

Report of the Trustees and
Audited Financial Statements for the Year Ended 31 August 2018
for
The Al-Khoei Benevolent Foundation

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

The Al-Khoei Benevolent Foundation

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for the Year Ended 31 August 2018**

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The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2018**

The trustees present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Strategies and Significant Activities

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

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

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

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

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

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

Grantmaking

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

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

Volunteers

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

ACHIEVEMENT AND PERFORMANCE

How our activities deliver public benefit

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

The Al-Khoei Benevolent Foundation

Report of the Trustees
for the Year Ended 31 August 2018

ACHIEVEMENT AND PERFORMANCE

Religious activities

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

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

Prayers

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

Festivals

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

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

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

Civil marriages

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

Quran classes

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

Inter-faith events

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

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

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

Religious dues

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

The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2018**

ACHIEVEMENT AND PERFORMANCE

Community activities

Al-Sadiq and Al-Zahra School

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

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

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

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

Al-Ghadeer Nursery

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

Halls and rooms

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

Prison service

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

Youth Activities

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

Women

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

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

Interfaith events

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

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

MINAB

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

Centre for Academic Shia Studies

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

FINANCIAL REVIEW

Principal funding sources

One of the Charity's main sources of income is the collection of donations and religious dues from general public. During the year the Charity received total donations and religious dues of £5,093,129.

Reasonable fees are charged to students for the schools. During the year the Charity generated total school income of £1,555,252.

The foundation also operates a fee paying nursery. During the year, the Charity generated total nursery fee income of £191,517.

The Al-Khoei Benevolent Foundation

Report of the Trustees **for the Year Ended 31 August 2018**

FINANCIAL REVIEW

Investment policy and objectives

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

Reserves policy

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

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

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

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

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

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

The current unrestricted funds are sufficient, that is in line with the charity's reserve policy.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Recruitment and appointment of new trustees

Trustees are appointed by resolution of the existing trustees.

Organisational structure

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

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

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

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

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

Induction and training of new trustees

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

802000

Principal address

Chevening Road
London
NW6 6TN

The Al-Khoei Benevolent Foundation

Report of the Trustees
for the Year Ended 31 August 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs S Khoei	- resigned 22.1.2018
Mr S S Khoei	
Mr S F H Milani	
Mr S M H Faghihe-Moussavi	- appointed 22.1.2018
Mrs Z Gharavi Naeini	- appointed 22.1.2018

Auditors

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on and signed on its behalf by:

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

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

Opinion

We have audited the financial statements of The Al-Khoei Benevolent Foundation (the 'charity') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

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

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

Date:

The Al-Khoei Benevolent Foundation

Statement of Financial Activities
for the Year Ended 31 August 2018

		Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
	Notes					
INCOME AND ENDOWMENTS						
FROM						
Donations and legacies	2	2,721,642	2,371,487	-	5,093,129	5,323,150
Charitable activities	4					
Schools operations		1,555,252	-	-	1,555,252	1,425,047
Nursery Operations		191,517	-	-	191,517	148,666
Investment income	3	-	-	-	-	69
Other income		1,565	-	-	1,565	20,071
Total		4,469,976	2,371,487	-	6,841,463	6,917,003
EXPENDITURE ON						
Raising funds	5	163,343	-	1	163,344	106,114
Charitable activities	6					
Schools operations		1,395,541	-	-	1,395,541	1,312,995
Grants and Donations		2,825,284	2,425,518	-	5,250,802	5,015,160
Support costs		273,564	14,120	33,972	321,656	425,709
Nursery Operations		105,421	-	-	105,421	120,736
Total		4,763,153	2,439,638	33,973	7,236,764	6,980,714
NET						
INCOME/(EXPENDITURE)		(293,177)	(68,151)	(33,973)	(395,301)	(63,711)
Transfers between funds	16	(127,262)	41,500	85,762	-	-
Net movement in funds		(420,439)	(26,651)	51,789	(395,301)	(63,711)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,792,392	216,650	6,103,030	9,112,072	9,175,783
TOTAL FUNDS CARRIED FORWARD		2,371,953	189,999	6,154,819	8,716,771	9,112,072

The notes form part of these financial statements

The Al-Khoei Benevolent Foundation

Balance Sheet
At 31 August 2018

		Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
	Notes					
FIXED ASSETS						
Intangible assets	12	-	-	-	-	3,450
Tangible assets	13	1,718,383	-	6,154,819	7,873,202	7,809,138
		<u>1,718,383</u>	<u>-</u>	<u>6,154,819</u>	<u>7,873,202</u>	<u>7,812,588</u>
CURRENT ASSETS						
Debtors	14	107,396	-	-	107,396	144,018
Cash at bank and in hand		797,823	189,999	-	987,822	1,380,429
		<u>905,219</u>	<u>189,999</u>	<u>-</u>	<u>1,095,218</u>	<u>1,524,447</u>
CREDITORS						
Amounts falling due within one year	15	(251,649)	-	-	(251,649)	(224,963)
NET CURRENT ASSETS		<u>653,570</u>	<u>189,999</u>	<u>-</u>	<u>843,569</u>	<u>1,299,484</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,371,953</u>	<u>189,999</u>	<u>6,154,819</u>	<u>8,716,771</u>	<u>9,112,072</u>
NET ASSETS		<u><u>2,371,953</u></u>	<u><u>189,999</u></u>	<u><u>6,154,819</u></u>	<u><u>8,716,771</u></u>	<u><u>9,112,072</u></u>
FUNDS	16					
Unrestricted funds					2,371,953	2,792,392
Restricted funds					189,999	216,650
Endowment funds					6,154,819	6,103,030
TOTAL FUNDS					<u><u>8,716,771</u></u>	<u><u>9,112,072</u></u>

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

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

The notes form part of these financial statements

The Al-Khoei Benevolent Foundation

Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(265,664)	60,891
Net cash provided by (used in) operating activities		<u>(265,664)</u>	<u>60,891</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(126,943)	(5,616)
Interest received		-	69
Net cash provided by (used in) investing activities		<u>(126,943)</u>	<u>(5,547)</u>
Change in cash and cash equivalents in the reporting period		<u>(392,607)</u>	<u>55,344</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,380,429</u>	<u>1,325,085</u>
Cash and cash equivalents at the end of the reporting period		<u><u>987,822</u></u>	<u><u>1,380,429</u></u>

The notes form part of these financial statements

The Al-Khoei Benevolent Foundation

Notes to the Cash Flow Statement
for the Year Ended 31 August 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(395,301)	(63,711)
Adjustments for:		
Depreciation charges	66,328	55,443
Interest received	-	(69)
Rounding difference	1	(1)
Decrease/(increase) in debtors	36,622	(39,137)
Increase in creditors	26,686	108,366
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(265,664)	60,891
	<hr/>	<hr/>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements **for the Year Ended 31 August 2018**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

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

Expenditure

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

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

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

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

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

Allocation and apportionment of costs

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

Intangible assets

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

Fund accounting

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

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

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

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Foreign currencies

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

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations and Religious dues	5,087,089	5,318,114
Gift aid	6,040	5,036
	<u>5,093,129</u>	<u>5,323,150</u>

3. INVESTMENT INCOME

	2018	2017
	£	£
Deposit account interest	-	69
	<u>-</u>	<u>69</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
School Fees	1,450,907	1,320,742
School Other Income	104,345	104,305
School Fees	191,517	148,666
	<u>1,746,769</u>	<u>1,573,713</u>

5. RAISING FUNDS

Raising donations and legacies

	2018	2017
	£	£
Staff costs	33,819	15,374
Rates and water	3,932	3,136
Insurance	-	1,969
Light and heat	29,955	10,958
Postage and stationery	113	207
Sundries	4	-
Repairs and Maintenance	6,803	4,748
Swansea Mosque expenses	9,594	9,611
Cleaning	1,035	543
Sermon food	73,342	57,460
Transport and travel	-	40
Advertising	553	-
Depreciation	4,194	2,068
	<u>163,344</u>	<u>106,114</u>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Schools operations	1,395,541	-	-	1,395,541
Nursery Operations	105,421	-	-	105,421
Grants and Donations	-	5,250,802	-	5,250,802
Support costs	-	-	321,656	321,656
	<u>1,500,962</u>	<u>5,250,802</u>	<u>321,656</u>	<u>7,073,420</u>

7. GRANTS PAYABLE

	2018	2017
	£	£
Grants and Donations	<u>5,250,802</u>	<u>5,015,160</u>

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

	2018	2017
	£	£
Grants and donations	<u>5,042,176</u>	<u>4,839,582</u>

8. SUPPORT COSTS

	Management	Finance	Other	Totals
	£	£	£	£
Support costs	<u>257,226</u>	<u>3,188</u>	<u>61,242</u>	<u>321,656</u>

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

Management

	2018 Support costs	2017 Total activities
	£	£
Wages	178,339	187,516
Rates and water	3,876	889
Insurance	-	9,257
Light and heat	464	979
Telephone	930	2,662
Postage and stationery	538	1,211
Travelling	6,015	7,488
Sundries	82	162
Accountancy fees	24,840	26,085
Publication expenses	6,861	21,718
Repairs & Maintenance	2,109	3,059
Subscriptions	3,385	2,261
Subsistence	14	156
Advertising	483	-
Book keeping fees	10,500	9,000
Legal & professional fees	380	11,921
Bad debt	14,000	23,800
Hajj expenses	985	134
Prison visit	558	43
Al-Kawthar expenses	120	-
Cleaning	207	-
Computer and software expense	2,540	-
	<u>257,226</u>	<u>308,341</u>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

8. SUPPORT COSTS - continued

Finance

	2018	2017
	Support costs	Total activities
	£	£
Bank charges	2,973	10,914
Foreign exchange loss/(gains)	215	54,061
	<u>3,188</u>	<u>64,975</u>

Other

	2018	2017
	Support costs	Total activities
	£	£
Amortisation of intangible fixed assets	3,450	-
Depreciation of tangible fixed assets	57,792	52,393
	<u>61,242</u>	<u>52,393</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017 .

10. STAFF COSTS

The total Wages and salaries for the year was as follows

	31/08/18	31/08/17
	£	£
Mosque	33,819	15,374
School	1,116,037	1,028,216
Nursery	90,889	90,750
Foundation	178,339	187,516
Arabic Weekend School	1,730	-
	<u>1,420,814</u>	<u>1,321,856</u>

The average number of employees during the year was as follows

	31/08/18	31/08/17
Mosque	6	3
School	57	56
Nursery	14	13
Foundation	15	22
Arabic Weekend School	1	-
	<u>93</u>	<u>94</u>

There were 8 average number of volunteers during the year.

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

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS				
FROM				
Donations and legacies	2,758,634	2,564,516	-	5,323,150
Charitable activities				
Schools operations	1,425,047	-	-	1,425,047
Nursery Operations	148,666	-	-	148,666
Investment income	69	-	-	69
Other income	20,071	-	-	20,071
Total	4,352,487	2,564,516	-	6,917,003
EXPENDITURE ON				
Raising funds	106,116	(1)	(1)	106,114
Charitable activities				
Schools operations	1,312,995	-	-	1,312,995
Grants and Donations	2,425,371	2,589,789	-	5,015,160
Support costs	394,503	-	31,206	425,709
Nursery Operations	120,736	-	-	120,736
Total	4,359,721	2,589,788	31,205	6,980,714
NET INCOME/(EXPENDITURE)	(7,234)	(25,272)	(31,205)	(63,711)
Transfers between funds	1,000	(1,000)	-	-
Net movement in funds	(6,234)	(26,272)	(31,205)	(63,711)
RECONCILIATION OF FUNDS				
Total funds brought forward	2,798,626	242,922	6,134,235	9,175,783
TOTAL FUNDS CARRIED FORWARD	2,792,392	216,650	6,103,030	9,112,072

12. INTANGIBLE FIXED ASSETS

	Trademarks £
COST	
At 1 September 2017	3,450
AMORTISATION	
Charge for year	3,450
NET BOOK VALUE	
At 31 August 2018	-
At 31 August 2017	3,450

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

13. TANGIBLE FIXED ASSETS

	Freehold properties £	School Equipments £	Fixtures and fittings £	Office equipment £	Totals £
COST					
At 1 September 2017	8,441,599	282,972	262,516	463,004	9,450,091
Additions	85,761	1,150	21,427	18,605	126,943
At 31 August 2018	8,527,360	284,122	283,943	481,609	9,577,034
DEPRECIATION					
At 1 September 2017	657,159	281,843	259,909	442,042	1,640,953
Charge for year	46,071	892	4,195	11,721	62,879
At 31 August 2018	703,230	282,735	264,104	453,763	1,703,832
NET BOOK VALUE					
At 31 August 2018	7,824,130	1,387	19,839	27,846	7,873,202
At 31 August 2017	7,784,440	1,129	2,607	20,962	7,809,138

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

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	38,685	18,126
Other debtors	55,476	114,796
Prepayments	13,235	11,096
	107,396	144,018

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	55,213	65,789
Social security and other taxes	20,418	21,621
Other creditors	3,420	2,396
Nursery deposits	8,800	8,600
Wages & Salaries	-	(1,693)
Deferred income	119,398	116,250
Accrued expenses	44,400	12,000
	251,649	224,963

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

16. MOVEMENT IN FUNDS

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

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

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

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted Funds				
General Fund	2,797,020	(1,073,144)	606	1,724,482
Khums Sehem Imam	1,000	1,065,910	1,000	1,067,910
Sadaqat	231	-	(231)	-
Fitrah	287	-	(287)	-
Kaffara	3	-	(3)	-
Qurbani	5	-	(5)	-
Aquiqa	80	-	(80)	-
	<u>2,798,626</u>	<u>(7,234)</u>	<u>1,000</u>	<u>2,792,392</u>
Restricted Funds				
Khums Sehem Sadaat	2,000	(2,000)	-	-
Sehem Imam	1,000	-	(1,000)	-
Govet Prevent Funds	48,388	-	-	48,388
Shaheed fund	187,167	(20,350)	-	166,817
Al-Kawthar project	4,367	(2,922)	-	1,445
	<u>242,922</u>	<u>(25,272)</u>	<u>(1,000)</u>	<u>216,650</u>
Endowment funds				
Endowment Fund	6,134,235	(31,205)	-	6,103,030
	<u>9,175,783</u>	<u>(63,711)</u>	<u>-</u>	<u>9,112,072</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	1,865,502	(2,938,646)	(1,073,144)
Khums Sehem Imam	2,486,985	(1,421,075)	1,065,910
	<u>4,352,487</u>	<u>(4,359,721)</u>	<u>(7,234)</u>
Restricted funds			
Khums Sehem Sadaat	2,491,985	(2,493,985)	(2,000)
Al-Kawthar project	72,531	(75,453)	(2,922)
Shaheed fund	-	(20,350)	(20,350)
	<u>2,564,516</u>	<u>(2,589,788)</u>	<u>(25,272)</u>
Endowment funds			
Endowment Fund	-	(31,205)	(31,205)
	<u>6,917,003</u>	<u>(6,980,714)</u>	<u>(63,711)</u>

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

16. MOVEMENT IN FUNDS - continued

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

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General Fund	2,797,020	(2,431,003)	1,873,344	2,239,361
Khums Sehem Imam	1,000	2,130,592	(1,999,000)	132,592
Sadaqat	231	-	(231)	-
Fitrah	287	-	(287)	-
Kaffara	3	-	(3)	-
Qurbani	5	-	(5)	-
Aquiqa	80	-	(80)	-
Restricted funds				
Khums Sehem Sadaat	2,000	(2,000)	-	-
Sehem Imam	1,000	-	(1,000)	-
Govet Prevent Funds	48,388	-	-	48,388
Shaheed fund	187,167	(54,700)	-	132,467
Al-Kawthar project	4,367	(36,723)	41,500	9,144
	<u>242,922</u>	<u>(93,423)</u>	<u>40,500</u>	<u>189,999</u>
Endowment				
Endowment Fund	<u>6,134,235</u>	<u>(65,178)</u>	<u>85,762</u>	<u>6,154,819</u>
TOTAL FUNDS	<u><u>9,175,783</u></u>	<u><u>(459,012)</u></u>	<u><u>-</u></u>	<u><u>8,716,771</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	4,082,371	(6,513,374)	(2,431,003)
Khums Sehem Imam	4,740,092	(2,609,500)	2,130,592
	<u>8,822,463</u>	<u>(9,122,874)</u>	<u>(300,411)</u>
Restricted funds			
Khums Sehem Sadaat	4,745,092	(4,747,092)	(2,000)
Al-Kawthar project	190,911	(227,634)	(36,723)
Shaheed fund	-	(54,700)	(54,700)
	<u>4,936,003</u>	<u>(5,029,426)</u>	<u>(93,423)</u>
Endowment funds			
Endowment Fund	<u>-</u>	<u>(65,178)</u>	<u>(65,178)</u>
TOTAL FUNDS	<u><u>13,758,466</u></u>	<u><u>(14,217,478)</u></u>	<u><u>(459,012)</u></u>

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

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

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

17. PENSION COMMITMENTS

The Al-Khoei Benevolent Foundation

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

17. PENSION COMMITMENTS
- continued

The charity operates a defined contribution pension scheme. The charity contributed in pension £13,555 (2017: £7,484) during the year.

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2018.

19. GOING CONCERN

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

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

The Al-Khoei Benevolent Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 August 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and Religious dues	5,087,089	5,318,114
Gift aid	6,040	5,036
	<hr/> 5,093,129	<hr/> 5,323,150
Investment income		
Deposit account interest	-	69
Charitable activities		
School Fees	1,642,424	1,469,408
School Other Income	104,345	104,305
	<hr/> 1,746,769	<hr/> 1,573,713
Other income		
Other income	1,565	20,071
	<hr/>	<hr/>
Total incoming resources	6,841,463	6,917,003
EXPENDITURE		
Raising donations and legacies		
Wages	33,819	15,374
Rates and water	3,932	3,136
Insurance	-	1,969
Light and heat	29,955	10,958
Postage and stationery	113	207
Sundries	4	-
Repairs and Maintenance	6,803	4,748
Swansea Mosque expenses	9,594	9,611
Cleaning	1,035	543
Sermon food	73,342	57,460
Transport and travel	-	40
Advertising	553	-
Fixtures and fittings	4,194	2,068
	<hr/> 163,344	<hr/> 106,114
Charitable activities		
Misc school expenses	29,256	41,277
Printing postage & stationery	21,022	25,578
Light and heat	12,822	23,969
Transport and travel	410	69
Telephone	6,934	5,754
Rates	21,699	10,944
Repairs & Maintenance	29,483	56,785
Legal & Professional	11,666	10,658
Wages & Salaries	1,116,037	1,028,216
Bank charges and interest	6	25
Depreciation	892	982
Cleaning	11,442	2,744
Insurance	24,182	18,321
Staff Training	16,310	3,077
Carried forward	1,302,161	1,228,399

This page does not form part of the statutory financial statements

The Al-Khoei Benevolent Foundation

Detailed Statement of Financial Activities
for the Year Ended 31 August 2018

	2018 £	2017 £
Charitable activities		
Brought forward	1,302,161	1,228,399
Misc nursery expenses	14,532	29,986
Wages and Salaries	90,889	90,750
Subscription	1,926	2,660
School meal - expenses	35,177	21,463
Saturday school expenses	52,697	53,089
Health & safety	680	654
Advertising	2,900	6,730
Donations to institutions	5,042,176	4,839,582
Donation payments	208,626	175,578
	<hr/> 6,751,764	<hr/> 6,448,891
Support costs		
Management		
Wages	178,339	187,516
Rates and water	3,876	889
Insurance	-	9,257
Light and heat	464	979
Telephone	930	2,662
Postage and stationery	538	1,211
Travelling	6,015	7,488
Sundries	82	162
Accountancy fees	24,840	26,085
Publication expenses	6,861	21,718
Repairs & Maintenance	2,109	3,059
Subscriptions	3,385	2,261
Subsistence	14	156
Advertising	483	-
Book keeping fees	10,500	9,000
Legal & professional fees	380	11,921
Bad debt	14,000	23,800
Hajj expenses	985	134
Prison visit	558	43
Al-Kawthar expenses	120	-
Cleaning	207	-
Computer and software expense	2,540	-
	<hr/> 257,226	<hr/> 308,341
Finance		
Bank charges	2,973	10,914
Foreign exchange loss/(gains)	215	54,061
	<hr/> 3,188	<hr/> 64,975
Other		
Amort of trademarks	3,450	-
Freehold property	46,070	43,304
Fixtures and fittings	11,722	9,089
	<hr/> 61,242	<hr/> 52,393
Total resources expended	<hr/> 7,236,764	<hr/> 6,980,714
Net expenditure	<hr/> <hr/> (395,301)	<hr/> <hr/> (63,711)