

Registered Company Number: 08612172

Registered Charity Number: 1162805

INTERNATIONAL WAQF FUND

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

INTERNATIONAL WAQF FUND
(A company limited by guarantee)

COMPANY INFORMATION

Trustees	Dr Awadh Salem Awdeh Alasaime Haroun Atallah (appointed 04 January 2021) Dr Alija Avdukic (appointed 03 April 2021) Heshmat Khalifa Ahmed Khalifa (resigned 16 July 2020) Nasereldin Ahmed Haghamed (resigned 27 January 2021)
Company registration number	08612172
Charity registration number	1162805
Registered office	22 Sampson Road North Birmingham B11 1BL
Principal office	22 Sampson Road North Birmingham B11 1BL
Independent auditor	Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham B4 6AT
Bankers	Barclays Bank PLC One Snow Hill Birmingham B3 2WN
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

INTERNATIONAL WAQF FUND
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report and the financial statements for the year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

International Waqf Fund is a company limited by guarantee by its Memorandum and Articles of Association. The company operates as a registered charity and is a subsidiary of Islamic Relief Worldwide (company number 02365572) which also operates as a registered charity. The wider Group includes TIC International Ltd and IR Mauritius. The Group is part of a wider network of affiliated but independent charitable entities around the world which share the "Islamic Relief" name.

Organisational structure

The charitable company is managed by the Board of Trustees, all of whom are Directors of the company, who consider all significant matters such as strategy and major expenditure at their meetings. The Trustees are responsible for the running of the charity delegating day-to-day operations to an Executive Director; Mr Lotfy El Sayed.

Recruitment and appointment of Trustees

Trustees are appointed to the Board by decision from the board of Trustees of the parent Charity Islamic Relief Worldwide.

Induction and training of Trustees

Newly appointed Trustees are introduced to the operations of the Charity by staff and Trustees. They are familiarized with the Charity's governing documents and their responsibilities as Trustees.

Risks and Uncertainties

The major risks to which International Waqf Fund is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The greatest and most immediate risk is the current Covid-19 pandemic which has the potential to be far-reaching both financially and operationally. Steps taken by the Charity to mitigate the effects of the pandemic are firstly to move fundraising, as far as possible, to internet platforms and to facilitate home working for all staff. Risks are reduced by the organisation employing qualified personnel who operate according to written procedures. The Trustees consider the insurance arrangements of the company to be adequate. During the financial year qualifying third party indemnity provision was in place for the benefit of the Directors of the company.

Fundraising

International Waqf Fund adheres to all relevant statutory regulations including the Data Protection Act 2018 and the Charities Act 2011. It strives for best practice in fundraising by adhering to the Code of Fundraising Practice and is committed to the Fundraising Promise. The Charity's approach mainly utilises Digital Fundraising and does not use third party organisations to fundraise on its behalf. The Charity greatly values the generosity shown by all its donors and supporters.

Objectives and activities

The purpose of the Charity is to operate under Waqf (Islamic endowment) principles, investing donors funds and utilizing the returns for the following charitable objectives –

1. the advancement of education, by means including but not limited to:
 - a) establishing, operating, and maintaining schools
 - b) providing training, programmes, courses, seminars, classes, workshops, performances, scholarships, bursaries, awards, grants, books, equipment, and educational aids
 - c) establishing, maintaining, and operating libraries
 - d) establishing, maintaining, and operating educational training centres
2. the relief and prevention of poverty, by means including, but not limited to:

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

- a) the provision of emergency assistance to assist those people affected by conflict or disaster
 - b) the provision of food supplies
 - c) the provision of financial, technical, or other support for small business and enterprise development, which are owned by and/or primarily employ poor persons enabling them to generate a sustainable income and be self-sufficient
 - d) initiatives to address unemployment
3. the promotion and preservation of health and well-being and the prevention and treatment of disease, by means including, but not limited to:
- a) the provision of safe and accessible water supplies and improved sanitation
 - b) the relief, the care and welfare of children and in particular orphan children
4. the advancement of sustainable development, by means including, but not limited to.
- a) the preservation, conservation and the protection of the environment and the prudent use of resources
 - b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities
 - c) the promotion of sustainable means of achieving economic growth and regeneration (sustainable development meaning “development which meets the needs of the present without compromising the ability of future generations to meet their own needs”)
5. the promotion of the third sector organisations and the efficiency and effectiveness of third sector organisations (“third sector organisations” means charities, voluntary organisations and other forms of social enterprises established for public and community benefit)
6. the advancement of such other purposes as are exclusively charitable in England and Wales as the Trustees shall determine in their sole discretion.

Public Benefit

The Trustees develop strategic plans to make certain that they deliver maximum public benefit and achieve the strategic objectives which fall under purposes defined by the Charities Act 2011. The Trustees have carefully considered the Charity Commission’s general guidance on public benefit in setting objectives and planning activities.

ACHIEVEMENTS, PERFORMANCE AND STRATEGY

Review of activities

The Trustees are happy to report that during 2020 the International Waqf Fund (IWF) supported 14 projects as well as the sponsoring of 2 orphans in Gaza and 1 orphan family in Mali. The projects spanned 13 countries: Bosnia, Gaza, Indonesia, Jordan, Lebanon, Malawi, Mali, Myanmar, Niger, Pakistan, Syria, UK and Yemen.

The details of the projects are as follows -

- Provision of 300 wash kits and the support of 22 health centres in Mali for Covid-19 response.
- The construction in Myanmar of a school to improve the education facilities in Rakhine.
- The provision of food parcels in Yemen and the UK.
- The setting up of a temporary mortuary in a UK mosque to cope with the increasing number of deaths.
- A sustainable livelihood project for beekeeping and honey production in Jordan
- The provision of clean water for 337 households in Pakistan through the installation of 4 water filtration plants.
- The provision of Personal Protective Equipment (PPE) 5 health centres in Pakistan.
- We continued to sponsor 2 orphans in Gaza and a family in Mali.
- In Niger, in response to Covid-19, hygiene kits were provided, and Eid gifts were distributed to 1,600 orphans.
- 172 Qurbanis were undertaken in 3 countries: Malawi, Mali and Niger benefitting a total of 2,673 people.
- In Bosnia scholarships were provided to help children in education and PPE was distributed to 200 medical staff.
- Medical equipment, hygiene kits, and PPE were distributed in Jordan and Syria.

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TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

- In Indonesia hygiene kits were distributed and there was awareness raising about Covid-19.
- In Lebanon IWF supported orphan families with the provision of 2,304 food parcels, 290 hygiene kits, clothing, and cash assistance.

Remuneration Policy

Pay and remuneration of International Waqf Fund's key management personnel is set by reference to sector benchmarks. The Charity aims to keep staff pay within the median quartile of benchmarking exercises.

Financial Review

This was the second year of operation of the Charity and as such the Trustees are satisfied with the financial performance of the organization especially because fundraising was hampered by the Covid-19 pandemic. A surplus of £6,021 of Unrestricted Funds arose at the end of the year and £323,448 of Endowment Funds were generated. The balances on these funds at the year-end amounted to £83,767 and £618,952 respectively. The Trustees are grateful to the donors for their generosity and are in the process of identifying suitable investment opportunities for the endowment funds.

Strategy

The Charity had to change its fundraising plans due to the Covid-19 pandemic. A marketing strategy to maximize donations as restrictions due to the pandemic are lifted was prepared and approved. IWF is exploring investment opportunities in the UK and abroad which will provide the best returns within the boundaries set in the investment policy.

Statement of trustees' responsibilities

The Trustees (who are also directors of International Waqf Fund for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to ensure that:

- suitable accounting policies are adopted and applied consistently.
- methods and principles of the Charities SORP are followed.
- judgments and accounting estimates are reasonable and prudent.
- that applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 6 August 2021 and signed on their behalf by -



Haroun Atallah FRSA FCA
Chair of the Board of Trustee

INTERNATIONAL WAQF FUND
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF INTERNATIONAL WAQF FUND

Opinion

We have audited the financial statements of International WAQF Fund (the 'charitable company') for the year ended 31 December 2020, which comprise the Statement of Financial Activities and Income & Expenditure, 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 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources including, its income and expenditure 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 Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company 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 are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF INTERNATIONAL WAQF FUND (Continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF INTERNATIONAL WAQF FUND (Continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company through our general not for profit and charity sector experience, discussions with management and the internal legal counsel. We determined that the following laws and regulations were most significant: Charities SORP 2019, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Charities Act 2011, Companies Act 2006, Data Protection Act 2018 and The Charities (Protection and Social Investment) Act 2016.
- We enquired of management concerning the charitable company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risk of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations and corroborated the results of our enquiries to relevant supporting documentation.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and

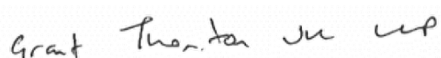
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF INTERNATIONAL WAQF FUND (Continued)

- understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition, improper use of charitable funds and serious incident reports submitted to the Charities Commission in the period; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the charitable company's operations, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - the charitable company's control environment, including:
 - management's knowledge of relevant laws and regulations and how the charitable company is complying with those laws and regulations;
 - the adequacy of procedures for authorisation of transactions; and
 - procedures to ensure that possible breaches of law and regulations are appropriately resolved.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

16 August 2021

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STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE FOR THE YEAR ENDED
31 DECEMBER 2020

	Unrestricted Funds	Endowment Funds	Total 2020	Total 2019	Note
	£	£	£	£	
Charitable Income	406,897	323,448	730,345	698,295	3
Total Income	406,897	323,448	730,345	698,295	
Fundraising Expenditure	204,772	0	204,772	189,315	4
Charitable Expenditure	196,104	0	196,104	135,730	4
Total Expenditure	400,876	0	400,876	325,045	
Surplus/(Deficit) on Activities	6,021	323,448	329,469	373,250	
Movement of Funds					
Funds Brought Forward	77,746	295,504	373,250	0	
Surplus in Year	6,021	323,448	329,469	373,250	
Funds Carried Forward	83,767	618,952	702,719	373,250	

The notes on pages 14 to 19 form part of these financial statements.

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BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	1,793	3,016
Current assets			
Debtors: amounts falling due within one year	9	665,456	292,150
Cash at bank and in hand		94,358	206,929
		<u>759,814</u>	<u>499,079</u>
Creditors: amounts falling due within one year	10	(58,888)	(128,845)
Net current assets		<u>700,926</u>	<u>370,234</u>
Total assets less current liabilities		<u>702,719</u>	<u>373,250</u>
Net assets		<u>702,719</u>	<u>373,250</u>
Funds			
Unrestricted		83,767	77,746
Endowment		618,952	295,504
		<u>702,719</u>	<u>373,250</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 August 2021.



Haroun Atallah FRSA FCA
Chair of the Board of Trustee

The notes on pages 14 to 19 form part of these financial statements.

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CASHFLOW STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2020

Reconciliation of net income/ expenditure to
net cash flow from operating activities

	2020	2019
	£	£
Net income / expenditure for the reporting period per the SOFA	329,469	373,251
Adjustments for:		
Depreciation	1,878	2,060
(Increase) in debtors	(373,306)	(292,150)
(Decrease) in creditors	(69,957)	128,844
Net cash utilised by operating activities	<u>(111,916)</u>	<u>212,005</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(655)	(5,076)
		0
Net decrease in cash and cash equivalents	<u>(112,571)</u>	<u>206,929</u>
Cash and cash equivalents at the beginning of the period	206,929	0
Cash and cash equivalents at the end of the period	94,358	206,929
Consisting of:		
Cash at bank and in hand	<u>94,358</u>	<u>206,929</u>

The notes on pages 14 to 19 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Company information

International Waqf Fund is a charitable company limited by guarantee, without share capital and governed by its Memorandum and Articles originally dated 16 July 2013 and amended by Special Resolution on 21 July 2015. Originally called Islamic Relief Waqf; the company changed its name to International Waqf Fund on 25 February 2020.

The company was originally registered as a charity with the Charity Commission on 23 July 2015 but remained dormant until 1 January 2019. International Waqf Fund is a public benefit entity.

The Principal Address and Registered Office is 22 Sampson Road North, Birmingham B11 1BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, 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) (effective 1st January 2019) – (Charities SORP (FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland – (FRS 102) and the Charities Act 2011.

The financial statements have been prepared on a going concern basis under the historical cost convention.

2.2 Going concern

When preparing these Financial Statements, the Trustees have assessed the Company's ability to continue as a going concern and have examined the uncertainties caused by the Covid-19 pandemic. As a result of this assessment no material uncertainties have been identified by the Trustees that may cast significant doubt about the ability of the Company to continue as a going concern. The Trustees consider the fact that the Charity is a subsidiary of Islamic Relief Worldwide and can call upon the support and resources of that organization as a major factor in reaching this judgement.

2.3 Incoming resources

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

2.4 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 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.

2.5 Fund accounting

Unrestricted funds: All donations are considered unrestricted unless specifically stated by the donor. Unrestricted funds comprise the accumulated surplus or deficit on the statement of financial activities which are available for use at the discretion of the trustees of Islamic Relief Worldwide in furtherance of the objectives of the charity.

Endowment (Waqf) funds: These are funds that have been given to Islamic Relief Worldwide subject to the restriction that they are to be held as capital or spent on a long-term charitable asset. Waqf is employed to

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

generate a return while the original investment remains intact. Waqf returns are used to cater for long-term projects. Waqf is the Islamic equivalent of endowments.

2.6 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment charges.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method unless where stated otherwise.

Depreciation is provided on the following basis:

Computer Equipment	- 4 years
Fixtures & fittings	- 4 years

2.7 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

2.8 Taxation

As a registered charity, the company is exempt from taxation of its income and gains to the extent they fall within the charity exemptions in the Corporation Taxes Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992.

The company is unable to recover Value Added Taxation charged on its purchases which is included in the related expense or asset in the accounts.

2.9 Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items where these judgments and estimates have been made include:

Provision for doubtful debts

Debtor balances outstanding at the year end and not received at the date of signing have been considered on a case-by-case basis regarding their recoverability.

3. Income

	2020 £	2019 £
Donations and legacies	353,659	323,995
Parent company grant	376,686	374,300
	<hr/> 730,345	<hr/> 698,295

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Support costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include management, administration, governance, and facilities costs. They are incurred directly in support of expenditure on the objects of the Charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources.

	Total Support Costs £	Activities Undertaken Directly £	Total 2020 £	Total 2019
Fundraising	93,696	111,076	204,772	189,315
Charitable activities	150,886	45,218	196,104	135,730
	<u>244,582</u>	<u>156,294</u>	<u>400,876</u>	<u>325,045</u>

5. Governance

	2020 £	2019 £
Auditor's remuneration (audit)	4,200	4,200
Auditor's remuneration (non-audit work)	0	0
Legal costs	18,613	966
Trustees' expenses	190	740
	<u>23,003</u>	<u>5,906</u>

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include professional fees and costs linked to the strategic management of the Charity.

6. Trustees' expenses

	2020 £	2019 £
Meeting costs	190	120
Travel expenses	0	620
	<u>190</u>	<u>740</u>

Trustees can claim expenses but are not remunerated.

7. Staff costs and emoluments

	2020 £	2019 £
Gross salaries	176,109	162,191
Employer's National Insurance	17,884	17,724
Employer's Pension	8,424	11,074
	<u>202,417</u>	<u>190,989</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

The average monthly number of employees during the year was 4 (2019: 4).
Only one member of staff earned more than £60,000 in the year; their earnings fell into the band £80,000 - £85,000 (2019: 1).

Key management remuneration amounted to £80,324 (2019: £88,604), including pension costs of £5,721 (2019: £7,116).

8. Tangible fixed assets

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2020	6,260	2,402	8,662
Additions	0	655	655
Disposals	-	-	-
At 31 December 2020	6,260	3,057	9,317
Depreciation			
At 1 January 2020	3,554	2,093	5,647
Charge for the year	1,564	313	1,877
At 31 December 2020	5,118	2,406	7,524
Net book value			
At 31 December 2020	1,142	651	1,793
At 31 December 2019	2,706	309	3,015

9. Debtors

	2020 £	2019 £
Owed by group undertakings	645,372	284,902
Other taxation	3,782	0
Prepayment and accrued income	13,067	0
Other debtors	3,235	7,248
	665,456	292,150

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10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,520	1,502
Owed to group undertakings	0	112,117
Other taxation and social security	4,760	4,797
Other creditors	39,568	6,229
Accruals and deferred income	13,040	4,200
	<u>58,888</u>	<u>128,845</u>

11. Movement in funds

Unrestricted Funds	2020 £	2019 £
Brought forward	77,746	0
Incoming resources	406,897	402,791
Resources expended	400,876	325,045
Balance carried forward	<u>83,767</u>	<u>77,746</u>
Endowment Funds	2020 £	2019 £
Brought forward	295,504	0
Incoming resources	323,448	295,504
Resources expended	0	0
Balance carried forward	<u>618,952</u>	<u>295,504</u>

12. Analysis of assets and liabilities representing funds

	Unrestricted 2020 £	Endowment 2020 £	Total 2020 £	Total 2019 £
Fixed assets	1,793	0	1,793	3,016
Current assets	140,862	618,952	759,814	499,079
Creditors due within one year	(58,888)	0	(58,888)	(128,845)
	<u>83,767</u>	<u>618,952</u>	<u>702,719</u>	<u>373,250</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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13. Controlling party

The ultimate parent company is Islamic Relief Worldwide, a charitable company registered in England and Wales, which is based at 19 Rea Street South, Birmingham, B5 6LB.

Islamic Relief Worldwide has the right to appoint and remove the trustees of International Waqf Fund.

Consolidated financial statements can be obtained from the Islamic Relief Worldwide website www.Islamic-relief.com.