

CHARITY REGISTRATION NUMBER: 1085713

ALULBAYT FOUNDATION
Unaudited Financial Statements
31 March 2019

FAIRMAN DAVIS
Chartered accountants
Suite 16, Exhibition House
Addison Bridge Place
London
W14 8XP

ALULBAYT FOUNDATION

Financial Statements

Year ended 31 March 2019

	Page
Trustees' annual report	1
Independent examiner's report to the trustees	3
Statement of financial activities	4
Statement of financial position	5
Notes to the financial statements	6

ALULBAYT FOUNDATION

Trustees' Annual Report

Year ended 31 March 2019

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2019.

Reference and administrative details

Registered charity name ALULBAYT FOUNDATION

Charity registration number 1085713

Principal office

The trustees

Mr Fadhil Mehdi
Mr Mohsen Mousavi
Mr Hamid Asmail

Independent examiner Fairman Davis
Suite 16, Exhibition House
Addison Bridge Place
London
W14 8XP

Structure, governance and management

Governing Documents

The organisation was registered as charity on 21st March 2001 and is governed by its Trust Deed dated 19th March 2000.

Organisation Structure

Alulbayt Foundation has a Management Committee which meets quarterly and is responsible for the strategic direction and policy of the charity.

Risk Management

The Management Committee has conducted a review of the major risks to which the charity is exposed to and continues to monitor this on an ongoing basis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of volunteers, clients and visitors to the centre. The procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Objectives and activities

The charity's objective and its principal activity continue to be that of providing relief of poverty, sickness, distress and the advancement of education in particular amongst people who are of Islamic Faith.

ALULBAYT FOUNDATION

Trustees' Annual Report *(continued)*

Year ended 31 March 2019

Achievements and performance

The Trustees consider that the performance of the charity this year has been satisfactory.

Financial review

Against the backdrop of limited resources the charity has continued to plan or develop its services. With the aid of sound financial management and the support of both its staff and volunteers, the charity has achieved a satisfactory outcome for the year, with sufficient resources to continue its normal activities in the forthcoming years.

Plans for future periods

The charity intends to continue its activities in pursuance of its defined objectives.

The trustees' annual report was approved on 16 October 2019 and signed on behalf of the board of trustees by:



Mr Mohsen Mousavi
Trustee

ALULBAYT FOUNDATION

Independent Examiner's Report to the Trustees of ALULBAYT FOUNDATION

Year ended 31 March 2019

I report to the trustees on my examination of the financial statements of ALULBAYT FOUNDATION ('the charity') for the year ended 31 March 2019.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

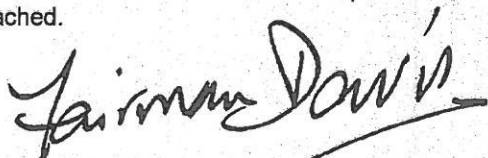
Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Fairman Davis
Independent Examiner

Suite 16, Exhibition House
Addison Bridge Place
London
W14 8XP

ALULBAYT FOUNDATION
Statement of Financial Activities
Year ended 31 March 2019

		2019	2019		2018
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	72,950	178,147	251,097	528,202
Other income	5	—	—	—	98,161
Total income		<u>72,950</u>	<u>178,147</u>	<u>251,097</u>	<u>626,363</u>
Expenditure					
Expenditure on charitable activities	6,7	348,467	32,377	380,844	441,135
Total expenditure		<u>348,467</u>	<u>32,377</u>	<u>380,844</u>	<u>441,135</u>
Net (expenditure)/income and net movement in funds		<u>(275,517)</u>	<u>145,770</u>	<u>(129,747)</u>	<u>185,228</u>
Reconciliation of funds					
Transfer of Funds	17	175,000	(175,000)		
Total funds brought forward		<u>122,171</u>	<u>375,432</u>	<u>497,603</u>	<u>312,376</u>
Total funds carried forward		<u>21,654</u>	<u>346,202</u>	<u>367,856</u>	<u>497,604</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 6 to 12 form part of these financial statements.

ALULBAYT FOUNDATION

Statement of Financial Position

31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	13	290,262	339,725
Current assets			
Debtors	14	12,060	10,000
Cash at bank and in hand		68,201	151,259
		<u>80,261</u>	<u>161,259</u>
Creditors: amounts falling due within one year	15	<u>2,667</u>	<u>3,380</u>
Net current assets		<u>77,594</u>	<u>157,879</u>
Total assets less current liabilities		<u>367,856</u>	<u>497,604</u>
Net assets		<u>367,856</u>	<u>497,604</u>
Funds of the charity			
Restricted funds		346,202	375,433
Unrestricted funds		21,654	122,171
Total charity funds	17	<u>367,856</u>	<u>497,604</u>

These financial statements were approved by the board of trustees and authorised for issue on 15 October 2019, and are signed on behalf of the board by:



Mr Mohsen Mousavi
Trustee

The notes on pages 6 to 12 form part of these financial statements.

ALULBAYT FOUNDATION
Notes to the Financial Statements
Year ended 31 March 2019

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 75 Brondesbury Park, London, NW6 7AX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

The charity is exempt from the requirement to produce a cash flow statement under Financial Reporting Standard No.1 (Cash flow statements)

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

ALULBAYT FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It included both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the charity's constitutional and statutory requirements as well as costs linked to the strategic management of the charity.

Tangible assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 10% straight line
Fixtures & Fittings	- 25% straight line
Motor Vehicles	- 25% straight line
Equipment	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

ALULBAYT FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

ALULBAYT FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations	72,950	178,147	251,097

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations	373,019	155,183	528,202

5. Other income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Other income	—	—	98,161	98,161

6. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donation	205,221	32,377	237,598
Support costs	143,246	—	143,246
	348,467	32,377	380,844

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donation	264,718	18,189	282,907
Support costs	158,228	—	158,228
	422,946	18,189	441,135

ALULBAYT FOUNDATION

Notes to the Financial Statements (continued)

Year ended 31 March 2019

7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Donation	237,598	141,391	378,989	438,555
Governance costs	—	1,855	1,855	2,580
	<u>237,598</u>	<u>143,246</u>	<u>380,844</u>	<u>441,135</u>

8. Analysis of support costs

	Analysis of support costs £	Total 2019 £	Total 2018 £
Staff costs	64,453	64,453	70,182
Premises	73,435	73,435	11,399
Communications and IT	—	—	2,459
General office	3,503	3,503	71,501
Finance costs	—	—	107
Governance costs	1,855	1,855	2,580
	<u>143,246</u>	<u>143,246</u>	<u>158,228</u>

9. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	<u>49,463</u>	<u>52,647</u>

10. Independent examination fees

	2019 £	2018 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,620</u>	<u>1,620</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019 £	2018 £
Wages and salaries	62,514	68,480
Social security costs	1,240	1,350
Employer contributions to pension plans	699	352
	<u>64,453</u>	<u>70,182</u>

The average head count of employees during the year was 5 (2018: 5).

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

ALULBAYT FOUNDATION

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

13. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2018 and 31 March 2019	<u>479,877</u>	<u>3,948</u>	<u>5,900</u>	<u>15,863</u>	<u>505,588</u>
Depreciation					
At 1 April 2018	143,104	3,946	2,950	15,863	165,863
Charge for the year	47,988	—	1,475	—	49,463
At 31 March 2019	<u>191,092</u>	<u>3,946</u>	<u>4,425</u>	<u>15,863</u>	<u>215,326</u>
Carrying amount					
At 31 March 2019	<u>288,785</u>	<u>2</u>	<u>1,475</u>	<u>—</u>	<u>290,262</u>
At 31 March 2018	<u>336,773</u>	<u>2</u>	<u>2,950</u>	<u>—</u>	<u>339,725</u>

14. Debtors

	2019 £	2018 £
Other debtors	<u>12,060</u>	<u>10,000</u>

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	1,620	1,620
Social security and other taxes	1,047	1,077
Other creditors	—	683
	<u>2,667</u>	<u>3,380</u>

16. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £699 (2018: £352).

ALULBAYT FOUNDATION

Notes to the Financial Statements (continued)

Year ended 31 March 2019

17. Analysis of charitable funds

Unrestricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 Mar 2019 £
General funds	<u>122,171</u>	<u>72,950</u>	<u>(348,467)</u>	<u>175,000</u>	<u>21,654</u>

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 Mar 2018 £
General funds	<u>73,937</u>	<u>471,180</u>	<u>(422,946)</u>	<u>—</u>	<u>122,171</u>

Restricted funds

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 Mar 2019 £
Restricted Funds	<u>375,432</u>	<u>178,147</u>	<u>(32,377)</u>	<u>(175,000)</u>	<u>346,202</u>

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 Mar 2018 £
Restricted Funds	<u>238,439</u>	<u>155,183</u>	<u>(18,189)</u>	<u>—</u>	<u>375,433</u>

Note

During the year £175,000 has been transferred from restricted funds to unrestricted funds in line with the permission granted by the Office of Ayatollah Sistaani.

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2019 £
Tangible fixed assets	290,262	<u>290,262</u>
Current assets	80,261	<u>80,261</u>
Creditors less than 1 year	(2,667)	<u>(2,667)</u>
Net assets	<u>367,856</u>	<u>367,856</u>