academic arm of MINAB (Cass) undertakes research on Shia and other religious minority affairs, produces papers and briefing documents.

FINANCIAL REVIEW

Principal funding sources

One of the Charity's main sources of income is the collection of donations and religious dues from general public. During the year the Charity received total donations and religious dues of £3,784,496.

Reasonable fees are charged to students for the schools. During the year the Charity generated total school income of £1,538,394.

The foundation also operates a fee paying nursery. During the year, the Charity generated total nursery fee income of £202,149.

The Charity is involved in DFID research project headed by Institute of Development Studies. During the year, the Charity generated total DFID grant income of £98,346.

Investment policy and objectives

The Charity's cash reserves are held in current and saving bank accounts. Any interest earned is added to the general fund reserve and used for the general charitable purposes.

The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2019**

FINANCIAL REVIEW

Reserves policy

Unrestricted funds reserve is maintained to cover governance costs and to respond to various application of grants and donations.

Restricted fund reserve are held to be used within certain restrictions of the relevant funds.

Endowment fund reserve represents the total cost of functional properties after annual depreciation charge.

In setting up the Charity reserve policy, the trustees have identified two unrestricted funds as detailed in the notes. The restricted funds are distributed strictly in accordance with the religious restrictions or other restrictions imposed on the relevant fund.

They have also set up an Endowment fund for the properties owned by the Charity.

The charity policy on unrestricted funds is to hold unrestricted funds not committed or invested in Tangible Fixed Assets to meet 3 to 6 months expenditures.

The current unrestricted funds are not sufficient to cover 3 to 6 months expenditure. However, this is a temporary shortfall which the Trustees are aware of and have therefore made necessary arrangements to replenish the unrestricted reserves soon and ensure they are maintained in line with the reserve policy.

A summary of the results for the year is given on pages 8 & 9 of these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Al-Khoei Benevolent Foundation was constituted as a charitable trust with the Charity Commission on 23 August 1989 under the charity number 0802000. It is governed by a deed of trust dated 15 August 1989.

Recruitment and appointment of new trustees

Trustees are appointed by resolution of the existing trustees.

Organisational structure

The charity trustees are responsible for the general control and management of the charity. The trustees give their time freely and receive no remuneration or other financial benefits.

The trustees meet together as a body and are responsible for all decisions taken in relation to the affairs of The Al-Khoei Foundation in the United Kingdom. The board is chaired by the Secretary General, who is one of the trustees.

The trustees seek spiritual guidance and inspiration in religious matters from both the Central Committee and the President in recognition of their religious status. They merely endorse religious matters and are not involved in daily running of the charity. They do not have any influence over the trustees.

The Central Committee is an honorary committee based in the holy city of Najaf, Iraq.

The president is an Honorary title given to Ayatollah of the Shia faith who is also based in Najaf, Iraq.

Induction and training of new trustees

Following appointment, new trustees are introduced to their new role and given copies of the trust deed and a guide to the policies and procedures adopted by our charity. A number of publications from the Charity Commission are also provided including the guidance on charities and public benefit and on the advancement of the religion for public benefit. This ensures that new trustees are aware of the scope of their responsibilities under the Charities Act. Initially, new trustees work with existing trustees assisting on particular activities and projects run by the Charity. After satisfactory feedback from existing trustees they are then given the task of leading a particular activity or project, reporting progress at trustees' meetings.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

802000

Principal address

Chevening Road
London
NW6 6TN

Trustees

Mr S S Khoei
Mr S F H Milani
Mr S M H Faghihe-Moussavi
Mrs Z Gharavi Naeini

The Al-Khoei Benevolent Foundation

Report of the Trustees
for the Year Ended 31 August 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Merali's
Chartered Accountants & Statutory Auditors
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity 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 Charity 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 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.

Approved by order of the board of trustees on 12/06/2020 and signed on its behalf by:


.....
Mr S F H Milani - Trustee

Report of the Independent Auditors to the Trustees of The Al-Khoei Benevolent Foundation

Opinion

We have audited the financial statements of The Al-Khoei Benevolent Foundation (the 'charity') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 August 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' 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.

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 Report of the Independent Auditors 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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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.

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Report of the Independent Auditors to the Trustees of
The Al-Khoei Benevolent Foundation

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 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 auditors' 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Merali's
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Scottish Provident House
76-80 College Road
Harrow
Middlesex
HA1 1BQ

Date:

The Al-Khoi Benevolent Foundation

Statement of Financial Activities
for the Year Ended 31 August 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	1,909,612	1,874,884	-	3,784,496	5,093,129
Charitable activities	3					
Schools operations		1,538,394	-	-	1,538,394	1,555,252
Nursery Operations		202,149	-	-	202,149	191,517
DFID		-	98,346	-	98,346	-
Other income		246	-	-	246	1,565
Total		<u>3,650,401</u>	<u>1,973,230</u>	<u>-</u>	<u>5,623,631</u>	<u>6,841,463</u>
EXPENDITURE ON						
Raising funds	4	117,737	2	-	117,739	163,344
Charitable activities	5					
Schools operations		1,386,907	-	-	1,386,907	1,395,541
Grants and Donations		2,555,938	1,773,702	-	4,329,640	5,250,802
Support costs		195,721	162,070	35,792	393,583	321,656
Nursery Operations		121,184	-	-	121,184	105,421
DFID		-	95,094	-	95,094	-
Total		<u>4,377,487</u>	<u>2,030,868</u>	<u>35,792</u>	<u>6,444,147</u>	<u>7,236,764</u>
NET INCOME/(EXPENDITURE)		<u>(727,086)</u>	<u>(57,638)</u>	<u>(35,792)</u>	<u>(820,516)</u>	<u>(395,301)</u>
Transfers between funds	15	<u>112,705</u>	<u>(167,305)</u>	<u>54,600</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(614,381)</u>	<u>(224,943)</u>	<u>18,808</u>	<u>(820,516)</u>	<u>(395,301)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,371,953</u>	<u>189,999</u>	<u>6,154,819</u>	<u>8,716,771</u>	<u>9,112,072</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,757,572</u></u>	<u><u>(34,944)</u></u>	<u><u>6,173,627</u></u>	<u><u>7,896,255</u></u>	<u><u>8,716,771</u></u>

The notes form part of these financial statements

The Al-Khoi Benevolent Foundation

Balance Sheet
31 August 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	2019 Total funds £	2018 Total funds £
FIXED ASSETS						
Tangible assets	12	1,712,766	2,530	6,173,626	7,888,922	7,873,203
CURRENT ASSETS						
Debtors	13	174,443	18,639	-	193,082	107,396
Cash at bank and in hand		112,305	7,014	-	119,319	987,822
		<u>286,748</u>	<u>25,653</u>	<u>-</u>	<u>312,401</u>	<u>1,095,218</u>
CREDITORS						
Amounts falling due within one year	14	(241,942)	(63,127)	1	(305,068)	(251,650)
NET CURRENT ASSETS/(LIABILITIES)		<u>44,806</u>	<u>(37,474)</u>	<u>1</u>	<u>7,333</u>	<u>843,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,757,572</u>	<u>(34,944)</u>	<u>6,173,627</u>	<u>7,896,255</u>	<u>8,716,771</u>
NET ASSETS		<u>1,757,572</u>	<u>(34,944)</u>	<u>6,173,627</u>	<u>7,896,255</u>	<u>8,716,771</u>
FUNDS	15					
Unrestricted funds					1,757,572	2,371,953
Restricted funds					(34,944)	189,999
Endowment funds					6,173,627	6,154,819
TOTAL FUNDS					<u>7,896,255</u>	<u>8,716,771</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 12/06/2020 and were signed on its behalf by:


Mr S F H Milani - Trustee

The Al-Khoei Benevolent Foundation

**Cash Flow Statement
for the Year Ended 31 August 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(784,443)	(265,664)
Interest paid		(1)	-
Net cash used in operating activities		<u>(784,444)</u>	<u>(265,664)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(84,059)</u>	<u>(126,943)</u>
Net cash used in investing activities		<u>(84,059)</u>	<u>(126,943)</u>
Change in cash and cash equivalents in the reporting period		<u>(868,503)</u>	<u>(392,607)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>987,822</u>	<u>1,380,429</u>
Cash and cash equivalents at the end of the reporting period		<u><u>119,319</u></u>	<u><u>987,822</u></u>

The notes form part of these financial statements

The Al-Khoei Benevolent Foundation

Notes to the Cash Flow Statement
for the Year Ended 31 August 2019

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019	2018
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(820,516)	(395,301)
Adjustments for:		
Depreciation charges	68,340	66,328
Interest paid	1	-
(Increase)/decrease in debtors	(85,686)	36,622
Increase in creditors	53,418	26,687
Net cash used in operations	<u>(784,443)</u>	<u>(265,664)</u>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements **for the Year Ended 31 August 2019**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Cost of generating funds are those costs incurred in attracting voluntary income including all cost necessary to maintain the mosque and organise various religious functions during the year and hence generate voluntary income.

Charitable activities

Charitable activities cost comprises all the operating expenses for its charitable activities like School, Nursery, DFID and general disbursements of grants and donations.

Grants and donations represent donation paid out in accordance with the Charity's objectives.

DFID is a research project which Al-Khoei is engaged in by Institute of Development Studies to gather information and carry out research work on shia muslim minorities in various countries around the world.

School and nursery costs represent the total direct costs for running and maintaining both the schools and nursery.

Allocation and apportionment of costs

Support cost include administrative cost relates to the foundation and have been allocated to activity cost categories on a basis consistent with the use of resources.

Intangible assets

Intangible assets are stated at initial cost less any permanent impairments.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold properties in London	Cost of building over 50 years
Freehold properties in Swansa	Cost of building over 25 years
Freehold property in Manchester	Cost of building over 15 years
School Equipment	20% on cost
Fixtures and fittings	15% on cost
Office equipment	20% on cost

Fund accounting

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objectives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment fund represents the properties held by the charity and depreciation relating to the property are charged against the fund.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The Al-Khoci Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Going concern

Trustees believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. Trustees have considered the impact of Covid19 as well as operational and financial factors for a period of twelve months from the date of approval of the financial statements.

For the above reason, the trustees continue to adopt the going concern basis in preparing these financial statements.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations and Religious dues	3,765,446	5,087,089
Gift aid	19,050	6,040
	<u>3,784,496</u>	<u>5,093,129</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2019	2018
		£	£
School & Nursery Fee Income	Schools operations	1,408,234	1,450,907
School Other Income	Schools operations	130,160	104,345
School & Nursery Fee Income	Nursery Operations	202,149	191,517
Grant - DFID	DFID	98,346	-
		<u>1,838,889</u>	<u>1,746,769</u>

4. RAISING FUNDS

Raising donations and legacies

	2019	2018
	£	£
Staff costs	27,798	33,819
Rates and water	2,764	3,932
Light and heat	16,938	29,955
Postage and stationery	1,665	113
Sundries	-	4
Repairs and Maintenance	3,658	6,803
Swansea Mosque expenses	7,087	9,594
Cleaning	113	1,035
Sermon food	52,787	73,342
Advertising	-	553
Depreciation	4,929	4,194
	<u>117,739</u>	<u>163,344</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£	£
Schools operations	1,386,907	-	-	1,386,907
Grants and Donations	-	4,329,640	-	4,329,640
Support costs	54,076	-	339,507	393,583
Nursery Operations	121,184	-	-	121,184
DFID	95,094	-	-	95,094
	<u>1,657,261</u>	<u>4,329,640</u>	<u>339,507</u>	<u>6,326,408</u>

The Al-Khoi Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

6. GRANTS PAYABLE

	2019	2018
	£	£
Grants and Donations	4,329,640	5,250,802

The total grants paid to institutions during the year was as follows:

	2019	2018
	£	£
Grants and donations	4,246,315	5,042,176

7. SUPPORT COSTS

	Management	Finance	Other	Totals
	£	£	£	£
Support costs	257,849	18,944	62,714	339,507

Support costs, included in the above, are as follows:

Management

	2019	2018
	Support costs	Total activities
	£	£
Wages & salaries - Foundation	153,364	178,339
Rates and water	2,951	3,876
Light and heat	1,162	464
Telephone	336	930
Postage and stationery	76	538
Travelling	3,921	6,015
Sundries	2,569	82
Accountancy fees	11,115	24,840
Publication expenses	39,219	6,861
Repairs & Maintenance	8,791	2,109
Subscriptions	4,886	3,385
Subsistence	1,253	14
Advertising	10,000	483
Book keeping fees	15,000	10,500
Legal & professional fees	(2,235)	380
Bad debt	5,400	14,000
Hajj expenses	-	985
Prison visit	40	558
Al-Kawthar expenses	-	120
Cleaning	-	207
Computer and software expense	-	2,540
Bank interest	1	-
	<u>257,849</u>	<u>257,226</u>

Finance

	2019	2018
	Support costs	Total activities
	£	£
Bank charges	2,796	2,973
Foreign exchange loss/(gains)	16,148	215
	<u>18,944</u>	<u>3,188</u>

Other

	2019	2018
	Support costs	Total activities
	£	£
Amortisation of intangible fixed assets	-	3,450
Depreciation of tangible fixed assets	62,714	57,792
	<u>62,714</u>	<u>61,242</u>

The Al-Khoel Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

9. STAFF COSTS

The total Wages and salaries for the year was as follows

	31/08/19 £	31/08/18 £
Mosque	27,798	33,819
School	1,137,719	1,116,037
Nursery	104,294	90,889
Foundation	204,033	178,339
Arabic Weekend School	229	1,730
	<hr/> 1,474,073 <hr/>	<hr/> 1,420,814 <hr/>

The average number of employees during the year was as follows

	31/08/19	31/08/18
Mosque	4	6
School	60	57
Nursery	14	14
Foundation	16	15
Arabic Weekend School	-	1
	<hr/> 94 <hr/>	<hr/> 93 <hr/>

There were 8 average number of volunteers during the year.

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2,721,642	2,371,487	-	5,093,129
Charitable activities				
Schools operations	1,555,252	-	-	1,555,252
Nursery Operations	191,517	-	-	191,517
Other income	1,565	-	-	1,565
Total	<hr/> 4,469,976 <hr/>	<hr/> 2,371,487 <hr/>	<hr/> - <hr/>	<hr/> 6,841,463 <hr/>
EXPENDITURE ON				
Raising funds	163,343	-	1	163,344
Charitable activities				
Schools operations	1,395,541	-	-	1,395,541
Grants and Donations	2,825,284	2,425,518	-	5,250,802
Support costs	273,564	14,120	33,972	321,656
Nursery Operations	105,421	-	-	105,421
Total	<hr/> 4,763,153 <hr/>	<hr/> 2,439,638 <hr/>	<hr/> 33,973 <hr/>	<hr/> 7,236,764 <hr/>
NET INCOME/(EXPENDITURE)	<hr/> (293,177) <hr/>	<hr/> (68,151) <hr/>	<hr/> (33,973) <hr/>	<hr/> (395,301) <hr/>
Transfers between funds	<hr/> (127,262) <hr/>	<hr/> 41,500 <hr/>	<hr/> 85,762 <hr/>	<hr/> - <hr/>
Net movement in funds	<hr/> (420,439) <hr/>	<hr/> (26,651) <hr/>	<hr/> 51,789 <hr/>	<hr/> (395,301) <hr/>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued				
	Unrestricted funds	Restricted funds	Endowment fund	Total funds
	£	£	£	£
RECONCILIATION OF FUNDS				
Total funds brought forward	2,792,392	216,650	6,103,030	9,112,072
TOTAL FUNDS CARRIED FORWARD	<u>2,371,953</u>	<u>189,999</u>	<u>6,154,819</u>	<u>8,716,771</u>

11. INTANGIBLE FIXED ASSETS				
				Trademarks
				£
COST				
At 1 September 2018 and 31 August 2019				3,450
AMORTISATION				
At 1 September 2018 and 31 August 2019				3,450
NET BOOK VALUE				
At 31 August 2019				-
At 31 August 2018				-

12. TANGIBLE FIXED ASSETS					
	Freehold properties	School Equipments	Fixtures and fittings	Office equipment	Totals
	£	£	£	£	£
COST					
At 1 September 2018	8,527,360	284,122	283,943	481,609	9,577,034
Additions	54,599	-	8,534	20,926	84,059
At 31 August 2019	8,581,959	284,122	292,477	502,535	9,661,093
DEPRECIATION					
At 1 September 2018	703,229	282,735	264,104	453,763	1,703,831
Charge for year	47,890	697	4,929	14,824	68,340
At 31 August 2019	751,119	283,432	269,033	468,587	1,772,171
NET BOOK VALUE					
At 31 August 2019	7,830,840	690	23,444	33,948	7,888,922
At 31 August 2018	7,824,131	1,387	19,839	27,846	7,873,203

Included above in total net book value is cost of land amounting to £6,375,559.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2019	2018
	£	£
Trade debtors	41,580	38,685
Other debtors	46,349	55,476
Inter-funds temporary balances	63,126	-
Prepayments	23,388	13,235
Accrued income	18,639	-
	<u>193,082</u>	<u>107,396</u>

The Al-Khoi Benevolent Foundation

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	84,951	55,214
Social security and other taxes	21,203	20,418
Other creditors	3,568	3,420
Nursery deposits	8,400	8,800
Inter-funds temporary balances	63,126	-
Deferred income	101,620	119,398
Accrued expenses	22,200	44,400
	<u>305,068</u>	<u>251,650</u>

15. MOVEMENT IN FUNDS

	At 1/9/18	Net movement in funds	Transfers between funds	At 31/8/19
	£	£	£	£
Unrestricted funds				
General Fund	2,239,361	(594,494)	112,705	1,757,572
Khums Sehem Imam	132,592	(132,592)	-	-
	<u>2,371,953</u>	<u>(727,086)</u>	<u>112,705</u>	<u>1,757,572</u>
Restricted funds				
Govet Prevent Funds	48,388	-	(48,388)	-
Shaheed fund	132,467	(13,550)	(118,917)	-
Al-Kawthar/Orphans & Widows	9,144	(46,707)	-	(37,563)
DFID Fund	-	2,619	-	2,619
	<u>189,999</u>	<u>(57,638)</u>	<u>(167,305)</u>	<u>(34,944)</u>
Endowment funds				
Endowment Fund	6,154,819	(35,792)	54,600	6,173,627
	<u>8,716,771</u>	<u>(820,516)</u>	<u>-</u>	<u>7,896,255</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General Fund	2,269,090	(2,863,584)	(594,494)
Khums Sehem Imam	1,381,311	(1,513,903)	(132,592)
	<u>3,650,401</u>	<u>(4,377,487)</u>	<u>(727,086)</u>
Restricted funds			
Khums Sehem Sadaat	1,632,661	(1,632,661)	-
Shaheed fund	-	(13,550)	(13,550)
Al-Kawthar/Orphans & Widows	242,223	(288,930)	(46,707)
DFID Fund	98,346	(95,727)	2,619
	<u>1,973,230</u>	<u>(2,030,868)</u>	<u>(57,638)</u>
Endowment funds			
Endowment Fund	-	(35,792)	(35,792)
	<u>5,623,631</u>	<u>(6,444,147)</u>	<u>(820,516)</u>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/17	Net movement in funds	Transfers between funds	At 31/8/18
	£	£	£	£
Unrestricted funds				
General Fund	1,724,482	(1,357,859)	1,872,738	2,239,361
Khums Sehem Imam	1,067,910	1,064,682	(2,000,000)	132,592
	<u>2,792,392</u>	<u>(293,177)</u>	<u>(127,262)</u>	<u>2,371,953</u>
Restricted funds				
Govet Prevent Funds	48,388	-	-	48,388
Shaheed fund	166,817	(34,350)	-	132,467
Al-Kawthar/Orphans & Widows	1,445	(33,801)	41,500	9,144
	<u>216,650</u>	<u>(68,151)</u>	<u>41,500</u>	<u>189,999</u>
Endowment funds				
Endowment Fund	6,103,030	(33,973)	85,762	6,154,819
	<u>9,112,072</u>	<u>(395,301)</u>	<u>-</u>	<u>8,716,771</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General Fund	2,216,869	(3,574,728)	(1,357,859)
Khums Sehem Imam	2,253,107	(1,188,425)	1,064,682
	<u>4,469,976</u>	<u>(4,763,153)</u>	<u>(293,177)</u>
Restricted funds			
Khums Sehem Sadaat	2,253,107	(2,253,107)	-
Shaheed fund	-	(34,350)	(34,350)
Al-Kawthar/Orphans & Widows	118,380	(152,181)	(33,801)
	<u>2,371,487</u>	<u>(2,439,638)</u>	<u>(68,151)</u>
Endowment funds			
Endowment Fund	-	(33,973)	(33,973)
	<u>6,841,463</u>	<u>(7,236,764)</u>	<u>(395,301)</u>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/19 £
Unrestricted funds				
General Fund	1,724,482	(1,952,353)	1,985,443	1,757,572
Khums Sehem Imam	1,067,910	932,090	(2,000,000)	-
	2,792,392	(1,020,263)	(14,557)	1,757,572
Restricted funds				
Govet Prevent Funds	48,388	-	(48,388)	-
Shaheed fund	166,817	(47,900)	(118,917)	-
Al-Kawthar/Orphans & Widows	1,445	(80,508)	41,500	(37,563)
DFID Fund	-	2,619	-	2,619
	216,650	(125,789)	(125,805)	(34,944)
Endowment funds				
Endowment Fund	6,103,030	(69,765)	140,362	6,173,627
TOTAL FUNDS	<u>9,112,072</u>	<u>(1,215,817)</u>	<u>-</u>	<u>7,896,255</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	4,485,959	(6,438,312)	(1,952,353)
Khums Sehem Imam	3,634,418	(2,702,328)	932,090
	8,120,377	(9,140,640)	(1,020,263)
Restricted funds			
Khums Sehem Sadaat	3,885,768	(3,885,768)	-
Shaheed fund	-	(47,900)	(47,900)
Al-Kawthar/Orphans & Widows	360,603	(441,111)	(80,508)
DFID Fund	98,346	(95,727)	2,619
	4,344,717	(4,470,506)	(125,789)
Endowment funds			
Endowment Fund	-	(69,765)	(69,765)
TOTAL FUNDS	<u>12,465,094</u>	<u>(13,680,911)</u>	<u>(1,215,817)</u>

The endowment fund represents net book value of the freehold properties endowed to the charity.

The Unrestricted funds are the receipts and expenditure of the charity for its objectives without specific restriction on its use. It is represented by the charities net current and its other tangible assets.

The Restricted funds are specific religious funds for specific purposes. The balance is represented by cash in bank.

16. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The charity contributed in pension £21,826 (2018: £13,555) during the year.

The Al-Khoci Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2019.

The Al-Khoei Benevolent Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 August 2019

	31/8/19 £	31/8/18 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and Religious dues	3,765,446	5,087,089
Gift aid	19,050	6,040
	<hr/> 3,784,496	<hr/> 5,093,129
Charitable activities		
School & Nursery Fee Income	1,610,383	1,642,424
School Other Income	130,160	104,345
Grant - DFID	98,346	-
	<hr/> 1,838,889	<hr/> 1,746,769
Other income		
Other income	246	1,565
	<hr/> 246	<hr/> 1,565
Total incoming resources	<hr/> 5,623,631	<hr/> 6,841,463
EXPENDITURE		
Raising donations and legacies		
Wages and salaries - Mosque	27,798	33,819
Rates and water	2,764	3,932
Light and heat	16,938	29,955
Postage and stationery	1,665	113
Sundries	-	4
Repairs and Maintenance	3,658	6,803
Swansea Mosque expenses	7,087	9,594
Cleaning	113	1,035
Sermon food	52,787	73,342
Advertising	-	553
Fixtures and fittings	4,929	4,194
	<hr/> 117,739	<hr/> 163,344
Charitable activities		
Misc school expenses	48,426	29,256
Printing postage & stationery	18,332	21,022
Light and heat	31,522	12,822
Transport and travel	2,225	410
Telephone	7,619	6,934
Rates	19,486	21,699
Repairs & Maintenance	14,635	29,483
Legal & Professional	14,289	11,666
Wages & salaries - School	1,137,719	1,116,037
Bank charges and interest	-	6
Depreciation	697	892
Cleaning	10,077	11,442
Insurance	25,774	24,182
Staff Training	15,749	16,310
Misc nursery expenses	16,890	14,532
Wages & Salaries - Nursery	104,294	90,889
Subscription	7,863	1,926
School meal - expenses	35,376	35,177
Saturday school expenses	51,194	52,697
Health & safety	-	680
Advertising	-	2,900
Wages and salaries - DFID	50,669	-
Travelling - DFID	12,161	-
Legal & prof. fees - DFID	32,264	-
Donations to institutions	4,246,315	5,042,176
Carried forward	<hr/> 5,903,576	<hr/> 6,543,138

The Al-Khoi Benevolent Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 August 2019

	31/8/19	31/8/18
	£	£
Charitable activities		
Brought forward	5,903,576	6,543,138
Donation payments	83,325	208,626
	<hr/>	<hr/>
	5,986,901	6,751,764
Support costs		
Management		
Wages & salaries - Foundation	153,364	178,339
Rates and water	2,951	3,876
Light and heat	1,162	464
Telephone	336	930
Postage and stationery	76	538
Travelling	3,921	6,015
Sundries	2,569	82
Accountancy fees	11,115	24,840
Publication expenses	39,219	6,861
Repairs & Maintenance	8,791	2,109
Subscriptions	4,886	3,385
Subsistence	1,253	14
Advertising	10,000	483
Book keeping fees	15,000	10,500
Legal & professional fees	(2,235)	380
Bad debt	5,400	14,000
Hajj expenses	-	985
Prison visit	40	558
Al-Kawthar expenses	-	120
Cleaning	-	207
Computer and software expense	-	2,540
Bank interest	1	-
	<hr/>	<hr/>
	257,849	257,226
Finance		
Bank charges	2,796	2,973
Foreign exchange loss/(gains)	16,148	215
	<hr/>	<hr/>
	18,944	3,188
Other		
Amort of trademarks	-	3,450
Freehold property	47,890	46,070
Fixtures and fittings	14,824	11,722
	<hr/>	<hr/>
	62,714	61,242
Total resources expended	<hr/>	<hr/>
	6,444,147	7,236,764
Net expenditure	<hr/>	<hr/>
	(820,516)	(395,301)