



**Al-Khair**  
FOUNDATION

BALANCE WITHOUT COMPROMISE

# TRUSTEES' REPORT

YEAR ENDED 31 JULY 2017

[www.alkhair.org](http://www.alkhair.org)  
Registered Charity No 1126808





**KHAIR  
=  
GOODNESS**

**BALANCE  
WITHOUT  
COMPROMISE**

**ACCOUNTABILITY  
and  
TRANSPARENCY**

**INTEGRITY  
COMPASSION  
JUSTICE  
COMMITMENT**

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# LEGAL AND ADMINISTRATIVE INFORMATION

Al-Khair Foundation is a company limited by guarantee, incorporated on 3 July 2003.

Al-Khair Foundation ('the Charity') is a Registered Charity (since 19 November 2008)

## Registered Company Number:

04819971 (England and Wales)

## Registered Charity Number:

1126808 (England and Wales)

## Registered Charity Number:

SC042234 (Scotland)

## Registered Office:

109 -117 Cherry Orchard Road, Croydon, CR0 6BE, United Kingdom

## Website:

[www.alkhair.org](http://www.alkhair.org)

## Trustees and Directors:

Imam Qasim Rashid AHMAD

Dr Mohammed Jafer Hussain QURESHI

Mohamed Ayyub SHAIKH

Basil NADER (appointed 29/09/2016)

Thomas Richard SWIFT (appointed 29/09/2016)

## Key Management Personnel:

Imam Qasim Rashid AHMAD (Executive Chair)

Saif AHMAD (CEO, resigned 30/09/2016)

Shuaib YUSAF (CEO, appointed 19/09/2016)

Isa JOLIL (Head of Programmes, resigned 31/10/2016)

Imtiaz MOHAMED (Head of Programmes, resigned 19/06/2017)

Philip ARNELL (Head of Donor Services, appointed 20/02/2017)

Claire RUDMAN, née SIMS (Head of Corporate Services)

Tariq ABBASI (Head of Finance, appointed 01/03/2017, resigned 16/05/2017)

Alamgir HOSSAIN (Head of Finance, appointed 01/07/2017)

## Bankers:

HSBC Bank Plc  
91 High Street  
Thornton Heath  
CR7 8XE

Al Rayan Bank  
Edgbaston House  
3 Duchess Place  
Birmingham  
B16 8NH

## Auditors:

Messrs Elliot, Woolfe & Rose  
(Chartered Accountants)  
Equity House  
128-136 High Street  
Edgware  
HA8 7TT

## Legal Advisors:

Johns & Saggar LLP  
34 – 36 Gray's Inn Road  
London  
WC1X 8HR

“

“WE DON'T SEE WHERE THE VICTIMS COME FROM,  
WE JUST SEE HOW WE CAN HELP THEM AND IT IS  
THIS HUMANITY THAT BLINDS US”

– IMAM QASIM



# OBJECTIVES AND ACTIVITIES

Al-Khair's long-term objectives are the relief of poverty and hardship, and the advancement of education, healthcare, livelihood and economic empowerment for vulnerable communities and individuals.

The principal beneficiaries of the work of Al-Khair are the populations affected by natural disasters and armed conflict and those who suffer from chronic poverty, lack of adequate healthcare and access to safe water. Those benefitting from Al-Khair's work include communities and individuals, vulnerable children and orphans, widows, the elderly and disabled, people affected by poverty, sickness, distress, economic and social deprivation.

## STRATEGIC REVIEW

Al-Khair Foundation has continued to deliver in the key areas of Emergency Response, Health, Water and Sanitation for Health (WASH), and Education, Training and Livelihood, in addition to seasonal campaigns such as Ramadan and Qurbani. Al-Khair is also active in the UK contributing to community cohesion measures and also winter campaigns for the vulnerable.

## AL-KHAIR FOUNDATION'S PARTNERSHIPS

Al-Khair Foundation strongly believes in working in partnership with key stakeholders at all levels to achieve our objectives. This means establishing partnerships with community-based organisations, NGOs and Government Ministries in areas it works in, as well as developing working relationships with international development partners to include UNHCR, UNWRA, Qatar Red Crescent Society, Kenya Red Cross, Syria Relief and United Muslim Relief. In total Al-Khair works with over 25 different organisations affording us the opportunity to maximise our impact and to reach vulnerable communities around the world.





Al-Khair delivers its services without reference to colour, creed or political persuasion.

## VISION

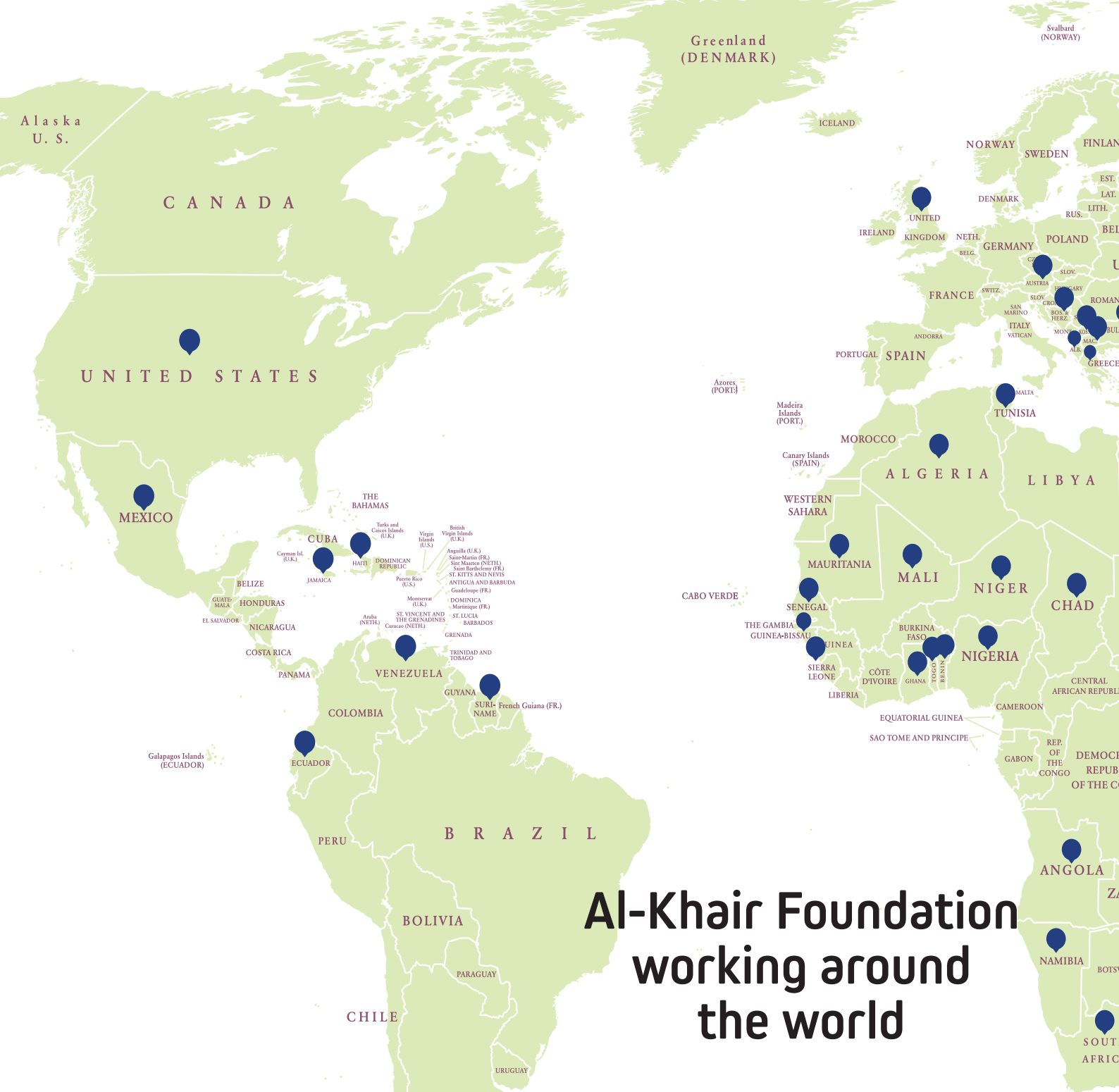
Al-Khair Foundation is a leading humanitarian and developmental aid agency. Working with some of the most impoverished communities and hostile environments globally, Al-Khair delivers its services without reference to colour, creed or political persuasion.

## MISSION

Al-Khair seeks to build a just world based on humanitarian principles, which fulfil the needs of disadvantaged people through advancing education, alleviating poverty, promoting livelihood, and empowering the disadvantaged and dispossessed globally.

## VALUES

Al-Khair also works in the UK to alleviate poverty, advance education and actively engage in the areas of social and community cohesion through promoting tolerance and interfaith dialogue.



# Al-Khair Foundation working around the world

Afghanistan  
Albania  
Angola  
Australia  
Austria  
Bangladesh  
Benin  
Bulgaria  
Chad  
Ecuador  
Eritrea

Ethiopia  
Ghana  
Greece  
Haiti  
Hungary  
India  
Indonesia  
Iraq  
Jamaica  
Jordan  
Kosovo

Kenya  
Lebanon  
Macedonia  
Malawi  
Malaysia  
Mali  
Mauritania  
Mozambique  
Myanmar  
Namibia



Nepal  
Niger  
Nigeria  
Oman  
Pakistan  
Palestine  
Phillipines  
Rwanda  
Senegal  
Sierra leone  
Somalia

Somaliland  
South Africa  
South Sudan  
Sri Lanka  
Sudan  
Suriname  
Syria  
Tanzania  
The Gambia  
Togo  
Tunisia

Uganda  
United Kingdom  
United States of  
America  
Venezuela  
Yemen  
Zimbabwe

# EMERGENCY RESPONSE

The ever present need for humanitarian action around the world intensified during the financial year ended 31 July 2017. Al-Khair Foundation is committed to the ethos of Balance without Compromise. Thanks to the considerable generosity of its donors and the blessings of Allah, the Almighty, Al-Khair's rapid intervention in 14 countries across the globe helped to minimise casualties and alleviate suffering wherever it was most needed. In humanitarian emergencies, Al-Khair's aim is not only to meet the most immediate needs of affected communities, but also to work with them to increase resilience and empower communities through its bespoke programmes.

## HAITI

In the tragic aftermath of Hurricane Mathew, which killed over 1,000 people on 4 October 2016, nearly one million people were left displaced. Al-Khair collaborated with LIFE and Helping Hands in Roche-à-Bateaux and Les Cayes. Through IQRA Bangla's (one of the Charity's two television channels) coverage of its work on the ground, Al-Khair was able to raise sufficient donations to deliver aid in the form of tents, bedding, bottled water, water-purifying tablets and hygiene kits to 3,500 beneficiaries.

## SOMALILAND

Through Al-Khair Foundation's Somaliland office, it collaborated with ActionAid to boost resilience among the drought-affected population in the following ways; 1,300 disadvantaged Somalis relied on Al-Khair Foundation's food packs, consisting of supplies such as rice, sugar, oil, flour and dates, to last them four months. In the Balimataan region, 1,000 families were sheltered with tents, and both clean water delivery and water-storage facilities were supplied. 150 families in Marodi Jeh and Hawd received hygiene and dignity kits. Medical support was given to those who needed it. Over 5,000 families across nine villages benefited from the Charity's activities.

## EAST AFRICAN DROUGHT

Perpetual lack of rain has exacerbated the ongoing drought in East Africa, where Al-Khair has partnered up with local organisations to provide emergency aid to the countries most affected.

## KENYA

In North East Kenya, the Charity's food packs, consisting of high-nutrient necessities, such as lentils, dried milk, rice, sugar and flour, fed almost 3,000 families in Wajir and Lamu County, Mwingi Sub County and Tana River County.



“  
Food insecurity  
affects over 11%  
of the global  
population.”

## FOOD INSECURITY

Conflict-ridden states plagued by insurgencies and civil war, which are man-made disasters, demand just as much humanitarian assistance as natural disasters, if not more. One of the main problems in these states is the food insecurity crisis, which escalates into a host of other crises, including malnutrition and starvation.

## NIGERIA

A Boko Haram insurgency displaced thousands, causing widespread food insecurity in Nigeria. In partnership with Christian Aid, the Charity sent two cash transfers to 135 severely deprived families in Borno State, covering their basic needs for over two months.

## SOUTH SUDAN

Unprecedented food insecurity continues in South Sudan owing to its long-standing civil war. The Charity fed 800 hungry families in Mundri County, with its food packs, providing at least two months' supply of sorghum, oil and salt.

## YEMEN

In a drive to address food insecurity and chronic malnutrition in Yemen, the Charity, in partnership with Mona Relief, distributed food packs to over 3,200 people. According to the UN, the country is also currently suffering from the world's worst cholera outbreak, affecting hundreds of thousands of people. In

partnership with Humanitarian Forum (Yemen), the Charity is running awareness-raising and chlorination campaigns in health centres. Vaccinations are being administered and cholera medicines dispensed. This ongoing project will benefit almost 13,000 people.

## SYRIA

As the war in Syria continues, the increasing violence in East Aleppo has forced thousands of families to flee. Alongside Syria Relief, in the governorate of Idlib, almost 800 displaced and food-insecure families relied on Al-Khair Foundation's food packs.

## MYANMAR

The situation of the destitute Rohingya deteriorated in early October 2016, when cross-border attacks sparked a wave of violence between the Myanmar authorities and the Rohingya. The increased tension caused many thousands of Rohingya to flee their camps. The Charity's team distributed much needed food aid to those who remained in the camps.

## BANGLADESH

The food-insecure Rohingya refugees who fled to Teknaf Camp, relied on The Charity's emergency food packs. Al-Khair Foundation's main objective was to provide aid to the most vulnerable, including women-headed households, the disabled, the elderly and children.

World hunger  
is on the rise:  
the estimated  
number of  
undernourished  
people increased  
from 777 million  
in 2015 to 815  
million in 2016  
F.A.O. UN Agency,  
2017



## GREECE

Until November 2016, as Syrian refugees continued to arrive on the Greek islands by sea, the Charity distributed hot meals to over 1,000 people daily in the camps in Thessaloniki and Lesbos. Subsequent to the UNHCR announcement that the crisis in these camps had ended, through its newly established Greece country office, the Charity has been implementing other development projects in refugee concentrated areas around Athens.

## WINTERISATION

Every year harsh weather conditions cause millions of underprivileged people worldwide to experience extreme hardship and suffering; they are unable to protect themselves, they lack clothing, and even homes. To ease the plight of these people, over the years the Charity has been delivering emergency winterisation kits to the most hard-hit communities. These kits include warm clothing, bedding and other suitable items.

## MOSUL, IRAQ

Beginning in October 2016, the violence that ensued in the offensive to retake the city of Mosul, displaced hundreds of thousands of civilians. The adverse winter weather caused further suffering to civilians who fled to Internally Displaced Person (IDP) camps in the north. Working with partners, the Charity's winterisation kits assisted almost 250 internally displaced families in Hajj Ali Camp, Ninewa governorate.

## SYRIA

Hundreds of thousands of displaced, suffering Syrians, including infants and young children, struggled with the cold, harsh winter in devastated homes and camps. The charity assisted over 2,000 suffering individuals with winter kits.

## PAKISTAN

The winters in some of Pakistan's highest terrains can be unforgiving to the poor communities who live there, some of whom are homeless. As part of its winterisation activities, in 2016 the Charity offered a warm hand to over 3,000 individuals, delivering winter kits and bedding across three provinces.

## FLOODS

Floods affected many different regions of the world. The subsequent landslides and mudslides left entire communities destitute and devastated, with huge numbers of casualties.

Flash floods and Cyclone Mora took thousands of lives and livelihoods in the South Asian countries of Bangladesh, India, Nepal and Sri Lanka. The Charity responded immediately, reaching the worst affected communities. Almost 3,000 families received food packs, educational materials, clothes and medicines in Sunamgonj, Sylhet and Rohingya refugee camps in Bangladesh. Hundreds of thousands of farmers who had lost their crops relied on the seeds the Charity provided.

In the Indian state of Bihar, one of the worst affected areas, almost 650 families benefitted from Al-Khair Foundation's food packs and blankets.

The Charity's Nepal office supplied food rations to 500 families in Saptari District.

Dry food rations fed almost 500 families in Galle District, Sri Lanka, via local partners.

## SIERRA LEONE

In August 2017, 500 lives were lost to flooding and the subsequent mudslides, with many displaced from their homes in and around Freetown, Sierra Leone. 200 families received Al-Khair Foundation's food packs, mattresses and medicines.

## UNITED KINGDOM

### Grenfell Tower Fire

In the early hours of Wednesday, 14 June 2017, the 24-storey Grenfell Tower Block, West London, caught fire. Considered to be the worst disaster in the UK since the Second World War, the fire directly impacted the lives of hundreds of sleeping residents, who were unaware of the impending danger. With the official number of casualties still unknown, a Grenfell Muslim Response Unit (GMRU) was formed to deal with the situation, made up of several UK Muslim charities, including Muslim Hands and Islamic Relief. As part of the GMRU, Al-Khair Foundation was one of the first points of contact for the affected families who needed urgent support, advocating, signposting and offering impartial advice on such matters as statutory services, counselling, financial support, burial services and legal advice.



Al-Khair delivers its services without reference to colour, creed or political persuasion.

APPROXIMATELY

**88,675**

LIVES WERE IMPACTED BY  
AL-KHAIR'S GLOBAL EMERGENCY  
AID ACTIVITIES

DELIVERED AID IN THE  
FORM OF TENTS, BEDDING,  
BOTTLED WATER, WATER-  
PURIFYING TABLETS AND  
HYGIENE KITS TO

**3,500**

BENEFICIARIES IN HAITI

**3,000**

FAMILIES RECEIVED FOOD PACKS,  
EDUCATIONAL MATERIALS,  
CLOTHES AND MEDICINES IN  
SUNAMGONJ, SYLHET AND  
ROHINGYA REFUGEE CAMPS IN  
BANGLADESH.



# WASH



Historically, one of the most common causes of death in the developing world has been the drinking of contaminated water, causing waterborne diseases. 844 million people worldwide do not have access to clean water, and a staggering 2.3 billion people live without adequate sanitation. In keeping with UN Sustainable Development Goal 3, Good Health and Well-being and Goal 6, Clean Water and Sanitation, Al-Khair Foundation's Water and Sanitation for Health (WASH) Programme is dedicated to fighting this shortage. Al-Khair Foundation believes that education in good hygiene practices is the most effective way to empower communities in the long term.

## PAKISTAN

In response to the suffering experienced by the millions who have no access to clean drinking water in Pakistan, the Charity has constructed 625 wells and 5,700 hand pumps in six cities, reaching almost 52,000 people each day. Additionally, the Charity has constructed ten water filtration plants in Punjab and Sindh provinces, with each plant supplying over 300 families every day.

## GAZA, PALESTINE

The Charity has constructed a well and a water desalination plant in Gaza city, with the capacity to provide clean water to over 15 clinics, mosques and schools, as well as to residents, reaching thousands of individuals in poor neighbourhoods.

## SOMALILAND

The provision of safe drinking water is one of Al-Khair Foundation's top priorities in Somaliland. This financial year, the Charity instigated the digging of a borehole in the Baligubadle region and, through its water tanker operations, provided up to 20,000 litres of clean drinking water to 4,000 families every week in Hargeisa and the surrounding areas. Additionally, in partnership with ActionAid, the Charity trained women in hygiene and sanitation, and distributed dignity kits.

## NIGERIA

Al-Khair Foundation's first WASH project in Nigeria began with the digging of a borehole and installation of a solar-powered water pump, supplying water to 1,500 people in the Magami Village, Kano State. The Charity has trained 100 women in good hygiene and sanitation practices, helping them to become community leaders and in turn delivering training programmes themselves. Acting on the conviction that good practices should be instilled from an early age, Al-Khair Foundation has also educated 100 children on the principles and health benefits of good hygiene and sanitation.



## KENYA

In Kenya, the lack of clean water and sanitation facilities has an adverse impact on maintenance of menstrual hygiene among women. To address this issue, which is exacerbated by the drought, the Charity successfully built over 30 shallow wells, one borehole and three djabiahs (water-harvesting resources). 9,300 families, including small-scale food farmers, relied on these water sources. To support 3,000 Kenyan women, the Charity developed and delivered menstrual hygiene training programmes in Lamu and Korogocho, and distributed hygiene and dignity kits to them.

## INDIA

In Salem, Tamil Nadu, the sanitation facilities at Markazul Uloom Al-Islamia Arabic College were in a very poor condition due to a lack of resources for the requisite maintenance. The Charity renovated the college, giving students a healthy and enhanced learning environment. The toilet blocks, kitchen and dining spaces were expanded and upgraded, and the ground floor was refurbished.





To support 3,000 Kenyan women, the Charity developed and delivered menstrual hygiene training programmes in Lamu and Korogocho, and distributed hygiene and dignity kits to them



CONSTRUCTED  
**625 WELLS &  
5,700 HAND PUMPS**  
IN SIX CITIES IN PAKISTAN

INSTALLED **30 SHALLOW WELLS,**  
**ONE BOREHOLE** AND  
**THREE DJABIAHS**  
(WATER-HARVESTING RESOURCES) IN KENYA

PROVIDED UP TO  
**20,000 LITRES**  
OF CLEAN DRINKING WATER TO  
**4,000 FAMILIES**  
EVERY WEEK IN SOMALILAND

# HEALTH

According to the World Health Organisation, around 830 women die every day due to complications during pregnancy and childbirth. Around 99% of these deaths occur in developing nations. The standard of healthcare directly correlates to life expectancy. Al-Khair Foundation is committed to providing healthcare solutions to the most marginalised communities, with particular focus on maternal and child health.

## PAKISTAN

The Charity has four dispensaries and one clinic, which dispense medicines and offer medical advice and other healthcare services, in four Pakistani cities. In the course of this financial year, over 39,000 patients were treated. We also support a maternity wing at Hijaz Hospital in Lahore.

## BANGLADESH

In collaboration with local partner, SHED, the Charity started a maternal and child healthcare project in Balukhali Camp, which hosts Rohingya refugees. Through this project, specialists offer free diagnoses and medicines, as well as counselling and regular health awareness sessions. Beneficiaries include children under the age of five and mothers pre-natal and post-natal. As the Rohingya crisis continues to escalate, the Charity will provide healthcare services in Kutupalong Camp. In 2016, in a drive to combat blindness, the Charity carried out free cataract surgeries on over 200 people in Sylhet.

## KENYA

The Charity operates six fully-equipped emergency tuk-tuk ambulances, which are able to deal with maternal emergencies in rural regions, where it can be extremely challenging for residents to reach the nearest healthcare facility. In coastal counties such as Lamu, the Charity operates boat ambulances, ensuring that emergency medical services reach those who need it. To date, over 13,000 individuals have used these ambulances. The maternity health clinic at Hagadera Camp provides antenatal and outreach services. In Kibera, the largest slum in Nairobi and one of the largest urban slum in the world, the Charity transformed an existing structure into a health clinic for maternal and child healthcare.

## GAZA

In 2017, the Charity established Al-Khair Hospital in Khan Younis City, Gaza, in partnership with OIC and Essahaba. Not only will the hospital provide high quality healthcare services to potentially 620,000 people, it is the first of its kind to specialise in maternity services in the area. To promote the well-being of the young, the Charity has also facilitated psychosocial support to over 3,000 children affected by the conflict.

## SYRIA

Through its partner, Syria Relief, the Charity funded the paediatric department at Bab Al Hawa Hospital in Idlib, where over 1,500 patients have been treated completely free of charge. In Damascus, the Charity facilitates psychosocial support to children who have been affected and traumatised by the conflict.

## NEPAL

In June 2017, the Charity instigated a two-year maternal and child healthcare programme in Mugu District, Nepal, and is now developing technical capacity to ensure delivery of high-impact healthcare services in two rural municipalities.



**39,000**

PATIENTS WERE  
TREATED IN PAKISTAN

**620,000**

PEOPLE BETWEEN KHAN  
YUNIS AND RAFFAH WILL  
BENEFIT FROM AL-KHAIR  
FOUNDATION'S SPECIALIST  
MATERNITY HOSPITAL IN  
GAZA.



BAB AL HAWA HOSPITAL  
IN IDLIB, WHERE OVER

**1,500**

PATIENTS HAVE BEEN  
TREATED COMPLETELY  
FREE OF CHARGE

# SHELTER



Food, water and basic shelter are the fundamental requirements for survival. Not only does Al-Khair Foundation strive to meet the primary needs of deprived populations, but, in its conviction that everyone has the right to a better quality of life, the Charity also strives to meet secondary needs. As the world's population continues to increase, its resources become more and more scarce. In 2016-2017, the Charity worked in many countries to provide shelter to the most underprivileged communities, giving families what they could call a 'home'.

## PAKISTAN

The Charity has constructed a 44-acre model village for 2,175 residents in Ehsanpur, Pakistan. This village includes 300 two-bedroom houses, 36 one-bedroom houses and 16 three-bedroom houses, each equipped with a kitchen, a bathroom, a hand pump and sewage system. There are 27 shops in the village, a middle school, two ambulances and a pharmacy, where citizens receive free education and healthcare. The Charity has also built a madrasa, a jamia masjid and a playground, and has installed a CCTV security system in the village. 220 people were accommodated in 32 individual houses constructed across Punjab, Khyber Pakhtunkhwa, and Azad Jammu and Kashmir provinces.

## TOGO

In partnership with Muslims Around The World (MATW), in 2016 the Charity began construction of a model village in Togo. This village includes 75 homes for widows, classrooms for children (including orphans) and a health clinic to meet their basic healthcare needs.

## KENYA

The Charity began construction of a model village for the people of Bahimisi village in Pate Island, Lamu. This village for 100 residents, includes 28 housing units, 12 pit latrines, an animal pen, a dispensary, a kindergarten, a waste disposal pit and a djabiah (a rainwater harvester), combatting the effects of the drought.

## BANGLADESH

In May 2016, Cyclone Roanu devastated the southern region of Bangladesh, with hundreds of thousands rendered homeless. As a result, the Charity built 25 houses in Kutubdia Upazila, Cox's Bazar.



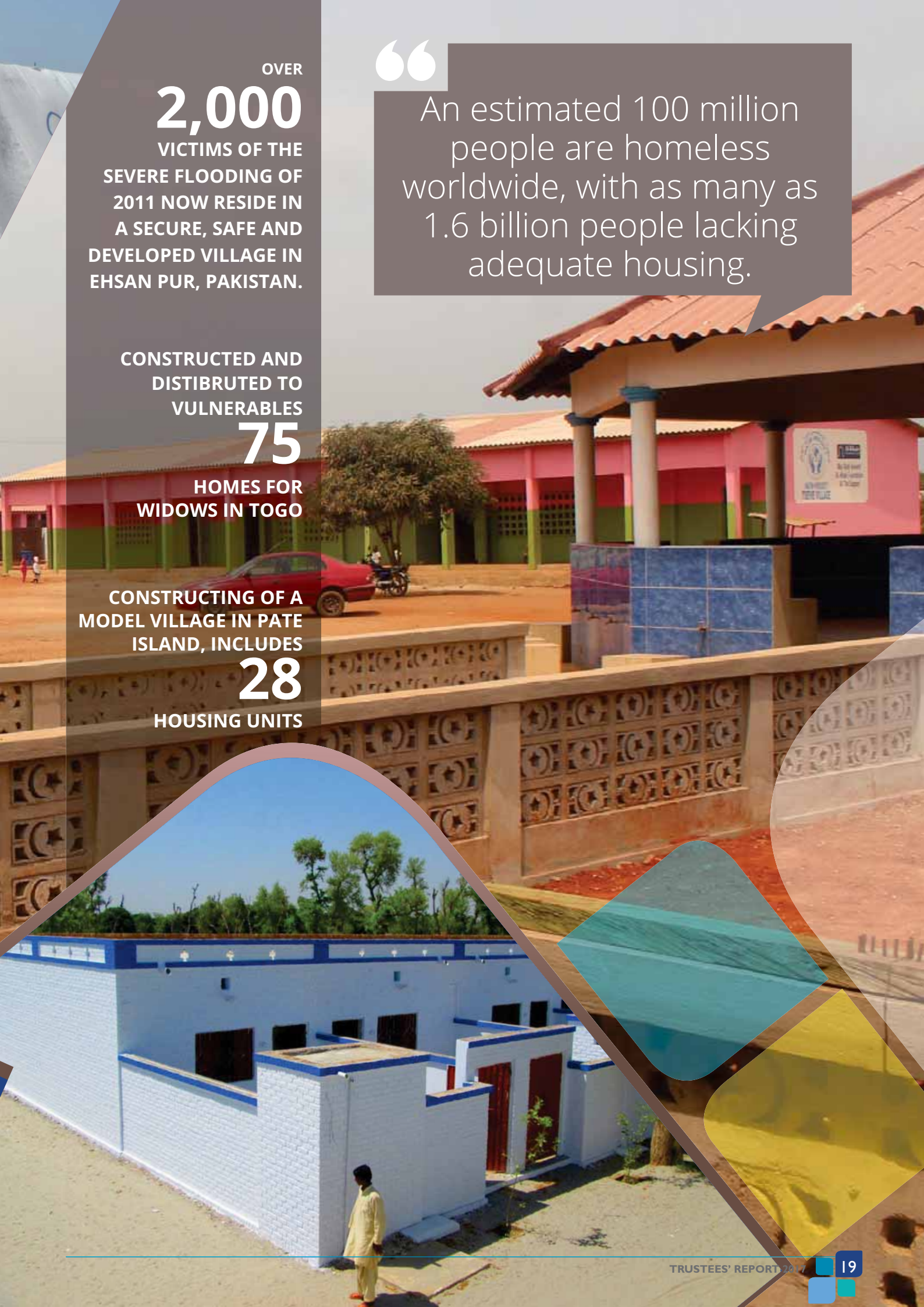
OVER  
**2,000**  
VICTIMS OF THE  
SEVERE FLOODING OF  
2011 NOW RESIDE IN  
A SECURE, SAFE AND  
DEVELOPED VILLAGE IN  
EHSAN PUR, PAKISTAN.

CONSTRUCTED AND  
DISTRIBUTED TO  
VULNERABLES  
**75**  
HOMES FOR  
WIDOWS IN TOGO

CONSTRUCTING OF A  
MODEL VILLAGE IN PATE  
ISLAND, INCLUDES  
**28**  
HOUSING UNITS



An estimated 100 million people are homeless worldwide, with as many as 1.6 billion people lacking adequate housing.





“

61 million children of primary school age worldwide remain out of school.



# EDUCATION, TRAINING AND LIVELIHOOD

17 years since the onset of Millennium Development Goal 2, Achieving Universal Primary Education for Every Child, 61 million children of primary school age worldwide remain out of school. These children are the future and their education represents hope and promise for a better life. Not only is education a fundamental right, but it is Al-Khair Foundation's belief that education is the key to breaking the cycle of poverty. Al-Khair Foundation's education and training programmes reflect this by increasing the number of quality learning opportunities available.

Al-Khair Foundation understands that a lack of livelihood development opportunities can preclude individuals and communities from realising their full potential, thus impeding progress in societies. Lack of opportunities, coupled with an unequal distribution of resources, perpetuates economic disparity and social stratification, and this cycle can continue for generations. It has manifested in the form of poor health, disease, social and political instability and ultimately, in many countries, deep-rooted poverty. The Charity's livelihood programmes aim to reflect realities and its target communities are always consulted so that the programmes better meet their specific needs, thereby improving quality of life.

## AL-KHAIR SCHOOLS

The seed from which Al-Khair Foundation blossomed into the large organisation it is today is Al-Khair Primary School. A humble initiative that began with only five students in 2003 has grown to three schools in the United Kingdom. Al-Khair schools deliver high quality primary and secondary education to over 400 pupils across each of its sites in London and Birmingham. These unique, holistic, Islamic schools also offer national curriculum syllabus subjects, as well as citizenship education and a wide range of extracurricular activities. Al-Khair students take part in national competitions and consistently achieve excellent results, placing the schools in the top ten percent of the local borough's schools, and in the UK's top 100 secondary schools. Al-Khair schools instill life-long skills into students, producing strong, intelligent, thoughtful citizens who can contribute positively to society.

There are six Al-Khair schools in small towns and villages in Punjab province, Pakistan. In 2016-2017, all six of these schools made remarkable progress in their delivery of elementary, primary and secondary education. The rate of enrolment was high, with over 1,600 students in total, and significantly, the number of girls exceeded the number of boys.

## PAKISTAN

In an effort to address the issue of high levels of unemployment in Pakistan, in 2016-2017 the Charity ran three handicraft centres for women, where 880 women attended knitting, sewing and football stitching classes. These women generated income from the sale of their crafts in local markets. The Charity also operates two prayer-mat factories, employing 20 men, and a football factory employing a further 150 men.

## KENYA

The Charity funded the salaries of 13 teachers in Madrassatul Irshad School in Siyu Village, Pate Island, which has 300 students.

In the small island of Kiwayu, Lamu where the main economic activity is fishing, the use of traditional dhows made it difficult for the fishermen to travel deeper into the sea, reducing their catch, and with the lack of facilities to preserve fresh fish, they had to resort to drying the fish, thus reducing its market value. The Charity's provision





of three 15-horsepower outboard motors assisted the community by significantly increasing the volume of their catch. The Charity also supplied the fishermen with eight solar-powered freezers and constructed a solar-powered cold room, allowing them to store fresh fish for longer periods. As the freezers also generate ice-blocks, this helps the fishermen when transporting their catch to the markets. Over 500 individuals have benefitted from this initiative.

Our livelihood programme in Kenya quite literally follows the moral of the proverb, "give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime."

## INDONESIA

The Charity developed a duck breeding project for Rohingya refugee families living in Aceh Timur, Indonesia. 100 direct beneficiaries sent 70% of the income generated to their families in Myanmar, used 25% for daily living and purchase more ducklings with the remaining 5%.

## BANGLADESH

Once children drop out of school or have never attended school, it is very hard for them to return to formal primary education. In an effort to counteract this, the Charity established two educational centres for 360 students in Dhaka, empowering them to become drivers of social and economic change. This non-formal education created pathways for these students to get back into formal education. The Charity is also constructing a primary school with four classrooms in Pabna, with the aim of increasing literacy levels in students from the Bhavanipur village.

As part of its livelihood programme, the Charity provided 75 sewing machines to displaced people in Sylhet, enabling women to generate income from within their home and helping them to break the shackles of poverty.

## SYRIA

The Charity has refurbished three elementary schools and a kindergarten in Western Ghouta, which deliver quality education, and rehabilitate almost 300 besieged students aged between six and 15, and it also funds the salaries of around 40 teachers.



## MYANMAR

In early 2017, the Charity commenced the expansion of an existing school in Rakhine State, constructing six furnished classrooms, three toilets and organising regular teacher training for both new and existing teachers. This programme will benefit 900 Rohingyans.

## GAZA, PALESTINE

Al-Khair Foundation is committed to delivering quality education to children in the midst of the constant conflict in the Middle East, and as part of this drive, has collaborated with UNRWA, giving primary school places to over 3,700 children in the Daraj Schools.

## SOMALILAND

The Charity's support to a local primary and secondary school in Hargiesa continued this financial year. 2,000 students were taught a wide range of subjects, including English, Arabic, the arts and computer skills. These students have access to educational materials from the on-site bookshop.

## INDIA

In 2016, the Charity successfully completed a skills-building programme, delivering employability training to 3,000 young students. The Charity is also working with Islamia Degree College, Deoband, on a college extension programme, to increase the number of students.





AL KHAIR  
HANDICRAFT TRAINING  
CENTER  
DISTRICT BAZAN PUNJ

**3,000**

IMPOVERISHED MEN  
AND WOMEN BENEFITED  
FROM EMPLOYABILITY  
TRAINING IN INDIA

EDUCATION AND  
REHABILITATION  
PROVIDED TO

**300**

BESIEGED STUDENTS IN  
SYRIA

**3,700**

PUPILS HAVE RECEIVED  
EDUCATION SUPPORT IN  
PRIMARY SCHOOLS IN  
GAZA

# EUROPEAN PROGRAMMES

Al-Khair Foundation firmly believes that it is important not only to be involved with international issues, but also to address the needs that are closer to home. Its European programmes are focussed on the empowerment of women, rehabilitation, youth development, community development and winterisation. Within these thematic areas, many successful projects have been delivered in partnership with some key organisations. Since 2016, the focus has been on two countries, the United Kingdom and Greece, where the needs are greatest. The Charity's dedicated teams are constantly researching the best ways to meet the needs of potentially disadvantaged communities within Europe.

## UNITED KINGDOM

In addition to Al-Khair Foundation's headquarters in the London Borough of Croydon, there are seven branch offices within the United Kingdom: Birmingham, Blackburn, Bolton, Bradford, Glasgow, Leicester and Oldham. These offices, together with the Charity's two television channels, IQRA TV and IQRA Bangla, carry out fundraising activities, allowing the Charity to engage with donors across the country, sharing information with them via televised programmes and appeals and critically providing feedback reports.

In 2016, through the nationwide winter campaign, Let's Be Together and Eat Together, each of the Charity's UK branch offices distributed hot meals to the homeless and vulnerable in their communities. Some of the branch offices also hosted a Christmas meal themed "Let's Celebrate Together!"

The Charity continued to support its advocacy against domestic violence and in promoting the empowerment of women. Other successful events held this financial year include, a citywide food drive and hardship support to disadvantaged communities. As part of its initiative to promote interfaith dialogue and community cohesion, Al-Khair Foundation also hosted an Iftar event at the Birmingham Methodist Church during Ramadan.

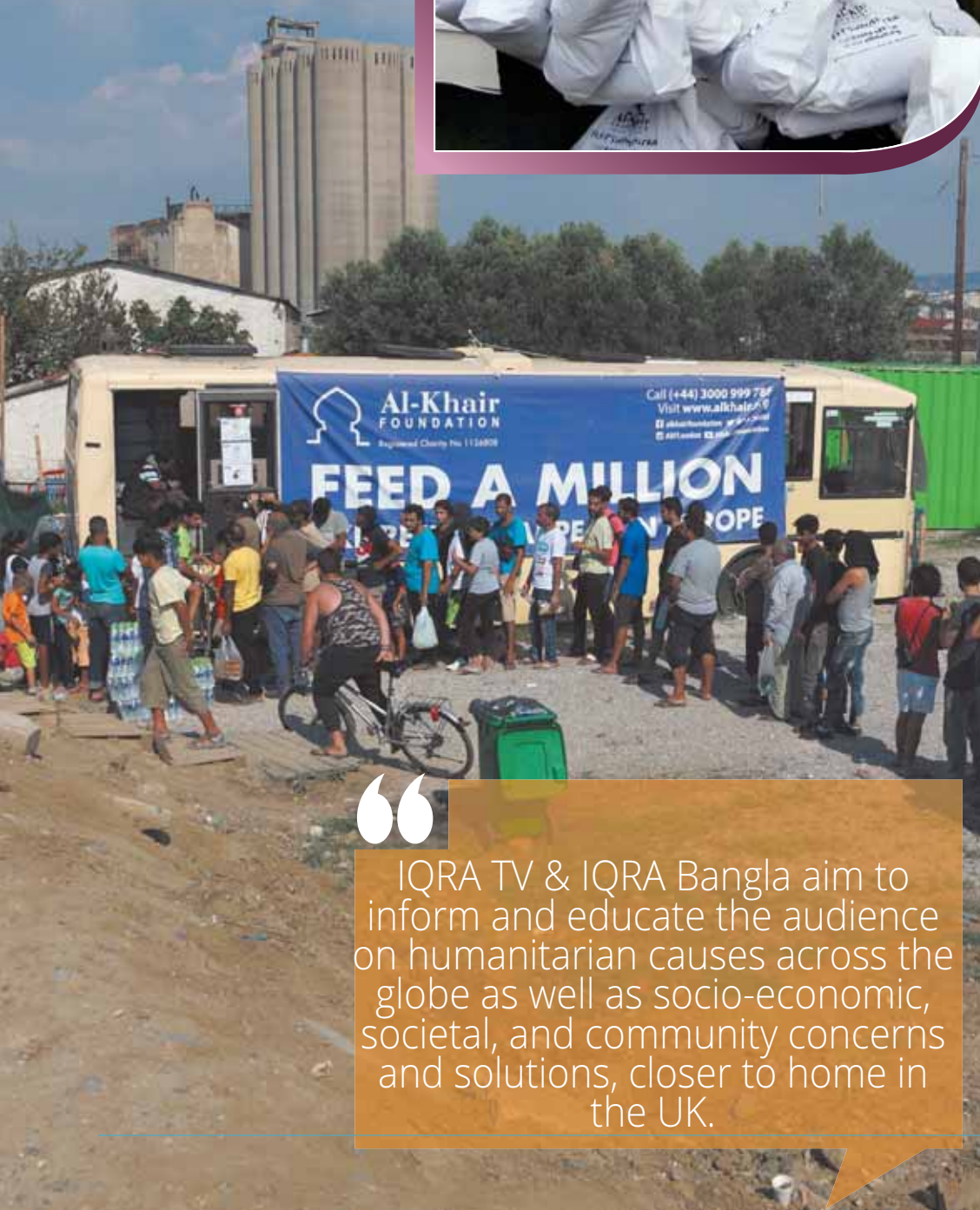
Zakariyya Mosque in Central Bolton plays an important role in uniting and serving Muslims and Non-Muslims alike. During the year 2016-2017, the Charity took the initiative to make Zakariyyah Mosque not only a safe space of worship and contemplation, but an environment that promoted a sense of community. With the Charity's support, the mosque helped people from a wide range of backgrounds, and hosted events such as, parent/toddler groups, food banks, recreational activities and a senior citizens' lunch.

## GREECE

In 2017, the Charity became officially registered in Greece. Having provided immediate humanitarian assistance in Greece over the past two years and following UNHCR's declaration of the end of a crisis situation in the country, the Charity's shifted the focus to planning longer-term, developmental projects. The Charity's research shows that one of the most critical needs observed amongst refugees in Greece is the lack of mental health support to deal with the trauma they have suffered. Together with its national implementing partner, the Hellenic Rescue Mission, the Charity will be providing psychosocial and psychological services to urban refugees living in Greater Athens. This programme will benefit 2,400 people. The Charity's team on the ground has been busy identifying needs and developing projects around child protection, maternal and child healthcare and education.



HOT MEALS  
AND DINNER  
GATHERINGS  
THROUGHOUT  
WINTER, ACROSS  
THE UK FOR  
HOMELESS AND  
VULNERABLE  
COMMUNITIES.



MENTAL HEALTH  
SUPPORT FOR  
OVER  
**2,400**  
REFUGEES  
SUFFERING FROM  
PSYCHOLOGICAL  
TRAUMA



IQRA TV & IQRA Bangla aim to inform and educate the audience on humanitarian causes across the globe as well as socio-economic, societal, and community concerns and solutions, closer to home in the UK.

# ORPHANS, WIDOWS AND THE VULNERABLE

Al-Khair Foundation believes that, even when an individual finds themselves in adverse, irreversible circumstances, such as a child being without loving parents, a woman being widowed, or a person having a disability, they are still able to grow and prosper. With this in mind, Al-Khair Foundation concerns itself with the plight of children and vulnerable groups across the world.

Through the orphan sponsorship programme, donors are matched with an orphan, so the child is provided with all the basic necessities and is given the tools to be successful in life, from food, clothing and shelter, to having access to quality education. In 2016-2017 alongside its partners OIC, MNET and POHA, the Charity sponsored 250 orphans in Syria, 670 orphans in Gaza, and 270 in Pakistan, across the regions of Chakwal, Ehsanpur and Jatoi. The orphanages constructed in Pakistan provide children with free education, accommodation, food, school supplies and healthcare.

The widow sponsorship programme gives vulnerable women, responsible as head of their households, livelihood opportunities as well as basic needs. In 2016-2017, 20 widows and their families in Kot Addu, Pakistan, relied on the Charity for housing, food and healthcare.

Through the disabilities programme, in Sylhet, Bangladesh, 100 internally displaced, disabled people received wheelchairs which had been specially designed to withstand the hilly terrain in the region. Al-Khair Foundation strongly believes that a physical disability does not mean that you are any less of a person, and that you should not be excluded from accessing opportunities or from being mobile.

“Al-Khair Foundation concerns itself with the plight of children and vulnerable groups across the world.”



THE CHARITY  
SPONSORED  
**250**  
ORPHANS IN SYRIA

**670**  
ORPHANS IN GAZA AND

**270**  
IN PAKISTAN

THE CHARITY  
SPONSORED IN  
2016-2017,  
**20**  
WIDOWS AND THEIR  
FAMILIES IN KOT  
ADDU, PAKISTAN,

**100**  
INTERNALLY DISPLACED,  
DISABLED PEOPLE  
RECEIVED WHEELCHAIRS



# SEASONAL PROGRAMMES



Every year the Charity organises programmes around Muslim religious festivals and events, including Qurbani and Ramadan. At the end of each of these events are the two joyous festivals, Eid Al Adha and Eid Al Fitr. As Eid means 'celebration', the Charity provided 3,800 gift packs to the most disadvantaged communities across Bangladesh, Gaza and Pakistan so that everyone could join in the festivities. The gifts included, clothes, toys, food and a selection of other items. Over 20,000 people received the gift packs.

## QURBANI 2016

The word Qurbani, means 'to sacrifice', and is a practice commemorating Prophet Abraham's sacrifice, followed every year by Muslims around the world during the Eid Al Adha festival. Eid Al Adha is celebrated by sacrificing animals in accordance with ethical, religious practices, and the meat distributed among the poorest and most needy. The Charity performs some of the largest number of Qurbanis worldwide, and in 2016, almost 40,000 Qurbanis were performed. The meat was distributed to over three and half million individuals living in over 50 of the world's poorest countries, including Afghanistan, Bosnia, India, Jordan (which hosts a large number of Iraqi, Palestinian and Syrian refugees), Mali, Myanmar (Rakhine State), and Tanzania.

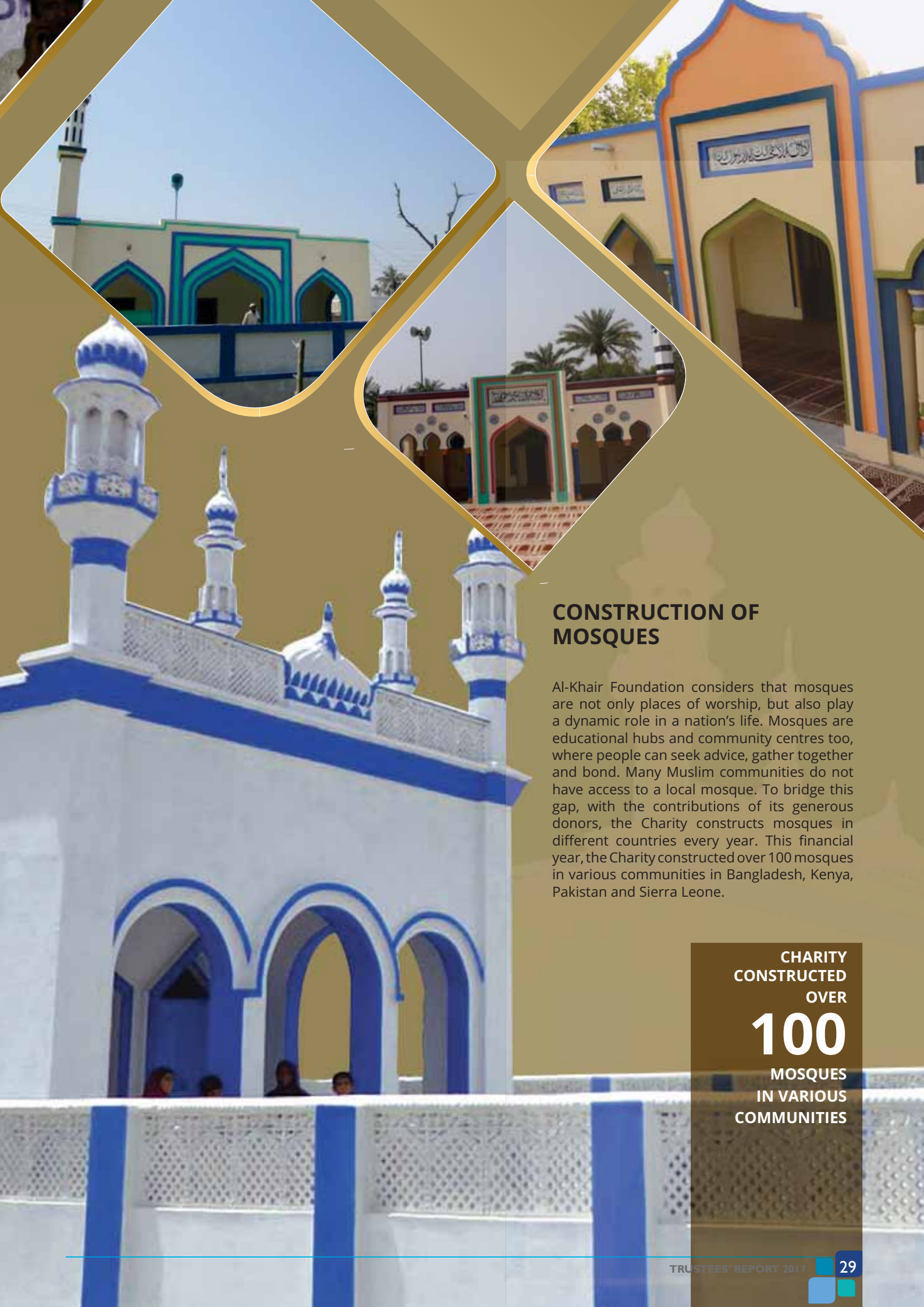
## RAMADAN 2017

During Ramadan, the ninth month of the Islamic calendar, Muslims around the world fast every day from dawn to dusk for the entire month as a spiritual, physical and emotional cleanse. It is, naturally, harder for poorer families to observe this practice with limited food, and as Ramadan encourages the act of giving and caring for the poor, Al-Khair Foundation distributes food packs amongst the poorest families to last them the entire month. These nutritious food packs contain wheat, rice, oil, and dates, and other essentials. The Charity also distributes iftar meals to the poor to break their fasts at the end of each day. During Ramadan 2017, 145,000 beneficiaries were fed with over 18,000 food packs and almost 61,000 iftar meals in several countries, including Albania, Pakistan, Palestine, Syria, The Gambia and Yemen.



The Charity performs some of the largest number of Qurbanis worldwide, and in 2016, almost 40,000 Qurbanis were performed





## CONSTRUCTION OF MOSQUES

Al-Khair Foundation considers that mosques are not only places of worship, but also play a dynamic role in a nation's life. Mosques are educational hubs and community centres too, where people can seek advice, gather together and bond. Many Muslim communities do not have access to a local mosque. To bridge this gap, with the contributions of its generous donors, the Charity constructs mosques in different countries every year. This financial year, the Charity constructed over 100 mosques in various communities in Bangladesh, Kenya, Pakistan and Sierra Leone.

CHARITY  
CONSTRUCTED  
OVER  
**100**  
MOSQUES  
IN VARIOUS  
COMMUNITIES

# Emergency Relief



## MYANMAR

“

For us, the Rohingya people, life is like an animal here. We are persecuted. We had no safe drinking water, and can hardly eat on time. I want to thank Al-Khair for the food and the hygiene kits. And thank you again for your important help, the hand pump. Without these, survival for my family and I would be extremely difficult.

**Nawsima Begum, 56,**

Lives in this bamboo house in the Doo Pyin village, Sittwe, Rakhine State.

## Case Studies

# WASH



“

I used to pay someone to queue and collect water for me. Water was a big issue in this village and the Al-Khair Foundation water well has really solved the issue. We thank you and may God bless all of you for bringing us this gift of water.

- **Maria Nasumba**, 60, a mother of 6.



“

I am now able to access clean and safe water which is close to my house. I used to cover long distances in search of water. My kids risked being attacked by wild animals at the river. I thank God for the project.

**Mwanarabu Abune**, 37

## KENYA

“

I used to fear for my life whenever I went to the river to fetch water for my family. Collecting water from the river was a matter of life and death for us. All I have to say is thank you to the organisation for bringing clean and reliable source of water to my village.

- **Adrian Fanuwel**, 35, is a father of three who lives in Midzi Watsana Wema village.

# Somaliland



“

After my husband died in 2009, I have been struggling to get food for my children but the drought has left us with nothing now. I wake up early in the morning and go around the village asking for food and water for the kids

**Amina Hassan, 45**, is a widow with five children

Amina received 25kg each of sugar, rice, flour and five litres of oil which she told us will benefit her family for around 40 days.

“

We lost our animals, We've had droughts here in the past but I don't remember one as bad as this one. And look at my age! It's me alone who fetches water and takes care of the children, sometimes walking for 15km. Even our donkeys have died. Fortunately, two months ago I received a water tank. It has saved my time and prevented security risks. Now I just have to fill the tank and can use it at any time.

- **Hodan Abdi, 35**,

## Case Studies

# Somaliland



### Kenya Kiwayu Fishing Community



**Salma Uthman Haji**, a widow with eight children is the sole breadwinner and must provide for her three young children who live with her and attend the local school while five are married:

'I could only catch a limited quantity of fish as I did not have a means of storage. I used to worry about my catch going back if I did not transport it to the market place the same day. This cost me a lot of money. Now with the help of solar refrigerator, I along with other fishermen, can store fish for up to five days enabling us to plan transfers to the market place. I am now better able to provide for my children and look after them.'



## Case Studies

# Widows and Orphans

### Gaza: This child's case in the words of her mother (summarised translation):

Dear Sponsor,

Glory be to Allah and peace and blessings be upon Prophet Mohammad.

I am the child's mother. I hope you and your family are doing well and are in good health. Please accept my gratitude for all that you are doing for my daughter. I really appreciate your help in these difficult times, you are meeting her needs, and she is able to live a normal life. I am glad that she helps around with the household chores, reads the Book of Allah and is regular in her prayers. May Allah the Lord of the World shower you with his infinite mercy on the day of Judgement. With Duas, the child's mother.



### The story of a widow in Pakistan summarised and translated:

My name is Khursheeda and I am a widow. Currently I live in an Al-Khair model village in Ehsanpur. Here I get regular income support every month to manage my household expenses. We also have access to free healthcare. My children and I live here peacefully as all our needs are being met. My children are getting free education by experienced and qualified teachers. Al-Khair model village has its own private school and madrasa and the fact that my children are studying here gives me hope that their teachers are working hard to ensure that these children will have a bright future. My kids have learned many things, our quality of life has improved. My children are given free books, uniform, and winter clothing. I am at ease now in regards to their present life and hopeful in regards to their future.

Thank You.

## Drawings of children in Pakistan:

Asif's drawing



Muhammad Faizan's drawing:



# Plans for the Future

The Charity will continue to remain at the forefront of aid delivery for humanitarian, development and seasonal areas through,

- Strong organisation and leadership
- High impact programme development
- Effective emergency response
- Nurture the donorbase and increase donation streams
- Nurturing friendships and establish new partnerships
- Effective intervention for poverty reduction
- Strive to achieve quality standards globally

## Governance and Management

The Trustees are elected and operate in accordance with the Charity's Trust Deed and Governing Document. The Trustees are responsible for all matters pertaining to governance of the Charity and policy making. The Charity's management is responsible for implementing programmes and projects approved by the Trustees in an efficient and transparent manner, within its policy framework, thus fulfilling the stated aims and objectives of the Charity.

The organisation is made up of structured departments functioning as independent units with clear reporting lines. Systems for line management, appraisals, staff development and supervision are in place and continually refined, together with an accountability framework as well as grievance and complaints procedures.

Reports are submitted to the Charity Commission by the Trustees as required by law.

### Trustees Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements for each financial year in accordance with the law applicable to charities in England & Wales. The Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under the Charity 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

Charity, its income and application of resources of the Charity for that period.

In preparing these financial statements the Trustees are required to,

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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. 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.

# Governance and Management

The Trustees have exercised due diligence and care in protecting the integrity of the Charity and have reviewed the financial accounts placed on the Charity's website in line with the legislation in the United Kingdom governing the preparation and dissemination of financial statements.

## The trustees confirm that,

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees take this opportunity to thank Al-Khair Foundation's stakeholders, in particular our generous donors and beneficiaries for their support and faith in the Charity's commitment and ability to deliver relief and development programmes where needed most.

## Organisational Structure

The Trustees delegate the day-to-day running of the Charity to the Executive Chairman, the CEO and the Senior Management Team (SMT). The CEO reports to the Executive Chairman who remains accountable to the Board of Trustees.

## Risk Management

The Charity maintains departmental and organisational risk registers; these are updated and reviewed with remedial actions being taken as required.

The Senior Management Team is responsible for the management of the key risks and ensuring effective mitigation is in place.

The significant risks at this time can be summarised as,

- The difficulties of achieving objectives in very challenging contexts, including war zones. We manage this through regular and detailed financial and project monitoring of programme implementation.

- In some instances, reliance on partner organisations to deliver programme activities effectively. This is managed through due diligence, capacity building where required, and ongoing monitoring of programme outcomes and financial management
- The risk of fraud and corruption. Robust fraud awareness and reporting requirements are in place, and improvements are made to reduce the risk of future similar incidents
- The impact of changes in the legislative environment: for example, changes to fundraising and data protection standards which required a review of our procedures to ensure we are complying with the imperatives of data security while maintaining relationships with our donors and supporters.

## Pension

The Charity has complied fully with the auto-enrolment legislation and all employees are offered a pension with NEST (National Employment Savings Trust) with contributions in line with the required guideline.

## Public Benefit

The Trustees confirm that they abide by the Charity Commission's general guidance on public benefit complying with Section 4 of the Charities Act 2011 to have due regard to public benefit in pursuance of its objectives and activities.

## Equal Opportunities Policy

The Charity is an equal opportunities' employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability. Selection criteria and procedures are in place to ensure that individuals are selected, promoted and treated on the basis of their relevant abilities and merits.

# FINANCIAL REVIEW

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the accounting policies set out on page 45 and comply with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the 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 (FRS102)] and the Charities Act 2011 (or) Companies Act 2006.

## RESULTS IN OVERVIEW

During the year the Charity's income increased to £20.1m (2016: £19.0m) and the overall results show a surplus of £4.2m for the year (2016: £0.7m) made up as follows:

- unrestricted net outgoings funds of £814k (2016: net operating surplus £3.4m)
- restricted programme funds received in advance of activity on projects of £5m (2016: net outgoing funds £2.7m).
- a transfer of £1.5m from unrestricted funds to restricted projects (2016: none)

Total reserves therefore increased to £18.8m (2016: £14.6m), made up as follows:

- unrestricted general fund of £7.3m (2016: £6.5m), which include £5.4m (2015: £5.2m) of fixed assets, leaving a free reserve balance of £1.9m (2015: £1.3m); this is within our reserve policy limits.
- unrestricted project funds of £3.8m (2016: £6.9m) received from individual donors and held at the yearend to be spent on ongoing programmes in subsequent years.
- restricted funds of £7.8m (2016: £1.2m) received from individual donors and held at yearend to be spent on current programmes in future years.

## INCOME

The Charity's total income for the year was £20.1m (2016: £19.0m), an increase of 6% on the previous financial year. The increase on the previous year is testimony to the Charity's aid-delivery ethos and the confidence thereby retained in the Charity by the donorbase. We have seen an upward trend in each key income stream.

The increase in community donations is mainly due to the successful fundraising campaign for the Rohingya, West Africa, Gaza and Syria emergency appeal.

We continued to set our priorities during the year to strengthening our unrestricted funds base. At the end of the financial year we had raised £6.2m (2016: £5.1m) unrestricted income. We transferred £1.5m from unrestricted income funds to restricted project expenditure during the year.

## THREE YEARS INCOME TREND



## EXPENDITURE

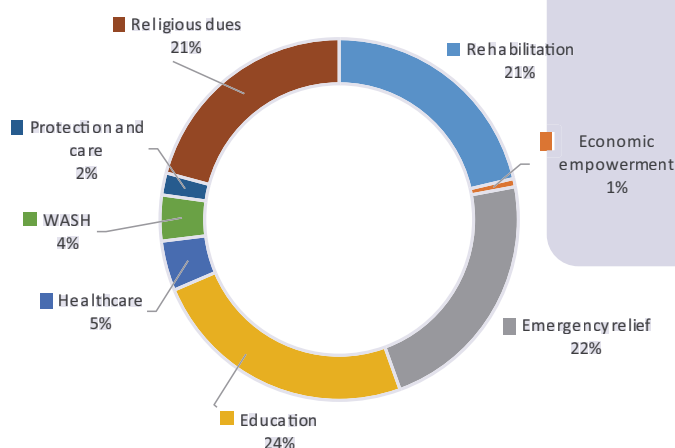
Total expenditure for the year ended 31 July 2017 was £15.9m (2016: £18.4m).

The expenditure on charitable objectives was £13.6m (2016: £16.2m) which was £2.6m less compare to the previous year. The prime reason for this reduction is the skewed receipt of donation income (with a very substantial proportion being received during Ramadan 2017) with the related spend being incurred after 01 August 2017 in the next financial year.

The breakdown of thematic programme-based expenditure is shown in Note (5). The split between our Humanitarian and Development deliveries 60:40 respectively (2016: 77:23).

The Charity recovered £1.4m of fundraising and support costs from gift-aid tax reclaim from HMRC.

## THEMATIC EXPENDITURE



## NET ASSETS

The Charity's balance sheet shows net assets of £18.8m, compare to £14.6m in the previous year, representing the increased operational working capital and reserves.

## FINANCIAL RISK

The Trustees have the overall responsibility for ensuring the Charity has an appropriate system of controls, financial and otherwise, across the entire organisation in order to provide reasonable assurance that:

- Its assets are safeguarded against unauthorised use or disposition,
- Proper records are maintained and that financial information is reliable,
- The Charity complies with all relevant laws and regulations.

Cash flow risks are minimised by setting an appropriate reserves' policy, including adequate levels of working capital, and close monitoring of unrestricted funding flows from donors.

## RESERVES POLICY

Unrestricted reserves are defined as general funds and are available to enable the Charity to meet its objectives. Net free reserves are defined as unrestricted reserves less any designated funds and the value of tangible fixed assets.

The aim of a reserves' policy is to ensure that a charity's ongoing and future activities are reasonably protected from unexpected financial risk(s). These includes:

- unexpected increase or decrease in funding streams or costs,
- working capital required to meet cash flow needs,
- specific funds required to meet unexpected one-off expenditure impacts.

Following the Annual Review, the Trustees endorsed the reserves target of £2.5m, to provide against key risk items:

- hold a level of reserves to provide going concern continuity,
- increased competition in the charity sector and volatility of unrestricted income funding to guard against donation income downturns,
- emergencies requiring a rapid response (where affected fundraising would occur subsequently to the emergency),
- a minimum of six months' operational costs in the event of a donation income downturn.

Currently the Charity's total reserves stand at £18.9m, and net free reserves (defined as total unrestricted reserves less designated/tangible fixed assets) stand at £1.9m (2016: £1.3m), and the unrestricted programme fund stands at £3.8m.

At 31 July 2017 the Charity's restricted reserves were £7.8m (2016: £1.2m). These are committed funds which will be spent on earmarked programmes in subsequent years. The Charity's programme/projects' stable is such that funds are required to be held as cash and cash deposits. The Charity's unrestricted free reserve funds are also held in cash, and focus on the security of assets. As a result, these are not invested for long-term returns.

After reviewing the Charity's forecasts and future plans and its reserves, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

## TRADING SUBSIDIARIES

The Charity's wholly owned subsidiaries carries out trading activities for the Charity. These activities provided a profit before tax of £22k (2016: £40k), which is transferred to the Charity through the HMRC gift aid scheme.

The Trustees' Report, incorporating the Strategic Report, was approved by the Board on 23 May 2018 and signed on its behalf on 23 May 2018 by:

*Imam Qasim Rashid AHMAD*  
Trustee

# REPORT OF THE INDEPENDENT AUDITORS

for the year ended 31 July 2017

## Opinion

We have audited the Consolidated Financial Statements of Al-Khair Foundation for the year ended 31 July 2017 which comprise the Statement of Financial Activities including Income & Expenditure, the Balance Sheet, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting frame work that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 and of its incoming resources and application of resources for the period 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis of opinion

We conducted our audit in accordance with International Standards 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

## Conclusion 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 accounts is not appropriate; or

- the trustees have not disclosed in the accounts 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 accounts 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 accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 the 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 our audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

# REPORT OF THE INDEPENDENT AUDITORS

for the year ended 31 July 2017

## Matters on which we are required to report exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulation 2006 (as amended) 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 accounts 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; or
- the company is not entitled to claim exemption from preparing a strategic report due to it being a member of an ineligible group.

## Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees, who are also directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud to error.

In preparing the accounts, 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. The description forms part of our auditor's 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 and in accordance with Section 44(ic) of the Charities and Trustee Investment (Scotland) Act 2005. 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.



Stephen Seifert BA FCA (Senior Statutory Auditor)

For and on behalf of Elliot Woolfe & Rose  
Chartered Accountants  
Statutory Auditor  
Equity House  
128-136 High Street  
Edgware  
HA8 7TT

# Consolidated statement of financial activities

(incorporating an income and expenditure account)  
for the year ended 31 July 2017

	Notes	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total Funds £	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Total Funds £
<b>INCOME FROM</b>							
Donations and legacies	2	6,165,353	10,764,907	<b>16,930,260</b>	5,082,343	10,658,418	15,740,761
Primary and Secondary school	3	-	1,733,548	<b>1,733,548</b>	-	1,632,662	1,632,662
<i>Other activities:</i>							
Community Education (Iqra tv)		-	1,454,151	<b>1,454,151</b>	-	1,642,251	1,642,251
Investment and other income	4	28,071	-	<b>28,071</b>	46,605	-	46,605
<b>Total income</b>		<b>6,193,424</b>	<b>13,952,606</b>	<b>20,146,030</b>	<b>5,128,948</b>	<b>13,933,331</b>	<b>19,062,279</b>
<b>EXPENDITURE ON</b>							
Raising funds		456,717	243,853	<b>700,570</b>	182,957	415,129	598,086
Primary and Secondary school		41,409	1,536,047	<b>1,577,456</b>	-	1,540,516	1,540,516
Charitable activities		6,509,474	7,134,367	<b>13,643,841</b>	1,549,114	14,701,151	16,250,265
<b>Total expenditure</b>	5	<b>7,007,600</b>	<b>8,914,267</b>	<b>15,921,867</b>	<b>1,732,071</b>	<b>16,656,796</b>	<b>18,388,867</b>
Net income / (expenditure) and net movement in the funds for the year		(814,176)	5,038,339	<b>4,224,163</b>	3,396,877	(2,723,465)	673,412
Transfers between funds	16	(1,542,771)	1,542,771	-	-	-	-
Exchange surpluses/(deficits)		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(2,356,947)</b>	<b>6,581,110</b>	<b>4,224,163</b>	<b>3,396,877</b>	<b>(2,723,465)</b>	<b>673,412</b>
<b>Reconciliation of funds</b>							
Funds balances brought forward 1st August 2016		13,428,598	1,212,876	<b>14,641,474</b>	10,031,721	3,936,341	13,968,062
<b>Funds balances carried forward 31st July 2017</b>		<b>11,071,651</b>	<b>7,793,986</b>	<b>18,865,637</b>	<b>13,428,598</b>	<b>1,212,876</b>	<b>14,641,474</b>

The results for the year shown above all derive from continuing operations. There are no recognised gains or losses for the year other than those shown above. There are no material differences between the results for the year as stated above and those calculated on a historical cost basis.

The notes on pages 45 to 57 form an integral part of these financial statements.

# Group and Charity balance sheet

for the year ended 31 July 2017

	Notes	Charity 2017 £	Group 2017 £	Charity 2016 £ restated	Group 2016 £ restated
<b>Fixed assets</b>					
Intangible assets	9	210,630	-	241,454	-
Tangible assets	10	4,952,546	5,407,890	4,780,945	5,237,461
Investment in subsidiaries	11	251,001	-	251,001	-
		<u>5,414,177</u>	<u>5,407,890</u>	<u>5,273,400</u>	<u>5,237,461</u>
<b>Current assets</b>					
Stocks	12	-	-	39,119	39,119
Debtors	13	3,187,656	2,731,784	3,977,883	3,658,075
Cash at bank and in hand		11,022,959	11,297,167	6,255,660	6,328,171
		<u>14,210,615</u>	<u>14,028,951</u>	<u>10,272,662</u>	<u>10,025,365</u>
<b>Creditors: falling due within one year</b>	14	(433,429)	(571,204)	(477,929)	(605,352)
<b>Net current assets</b>		<u>13,777,186</u>	<u>13,457,747</u>	<u>9,794,733</u>	<u>9,420,013</u>
<b>Total assets less current liabilities</b>		<u>19,191,363</u>	<u>18,865,637</u>	<u>15,068,133</u>	<u>14,657,474</u>
<b>Creditors: falling due after more than 1 year</b>	15	-	-	(16,000)	(16,000)
<b>Net assets</b>		<u>19,191,363</u>	<u>18,865,637</u>	<u>15,052,133</u>	<u>14,641,474</u>
<b>The funds of the charity:</b>					
<b>Unrestricted income funds</b>					
- Programme funds		3,791,270	3,810,080	6,909,027	6,909,027
- General funds		2,213,976	1,853,681	1,656,830	1,282,110
- Designated funds		5,414,177	5,407,890	5,273,400	5,237,461
<b>Restricted income funds</b>		<u>7,771,940</u>	<u>7,793,986</u>	<u>1,212,876</u>	<u>1,212,876</u>
<b>Total charity funds</b>	16	<u>19,191,363</u>	<u>18,865,637</u>	<u>15,052,133</u>	<u>14,641,474</u>

The accompanying notes on pages 45 to 57 form an integral part of these Financial Statements.

Approved by the Board on 23 May 2018 and signed on its behalf on 23 May 2018:



Imam Qasim Rashid Ahmad  
Trustee

# Consolidated statement of cash flows

for the year ended 31 July 2017

	Group 2017 £	Group 2016 £
<b>Cash flow statement</b>		
Net cash inflow from operating activities	5,667,443	(1,152,724)
Payments to acquire tangible fixed assets	(698,447)	(695,223)
<b>Increase / (decrease) in cash in the year</b>	<b>4,968,996</b>	<b>(1,847,947)</b>
<b>Note to the cash flow statement</b>		
<b>Reconciliation of changes in movement in net funds to net cash inflow from operating activities</b>		
Movement in net funds	4,224,163	673,412
Add: Depreciation	528,018	491,883
Decrease in inventories	39,119	71,999
Decrease in debtors	926,291	283,997
Decrease in creditors	(50,148)	(2,674,015)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>5,667,443</b>	<b>(1,152,724)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the year	4,968,996	(1,847,947)
Net funds at 1 January 2012	9,838,294	11,686,241
<b>Net funds at 31 December 2012</b>	<b>14,807,290</b>	<b>9,838,294</b>
<b>Analysis of change in net funds</b>	<b>Opening balance</b>	<b>Closing balance</b>
	<b>01 August 2016</b>	<b>31 July 2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	6,328,171	11,297,167
	4,968,996	

# Notes to the accounts

for the year ended 31 July 2017

## 1 ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements of the Charity, which is a public benefit entity under Financial Reporting Standard 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the 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 (FRS102)) and the Charities Act 2011 and Companies Act 2006.

The Consolidated Statement of Financial Activities (SoFA) and Balance Sheet consolidate the Financial Statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. No separate Statement of Financial Activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The Charity has also taken the exemption under FRS102 1.12(b) to not include a parent only cash flow statement in these accounts.

The Accounting Policies are consistent with the previous year. After reviewing the group's forecasts and projections, the trustees (who are the directors for the purposes of company law) have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

### b) Income

All incoming donations from individuals including Community Education (Iqra tv) are included when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. All monetary donations and gifts are included in full in the statement of financial activities when received.

Gifts in kind are included as income and expenditure at market value discounted for the most prudent realisable amount.

Gift Aid claims are recognised when there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income represents profit on bank deposits and is recognised when receivable.

### c) Expenditure

Charitable expenditures are recognised in the year in which they are incurred on an accrual basis as and when a liability is incurred.

Charitable activities comprise those costs incurred by the charity in the delivery of its activities under its core objectives and services for its beneficiaries. It includes costs that can be allocated directly or indirectly necessary to support them.

Fundraising costs comprise costs incurred for generating donations and legacies from individuals and other incoming resources. They do not include the costs incurred in disseminating information to support the audit, legal advices and charitable activities.

Governance costs are those which relate to the provision of the governance infrastructure of the Charity. Included within this category are costs associated with the strategic management of the Charity's activities, and all Trustees' costs. In accordance with FRS102, these costs are classified as Support Costs.

# Notes to the accounts

for the year ended 31 July 2017

## d) Amortisation and Depreciation

All fixed assets are initially recorded at cost. Depreciation is calculated to write off the cost of an asset, less its estimated residual value over the useful economic life on a straight line basis as follows:

Goodwill	over 10 years
Freehold Property	over 50 years
Leasehold Property	over the lease term
Freehold and Leasehold Improvements	over 10 years
Plant and Machinery	over 4 years
Fixtures, Fittings and Equipment	over 5 years
Motor Vehicles	over 4 years

## e) Stocks

Stocks are valued at the rates prevailing at the yearend date. It consists of jewellery received for distribution to the needy during the year and distributed after the year end.

## f) Taxation

The Charity is exempt from corporation tax on its charitable activities.

## g) Fund Accounting

Unrestricted funds comprise those funds which may be used towards meeting the charitable activities at the discretion of the Trustees.

Restricted funds are only used for particular restricted purposes within the objects of the Charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

## h) Foreign Currency

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

## i) Creditors

Creditors: amounts falling due after more than one year, represents unsecured and interest free monies loaned to the charity by members of the public with no fixed repayment terms.

## j) Pension

The charity has fully complied with the auto-enrolment legislation and all eligible employees are offered a Shariah compliant pension scheme through NEST. The charity pays a contribution of 1% of salary to match the contribution paid by eligible employees.

# Notes to the accounts

for the year ended 31 July 2017

## 2 Donations and legacies

	2017	2017	2017	2016	2016	2016
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Received in UK	4,006,991	7,882,196	11,889,187	3,809,437	7,927,652	11,737,089
Received in Overseas	471,975	119,116	591,091	88,060	-	88,060
	<u>4,478,966</u>	<u>8,001,312</u>	<u>12,480,278</u>	<u>3,897,497</u>	<u>7,927,652</u>	<u>11,825,149</u>
Gift Aid - tax claim	456,717	918,596	1,375,313	373,714	826,261	1,199,975
Gift in Kind received overseas	1,229,670	1,844,999	3,074,669	811,132	1,865,386	2,676,518
Gift in Kind received in UK	-	-	-	-	39,119	39,119
	<u>6,165,353</u>	<u>10,764,907</u>	<u>16,930,260</u>	<u>5,082,343</u>	<u>10,658,418</u>	<u>15,740,761</u>

## 3 Primary and secondary school

	2017	2017	2017	2016	2016	2016
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fees income	-	2,090,393	2,090,393	-	1,975,145	1,975,145
Less: Discount	-	(370,316)	(370,316)	-	(348,537)	(348,537)
	-	1,720,077	1,720,077	-	1,626,608	1,626,608
Miscellaneous income	-	13,471	13,471	-	6,054	6,054
	<u>-</u>	<u>1,733,548</u>	<u>1,733,548</u>	<u>-</u>	<u>1,632,662</u>	<u>1,632,662</u>

## 4 Investment and other income

	2017	2017	2017	2016	2016	2016
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Bank deposit profit	-	-	-	1,587	-	1,587
Miscellaneous income	5,946	-	5,946	-	-	-
Profit from sale of fixed assets	-	-	-	4,750	-	4,750
Other trading activities	22,125	-	22,125	40,268	-	40,268
	<u>28,071</u>	<u>-</u>	<u>28,071</u>	<u>46,605</u>	<u>-</u>	<u>46,605</u>

# Notes to the accounts

for the year ended 31 July 2017

## 5 Expenditure on

	Direct costs	Human resources	Support costs	Total 2017 costs	Total 2016 costs
	£	£	£	£	£
Raising funds	485,993	170,179	44,398	700,570	598,086
Operation of primary and secondary school	453,272	1,082,775	41,409	1,577,456	1,540,516
<b>Charitable activities</b>					
Rehabilitation	2,090,218	634,168	190,954	2,915,340	2,331,823
Economic empowerment	68,804	20,875	6,287	95,966	154,784
Emergency relief	2,195,040	665,971	200,529	3,061,540	3,377,538
Education	2,930,156	98,331	267,686	3,296,173	2,923,104
Healthcare	435,167	132,029	39,754	606,950	797,146
WASH	398,326	120,851	36,390	555,567	1,744,667
Protection and care	190,998	57,948	17,449	266,395	712,913
Religious dues	2,040,440	619,065	186,405	2,845,910	4,208,290
<b>Total Charitable activities</b>	<b>10,349,149</b>	<b>2,349,238</b>	<b>945,454</b>	<b>13,643,841</b>	<b>16,250,265</b>
<b>Total resources expended</b>	<b>11,288,414</b>	<b>3,602,192</b>	<b>1,031,261</b>	<b>15,921,867</b>	<b>18,388,867</b>

### 5a Expenditure of raising funds

Expenditure on raising funds includes all expenditure incurred by Al-Khair Foundation to raise funds for its charitable activities. It comprises the cost of advertising, on-air fundraising appeals and educational and charitable programmes' presentation, social media marketing, producing publications and printing and mailing materials and costs, direct staff and overhead costs and an appropriate allocation for related support costs.

### 5b Expenditure on charitable activities

Charitable activities include expenditure incurred in the execution of programmes through field offices and partner organisations in 40 countries around the world.

Allocation of support costs has been proportionate to the total of programme costs and corresponding thematic programme area.

# Notes to the accounts

for the year ended 31 July 2017

## 6 Support costs

	Office costs £	Finance and IT costs £	Governance costs £	Total 2017 £	Total 2016 £
Raising funds	23,857	19,386	1,155	44,398	30,727
Operation of primary and secondary school	22,251	18,081	1,077	41,409	79,144
<b>Charitable activities</b>					
Rehabilitation	102,608	83,377	4,969	190,954	119,797
Economic empowerment	3,378	2,745	164	6,287	7,952
Emergency relief	107,753	87,558	5,218	200,529	173,521
Education	143,840	116,881	6,965	267,686	150,174
Healthcare	21,362	17,358	1,034	39,754	40,953
WASH	19,554	15,889	947	36,390	89,632
Protection and care	9,376	7,619	454	17,449	36,626
Religious dues	100,164	81,391	4,850	186,405	216,201
<b>Total Support costs</b>	<b>554,143</b>	<b>450,285</b>	<b>26,833</b>	<b>1,031,261</b>	<b>944,727</b>

## 7 Governance Costs

	2017 £	2016 £
External Audit fee	21,000	19,200
Legal and other costs	5,833	-
	<b>26,833</b>	<b>19,200</b>

## 8 Staff cost and number of employees

	2017 £	2016 £
The average monthly numbers of employees in the UK during the year were:		
Permanent	107	115
Part time	33	53
Supply	14	27

## Employment costs

	2017 £	2016 £
Gross Pay	3,317,191	3,330,433
Employer's national insurance	176,919	199,970
Pension costs	12,310	11,340
	<b>3,506,420</b>	<b>3,541,743</b>

# Notes to the accounts

for the year ended 31 July 2017

AKF employed temporary call centre staff at a cost of £338,926, this was to service incoming calls for donation income mainly during Ramadan and Qurbani time. (2016: £228,832).

No termination payments were made during 2017 (2016: None).

The number of employees whose remuneration (wages and employer pension contribution) during the year amounted to over £60,000 was as follows:

	2017 Number	2016 Number
£60,001-£70,000	-	1

The highest paid individual in the organisation is the Chief Executive Officer. In 2017 the Chief Executive's remuneration including pay and pension was £54,040 (2016: £64,022) The remuneration of the Chief Executive is set by the Board of Trustees; the remuneration of the Senior Management Team is set by the Chief Executive in consultation with the Chair of Trustees.

The key management personnel of the charity are the trustees and the Senior Management Team (as listed under Organisational Details in the Annual Report). The short term employee benefits (as defined in FRS102 28.4: wages, pension and social security contributions) for the Senior Management Team for 2017 was £231,796 (2016: £138,307), the increase being largely due to vacant positions in 2016.

One member of the Board of Trustees received remuneration amounting to £30,961 (2016: £31,476) for his services under the required dispensation from the Charity Commission for executive duties as Chairman of the Charity.

Expenses reimbursed to Trustees for travel undertaken on the Charity's behalf amounted to £17,387 for 5 members (2016: £36,547 for 2 members). The Charity paid £845 (2016: £652) for Trustees' Indemnity Insurance cover.

9 Intangible Fixed Assets	International Television Channel Ltd	Runners TV Ltd	Total
<b>Cost</b>	£	£	£
At 01 August 2016 and 31 July 2017	103,620	204,619	308,239
<b>Amortisation</b>	22,451	44,334	66,785
Charge for the year	10,362	20,462	30,824
As at 31 July 2017	32,813	64,796	97,609
<b>Net book values</b>			
As at 31 July 2017	70,807	139,823	210,630
NBV at 31 July 2016	81,169	160,285	241,454

# Notes to the accounts

for the year ended 31 July 2017

## 10. Tangible Fixed Assets

### Charity

	Freehold Property	Leasehold Property and Improvement	Plant and Machinery	Fixtures Fittings and Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£	£
At 01 August 2016	3,821,324	1,241,515	234,775	613,459	68,459	5,979,532
Additions	357,064	9,520	-	100,292	10,364	477,240
Disposals	-	-	-	-	-	-
As at 31 July 2017	<u>4,178,388</u>	<u>1,251,035</u>	<u>234,775</u>	<u>713,751</u>	<u>78,823</u>	<u>6,456,772</u>
<b>Depreciation</b>						
At 01 August 2016	252,734	355,516	124,295	407,677	58,365	1,198,587
Charge for the year	94,483	44,306	58,694	102,200	5,956	305,639
Disposals	-	-	-	-	-	-
As at 31 July 2017	<u>347,217</u>	<u>399,822</u>	<u>182,989</u>	<u>509,877</u>	<u>64,321</u>	<u>1,504,226</u>
<b>Net book values</b>						
As at 31 July 2017	<u>3,831,171</u>	<u>851,213</u>	<u>51,786</u>	<u>203,874</u>	<u>14,502</u>	<u>4,952,546</u>
As at 31 July 2016	<u>3,568,590</u>	<u>885,999</u>	<u>110,480</u>	<u>205,782</u>	<u>10,094</u>	<u>4,780,945</u>
<b>Group</b>						
	Freehold Property	Leasehold Property and Improvement	Plant and Machinery	Fixtures Fittings and Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£	£
At 01 August 2016	3,821,324	1,394,196	1,002,050	795,976	99,095	7,112,641
Additions	357,064	92,369	67,543	128,727	52,744	698,447
Disposals	-	-	-	-	(28,500)	(28,500)
As at 31 July 2017	<u>4,178,388</u>	<u>1,486,565</u>	<u>1,069,593</u>	<u>924,703</u>	<u>123,339</u>	<u>7,782,588</u>
<b>Depreciation</b>						
At 01 August 2016	252,734	376,985	615,908	542,154	87,399	1,875,180
Charge for the year	94,483	67,860	205,217	143,373	17,085	528,018
Disposals	-	-	-	-	(28,500)	(28,500)
As at 31 July 2017	<u>347,217</u>	<u>444,845</u>	<u>821,125</u>	<u>685,527</u>	<u>75,984</u>	<u>2,374,698</u>
<b>Net book values</b>						
As at 31 July 2017	<u>3,831,171</u>	<u>1,041,720</u>	<u>248,468</u>	<u>239,176</u>	<u>47,355</u>	<u>5,407,890</u>
As at 31 July 2016	<u>3,568,590</u>	<u>1,017,211</u>	<u>386,142</u>	<u>253,822</u>	<u>11,696</u>	<u>5,237,461</u>

# Notes to the accounts

for the year ended 31 July 2017

## 11 Investment - in Subsidiaries

	Channel I (UK) Ltd	International Television Channel Ltd	Runners TV Ltd	Total 2017	Total 2016
	£	£	£	£	£
Ordinary shares of £1 each	<u>250,000</u>	<u>1,000</u>	<u>1</u>	<u>251,001</u>	<u>251,001</u>

Al-Khair Foundation owns the entire share capital of Channel I (UK) Limited, International Television Channel Limited and Runners TV Limited, all of which are incorporated in England and Wales.

## 12 Stock

	Charity 2017 £	Group 2017 £	Charity 2016 £	Group 2016 £
Jewellery	<u>-</u>	<u>-</u>	<u>39,119</u>	<u>39,119</u>

This consists primarily of gold and silver ornaments received as donations in kind received in 2016 and fully distributed in 2017

## 13 Debtors and Prepayments

	Charity 2017 £	Group 2017 £	Charity 2016 £	Group 2016 £
Trade Debtors	-	692	-	6,192
Gift Aid Receivable	1,686,019	1,686,019	2,629,129	2,629,129
School Fees Receivable	131,797	131,797	214,200	214,200
Other Debtors	445,225	813,694	476,151	732,476
Amount Due from Subsidiary Undertaking	825,033	-	582,325	-
Prepayments	99,582	99,582	76,078	76,078
	<u>3,187,656</u>	<u>2,731,784</u>	<u>3,977,883</u>	<u>3,658,075</u>

## 14 Creditors: amounts falling due within one year

	Charity 2017 £	Group 2017 £	Charity 2016 £	Group 2016 £
Trade Creditors	91,211	169,615	79,886	128,041
Other Taxation and Social Security	56,544	77,396	50,783	74,984
Other Creditors and Accruals	285,674	324,193	347,260	402,327
	<u>433,429</u>	<u>571,204</u>	<u>477,929</u>	<u>605,352</u>

## 15 Creditors: amounts falling due after one year

	Charity 2017 £	Group 2017 £	Charity 2016 £	Group 2016 £
Other Creditors	<u>-</u>	<u>-</u>	<u>16,000</u>	<u>16,000</u>

# Notes to the accounts

for the year ended 31 July 2017

## 16 Restricted funds and Unrestricted funds

	As at 1 August 2016	Incoming resources	Resources Expended	Transfers	As at 31 July 2017
	£	£	£	£	£
<b>Restricted Funds</b>					
Rehabilitation	75,364	702,513	(2,001,030)	1,223,153	-
Economic empowerment	76,184	242,817	(59,201)	-	259,800
Emergency relief	69,660	1,736,488	(786,341)	-	1,019,807
Education	143,808	3,419,321	(3,097,901)	299,990	765,218
Education at UK	-	1,875,869	(1,575,879)	(299,990)	-
Healthcare	-	256,402	(576,020)	319,618	-
WASH	61,197	2,072,104	(309,491)	-	1,823,810
Protection and care	117,705	636,766	(79,659)	-	674,812
Religious dues	668,958	3,010,326	(428,745)	-	3,250,539
<b>Total Restricted funds</b>	<b>1,212,876</b>	<b>13,952,606</b>	<b>(8,914,267)</b>	<b>1,542,771</b>	<b>7,793,986</b>
<b>Unrestricted Funds</b>					
Programme funds	6,909,027	3,463,414	(7,007,600)	445,239	3,810,080
General fund	1,282,110	2,730,010	-	(2,158,439)	1,853,681
Designated funds (fixed assets)	5,237,461	-	-	170,429	5,407,890
<b>Total Unrestricted funds</b>	<b>13,428,598</b>	<b>6,193,424</b>	<b>(7,007,600)</b>	<b>(1,542,771)</b>	<b>11,071,651</b>
<b>Total funds</b>	<b>14,641,474</b>	<b>20,146,030</b>	<b>(15,921,867)</b>	<b>-</b>	<b>18,865,637</b>

- Restricted funds are held for application on affected programmes subsequent to receipt.
- Unrestricted Programme funds balances are held for the Charity's overall work (including humanitarian) subsequent to receipt.
- General fund represents the amounts that Trustees are free to use in accordance with the Charity's objectives.
- Designated funds are unrestricted funds that have been ring-fenced for replacement of fixed assets (net book value of tangible fixed assets that were originally funded out of unrestricted funds). Fixed assets acquired out of general funds, and transfer to the fixed asset fund, represents the difference between new assets and the depreciation charge for the year.
- The Charity has transferred £1.5 million from its unrestricted fund to support rehabilitation and general emergencies around the world and to contribute towards the projects implemented with partner organisations.
- Opening balance of 2017 funds have been restated on transition to FRS102 (see note 24).

# Notes to the accounts

for the year ended 31 July 2017

## 17 Net assets by funds

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	5,407,890	-	5,407,890
Net current assets	5,663,761	7,793,986	13,457,747
	<u>11,071,651</u>	<u>7,793,986</u>	<u>18,865,637</u>

## 18 Analysis of change in net funds

	Opening balance 1 August 2016 £	Cash flow movement £	Closing balance 31 July 2017 £
Cash at bank and in hand	<u>6,328,171</u>	<u>4,968,996</u>	<u>11,297,167</u>

## 19 Commitments

	Group and Charity 2017 £	Group and Charity 2016 £
Land and buildings		
Operating leases expiring		
- within one year	200,691	193,072
- within two to five years	357,619	402,200
- over five years	<u>1,260,833</u>	<u>586,300</u>

## 20 Subsidiary companies

The Charity has three wholly owned subsidiaries. Channel I (UK) Limited, International TV Channel Limited and Runners TV Limited, which are all registered in England and Wales.

These subsidiaries broadcast Islamic educational and religious programmes on free-to-air channels under the name of "IQRA TV" and "IQRA Bangla" via SKY satellite. All activities of the subsidiaries have been consolidated on a line by line basis in the Statement of Financial Activities.

# Notes to the accounts

for the year ended 31 July 2017

	2017	2016
	£	£
Total trading income	2,151,325	1,984,268
Cost of sales	(1,272,109)	(1,003,667)
<b>Gross profit</b>	<b>879,216</b>	<b>980,601</b>
Administrative expenses	(857,091)	(797,225)
Profit before charitable donations and taxation	22,125	183,376
Interest receivable	-	-
Profit before charitable donations and taxation	22,125	183,376

## 21 Contingent liabilities :

There are no contingent liabilities at 31 July 2017 (2016: none)

## 22 Related party transactions

The Charity has taken advantage of the exemption given by FRS 102, Related Party Disclosures, from disclosing transactions with its wholly owned subsidiaries.

During the year to 31/07/2017, the following Related Party Transactions were effected at the Charity,

- Croydon Mosque and Islamic Centre (Reg. Charity 285030) made donations to the Charity totalling £5000 where Shuaib Yusaf is both a Trustee of Croydon Mosque and Islamic Centre and also the CEO of the Charity;
- The Charity also paid a membership subscription of £30,000 to the Muslim Charities Forum (an advocacy body for the Muslim segment of the charity sector). Shuaib Yusaf is a trustee of the Muslim Charities Forum and is also the CEO of the Charity;
- As reported in Note (8), a salary of £30,961 is paid to Imam Qasim for duties as the Executive Chairman of the Charity.

# Notes to the accounts

for the year ended 31 July 2017

## 23 Taxation

Al Khair Foundation is a registered charity and is not liable therefore to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. Irrecoverable VAT is charged to its associated expenditure.

## 24. Restatement: transition to Charities SORP (FRS102)

These are the group's second consolidated financial statements prepared under Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102). The charity recognise that following disclosures are required which did not take place in the year of transition. As a consequence of adopting Charities SORP (FRS 102) the following adjustments are required:

Expenditure previously shown separately in the SoFA under Governance Costs has been re-stated as Support Costs (see Note 6) and allocated as follows:

	2016 Unrestricted funds £	2016 Adjustments £	2016 Re-stated costs £
Raising funds	180,929	2,028	182,957
<b>Charitable activities</b>			
Rehabilitation	219,825	2,464	222,289
Economic empowerment	14,592	164	14,756
Emergency relief	318,407	3,569	321,976
Education	275,566	3,089	278,655
Healthcare	75,148	842	75,990
WASH	164,473	1,844	166,317
Protection and care	67,208	753	67,961
Religious dues	396,723	4,447	401,170
<b>Governance costs</b>	<b>19,200</b>	<b>(19,200)</b>	<b>-</b>
<b>Total resources expended</b>	<b>1,732,071</b>	<b>-</b>	<b>1,732,071</b>

## Reconciliation of funds

Adjustment made by transferring provision for reconstruction and deliverable projects to fund balances to represent unrestricted, designated and restricted funds as at 31 July 2016 and 31 July 2017. The opening fund balances are restated through an adjustment to unrestricted and restricted funds in opening reserves for 2016 are shown in the next page.

# Notes to the accounts

for the year ended 31 July 2017

## Reconciliation of funds

### 2016 Charity

	31 July 2016 as previously stated £	Adjustment of reconstruction and deliverable Projects £	31 July 2016 re-stated £
Unrestricted income funds			
- Programme funds	9,396,441	(2,487,414)	6,909,027
- General funds	-	1,656,830	1,656,830
- Designated funds	-	5,273,400	5,273,400
Restricted income funds	(836,475)	2,049,351	1,212,876
Provision for construction and deliverable projects	6,492,167	(6,492,167)	-
	<u>15,052,133</u>	<u>-</u>	<u>15,052,133</u>

### 2016 Group

	31 July 2016 as previously stated £	Adjustment of reconstruction and deliverable Projects £	31 July 2016 re-stated £
Unrestricted income funds			
- Programme funds	6,936,431	(27,404)	6,909,027
- General funds	-	1,282,110	1,282,110
- Designated funds	-	5,237,461	5,237,461
Restricted income funds	1,212,876	-	1,212,876
Provision for construction and deliverable projects	6,492,167	(6,492,167)	-
	<u>14,641,474</u>	<u>-</u>	<u>14,641,474</u>

## 25 Pension costs

We comply fully with auto-enrolment legislation, from July 2014 enrolling new employees into a Group Personal Pension Plan NEST comprising an employer payment of 1% against a 1% employee contribution. Following benchmarking of employee benefits, contributions will rise to (employer/employees) 2%/3% in 2018 and 3%/5% in 2019.

Contributions to the scheme for the year were £22k (2016: £18k) and at the end of July 2017 there were 90 members in the scheme (2016: 80).



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Al-Khair Foundation is committed to reducing the suffering of these disadvantaged people by responding rapidly to humanitarian crises, wherever they occur, and aiding anyone affected, irrespective of religion or ethnicity.





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