

THE ASFARI FOUNDATION

England & Wales · Charity number 1116751

Details

Status	Registered
Legal form	Charitable company
Company number	05938633
Registered	2006-11-10
Register	View on the Charity Commission register

Contact

Address	Arab British Centre Ltd 1 Gough Square London EC4A 3DE
Phone	02073723889
Email	admin@asfarifoundation.org.uk
Website	www.asfarifoundation.org.uk

Activities

Objects: TO FURTHER SUCH CHARITABLE OBJECTS AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION THINK FIT BUT TO INCLUDE THE FOLLOWING². THE RELIEF OF POVERTY, IN PARTICULAR THROUGH THE PROVISION OF ACCOMMODATION, INCLUDING THE DEVELOPMENT OF ORPHANAGES AND HOMES FOR UNDERPRIVILEGED CHILDREN THROUGHOUT THE WORLD.C. PUBLISHING ANY OTHER EDUCATIONAL MATERIALS^D. ORGANISING CONFERENCES^E. PROVIDING SCHOLARSHIPS FOR SCHOOLS AND UNIVERSITIES TO SUPPORT UNDERPRIVILEGED CHILDREN TO PURSUE EDUCATION¹. THE ADVANCEMENT OF EDUCATION BY ANY OR ALL OF THE FOLLOWING MEANS:^A. ESTABLISHING AND SUPPORTING SCHOOLS, UNIVERSITIES AND OTHER EDUCATIONAL FACILITIES^B. COMMISSIONING, SUPPORTING OR PROMOTING RESEARCH AND PUBLISHING IN ANY MEDIA THE RESULTS OF THAT RESEARCH^H

Activities: The Asfari Foundation's mission is to help young people make a valuable contribution to society by empowering them through education, research, the power of free thinking and by encouraging the development of civil society. The Foundation does all its work through partnerships with other organisations.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** Children/young People, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** SYRIA, LEBANON, PALESTINE
- Jordan
- Lebanon
- Occupied Palestinian Territories
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£351,801	£2,687,134	-	-
2023-12-31	£4,342,701	£4,069,797	£16,534,403	6
2022-12-31	£8,104,717	£3,105,219	£18,218,120	6
2021-12-31	£3,029,362	£3,098,384	£16,288,484	7
2020-12-31	£3,704,719	£3,418,482	£15,243,988	7

Trustees

Name	Role	Appointed
AYMAN ASFARI	Chair	2006-09-18
ADEEB ASFARI		
Dr Marwan Muasher		2014-06-24
John Ferguson		2014-06-24
Kareem Asfari		2019-07-01
RASHA ELMASRY		2017-09-11
SAWSAN ASFARI		2006-09-18
Saba Almubaslat		2022-04-01

Accounts

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Trustees	Mr Ayman Asfari, Chair Mrs Sawsan Asfari Mr John Ferguson FCA, Treasurer Dr Marwan Muasher Ms Rasha ElMasry Mr Adeeb Asfari Mr Kareem Asfari Ms Saba Almubaslat
Company registered number	05938633
Charity registered number	1116751
Registered office	1 Gough Square London United Kingdom EC4A 3DE
Chief Executive Officer	Muna Abbas
Independent auditor	MHA Chartered Accountants and Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Banque Banorient France 193-195 Brompton Road London SW3 1LZ EFG Bank AG Bleicherweg 8 P.O. Box 6012 8022 Zurich Unity Trust Bank Four Brindley place Birmingham B1 2JB
Solicitors	Broadfield One Bartholomew Close London EC1A 7BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The Trustees present their report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Constitution

The Asfari Foundation (the Foundation) is a company limited by guarantee (company number 05938633) and a registered Charity governed by its memorandum and articles of association. Charity number in England and Wales: 1116751.

Directors and Trustees serving during the year and since the year end:

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr Kareem Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Mrs Rasha ElMasry
Ms Saba Almubaslat

Objectives and activities

The objectives of the Foundation are to further such charitable objects as the Trustees in their absolute discretion think fit, but to include the following:

- The advancement of education in any part of the world and in particular of young people from Syria, Lebanon, Jordan, Palestine and the UK.
- The prevention and relief of poverty for the public benefit in any part of the world but not exclusively from Syria, Lebanon, Jordan, Palestine and the UK.
- The promotion of civic responsibility, good citizenship and community development for the public benefit in particular but not exclusively for the benefit of young people and civil society organisations from Syria, Lebanon, Jordan, Palestine and the UK.
- The advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), conflict resolution or reconciliation and the promotion of equality and diversity for the public benefit anywhere in any part of the world and for young people from Syria, Lebanon, Jordan, Palestine and the UK.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

These charitable objects are encompassed within the Foundation's vision of creating a just world where people have equal opportunities to transform their lives, invest in their communities, and shape the future of their countries. In support of achieving this vision, the Foundation makes its mission to invest in, and support the sustainability of, a resilient and empowered civil society infrastructure and innovative youth, who can collectively lead a transformational positive change in their communities and countries.

The Foundation engages in this mission by supporting the activities of our partner organisations activities at the local, regional, and global level. This support is delivered across three programmatic 'pillars' that address our thematic focus areas in line with the strategic objectives derived from the Foundation's updated strategy for 2024 – 2028: 1) Building Civil Society Infrastructure, 2) Learning, Entrepreneurship, and Innovation, and 3) Knowledge Production, Networking, and Influencing.

At the local level, the Foundation makes grants of several types: Organisational Development, Performance Excellence, Influencing, Sustainability, as well as grants responding to specific areas of need that are not always covered by our core programmes. At the regional level the Foundation develops strategic partnerships with influential academic and policy centres (such as the American University of Beirut and Carnegie Middle East Centre) for Knowledge production and convening around critical issues facing the Middle East region and connecting high-level policy and research with effective practice on the ground. The Foundation also actively pursues partnerships with Academic Institutions in the UK and worldwide, such as London School for Economics) and other donors (such as the Ford Foundation) to deliver co-investment in areas of shared common interest, enabling the Foundation to take its impact to scale. At the global level, the Foundation uses the evidence of its impact and that of its partners to advocate for localisation, collaboration, experimentation with innovative approaches to grant making and partnerships, and the important role family foundations can play in helping to drive positive change in the Middle East.

Grant making policy

The Foundation supports organisations that:

- Are fully registered with the appropriate authorities.
- Share our values and are aligned with our objectives.
- Have strong track records in implementation.
- Demonstrate clear purpose and strategy linked to a specific constituency/target group.
- Actively seek to become more effective, accountable and sustainable.
- Actively seek to transform and grow their organisation, and the ecosystem in which they operate, including the professional development of their staff.
- Adopt innovative approaches to programming.
- Address systemic weaknesses in our thematic areas.
- Are committed to transparency, active partnership, and sharing learning and insight.

Grant funding provided to eligible organisations is designed to support one of more of:

- Organisational development (OD) and sustainability, focusing on staff and organisational capacity-building across several domains (e.g. digital transformation, fundraising and sustainability, human resources management, monitoring and evaluation practices, etc).
- Seed funding or experimenting with new ideas or approaches by organisations that we believe are particularly innovative, have strong potential to help young people, and work in our thematic areas.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

- Research into systemic issues facing communities in the Middle East, and development of public policy approaches and recommendations.
- Connecting academic research and practice through convening and supporting civil society organisations (CSOs) to document and disseminate their practical expertise at the local, regional, and global levels.
- Specific areas of need, identified by eligible organisations, that do not fall into the above examples.

The Foundation's Grant Programmes are delivered through 3 programmatic 'pillars':

1) Building Civil Society Infrastructure

The Building Civil Society Infrastructure pillar is at the heart of the Asfari Foundation's mission. Recognising the pivotal role civil society plays in driving positive change, the Foundation places a strong emphasis on supporting and strengthening civil society organisations (CSOs) across the Levant region. These organisations are the driving force behind grassroots initiatives, advocacy campaigns, and community engagement that address critical social, political, and economic challenges. The Foundation's commitment to this pillar extends beyond providing financial support, seeking to create an enabling environment for civil society to thrive by offering capacity-building programs, networking opportunities, and platforms for collaboration. By empowering civil society organisations to effectively mobilise communities, advocate for social justice, and amplify marginalised voices, the Foundation contributes to building a more inclusive, resilient, and participatory society in the Levant.

2) Learning, Entrepreneurship, and Innovation

The Learning, Entrepreneurship, and Innovation pillar reflects the Foundation's commitment to driving sustainable economic growth, fostering innovation, and empowering individuals to become agents of change. Recognising that entrepreneurship is a catalyst for job creation, economic development, and social progress, the Foundation seeks to support emerging entrepreneurs who are working to address societal challenges and build resilient communities. Through capacity-building programs, mentorship, and financial support, the Foundation nurtures the growth of innovative startups, social enterprises, and initiatives that tackle complex issues in the Levant region. By fostering an environment where creative solutions are encouraged and rewarded, the Foundation contributes to cultivating a culture of innovation that transcends sectors and boundaries. Additionally, the Foundation acknowledges the power of entrepreneurship and innovation in promoting social inclusion and creating opportunities for marginalised groups. By enabling individuals to transform their ideas into tangible solutions, the Entrepreneurship & Innovation pillar aligns with the Foundation's broader vision of a prosperous, equitable, and interconnected Levant.

3) Knowledge Production, Networking, and Influencing

The Knowledge Production, Networking, and Influencing pillar underscores the Foundation's belief in the power of informed decision-making and evidence-based advocacy. In a region characterised by complex social, political, and economic dynamics, the production and dissemination of accurate, contextually relevant knowledge by Arab experts, including researchers and practitioners, is essential for driving informed policies and social change. The Foundation aims to bridge the gap between research, policy, and practice by supporting initiatives that generate insightful research, data, and analysis. Through partnerships with academic institutions, think tanks, and research centres, the Foundation seeks to produce knowledge that addresses pressing regional challenges, informs policy debates, and fosters public discourse. Furthermore, the Foundation recognises the significance of influencing stakeholders and decision-makers to enact positive change. By leveraging its connections, expertise, and evidence-based insights, the Foundation works to engage policymakers, civil society leaders, and the public in meaningful dialogue, thereby contributing to a more informed, inclusive, and progressive regional agenda.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Foundation recognises that there will sometimes be specific needs in communities in our target countries that are not always supported through our core grant programmes that exist within the pillars above. The Foundation maintains space in our budget to facilitate grants responding to these needs, ensuring there is flexibility to respond in these scenarios, for example, in response to the geopolitical disruptions in the Levant region, such as the war in Gaza and Lebanon.

Achievements and performance in 2024

This year, the Foundation significantly advanced its programmes in support of Civil Society, Knowledge Production, and Innovation. Key efforts included the first year of our new Performance Excellence grant, as well as our Sustainability, and Organisational Development grants, which strengthened the capacities of diverse partners to address challenges, develop sustainable business practices, and build stronger and more resilience organisations. Programmes like Tabadol created collaborative spaces for social entrepreneurs and Civil Society Organisations (CSOs) to co-design impactful solutions for sustainability in the sector. The Certificate in Influencing and Political Acumen (CIPA) Programme empowered participants with advocacy skills to advance regional issues, while the Foundation's partnership with the International Development Research Centre (IDRC) fostered strategic research on MENA Civil Society and laid the groundwork for joint initiatives on knowledge-to-policy processes. Collectively, these programmes reflect the Foundation's commitment to advancing impactful change in the MENA region.

1) Building Civil Society Infrastructure

Grants Funding

The Foundation supported 15 CSOs with Organisational Development grants (total funding £375,000), and 17 CSOs with Performance Excellence grants (total funding £119,000). Through these grants, partners reported improved governance, enhanced technical capabilities, and stronger financial resilience, notably in response to emerging challenges in Lebanon and Palestine.

In addition to the specific grant programmes above, the Foundation responded to the war on Gaza by providing grants to 9 organisations addressing urgent needs in education, health, and independent media, while also supporting organisational development activities (total funding approximately £156,000).

The Arab Alliance for CSO Development (AACSD) and NGOi assessment services

The AACSD programme - a partnership with the NGO Initiative (NGOi), part of the Global Health Institute (GHI) at the American University of Beirut (AUB) – continued to deliver essential services for CSOs in the MENA region such as training, digitisation, and organisational certification, with positive progress to date. The Foundation expanded the partnership with NGOi by integrating their organisational development assessment services into our grant programmes to help the Foundation and grantees to identify gaps and needs in organisational capacity, support monitoring and evaluation and impact measurement processes, collect data to support with knowledge sharing and research, and inform strategic decisions for future initiatives (total funding – AACSD and assessment services – approximately £133,000).

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

2) Learning, Entrepreneurship, and Innovation

Grants Funding

The Foundation supported 10 CSOs with Sustainability grants (total funding £70,000). These organisations were participating in the Tabadol Programme (see below), and the funding enabled partners to develop solutions for environmental and economic challenges.

Tabadol Programme

Tabadol is the Foundation's platform fostering collaboration and innovation between civil society organisations and emerging social entrepreneurs. This programme focuses on empowering social entrepreneurs by providing essential support and networking opportunities to develop impactful and sustainable solutions. By bridging the gap between entrepreneurs and organisations, Tabadol aims to create an ecosystem dedicated to sustainability in civil society work. It offers fellowships with financial stipends for social entrepreneurs and grants for CSOs to test new sustainable solutions. In 2024, Tabadol brought together 10 social entrepreneurs and 10 CSOs to co-create innovative solutions for economic, social, and environmental challenges. By sharing tools, mentorship, and training, the programme facilitated collaboration that blended entrepreneurial thinking with community-driven approaches.

Asfari Challenge for Social Innovation (ACSI)

ACSI fosters and elevates emerging ideas created by social entrepreneurs, supporting them in proposing new solutions to social and environmental issues in the region. In 2024, ACSI extended support through financial grants, training, and mentorship over eight months. This year's cohort of ACSI started with 47 teams receiving initial training. These were filtered to 13 teams (44 individuals) who received for extended support including seed funding, further training, and mentoring (total funding £100,000). Early-stage efforts focused on alternative learning models and refugee education, highlighting the potential of creative approaches to address persistent challenges.

"Shifting the Rhetoric" Initiative

This initiative aims to engage youth globally, focusing on the Global South, to redefine economic systems for sustainable prosperity. This pilot program in Jordan, led by the Centre for the Understanding of Sustainable Prosperity (CUSP) in partnership with the King Hussein Foundation (KHF), empowers youth through education, mentorship, and research to advocate for sustainable practices. In 2024, the Foundation provided £10,000 funding (of a total of £20,000 committed) to support the pilot phase, focusing on sustainable prosperity initiatives in Jordan through research, workshops, and mentorship for youth, emphasising entrepreneurship and sustainability. The second phase will build on the outcomes by scaling social entrepreneurship, mentoring civil society youth, and delivering policy recommendations to support systemic change in Jordan. The second phase will give greater role for King Hussain Foundation in Jordan to lead and sustain the initiative.

Strategic Consultancies

In 2024 the Foundation initiated two strategic consultancies focusing on developing models for scaling the Foundation's solutions and programmes and putting these into practice (total cost approximately £19,500). These will initially focus on two areas, summarised below. The consultants were selected through a competitive application process.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

A. Scaling In-House Solutions

The selection process for the Scaling Framework consultancy has been completed, with six applications received. After a shortlisting and interview process, Caro Loutfi was selected to develop a comprehensive scaling strategy for in-house solutions (initially the Tabadol and ACSI programmes). She was a great fit for the task and for the Foundation. Her work will focus on developing a structured scaling process, mapping potential contributors, creating compelling case studies, and mobilising resources. With extensive experience in scaling organisations and securing funding, Caro's approach will enhance the Foundation's ability to support initiatives across the Levant and beyond. The consultancy, which commenced in December 2024, will run for one year, with key milestones including the development of a scalability assessment, contributors mapping and a resource mobilisation strategy.

B. Refugee Education:

The Refugee Education consultancy received an overwhelming 42 applications, demonstrating strong interest in this initiative. After a shortlisting and interview process, Edvise ME was chosen as the lead consultant to develop a scalable and sustainable refugee education model in collaboration with the Refugee Education Consortium. Their approach includes conducting extensive research on best practices, engaging key stakeholders, designing a framework that integrates partner organisations' strengths, developing a fundraising and marketing strategy to ensure long-term sustainability, this one-year project will progress through three phases, Research & Stakeholder Collaboration, Model Development and Donor Engagement & Fundraising. Additionally, the Foundation is collaborating with a documentary filmmaker to visually capture the educational needs of refugees in Lebanon and showcase the work of the consortium. This will serve as a powerful advocacy and fundraising tool to support the new model and mobilise further resources for our partners.

3) Knowledge Production, Networking, and Influencing

Grants Funding

The Foundation supported 6 CSOs with Influencing grants (total funding £42,000) as part of the Certificate in Influencing and Political Acumen (CIPA) Programme (see below). These grants helped the organisations to refine and implement the Influencing and Advocacy strategies and skills they developed through participating in the programme.

The Certificate in Influencing and Political Acumen (CIPA) Programme

In partnership with Asfari Institute at the American University of Beirut (AUB) and London School of Economics and Political Science (LSE), the Foundation developed a programme on "Influencing and Political Acumen" targeted for regional actors in CSOs located in the Levant. The first cohort of the programme was piloted in 2024 with the participation of 21 Civil Society Practitioners representing 12 CSOs. After thoroughly examining their context and being exposed to various influencing and advocacy tactics and tools, participants were able to create influencing and advocacy strategies that engage with different power dynamics within their stakeholders, including funders and International Organisations. The programme contributed to several advocacy achievements, including initiatives to improve educational access for refugees and campaigns for disability rights.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

"Taking Stock and Building a Research Agenda in MENA" Initiative

In partnership with the International Development Research Centre (IDRC), the Foundation co-designed and launched a programme and action plan aimed at promoting and strengthening the resilience and capacity of the research community and Civil Society in the knowledge-to-policy processes within the Middle East and North Africa (MENA) region. Through a call for concept notes, and virtual meetings, the initiative has brought together researchers to ensure complementarity and synergy as they develop their work plans with the main objective being to guide the donors' research agenda by identifying key research priorities from a Civil Society perspective. The Foundation provided funding of approximately £35,000 for the development and delivery of a convening event to be held in 2025 at the Asfari Institute for Civil Society and Citizenship at AUB which will bring together donors and researchers in the region to present the research developed through the initiative.

Carnegie Endowment for International Peace, Malcolm H. Kerr Carnegie Middle East Center (MKCMEC): The Arab Horizons, and the Asfari Room

The Foundation's partnership with MKCMEC continued (total funding in 2024 approximately £293,000), contributing to incisive policy analysis, debate, and ideas that help diverse actors across the Middle East and North Africa (MENA) tackle the significant challenges facing the region. These include managing and reducing conflict, overcoming stagnant and unresponsive governance, reducing socioeconomic inequality, promoting women's rights, adapting to climate change, strengthening civil society, and analysing the impacts of great power competition on peace and security in the region. In 2024 MKCMEC organised 11 Panels, 6 private briefings and roundtables, and 5 private workshops. In addition, MKCMEC produced six papers, three compendiums, seven articles, five commentary pieces, and over 100 Diwan blog pieces.

In 2025 the Foundation will launch new rounds of the ASCI, CIPA, and Tabadol programmes. There will be new funding opportunities through new rounds of the Organisational Development, Performance Excellence, and Sustainability, and Influencing grants. Ongoing partnerships and initiatives such as "Shifting the Rhetoric" and "Taking Stock and Building a Research Agenda in MENA" will continue, and the Foundation will expand its programme of convening events promoting knowledge sharing, collaboration, and community engagement, as well as engaging with our network and experts, and working with consultants, to explore how the Foundation's programmes and initiatives can be scaled. Given the changing geopolitical context in Syria, the Foundation will explore adapting its engagement and support for Syrian CSOs. This will include closely monitoring the evolving legal environment in the UK related to sanctions and financial transfers to Syria, to ensure compliance with regulations.

Future plans

The Ford Foundation's \$5 million donation provides the Asfari Foundation with a secure and flexible funding base over the next five years, ensuring continuity of support to civil society actors despite potential external funding restrictions. By covering both programmatic activities and essential operational costs, the fund strengthens our institutional capacity while enabling long-term planning. Decision-making authority remains fully with the Foundation, safeguarding our independence and compliance with UK charity regulations. This collaboration also creates opportunities to leverage additional aligned donors, enhancing the sustainability and impact of our work.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Review

Total income for 2024 amounted to £352k (2023 - £4.3M). Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years, the family has made substantial donations to the Foundation, part of which is intended to progressively build an investment capital base that at a future date can serve to fund charitable expenditures. This capital base also serves to sustain charitable expenditures in years when donation income is constrained. Income from investments is usually applied to augmenting the investment capital but with the flexibility to be called upon for annual expenditures if required. In 2024 the Foundation embarked upon a drawdown phase during which accumulated reserves are called upon to fund expenditures.

Total expenditure on charitable activities for 2024 was £2.7 million (2023 - £4.1M). Of this total, £1.9 million (2023 - £3.4M) was spent on grants awarded across the Foundation's programmes. Support costs to operate the organisation amounted to £0.7 million (2023 - £0.7M).

At 2024 year end, the funds of the Foundation amounted to £12.9 million (2023 - £16.5M). These funds were entirely unrestricted. During 2024, there was a deficit of some £3.7 million (2023 – deficit of £1.7M) as total income fell short of the combination of expenditures and the unrealised loss on investments. The deficit is amply covered by drawdowns from reserves.

Reserves Policy

The Trustees periodically review the Reserves policy. This recognises that the income of the Foundation varies year on year and so to enable the Foundation to plan its activities, it is prudent to hold reserves with an appropriate level of liquidity. The policy recognises that the reserves that represent the fixed assets and the restricted and designated funds of the Foundation are not freely available and thus are to be distinguished from free reserves. The pool of unrestricted funds comprises investment capital and funds for annual expenditures. The Foundation has entered a phase of needing to draw upon its investment capital to continue to fund annual grant programmes and operational costs. This flexibility allows the Foundation to plan for multi-year grant programmes.

The Reserves policy calls for free reserves to be at least in the range of £300k to £500k. At the end of 2024 total funds, all unrestricted, amounted to £12.8 million (2023 - 16.5 million) of which £9.3 million (2023 - £15.9 million) were designated as an expendable (or quasi) endowment. Free reserves amounted to £3.5 million (2023 - £0.6 million). This increase in free reserves reflects the drawdown of the quasi endowment to sustain charitable expenditures.

Investment policy and performance

The Trustees have an investment policy that evolves in line with the strategic goals for the organisation.

As the Foundation envisages constraints on its donation income for the next few years it recognises that it needs to make drawdowns from its investment portfolio. The investments held in unrestricted reserves (treated as an expendable quasi-endowment) are thus required to provide the necessary funds for continuity of grant making and operational support. Accordingly, the investment policy has been revised to place emphasis on liquidity rather than the previous objective of maximising financial return for long term growth. The potential for part of the portfolio to be deployed for social investment remains. The composition of the investment portfolio is undergoing change to support this shift to ensuring liquidity in the short to medium term. Whilst it is envisaged that this phase of drawdowns from investments will be temporary, the trustees shall regularly monitor the situation.

The Foundation's Investment Committee reviews, monitors investments and provides investment support to the Board.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The market value of the investment portfolio incurred unrealised losses of some £1.3 million net in 2024 (2023 - £2.0 million unrealised loss).

Public benefit statement

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Risk Management

The Foundation operates a comprehensive risk register, and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO, the team and the Trustees to ensure risks are appropriately managed. The Audit and Risk Committee monitors and advises the Board on audit, risks, and policy development and each Board sub-committees addresses relevant risks. The principal risks and countermeasures identified by Trustees include:

Risk	Countermeasures
Business Continuity	• Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure. • Appropriate and secure cloud backup solutions.
Breach of regulations notably the funding of terrorism, sanctions imposed upon countries, entities or individuals or paying or facilitating the use of bribes	• Periodic training for all employees. • Robust policies and procedures to identify risks and mitigation through effective controls. • Appropriate vetting procedures documenting all investigations, rationale, and decision-making process. • In-depth understanding of funding requirements and proposed usage of funds.
Reputation and Associations	• Operations are restricted / prohibited because of its reputation and associations. • Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations. • Careful management of charitable activities including board oversight. • Careful vetting of all partnerships. • Close monitoring of changes to charitable regulations. • Ongoing monitoring of media coverage and opensource information.
Reduced funding from the Asfari Family in 2024, likely to continue to 2026	• Drawdown on investments to meet the Foundation's cash flow requirement. • Restrict the foundation annual budget for the next three years at 2.5 million GBP, ensuring it meets its long-term commitments.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The Foundation's Articles of Association provides for a minimum of three Trustees, who are also directors for the purpose of company law. Trustees are selected for their skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations. Newly appointed Trustees undertake a series of meetings with the Foundation's senior management to ensure they gain a full understanding of the Foundation and their responsibilities.

The Foundation does not actively raise funds, income is received through donations from the Asfari Family to meet its objectives.

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively after review by the Projects sub-committee. Trustees with conflicts of interest declare these in advance and do not participate in related decision making.

The Key Management Personnel of the Foundation represent the Trustees and the Chief Executive Officer (CEO) only. Whilst the Trustees provide their time on a voluntary basis and thus do not receive any remuneration, the Chief Executive Officer's remuneration is set by the Board of Trustees, having regard to sector benchmarks.

Statement of disclosure to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....
Mr Ayman Asfari
Chair

Date: 11.09.25

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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 Companies Act 2006. 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 members of the Board of Trustees and signed on its behalf by:



.....
Mr Ayman Asfari
Chair
Date:
11.09.25

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

Opinion

We have audited the financial statements of The Asfari Foundation (the 'Charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

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

Auditors responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place;
- Testing the operational effectiveness of identified controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditor

London, United Kingdom

Date: 23.09.2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations	4	224,869	224,869	4,163,554
Investments	5	126,932	126,932	179,147
Total income		351,801	351,801	4,342,701
Expenditure on:				
Costs of Raising funds: Investment management fees	6	40,862	40,862	41,091
Charitable activities	7	2,646,272	2,646,272	4,028,706
Total expenditure		2,687,134	2,687,134	4,069,797
Revaluation of investments	12	(1,343,064)	(1,343,064)	(1,956,621)
Net movement in funds		(3,678,397)	(3,678,397)	(1,683,717)
Reconciliation of funds:				
Total funds brought forward		16,534,403	16,534,403	18,218,120
Net movement in funds		(3,678,397)	(3,678,397)	(1,683,717)
Total funds carried forward		12,856,006	12,856,006	16,534,403

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 20 to 37 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05938633

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	11		6,691		9,301
Investments	12		7,833,408		14,861,001
			<u>7,840,099</u>		<u>14,870,302</u>
Current assets					
Debtors: Amounts falling due within one year	14	19,743		53,690	
Cash at bank and in hand		5,059,477		1,702,381	
		<u>5,079,220</u>		<u>1,756,071</u>	
Current liabilities					
Creditors: Amounts falling due within one year	15	(63,313)		(91,970)	
Net current assets			<u>5,015,907</u>		<u>1,664,101</u>
Total net assets			<u><u>12,856,006</u></u>		<u><u>16,534,403</u></u>
Charity funds					
Restricted funds	16		-		-
Unrestricted funds	16		12,856,006		16,534,403
Total funds			<u><u>12,856,006</u></u>		<u><u>16,534,403</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Mr Ayman Asfari

Chair

Date:

11.09.25

The notes on pages 20 to 37 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	17	(2,454,365)	(272,580)
Cash flows from investing activities			
Investment income	5	126,932	179,147
Purchase of tangible fixed assets		-	(2,600)
Proceeds from sale of investments	12	5,910,817	221,824
Purchase of investments	12	(226,288)	(227,590)
Net cash provided by investing activities		5,811,461	170,781
Change in cash and cash equivalents in the year		3,357,096	(101,799)
Cash and cash equivalents at the beginning of the year		1,702,381	1,804,180
Cash and cash equivalents at the end of the year	18	5,059,477	1,702,381

The notes on pages 20 to 37 form part of these financial statements

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

The Charity is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1116751) and Registrar of Companies (Company Registration Number 05938633).

The Members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are listed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Asfari Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements, and does not believe there to be any material uncertainties over its ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Property income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, net of discounts, VAT and other sales related taxes.

Investment income is recognised when receivable. Interest income is included when receivable and the amount can be measured reliably by the Charity.

Income in relation to Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs represents costs that cannot be directly attributed to the charitable activities. Support costs have been allocated to a charitable activity on the basis of a proportion of total direct costs per activity.

Governance costs include the costs of compliance with constitutional and statutory requirements and have been allocated to the charitable activities in the same proportions as support costs.

Staff costs and depreciation have been allocated in full to support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following basis:

Fixtures, fittings & equipment	-	20% Straight line
Office equipment	-	20% Straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.6 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.10 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 14. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 15. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.13 Foreign exchange

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the Balance Sheet date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Exchange gains and losses are recognised in the Statement of Financial Activities.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

No significant accounting estimates or judgements were made in preparing these accounts.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4. Income from donations

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations and gifts	179,895	-	179,895
Gift aid	44,974	-	44,974
	<u>224,869</u>	<u>-</u>	<u>224,869</u>

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations and gifts	3,231,887	120,125	3,352,012
Gift aid	811,542	-	811,542
	<u>4,043,429</u>	<u>120,125</u>	<u>4,163,554</u>

5. Investment income

	2024 £	2023 £
Rental income	4,400	4,800
Listed investment income	105,730	173,073
Interest receivable	16,802	1,274
	<u>126,932</u>	<u>179,147</u>

All investment income in both the current and prior year has been allocated to the unrestricted fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6. Expenditure on raising funds

	Unrestricted funds 2024 £	Total funds 2024 £
Investment management fees	40,862	40,862
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment management fees	41,091	41,091

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. Analysis of expenditure on charitable activities

	Grant funding of activities 2024 £	Support costs 2024 £	Total funds 2024 £
Youth Learning, Entrepreneurship, and Innovation	304,794	112,837	417,631
Building Civil Society Infrastructure	1,220,908	451,988	1,672,896
Knowledge Production, Networking, and Influencing	239,188	88,548	327,736
Relief	166,405	61,604	228,009
	1,931,295	714,977	2,646,272
	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Youth Learning, Entrepreneurship, and Innovation	816,207	163,170	979,377
Building Civil Society Infrastructure	1,805,406	360,922	2,166,328
Knowledge Production, Networking, and Influencing	383,115	76,589	459,704
Relief	352,773	70,524	423,297
	3,357,501	671,205	4,028,706

Please see Note 22 for detailed analysis of grants payable.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	437,979	388,627
Depreciation	2,610	3,658
Office costs	119,119	159,862
Other professional services	103,064	119,747
Governance costs	23,940	21,600
Foreign exchange (gains)/losses	28,265	(22,289)
	714,977	671,205

8. Governance costs

	2024 £	2023 £
Auditor's remuneration - Audit of the financial statements	18,540	17,940
Auditor's remuneration - Other services	2,880	2,580
Auditor's remuneration - Under accrual of prior year fees	1,320	-
Tax compliance - Corporation tax return	1,200	1,080
	23,940	21,600

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Staff costs

	2024	2023
	£	£
Wages and salaries	387,176	336,778
Social security costs	37,529	37,038
Pension costs	13,274	14,811
Private medical insurance	6,595	-
	444,574	388,627

Included within wages and salaries above are termination benefits totalling £69,666 paid in full to two individuals during the year (2023 - £NIL). This value constitutes £9,952 of contractual benefits and £59,714 of non-contractual benefits. The non-contractual benefits represent ex-gratia payments which were approved by the Trustees and made in the best interest of the Foundation.

The average number of persons employed by the Charity during the year was as follows:

	2024	2023
	No.	No.
Managerial, administrative and programme technical	5	6

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-

The Foundation considers its Key Management Personnel to be the Trustees and the Chief Executive Officer. Total remuneration paid to Key Management Personnel in 2024 was £119,632 (2023 - £114,493).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, expenses totalling £NIL were reimbursed or paid directly to 0 Trustees (2023 - £6,723 to 2 Trustees). These expenses were for travel and accomodation costs.

11. Tangible fixed assets

	Fixtures, fittings & equipment £	Office equipment £	Total £
Cost or valuation			
At 1 January 2024	5,889	13,051	18,940
Disposals	(5,889)	-	(5,889)
At 31 December 2024	-	13,051	13,051
Depreciation			
At 1 January 2024	5,889	3,750	9,639
Charge for the year	-	2,610	2,610
On disposals	(5,889)	-	(5,889)
At 31 December 2024	-	6,360	6,360
Net book value			
At 31 December 2024	-	6,691	6,691
At 31 December 2023	-	9,301	9,301

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2024	11,911,792	2,949,209	14,861,001
Additions	-	226,288	226,288
Disposals	(5,373,216)	(537,601)	(5,910,817)
Revaluations	(1,394,833)	51,769	(1,343,064)
At 31 December 2024	<u>5,143,743</u>	<u>2,689,665</u>	<u>7,833,408</u>
Net book value			
At 31 December 2024	<u>5,143,743</u>	<u>2,689,665</u>	<u>7,833,408</u>
At 31 December 2023	<u>11,911,792</u>	<u>2,949,209</u>	<u>14,861,001</u>

13. Unlisted investments

	Jermyn Street Educational Real £	TOSCA £	Freshstream £	Total unlisted investments £
Cost of valuation				
At 1 January 2024	1,889,562	853,442	206,204	2,949,209
Additions	-	-	226,288	226,288
Disposals	(112,844)	(363,338)	(61,419)	(537,601)
Revaluations	-	51,769	-	51,769
At 31 December 2024	<u>1,776,719</u>	<u>541,873</u>	<u>371,072</u>	<u>2,689,665</u>
Net book value				
At 31 December 2024	<u>1,776,719</u>	<u>541,873</u>	<u>371,072</u>	<u>2,689,665</u>
At 31 December 2023	<u>1,889,562</u>	<u>853,442</u>	<u>206,204</u>	<u>2,949,209</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14. Debtors: Amounts falling due within one year

	2024	2023
	£	£
Other debtors	13,117	13,167
Prepayments and accrued income	6,626	40,523
	19,743	53,690

15. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	14,584	1,936
Other taxation and social security	1,942	2,306
Accruals	28,197	23,130
Grants payable	18,590	64,598
	63,313	91,970

Grants payable relates to grants committed in furtherance of the Charity's objectives that are expected to be made within twelve months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Unrestricted funds						
Designated funds						
Designated Funds	15,885,246	126,932	(40,862)	(5,310,776)	(1,343,064)	9,317,476
General funds						
Unrestricted funds	649,157	224,869	(2,646,272)	5,310,776	-	3,538,530
Total Unrestricted funds	16,534,403	351,801	(2,687,134)	-	(1,343,064)	12,856,006

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. These include designated funds comprising the investment assets of the Foundation of £7,833,408 and cash of available for investment of £1,484,068 that are intended for building a capital base in future years that will provide investment income for annual expenditures.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2023 £</i>
Unrestricted funds						
Designated funds						
Designated Funds	17,693,180	179,147	(41,091)	10,631	(1,956,621)	15,885,246
General funds						
Unrestricted funds	524,940	4,043,429	(3,908,581)	(10,631)	-	649,157
Total Unrestricted funds	18,218,120	4,222,576	(3,949,672)	-	(1,956,621)	16,534,403
Restricted funds						
Restricted Funds	-	120,125	(120,125)	-	-	-
Total of funds	18,218,120	4,342,701	(4,069,797)	-	(1,956,621)	16,534,403

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Reconciliation of net movement in funds to net cash flow from operating activities

		2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)		(3,678,397)	(1,683,717)
Adjustments for:			
Depreciation charges	11	2,610	3,658
Losses on investments	12	1,343,064	1,956,621
Investment income	5	(126,932)	(179,147)
Decrease in debtors	14	33,947	10,996
Decrease in creditors	15	(28,657)	(380,991)
Net cash used in operating activities		(2,454,365)	(272,580)

18. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	5,059,477	1,702,381
Total cash and cash equivalents	5,059,477	1,702,381

19. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	1,702,381	3,357,096	5,059,477
	1,702,381	3,357,096	5,059,477

The Charity had no debt in either the current or previous year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20. Pension commitments

The amount recognised as an expense in the year was £13,274 (2023 - £14,811). There were £1,942 (2023 - £2,306) contributions payable to the fund at the Balance Sheet date.

21. Operating lease commitments

At 31 December 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	12,500	38,745

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2024 £	2023 £
Operating lease rentals	39,500	39,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. Related party transactions

Marwan Muasher is the Vice President for Studies and Ayman Asfari is a Member of the Board of Trustees at Carnegie Endowment for the International Peace (Carnegie). In 2024, the Foundation granted £286,841 (2023 - £296,435) to the Carnegie Endowment for International Peace.

Sawsan Asfari is the Co-founder and Director of the Galilee Foundation. In 2024, the Foundation granted £25,000 (2023 - £50,000) to the Galilee Foundation.

Sawsan Asfari is a Director of The Voices Project. In 2024, the Foundation granted £25,000 (2023 - £50,000) to The Voices Project.

Sawsan Asfari is a general member of The Welfare Association. In 2024, the Foundation granted £78,349 (2023 - £20,000) to The Welfare Association.

Ayman Asfari and Marwan Muasher are Trustees of the American University of Beirut. In 2024, the Foundation granted £390,071 (2023 - £613,625) to the University. The Foundation also paid the University £9,573 for provision of Self-Assessment Services.

Ayman Asfari is the Chairman of Madaniya. In 2024, the Foundation granted £7,000 (2023 - £580,765) to the Civil Society Network, of which £NIL (2023 - £57,598) was outstanding at the year-end.

Rasha Elasy is a Board Member of the Karam Foundation. In 2024, the Foundation granted £7,000 (2023 - £20,730) to the Foundation.

Muna Abbas is a Founding Member of the Young Jordanian Scientists. In 2024, the Foundation granted £NIL (2023 - £6,528) to the Young Jordanian Scientists.

No amounts relating to any of the grants detailed above were outstanding as at the year-end (2023 - £NIL).

All grants and donations made by the Asfari Foundation are independently agreed by the Board of Trustees at the Foundation's Board meeting. Trustees with conflicts of interest declare these in advance and do not participate in related decision making. When a decision is required in relation to programmes or funding associated with organisations that receive funding from The Asfari Foundation, the relevant Trustee abstains from voting.

The total amounts of donations given by the Trustees to The Asfari Foundation in the year was £179,895 (2023 - £3,231,887).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

23. List of 2024 Grants by Programme / Organisation / Country

	Grant Location	2024 £	2023 £
Learning, Entrepreneurship, and Innovation			
AHLA FAWDA ASSOCIATION	Lebanon	7,036	-
Alfanar	United Kingdom	-	60,000
Alsama	United Kingdom	-	31,959
AltCity Impact/Bloom.ngo	Lebanon	105,338	-
Ambitious Organisation for Capacity Development	Jordan	7,000	-
Athar Association	Jordan	-	6,574
Art to Heart	Palestine	-	7,000
Bloom	Lebanon	-	24,362
Build Palestine	Palestine	-	47,283
Challenge to Change	Palestine	-	27,277
Centre for Civil Society and Democracy	Turkey	-	6,712
Creative Space Beirut	Lebanon	-	48,590
Creativity Club Karak	Jordan	-	7,000
Door Beyond War	Turkey	-	47,769
Eedama Advisors	Lebanon	-	5,665
Farah Social Foundation	Lebanon	-	7,000
FQMS	Palestine	-	10,000
Galilee Foundation	United Kingdom	-	50,000
Hamsa (Jordanian Whisper for Development & Training)	Jordan	7,000	-
IDRAAC	Lebanon	-	6,643
IRADA	USA	-	6,574
Jusoor	United Kingdom	-	25,000
Key of Life	Lebanon	7,036	-
Lebanese Alternative Learning	Lebanon	-	50,183
Madanyat For Equality	Lebanon	7,020	-
Madarat Center For Community Development	Palestine	7,020	-
Makesense	France	110,901	91,970
MMKN NGO	Lebanon	-	48,590
Nahnnoo	Lebanon	-	6,574
NaTakallam	Turkey	-	7,000
Naqd Media MAD AD	Lebanon	7,020	-
Nawaya Network	Lebanon	-	48,552
Omniah Youth Center	Palestine	7,036	-
Partners for Sustainable Development	Palestine	-	54,531
Rahma Worldwide	Turkey	-	6,574
Seenaryo	United Kingdom	-	8,000
Turquoise Mountain Trust	United Kingdom	-	31,959
Volunteer Circle	Lebanon	-	24,277
Wahat Al Farah	Lebanon	7,020	-
Other (consultancies)	Various	25,368	12,589
		304,794	816,208

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

23. List of 2024 Grants by Programme / Organisation / Country (continued)

		£	£
Building Civil Society Infrastructure			
Ahel Organisation for Training	Jordan	6,752	6,528
Al Jumhuriya	Germany	25,238	49,593
Alsama Project	United Kingdom	23,217	-
Amal Healing & Advocacy Center	Turkey	6,787	-
Amala	United Kingdom	7,000	-
Anahon Media Platform	Lebanon	7,005	-
Build Palestine	Palestine	32,129	-
Carnegie Endowment for International Peace	USA	94,420	98,772
Challenge to Change (\$)	Switzerland	25,377	-
Civil Society Network (Madaniya) Euro	France	6,761	-
Civil Society Organization Platform	Turkey	7,000	-
Creative Space Beirut	Lebanon	25,377	-
Digital Opportunity Trust	Lebanon	-	36,741
DIRECTIONS INDEPENDENT CULTURE	Belgium	10,000	-
Door Beyond War	Turkey	25,377	-
Dr Haider Abdel Shafi Center	Palestine	6,837	-
Hands Up Foundation	United Kingdom	-	7,000
Hakit Strong Association / Act for Syria	Turkey	-	6,819
Helem	Lebanon	-	48,128
HEMAYA LEJAMI AL MOUHAMASHIN (Helem)	Lebanon	24,927	-
Human Rights Guardians (Suriyeli İnsan Haklari Dernegi)	Turkey	7,005	-
Huquqyat	United Kingdom	-	7,000
IMPACT	Germany	-	160,080
IndyACT	Lebanon	6,787	-
Jerusalem Community Advocacy Network	Israel	6,837	-
Jordan Young Scientist Initiative	Jordan	-	6,528
Karak Castle Center for Consultations and Training	Jordan	-	6,622
Karam Foundation	USA	7,020	-
Lebanese Alternative Learning	Lebanon	32,129	-
Lebanese League for Women in Business	Lebanon	6,837	6,622
Local Community Empowerment (LCE)	France	32,368	-
London School of Economics	United Kingdom	-	73,670
LSE Enterprise LTD (LSEE)	United Kingdom	36,835	-
Madaniya Civil Society Network	United Kingdom	-	580,765
Middlesex University	United Kingdom	10,000	-
MMKN NGO	Lebanon	25,533	-
Najoon	France	-	1,585
Near East Media	Germany	6,864	-
Neopreneur	Lebanon	-	6,622
Obsalytics	Canada	21,383	21,463
Omniah Youth Center	Palestine	6,837	-
Palestine Catalyst	Palestine	6,787	-
Partners for Sustainable Development	Palestine	25,377	-
Public Works	Lebanon	25,377	47,652
Rennes for Training & Development (TTi Program)	Jordan	-	6,622
RoboGeex Academy	Lebanon	7,005	-
Romman Culture	France	6,864	-
Seenaryo	United Kingdom	7,000	-
ShareQ (\$)	Lebanon	6,752	-
Shoruq	Palestine	6,837	-
SIRAJ	France	-	6,782
Startpoint	Turkey	-	6,528
Syrian Centre for Media and Freedom of Expression	France	-	49,746
Syrian Centre for Media and Freedom of Expression(EURO)	France	31,206	-
Takatoat	Jordan	-	6,622
The American University of Beirut	Lebanon	354,449	79,897
The Asfari Institute for Civil Society & Citizenship at The American University of Beirut	Lebanon	-	401,228
The Galilee Foundation	United Kingdom	25,000	-
The Nawaya Network	Lebanon	25,377	-
The Turquoise Mountain Trust	United Kingdom	22,880	-
The Voices Project	United Kingdom	25,000	50,000
The Volunteer Circle	Lebanon	25,377	-
Uncivilized Media	Palestine	-	6,586
University College London (UCL)	United Kingdom	20,000	-
Warsheh Team	France	-	6,782
We Dared to Dream (Action for Sama)	United Kingdom	-	7,000
Other (consultancy)	United Kingdom	58,980	5,426
		1,220,909	1,805,409

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

23. List of 2024 Grants by Programme / Organisation / Country (continued)

		£	£
Relief			
Adalah (The Legal Center for Arab Minority Rights in Israel)	Israel	9,527	-
Ajyal Foundation for Education	United Kingdom	10,000	-
Alhaq	United Kingdom	11,590	-
Choose Love	United Kingdom	10,000	-
FQMS	Palestine	10,000	-
Friends of Birzeit University (Fobzu)	United Kingdom	7,000	-
GLA (Syrian Community Event -Syria House)	United Kingdom	-	114,058
IMET 2000	United Kingdom	10,000	20,000
Karam Foundation	Turkey	-	20,730
Medical Aid for Palestine	United Kingdom	10,000	-
Molham	Germany	-	120,058
TAAWON (THE WELFARE ASSOCIATION)	Switzerland	78,288	-
The Britain Palestine Media Centre	United Kingdom	10,000	-
The Syrian Campaign	United Kingdom	-	41,500
Welfare Association	Switzerland	-	20,000
Others	Various	-	16,427
		166,405	352,773
		£	£
Comms,Engagement and Influencing CEI			
Carnegie Endowment for International Peace	USA	192,421	-
Consultaancy	Various	5,875	-
		198,296	-
		£	£
Knowledge Production, Networking, and Influencing			
Carnegie Endowment for International Peace	USA	-	197,663
The American University of Beirut	Lebanon	35,623	132,500
The Levant Centre for Strategic Studies	USA	-	39,949
Others (Consultancies)	Various	5,270	13,003
		40,892	383,115
Total Grants		1,931,295	3,357,504

Accounts

Company Registration Number: 05938633

Charity Registration Number: 1116751

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

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THE ASFARI FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Trustees	Mr Ayman Asfari, Chair Mrs Sawsan Asfari Mr John Ferguson FCA, Treasurer Dr Marwan Muasher Ms Rasha ElMasry Mr Adeeb Asfari Mr Kareem Asfari Ms Saba Almubaslat
Company registered number	05938633
Charity registered number	1116751
Registered office	The Asfari Foundation Unit A 1-3 Canfield Place London United Kingdom NW6 3BT
Chief Executive Officer	Muna Abbas
Independent auditor	MHA Chartered Accountants and Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Banque Parorient France 193-195 Brompton Road London SW3 1LZ EFG Bank AG Bleicherweg 8 P.O. Box 6012 8022 Zurich Unity Trust Bank Four Brindley place Birmingham B1 2JB
Solicitors	BDB Pitmans One Bartholomew Close London EC1A 7BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Trustees present their report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Constitution

The Asfari Foundation (the Foundation) is a company limited by guarantee (company number 05938633) and a registered charity governed by its memorandum and articles of association Charity number in England and Wales: 1116751.

Directors and Trustees serving during the year and since the year end:

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr Kareem Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Mrs Rasha ElMasry
Ms Saba Almubaslat

Objectives and activities

The objectives of the Foundation are to further such charitable objects as the Trustees in their absolute discretion think fit, but to include the following:

- The advancement of education in any part of the world and in particular of young people from Syria, Lebanon, Jordan, Palestine and the UK.
- The prevention and relief of poverty for the public benefit in any part of the world but not exclusively from Syria, Lebanon, Jordan, Palestine and the UK.
- The promotion of civic responsibility, good citizenship and community development for the public benefit in particular but not exclusively for the benefit of young people and civil society organisations from Syria, Lebanon, Jordan, Palestine and the UK.
- The advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), conflict resolution or reconciliation and the promotion of equality and diversity for the public benefit anywhere in any part of the world and for young people from Syria, Lebanon, Jordan, Palestine and the UK.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

These charitable objects are encompassed within the Foundation's vision of creating a just world where people have equal opportunities to transform their lives, invest in their communities, and shape the future of their countries. In support of achieving this vision, the Foundation makes its mission to invest in, and support the sustainability of, a resilient and empowered civil society infrastructure and innovative youth, who can collectively lead a transformational positive change in their communities and countries.

The Foundation engages in this mission by supporting the activities of our partner organisations at the local, regional and global level. At the local level, the Foundation makes grants available across four thematic programmes including: Youth Learning, Entrepreneurship & Innovation (YLEAP) Building Civil Society Infrastructure, Knowledge Production, Networking and Influencing, and Relief. At the regional level, the Foundation develops strategic partnerships with influential academic and policy centres (such as the American University of Beirut and Carnegie Middle East Centre) for knowledge production and convening around critical issues facing the Middle East region and connecting high-level policy and research with effective practice on the ground. The Foundation also actively pursues partnerships with academic institutions in the UK and worldwide, such as the London School of Economics, and other donors (such as the Ford Foundation and Near East Affairs US State Department) to deliver co-investment in areas of mutual interest. This enables the Foundation to take its impact to scale. At the global level, the Foundation uses the evidence of its impact and that of its partners to advocate for localisation, collaboration, experimentation with innovative approaches to grant making and partnerships, and the important role family foundations can play in helping to drive positive change in the Middle East.

Grant making policy

The Foundation supports organisations that:

- Are fully registered with the appropriate authorities.
- Share our values and are aligned with our objectives.
- Have strong track records in implementation.
- Demonstrate clear purpose and strategy linked to a specific constituency/target group.
- Actively seek to become more effective, accountable and sustainable.
- Actively seek to transform and grow their organisation, and the ecosystem in which they operate, including the professional development of their staff.
- Adopt innovative approaches to programming.
- Address systemic weaknesses in our thematic areas.
- Are committed to transparency, active partnership, and sharing learning and insight.

Grant funding provided to eligible organisations is designed to support one or more of:

- Organisational development (OD) and sustainability, focusing on staff and organisational capacity-building as well as digital transformation.
- Seed funding or experimenting with new ideas or approaches by organisations that we believe are particularly innovative, have strong potential to help young people, and work in our thematic areas.
- Research into systemic issues facing communities in the Middle East, and development of public policy approaches and recommendations.
- Connecting academic research and practice through convening and supporting civil society organisations (CSOs) to document and disseminate their practical expertise at the local, regional, and global levels.
- Specific areas of need, identified by eligible organisations, that do not fall into the above examples.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Foundation's grants are offered through four programmes that address our thematic focus areas:

Youth Learning, Entrepreneurship and Innovation

Well-educated and engaged young people, working together with others as active members of society can make a genuine contribution to the development of their communities. This programme aims to address the structural and systemic issues that restrict the educational and business opportunities available to young people. It does so by investing in organisations and initiatives that contribute to the overall vibrancy, professionalism, effectiveness and accountability of innovation and entrepreneurship ecosystems in Palestine, Lebanon, Jordan, Syrian diaspora, and the United Kingdom.

Building Civil Society Infrastructure

A strong, energetic, and resilient civil society is key to the development of all healthy, participatory democratic societies and therefore critical to the future of Syria, Jordan, Palestine, and Lebanon. This programme aims to bring people together for the common good, and provide quality information to citizens and policymakers, serving those in need and advocating for change.

Knowledge Production, Networking and Influencing

The Foundation's partners work on societally transformative issues in a volatile region. The ensuing data offers a rare insight into how civil society in the Middle East is developing; yet their capacity to collect and share it is limited. This programme aims to leverage data from its peers, partners and wider practitioner and research communities and present best practices to stakeholders across regional and global networks, helping to shape global understanding of the challenges of the region. It employs collaborative tools and techniques to share the innovative solutions and approaches developed in that context.

Relief

This programme is reactive and ad hoc in nature. As geopolitical disruptions and natural disasters arise in the Middle East, the Foundation recognises that there will be specific needs in communities not supported through our core programmes.

Achievements and performance

Youth Learning, Entrepreneurship & Innovation

In 2023, the Foundation partnered with 30 organisations, providing them with grants totalling £816,207. Those grants focused on increasing the robustness of civil society organisations to better respond to challenges faced by youth in the Levant. Some organisations focused on education and employment of youth including refugees in Lebanon. Some supported entrepreneurs in Palestine. Others supported innovative job creation programming in Jordan. The Foundation also backed previously untried solutions to advance grantees sustainability in serving their communities after donor support ends.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Two organisations were identified to deliver *Tabadol*. This initiative helps aspiring entrepreneurs and civil society organisations to respond a wide range of social issues including inclusive quality education, employment, gender justice, and environmental sustainability through offering comprehensive support and mentoring. *Tabadol* serves to bridge the knowledge and expertise of social entrepreneurs with civil organisations to exchange best practices and inform and sustain each other's efforts while serving their communities. All participants were provided with financial support, mentorship, and training through a fellowship model.

The overall programme continues to evolve as it embraces new ideas and approaches helping organisations to amplify their impact and reach a wider audience.

Building Civil Society Infrastructure

The Foundation made 29 grants totalling £1,805,406 that empowered local and diaspora civil society organisations to contribute to the vibrancy, professionalism, and effectiveness of the civil society sector and engage citizens directly in critical societal issues. The Foundation provided grants, networking and learning opportunities for our partners. The grants included:

- 'Organisational Development' grants - which included professional mentoring by a technical partner to help the partners identify and address gaps in their governance structure and financial administration through clear annual plans and milestones.
- 'Digital Transformation' grants - which supported organisations to enhance their digital presence and delivery, enabling them to grow their impact and sustainability.
- 'Strategic Partnerships' with networks, think tanks, and institutions that contribute to bring together and enrich Syrian Civil Society organisations.
- Piloting a new programme *Influencing and Political Acumen for civil society leaders and practitioners* in partnership with the London School of Economics and the American University of Beirut. This will explore new avenues of advocacy and influence.

Our civil society partners are critical for creating a more peaceful, just, and prosperous future for the people in the Levant region. We are investing in our partner's long-term sustainability and professionalism as tackling these chronic issues requires commitment and decades of sustained efforts.

Through the Foundation's long-term investment, the Asfari Institute for Civil Society and Citizenship at the American University of Beirut (AUB) has become a well-recognised regional centre of civil society expertise, providing research, convening and education for the entire region. It is bridging the gap between academic and activism and is helping our civil society partners with relevant learning and networking opportunities.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Knowledge Production, Networking and Influencing

In 2023, the Foundation awarded grants totalling £383,115 covering various initiatives. These included:

- *Midan*, an online resource that offers formal and informal e-learning, in Arabic, in the Foundation's key thematic areas.
- 'Learning Development' grants to support local 'grassroots' civil society organisations invest in knowledge production and management, as they evolve to become knowledge and learning organisations.
- The 'Arab Alliance for CSO Development (AACSD)', founded in 2022 in a partnership between the Asfari Foundation, the American University of Beirut's Non-Governmental Organizations Initiative (NGOi), and the Ford Foundation. AACSD is serving as a hub for essential services such as Institutional Strengthening & Development, Contextualisation & Arabization, Training & Capacity Building, Digitisation of Content & Knowledge Sharing, and Organisational Certification.
- The 'Carnegie Arab Horizons: Actionable Frameworks for Reform in the Arab World' at the Malcolm H. Kerr Carnegie Middle East Center (MKCMEC). Our 6-year funding commitment started in 2020. The initiative is enabling the translation of the recommendations of the 'Arab Horizons' report into an actionable framework for reform to be used by policymakers in the region. To date, it has delivered publication of several academic articles and blogs on Education Reform, a Political Economy Programme, and a series of panels, private meetings, workshops, and briefings led by Carnegie experts (and external experts) covering a range of pressing issues with long-term implications for the Middle East region and particularly the countries of the Levant.

In 2023, the Foundation joined regional and global networks (such as Arab Foundation Forum and International Education Funders Group) to maximise its impact and join forces with other actors in the philanthropy space. The Foundation also supported the early phase of the *Madaniya* civil society network.

Through shaping and funding these initiatives, the Foundation is expanding knowledge management among stakeholders across regional and global networks. This is helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

Relief Programme

Relief grants totalling £352,773 in 2023 were made in response to emerging crises and developments in the region. This included financial support to organisations offering vital humanitarian support in the Levant and specifically in response to the earthquake in Turkey and Syria and the conflict in Gaza.

Future plans and strategy

During 2023, the Foundation embarked on a strategic planning exercise for the period of 2024-2028 with the active participation of its team and board, together with input from a group of experts and current and former partners. The outcome of the exercise is a sharper focus on our outputs and outcomes, without a major change in our mission and direction. We will reflect these changes in our report next year highlighting how we are restructuring our programmes, themes, and pillars.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Review

Total income for 2023 amounted to £4.3 million (2022 - £8.1 million). Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years, the family has made substantial donations to the Foundation, part of which is intended to progressively build an investment capital base that at a future date can serve to fund charitable expenditures. Income from investments is usually applied to augmenting the investment capital but with the flexibility to be called upon for annual expenditures if required.

Total expenditure on charitable activities for 2023 was £4.1 million (2022 - £3.1 million). Of this total, £3.4 million (2022- £2.4 million) was spent on grants awarded across the Foundation's programmes. Support costs to operate the organisation amounted to £0.8 million (2022 - £0.7 million).

At 2023 year end, the funds of the Foundation amounted to £16.5 million (2022 - £18.2 million). Over the year there was a reduction of some £1.7 million (2022 – increase of £1.9 million) as total income fell short of the combination of expenditures and the unrealised loss on investments. These funds were entirely unrestricted, of which £15.9 million (2022 - £17.7 million) comprising investment capital was designated as a quasi endowment. This investment capital is managed along the lines of an 'expendable endowment'.

Reserves Policy

The Trustees periodically review the Reserves policy. It is intended to enable the Foundation to meet its financial obligations as they fall due and have sufficient resources to enable it to achieve its wider mission and its charitable objects. A target range of £300k to £500k has been set as the level of free reserves. This is based upon 3 to 6 months of operational costs (circa £200k to £400k) plus £100k contingency for unforeseen grants. The existence of rolling cash-flow forecasts and the flexibility to draw down from the investment portfolio enables the Foundation to manage its grant-making as well as its operational expenditures.

The policy recognises that the income of the Foundation varies year on year and thus it is prudent to hold reserves with an appropriate level of liquidity to enable the Foundation to plan and execute its activities. The policy also recognises that the reserves that represent the fixed assets plus the restricted and designated funds of the Foundation are not freely available and hence distinguished from free reserves. At the year end free reserves amounted to some £640k (2022: £515k) slightly above the target range.

Investment policy and performance

The Trustees have an investment policy that evolves in line with the strategic goals for the organisation allied with cash management forecasts covering on-going operations and grantmaking. In the short to medium term, the Foundation's investment objective is capital growth whilst ensuring adequate liquidity for situations in which drawdowns from the investment portfolio may be required to fund activities. This necessitates active management of the portfolio mix. Longer term (beyond 10 years), the aim is to generate income to support the Foundation's programme expenditure. The predominant approach to investing is to maximise financial returns with the aim of realising a sterling return of 3% above CPI over a trailing 3 year period. However the policy also allows for part of the portfolio to be directed to social investment. The Foundation's Investment Committee reviews and monitors investments and provides investment support to the Board.

In 2023 the market value of the investment portfolio incurred unrealised losses of some £2.0 million (2022 £3.1 million loss). Although much of the portfolio is diversified, certain directly held investments experienced a significant decline in market value.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Public benefit statement

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Risk Management

The Foundation operates a comprehensive risk register, and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO, the team and the Trustees to ensure risks are appropriately managed. The Audit and Risk Committee monitors and advises the Board on audit, risks, and policy development and each of the Board sub-committees addresses relevant risks. The principal risks and countermeasures identified by Trustees include:

Risk	Countermeasures
Business Continuity	• Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure. • Appropriate and secure cloud backup solutions.
Breach of regulations notably the funding of terrorism, sanctions imposed upon countries, entities or individuals or paying or facilitating the use of bribes	• Periodic training for all employees. • Robust policies and procedures to identify risks and mitigation through effective controls. • Appropriate vetting procedures documenting all investigations, rationale, and decision-making process. • In-depth understanding of funding requirements and proposed usage of funds.
Reputation and Associations	• Operations are restricted / prohibited because of its reputation and associations. • Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations. • Careful management of charitable activities including board oversight. • Careful vetting of all partnerships. • Close monitoring of changes to charitable regulations. • Ongoing monitoring of media coverage and opensource information.
Investment Performance	• Investment policy setting out diversification guidelines. • Periodic performance reporting and review. • Split between directly held investments and externally managed discretionary portfolio.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The Foundation's Articles of Association provides for a minimum of three Trustees, who are also directors for the purpose of company law. Trustees are selected for their skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations. Newly appointed Trustees undertake a series of meetings with the Foundation's senior management to ensure they gain a full understanding of the Foundation and their responsibilities.

The Foundation does not actively raise funds, income is received through donations from the Asfari Family to meet its objectives.

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively after review by the Projects sub-committee. Trustees with conflicts of interest declare these in advance and do not participate in related decision making.

The Key Management Personnel of the Foundation represent the Trustees and the Chief Executive Officer (CEO) only. Whilst the Trustees provide their time on a voluntary basis and thus do not receive any remuneration, the Chief Executive Officer's remuneration is set by the Board of Trustees, having regard to sector benchmarks.

Following the resignation of Saba Almubaslat as CEO on 31 March 2022, Anas Darkaoui performed CEO duties on an interim basis prior to the appointment of Muna Abbas, who joined the Foundation as CEO in September 2022. In their capacity as CEO, they were accountable for the team's performance and had the overall responsibility to ensure proper management of the foundation, so that its objects are met, and resources are well managed.

Statement of disclosure to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:


.....
Mr Ayman Asfari
Chair

Date: 14/8/24

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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 Companies Act 2006. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Mr Ayman Asfari

Chair

Date: 14/8/24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

Opinion

We have audited the financial statements of The Asfari Foundation (the 'Charity') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

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

Auditors responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditor

London, United Kingdom

Date:

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations	4	4,043,429	120,125	4,163,554	7,830,771
Investments	5	179,147	-	179,147	273,946
Total income		4,222,576	120,125	4,342,701	8,104,717
Expenditure on:					
Costs of Raising funds: Investment management fees	6	41,091	-	41,091	35,149
Charitable activities	7	3,908,581	120,125	4,028,706	3,070,070
Total expenditure		3,949,672	120,125	4,069,797	3,105,219
Revaluation of investments	12	(1,956,621)	-	(1,956,621)	(3,069,862)
Net movement in funds		(1,683,717)	-	(1,683,717)	1,929,636
Reconciliation of funds:					
Total funds brought forward		18,218,120	-	18,218,120	16,288,484
Net movement in funds		(1,683,717)	-	(1,683,717)	1,929,636
Total funds carried forward		16,534,403	-	16,534,403	18,218,120

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 18 to 35 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05938633

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	11		9,301		10,359
Investments	12		14,861,001		16,811,856
			<u>14,870,302</u>		<u>16,822,215</u>
Current assets					
Debtors: Amounts falling due within one year	13	53,690		64,686	
Cash at bank and in hand	17	1,702,381		1,804,180	
		<u>1,756,071</u>		<u>1,868,866</u>	
Creditors: Amounts falling due within one year	14	(91,970)		(472,961)	
Net current assets			<u>1,664,101</u>		<u>1,395,905</u>
Total net assets			<u><u>16,534,403</u></u>		<u><u>18,218,120</u></u>
Charity funds					
Restricted funds	15		-		-
Unrestricted funds	15		16,534,403		18,218,120
Total funds			<u><u>16,534,403</u></u>		<u><u>18,218,120</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
Mr Ayman Asfari
Chair
Date: 14/8/24

The notes on pages 18 to 35 form part of these financial statements.

As at the current and prior year-end, all assets and liabilities were held in Unrestricted funds.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	16	(272,580)	4,552,715
Cash flows from investing activities			
Investment income	5	179,147	273,946
Purchase of tangible fixed assets	11	(2,600)	(10,451)
Proceeds from sale of investments	12	221,824	814,588
Purchase of investments	12	(227,590)	(491,655)
Shares gifted to the Charity	12	-	(5,200,000)
Net cash provided by/(used in) investing activities		170,781	(4,613,572)
Change in cash and cash equivalents in the year		(101,799)	(60,857)
Cash and cash equivalents at the beginning of the year		1,804,180	1,865,037
Cash and cash equivalents at the end of the year	17	1,702,381	1,804,180

The notes on pages 18 to 35 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The Charity is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1116751) and Registrar of Companies (Company Registration Number 05938633).

The Members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are listed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Asfari Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements, and does not believe there to be any material uncertainties over its ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Property income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, net of discounts, VAT and other sales related taxes.

Income in relation to Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs represents costs that cannot be directly attributed to the charitable activities. Support costs have been allocated to a charitable activity on the basis of a proportion of total direct costs per activity.

Governance costs include the costs of compliance with constitutional and statutory requirements and have been allocated to the charitable activities in the same proportions as support costs.

Staff costs and depreciation have been allocated in full to support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following basis:

Fixtures, fittings & equipment	-	20% Straight line
Office equipment	-	20% Straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.6 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.10 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.13 Foreign exchange

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the Balance Sheet date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Exchange gains and losses are recognised in the Statement of Financial Activities.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

No significant accounting estimates or judgements were made in preparing these accounts.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Income from donations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations and gifts	3,231,887	120,125	3,352,012
Gift aid	811,542	-	811,542
	<u>4,043,429</u>	<u>120,125</u>	<u>4,163,554</u>

In the prior year, the Charity received an unrestricted donation of listed shares from a Trustee. At the date of receipt, the fair value of the shares was £5,200,000.

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations and gifts	7,293,711	14,703	7,308,414
Gift aid	522,357	-	522,357
	<u>7,816,068</u>	<u>14,703</u>	<u>7,830,771</u>

5. Investment income

	2023 £	2022 £
Rental income	4,800	4,800
Listed investment income	173,073	210,138
Fund investment income	-	58,330
Interest receivable	1,274	678
	<u>179,147</u>	<u>273,946</u>

All investment income in both the current and prior year has been allocated to the unrestricted fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £
Investment management fees	41,091	41,091

	Unrestricted funds 2022 £	Total funds 2022 £
Investment management fees	35,149	35,149

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Analysis of expenditure on charitable activities

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Youth Learning, Entrepreneurship, and Innovation	816,207	163,170	979,377
Building Civil Society Infrastructure	1,805,406	360,922	2,166,328
Relief	352,773	70,524	423,297
Knowledge Production, Networking, and Influencing	383,115	76,589	459,704
	<u>3,357,501</u>	<u>671,205</u>	<u>4,028,706</u>
	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Youth Learning, Entrepreneurship, and Innovation	1,115,980	315,699	1,431,679
Building Civil Society Infrastructure	836,050	234,262	1,070,312
Relief	121,678	34,094	155,772
Knowledge Production, Networking, and Influencing	322,064	90,243	412,307
	<u>2,395,772</u>	<u>674,298</u>	<u>3,070,070</u>

Please see Note 23 for detailed analysis of grants payable.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	388,627	389,810
Depreciation	3,658	2,447
Office costs	159,862	169,201
Other professional services	119,747	66,318
Finance interest expense	-	7
Governance costs	21,600	21,480
Foreign exchange (gains)/losses	(22,289)	25,035
	671,205	674,298

8. Governance costs

	2023 £	2022 £
Auditor's remuneration - Audit of the financial statements	17,940	16,800
Auditor's remuneration - Other services	2,580	2,400
Auditor's remuneration - Under accrual of prior year fees	-	1,200
Tax compliance - Corporation tax return	1,080	1,080
	21,600	21,480

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Staff costs

	2023	2022
	£	£
Wages and salaries	336,778	348,816
Social security costs	37,038	31,342
Pension costs	14,811	9,652
	<u>388,627</u>	<u>389,810</u>

The average number of persons employed by the Charity during the year was as follows:

	2023	2022
	No.	No.
Managerial, administrative and programme technical	<u>6</u>	<u>6</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	-	1

The Foundation considers its Key Management Personnel to be the Trustees and the Chief Executive Officer. Total remuneration paid to Key Management Personnel in 2023 was £114,493 (*restated 2022 - £128,272*).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits in their capacity as a Trustee (2022 - £NIL).

During the year ended 31 December 2023, expenses totalling £6,723 were reimbursed or paid directly to 2 Trustees (2022 - £NIL to no Trustees). These expenses were for travel and accomodation costs.

11. Tangible fixed assets

	Fixtures, fittings & equipment £	Office equipment £	Total £
Cost or valuation			
At 1 January 2023	5,889	10,451	16,340
Additions	-	2,600	2,600
At 31 December 2023	5,889	13,051	18,940
Depreciation			
At 1 January 2023	4,711	1,270	5,981
Charge for the year	1,178	2,480	3,658
At 31 December 2023	5,889	3,750	9,639
Net book value			
At 31 December 2023	-	9,301	9,301
At 31 December 2022	1,178	9,181	10,359

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2023	13,596,523	3,215,333	16,811,856
Additions	-	227,590	227,590
Disposals	-	(221,824)	(221,824)
Revaluations	(1,684,731)	(271,890)	(1,956,621)
At 31 December 2023	<u>11,911,792</u>	<u>2,949,209</u>	<u>14,861,001</u>
Net book value			
At 31 December 2023	<u>11,911,792</u>	<u>2,949,209</u>	<u>14,861,001</u>
At 31 December 2022	<u>13,596,523</u>	<u>3,215,333</u>	<u>16,811,856</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Debtors: Amounts falling due within one year

	2023	2022
	£	£
Other debtors	13,167	13,167
Prepayments and accrued income	40,523	51,519
	53,690	64,686

14. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,936	1,306
Other taxation and social security	2,306	1,375
Accruals	23,130	20,280
Grants payable	64,598	450,000
	91,970	472,961

Grants payable relates to grants committed in furtherance of the Charity's objectives that are expected to be made within twelve months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds						
Designated funds						
Designated Funds	17,693,180	179,147	(41,091)	10,631	(1,956,621)	15,885,246
General funds						
Unrestricted funds	524,940	4,043,429	(3,908,581)	(10,631)	-	649,157
Total Unrestricted funds	18,218,120	4,222,576	(3,949,672)	-	(1,956,621)	16,534,403
Restricted funds						
Restricted Funds	-	120,125	(120,125)	-	-	-
Total of funds	18,218,120	4,342,701	(4,069,797)	-	(1,956,621)	16,534,403

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. These include designated funds comprising the investment assets of the Foundation of £14,861,001 and cash of available for investment of £1,024,245 that are intended for building a capital base in future years that will provide investment income for annual expenditures.

The Charity received a restricted donation of £120,125 specifically for the earthquake appeal. These funds were fully utilised for their intended purpose during the year.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
Unrestricted funds						
Designated funds						
Designated Funds	15,248,049	273,946	(35,149)	5,276,196	(3,069,862)	17,693,180
General funds						
Unrestricted funds	1,040,435	7,816,068	(3,055,367)	(5,276,196)	-	524,940
Total Unrestricted funds	16,288,484	8,090,014	(3,090,516)	-	(3,069,862)	18,218,120
Restricted funds						
Restricted Funds	-	14,703	(14,703)	-	-	-
Total of funds	16,288,484	8,104,717	(3,105,219)	-	(3,069,862)	18,218,120

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Reconciliation of net movement in funds to net cash flow from operating activities

		2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)		(1,683,717)	1,929,636
Adjustments for:			
Depreciation charges	11	3,658	2,447
Losses on investments	12	1,956,621	3,069,862
Investment income	5	(179,147)	(273,946)
Decrease in debtors	13	10,996	578,795
Decrease in creditors	14	(380,991)	(780,049)
Interest and management charges paid from portfolio	12	-	25,970
Net cash provided by/(used in) operating activities		(272,580)	4,552,715

17. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,702,381	1,804,180
Total cash and cash equivalents	1,702,381	1,804,180

18. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	1,804,180	(101,799)	1,702,381
	1,804,180	(101,799)	1,702,381

The Charity had no debt in either the current or previous year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. Pension commitments

The amount recognised as an expense in the year was £14,811 (2022 - £9,652). There were £2,306 (2022 - £1,375) contributions payable to the fund at the Balance Sheet date.

20. Operating lease commitments

At 31 December 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	38,745	39,500
Later than 1 year and not later than 5 years	-	38,745
	<u>38,745</u>	<u>78,245</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2023 £	2022 £
Operating lease rentals	<u>39,500</u>	<u>39,500</u>

The operating lease relates to the rental of the Foundation's office over a period of 10 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

21. Related party transactions

Marwan Muasher is the Vice President for Studies and Ayman Asfari is a Member of the Board of Trustees at Carnegie Endowment for the International Peace (Carnegie). In 2023, the Foundation granted £296,435 (2022 - £240,402) to the Carnegie Endowment for International Peace.

Sawsan Asfari is the Co-founder and Director of the Galilee Foundation. In 2023, the Foundation granted £50,000 (2022 - £NIL) to the Galilee Foundation.

Ayman Asfari and Marwan Muasher are Trustees of the American University of Beirut. In 2023, the Foundation granted £613,625 (2022 - £110,404) to the University.

Ayman Asfari is the Chairman of the Civil Society Network (Madaniya). In 2023, the Foundation granted £580,765 (2022 - £10,255) to the Civil Society Network, of which £57,598 (2022 - £NIL) was outstanding at the year-end.

Rasha Elasry is a Board Member of the Karam Foundation. In 2023, the Foundation granted £20,730 (2022 - £NIL) to the Foundation.

Muna Abbas is a Founding Member of the Young Jordanian Scientists. In 2023, the Foundation granted £6,528 (2022 - £NIL) to the Young Jordanian Scientists.

No amounts relating to any of the grants detailed above were outstanding as at the year-end (2022 - £NIL).

All grants and donations made by the Asfari Foundation are independently agreed by the Board of Trustees at the Foundation's Board meeting. Trustees with conflicts of interest declare these in advance and do not participate in related decision making. When a decision is required in relation to programmes or funding associated with organisations that receive funding from The Asfari Foundation, the relevant Trustee abstains from voting.

The total amounts of donations given by the Trustees to The Asfari Foundation in the year was £3,231,887 (2022 - £7,291,931); this amount in the prior year includes a gift of shares in the year valued at £5.2 million.

22. Post balance sheet events

As at the date of the signing of the accounts, the value of the Foundations listed investments have decreased by £1.7 million.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. List of 2023 Grants by Programme / Organisation / Country

	Grant Location	2023 £	2022 £
Learning, Entrepreneurship, and Innovation			
Alfanar	United Kingdom	60,000	-
Alsama	United Kingdom	31,959	-
Athar Association	Jordan	6,574	-
Art to Heart	Palestine	7,000	-
Beirut Today	Lebanon	-	8,370
Bloom	Lebanon	24,362	86,876
Build Palestine	Palestine	47,283	-
Challenge to Change	Palestine	27,277	-
ChangeLabs/Changemakers	Lebanon	-	75,000
Centre for Civil Society and Democracy	Turkey	6,712	-
Creative Space Beirut	Lebanon	48,590	-
Creativity Club Karak	Jordan	7,000	-
Design for Communities	Lebanon	-	8,389
Door Beyond War	Turkey	47,769	-
Eedama Advisors	Lebanon	5,665	-
Farah Social Foundation	Lebanon	7,000	-
Fondation Diane	Lebanon	-	75,000
FQMS	Palestine	10,000	-
Galilee Foundation	United Kingdom	50,000	-
IDRAAC	Lebanon	6,643	-
International Rescue Committee	UK	-	675,306
IRADA	USA	6,574	-
Jusoor	United Kingdom	25,000	-
Lebanese Alternative Learning	Lebanon	50,183	-
Makesense	France	91,970	101,100
MMKN NGO	Lebanon	48,590	8,370
Nahnoo	Lebanon	6,574	-
NaTakallam	Turkey	7,000	-
Nawaya Network	Lebanon	48,552	-
Partners for Sustainable Development	Palestine	54,531	-
Rahma Worldwide	Turkey	6,574	-
Seenaryo	United Kingdom	8,000	-
Turquoise Mountain Trust	United Kingdom	31,959	-
Volunteer Circle	Lebanon	24,277	-
YMCA	Lebanon	-	75,000
Other (consultancies)	Various	12,589	2,569
		816,208	1,115,980

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. List of 2023 Grants by Programme / Organisation / Country (continued)

		£	£
Building Civil Society Infrastructure			
Ahel Organisation for Training	Jordan	6,528	-
Al Jumhuriya	Germany	49,593	-
Alzheimer Association Lebanon	Lebanon	-	8,187
Awan Media		-	7,040
Carnegie Endowment for International Peace	USA	98,772	-
Civil Society Network	UK	-	39,812
Digital Opportunity Trust	Lebanon	36,741	-
DOT Lebanon	Lebanon	-	17,819
Hands Up Foundation	United Kingdom	7,000	-
Hakit Strong Association / Act for Syria	Turkey	6,819	-
Helem	Lebanon	48,128	-
Huquqyat	United Kingdom	7,000	-
IDRAAC	Lebanon	-	8,187
IMPACT	Germany	160,080	-
Jordan Young Scientist Initiative	Jordan	6,528	-
Karak Castle Center for Consultations and Training	Jordan	6,622	-
Lebanese League for Women in Business	Lebanon	6,622	-
Lebanese Observatory for Workers & Employee Rights (LOWER)	Lebanon	-	8,370
London School of Economics	United Kingdom	73,670	-
Madaniya Civil Society Network	United Kingdom	580,765	-
Masar	Lebanon	-	37,500
Megaphone	Lebanon	-	37,500
Mousawat	Turkey	-	7,050
Najoon	France	1,585	-
Neopreneur	Lebanon	6,622	-
Obsalytics	Canada	21,463	-
Public Works	Lebanon	47,652	-
Rennes for Training & Development (TTI Program)	Jordan	6,622	-
SIRAJ	France	6,782	-
Startpoint	Turkey	6,528	-
Superpower Partners	UK	-	7,000
SYE Initiative	USA	-	8,187
Syrian Archive	Germany	-	75,000
Syrian Centre for Legal Studies and Research	Germany	-	-
Syrian Centre for Media and Freedom of Expression	France	49,746	-
Syrian Centre for Policy Research	Lebanon	-	-
Takatoat	Jordan	6,622	-
The American University of Beirut	Lebanon	79,897	83,056
The Asfari Institute for Civil Society & Citizenship at The American University of Beirut	Lebanon	401,228	364,296
The Levant Centre for Strategic Studies	USA	-	41,220
The Policy Initiative	Lebanon	-	8,187
The Voices Project	United Kingdom	50,000	-
Tiny Hand	Turkey	-	9,369
Uncivilized Media	Palestine	6,586	-
Untold Stories	Berlin	-	7,370
Warsheh Team	France	6,782	-
We Dared to Dream (Action for Sama)	United Kingdom	7,000	-
Women Now	France	-	75,000
Other (consultancy)	United Kingdom	5,426	-
		1,805,406	836,050

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. List of 2023 Grants by Programme / Organisation / Country (continued)

		£	£
Relief			
Carnegie Endowment for International Peace	USA	-	75,867
Chain of Hope	UK	-	10,000
Foundation for Middle East Peace	USA	-	10,000
GLA (Syrian Community Event -Syria House)	United Kingdom	114,058	-
IMET 2000	United Kingdom	20,000	-
Karam Foundation	Turkey	20,730	-
MedGlobal	USA	-	19,079
Molham	Germany	120,058	-
The Syrian Campaign	United Kingdom	41,500	-
Universidade Nova de Lisboa (Nova School of Business and Economics)	Portugal	-	6,732
Welfare Association	Switzerland	20,000	-
Others	Various	16,427	-
		352,773	121,678
		£	£
Knowledge Production, Networking, and Influencing			
Asfari Portal		-	47,125
Carnegie Endowment for International Peace	USA	197,663	164,535
The American University of Beirut	Lebanon	132,500	110,404
The Levant Centre for Strategic Studies	USA	39,949	-
Others (Consultancies)	Various	13,003	-
		383,115	322,064
Total Grants		3,357,501	2,395,772

Accounts

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

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THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees	Mr Ayman Asfari, Chair Mrs Sawsan Asfari Mr John Ferguson FCA, Treasurer Dr Marwan Muasher Ms Rasha ElMasry Mr Adeeb Asfari Mr Kareem Asfari Ms Saba Almubaslat (appointed 1 April 2022)
Company registered number	05938633
Charity registered number	1116751
Registered office	The Asfari Foundation Unit A 1-3 Canfield Place London United Kingdom NW6 3BT
Chief Executive Officer	Saba Almubaslat (resigned 31 March 2022) Anas Darkaoui (appointed as interim CEO 31 March 2022) Muna Abbas (appointed as Chief Executive Officer 1 September 2022)
Independent auditor	MHA Chartered Accountants and Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Metro Bank 1 Southampton Row London WC18 5HA EFG Bank AG Bleicherweg 8 P.O. Box 6012 8022 Zurich Unity Trust Bank Four Brindley place Birmingham B1 2JB
Solicitors	BDB Pitmans One Bartholomew Close London EC1A 7BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Constitution

The Asfari Foundation (the Foundation) is a company limited by guarantee (company number 05938633) and a registered charity governed by its memorandum and articles of association. Charity number in England and Wales: 1116751.

Directors and Trustees serving during the year and since the year end:

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr Kareem Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Mrs Rasha ElMasry
Ms Saba Almubaslat

Objectives and activities

The objectives of the Foundation are to further such charitable objects as the Trustees in their absolute discretion think fit, but to include the following:

- The advancement of education in any part of the world and in particular of young people from Syria, Lebanon, Palestine and the UK.
- The prevention and relief of poverty for the public benefit in any part of the world in particular but not exclusively from Syria, Lebanon, Palestine and the UK.
- The promotion of civic responsibility, good citizenship and community development for the public benefit in particular but not exclusively for the benefit of young people and civil society organisations from Syria, Lebanon, Palestine and the UK.
- The advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), conflict resolution or reconciliation and the promotion of equality and diversity for the public benefit anywhere in any part of the world and in particular for young people from Syria, Lebanon, Palestine and the UK.

These charitable objects are encompassed within the Foundation's vision of creating a just world where people have equal opportunities to transform their lives, invest in their communities, and shape the future of their countries. In support of achieving this vision, the Foundation makes its mission to invest in, and support the sustainability of, a resilient and empowered civil society infrastructure and innovative youth, who can collectively lead a transformational positive change in their communities and countries.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Foundation engages in this mission by supporting the activities of our partner organisations activities at the local, regional and global level. At the local level the Foundation makes grants available across four thematic programmes including: Youth Learning, Entrepreneurship & Innovation (YLEAP), Civil Society (CS), Strategic Learning & Engagement (SLE), and Relief. At the regional level the Foundation develops strategic partnerships with influential academic and policy centres (such as the American University of Beirut and Carnegie Middle East Center) for convening around critical issues facing the Middle East region and connecting high-level policy and research with effective practice on the ground. The Foundation also actively pursues partnerships with International Non-governmental Organisations (INGOs, such as International Rescue Committee) and other Foundations (such as the Ford Foundation) to deliver co-investment in areas of shared common interest, enabling the Foundation to take its impact to scale. At the global level, the Foundation uses the evidence of its impact and that of its partners to advocate for localisation, collaboration, experimentation with innovative approaches to grant making and partnerships, and the important role family foundations can play in helping to drive positive change in the Middle East.

Grant making policy

The Foundation supports organisations that:

- Are fully registered with the appropriate authorities.
- Share our values and are aligned with our objectives.
- Have strong track records in implementation.
- Demonstrate clear purpose and strategy linked to a specific constituency/target group.
- Actively seek to become more effective, accountable and sustainable.
- Actively seek to transform and grow their organisation, and the ecosystem in which they operate, including the professional development of their staff.
- Adopt innovative approaches to programming.
- Address systemic weaknesses in our thematic areas.
- Are committed to transparency, active partnership, and sharing learning and insight.

Grant funding provided to eligible organisations is designed to support one of more of:

- Organisational development (OD) and sustainability, focusing on staff and organisational capacity-building as well as digital transformation.
- Seed funding or experimenting with new ideas or approaches by organisations that we believe are particularly innovative, have strong potential to help young people, and work in our thematic areas.
- Research into systemic issues facing communities in the Middle East, and development of public policy approaches and recommendations.
- Connecting academic research and practice through convening and supporting civil society organisations (CSOs) to document and disseminate their practical expertise at the local, regional and global levels.
- Specific areas of need, identified by eligible organisations, that do not fall into the above examples.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Foundation's Grants are offered through programmes that address our thematic focus areas:

Youth Learning, Entrepreneurship and Innovation Programme (YLEAP)

Well-educated and engaged young people, working together with others as active members of society can make a genuine contribution to the development of their communities. The YLEAP Programme aims to address the structural and systemic issues that restrict the educational, vocational, and business opportunities available to young people. It does so by investing in organisations and initiatives that contribute to the overall vibrancy, professionalism, effectiveness and accountability of innovation and entrepreneurship ecosystems in Palestine, Lebanon and the United Kingdom.

Civil Society Programme (CSP)

A strong, energetic, and resilient civil society is key to the development of all healthy, participatory democratic societies and therefore critical to the future of Syria, Palestine, and Lebanon. The aim of the Civil Society Programme is to effectively bring people together for the common good, to provide quality information to citizens and policymakers, serving those in need and advocating for change.

Strategic Learning and Engagement Programme (SLE)

The Foundation's partners work on societally transformative issues in a volatile region. The ensuing data offers a rare insight into how civil society in the Middle East is developing; yet their capacity to collect and share it is limited. The Strategic Learning & Engagement Programme aims to leverage data from its peers, partners and wider practitioner and research communities and present best practices to stakeholders across regional and global networks, helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

Relief Programme

The Relief Programme is reactive and ad hoc in nature. As geopolitical disruptions continue in the Middle East, the Foundation recognises that there will be specific needs in communities not supported through our main funding programmes.

Achievements and performance

In 2022, the Foundation worked with its partners to increase their resilience, adapt their activities, adjust their expenditure and implementation timelines, and invest in new infrastructure and capabilities. The Foundation's programmes focus on responding to the ongoing challenges in the region, emphasising knowledge-sharing across the partner network and amplifying the expertise of local organisations. At the heart of our response was our deep concern for the wellbeing and sustainability of our partners, and our deep-seated conviction that the solution to all the challenges faced by the region is to invest in the local capacity of civil society, to be responsive to the needs of the grassroots and to ensure that, ultimately, the solution comes from them. Grant expenditure in 2022 amounted to £2,395,772.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Youth Learning, Entrepreneurship & Innovation Programme (YLEAP)

In 2022, the Foundation extended its partnership with nine organisations with a total investment of £600,000. Those investments focused on increasing the robustness of civil society organisations to better respond to challenges faced by youth in the Levant. An additional £890,980 were invested in five partner organisations. Some organisation focused on responding to the needs of children refugees in Lebanon. Others explored possible solutions to advance their sustainability to continue to serve their communities beyond donor support. Two out of those five partners have also enabled 23 aspiring entrepreneurs to respond a wide range of social issues including inclusive quality education, employment, gender justice, and environmental sustainability through offering comprehensive support and mentoring.

YLEAP continues to embrace new ideas and approaches. By doing so internally and encouraging it externally organisations can more effectively address complex social challenges and make a positive impact in their communities. Innovative solutions and technologies can help organisations to streamline their operations, reduce costs, and better engage with their stakeholders. They can also open up new opportunities for collaboration and partnerships, helping organisations to amplify their impact and reach a wider audience. Innovation enables organisations to become more agile and adaptable, better equipped to respond to emerging social issues and create sustainable change within their communities and beyond.

The Asfari Challenge for Social Innovation (ACSI), an accelerator programme and online platform for teams based in Lebanon, Jordan, Palestine and the Syrian diaspora, is an example of the way in which the Foundation encourages the creation of new solutions led by the region's youth. It represents an opportunity for budding social enterprises to receive all the support they need in ideation or prototype stages. The scheme is a four-month virtual accelerator during which 10-13 selected early and prototype teams receive intense training and mentorship support, financial support of up to £6,500, and connections to other supporters and opportunities to maximise the impact of their initiatives. ACSI is unique in that it is an online programme running regionally across the Levant.

The Civil Society Programme (CSP)

The Foundation paid 14 grants totalling £836,050 that empowered local and diaspora civil society organisations to contribute to the vibrancy, professionalism, and effectiveness of the civil society sector and engage citizens directly in critical societal issues. The Foundation provided grants, networking and learning opportunities for our partners:

Organisational Development' grants - which included professional mentoring by a technical partner to help the partners identify and address gaps in their governance structure and financial administration through clear annual plans and milestones.

The success of the Foundation's focus and investment in organisational development can be seen in Enab Baladi, an independent Syrian media organisation founded in 2011, offering 24-hour news coverage via its multilingual interactive websites. Syrian media organisations face huge challenges, including the worsening security situation for journalists inside Syria and fluctuating international support for independent journalism. The Foundation's funding contributed to giving a sense of stability because of the length of the grant (three years), which meant a more predictable budget. This enabled Enab Baladi to think strategically about the coming years and how to advance its work while overcoming challenges and keeping the organisation running. Enab Baladi has grown from a small, amateur-run weekly newspaper to one of the main sources of news and information for millions of Syrians.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Digital Transformation grants (DTG) - which supported organisations to enhance their digital presence and delivery, enabling them to grow their impact and sustainability. The programme supports access to quality digital learning, mentoring and financial support to implement meaningful change and a cultural shift, marking an organisation's journey towards a stronger presence and delivery online, streamlined programme delivery, and stronger, more efficient processes and systems.

In 2022, the Foundation awarded a DTG to Recycle Lebanon, a trailblazing Lebanese NGO advocating for system change towards regenerative and circular development. It operates through four main programmes: a circular economy platform known as Regenerate Hub, which seeks to strengthen nature-based solutions; an EcoSouk, the first zero-waste shop in the Middle East with access to local, traditional, refillable, unpackaged, bulk and toxic-free products; TerraPods, a bio-design makerspace, art residency and agroecology farm in Baskinta, Lebanon; and Dive Into Action, a policy and empowerment programme with zero waste clean ups, balaplastic (plastic free) transitions, food waste events and native planting initiatives. The grant allowed the organisation the opportunity to strengthen its internal and external practices and scale up its operations. It enabled it to identify digital data-oriented income generating features on its platform, develop its digital outreach communications strategy, and hire six sector experts and two consultants. It also helped develop the organisation's HR procedures, data privacy policy and data training modules.

The Foundation's civil society partners are critical for creating a more peaceful, just, and prosperous future in a region that is facing poor governance, tyranny and lack of justice. We are investing in their long-term sustainability and professionalism as tackling these chronic issues requires commitment and decades of sustained efforts.

Through the Foundation's long-term investment, the Asfari Institute for Civil Society and Citizenship (the Institute) at the American University of Beirut (AUB) has become a well-recognised regional centre with civil society expertise, providing research, convening and education for the entire region. It is bridging the gap between academic and activism and is helping our civil society partners with relevant learning and networking opportunities. The Institute will host the Foundation's digital knowledge and learning hub 'Midan: A Knowledge Hub for Civil Society' (Midan).

Strategic Learning and Engagement Programme

In 2022, the Foundation awarded grants totalling £322,064 to enable Midan to offer formal and informal e-learning in the Foundation's key thematic areas, in Arabic, to increase accessibility and relevance. This included the launch of the 'Learning Development' grants, to support local 'grassroots' civil society organisations to invest in knowledge production and management, as they evolve to become knowledge and learning organisations.

Through shaping and funding the development and ongoing promotion of Midan, the Foundation is expanding knowledge management among stakeholders across regional and global networks. This is helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

Relief Programme

The relief grants totalling £121,678 in 2022 enabled us to respond to emerging crises and developments in the region, including providing financial support to help fund complex heart surgeries for refugee children and to support the launch a virtual Palestinian non-resident Fellowship Initiative to conceptualize, host, and participate programs, including podcasts and webinars.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Review

Total income for 2022 amounted to £8.1 million (2021 - £3.0M) including a gift of shares of £5.2 million designated for the investment portfolio. Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years, the family has made substantial donations to the Foundation, part of which is intended to progressively build an investment capital base that at a future date can serve to fund charitable expenditures. Income from investments is usually applied to augmenting the investment capital but with the flexibility to be called upon for annual expenditures if required.

Total expenditure on charitable activities for 2021 was £3.1 million (2021 - £3.1M). Of this total, £2.4 million (2021 - £2.6M) was spent on grants awarded across the Foundation's programmes. Support costs to operate the organisation amounted to £0.7 million (2021 - £0.4M).

At 2022 year end, the funds of the Foundation amounted to £18.2 million (2021 - £16.3M). These funds were entirely unrestricted. During 2022, there was a surplus of some £1.9 (2021 - £1.0M) as total income exceeded the combination of expenditures and the unrealised loss on investments.

Reserves Policy

The Trustees periodically review the Reserves policy. This recognises that the income of the Foundation varies year on year and so to enable the Foundation to plan its activities, it is prudent to hold reserves with an appropriate level of liquidity. The ongoing uncertainties in economic outlook resulted in requiring that liquid reserves can cover 12 months of expenditure. The policy also recognises that the reserves that represent the fixed assets and the restricted funds of the Foundation are not freely available and thus are to be distinguished from free reserves. The pool of unrestricted funds comprises investment capital and funds for annual expenditures. The Foundation aims to grow its investment capital base to a level that would permit it to fund annual expenditures from investment income. Annual income is applied to fund grant programmes and operational costs with surplus income augmenting investment capital. In practice the flexibility offered enables funding of the annual expenditures whilst investment capital grows or, if required, may be drawn upon.

Investment policy and performance

The Trustees have an investment policy that evolves in line with the strategic goals for the organisation. In the short term, the Foundation's investment objective is growth. Longer term (beyond 10 years), the objective is to provide income to support the Foundation's programme expenditure. Whilst the predominant approach to investing is to maximise financial returns for growth the policy allows for part of the portfolio to be directed to programme related investment (responsible investing). The Foundation's Investment Committee reviews, monitors investments and provides investment support to the Board.

In a difficult year for financial markets the market value of the investment portfolio incurred unrealised losses of some £3.1 million. However, the aggregate value of the portfolio rose by £1.8 million over the year on account of a £5.2 million gift of shares.

Public benefit statement

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Risk Management

The Foundation operates a comprehensive risk register, and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO, the team and the Trustees to ensure risks are appropriately managed. The Audit and Risk Committee monitors and advises the Board on audit, risks, and policy development and each Board sub-committees addresses relevant risks. The principal risks and countermeasures identified by Trustees include:

Risk	Countermeasures
Business Continuity	• Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure. • Appropriate and secure cloud backup solutions.
Breach of regulations notably the funding of terrorism, sanctions imposed upon countries, entities or individuals or paying or facilitating the use of bribes	• Periodic training for all employees. • Robust policies and procedures to identify risks and mitigation through effective controls. • Appropriate vetting procedures documenting all investigations, rationale, and decision-making process. • In-depth understanding of funding requirements and proposed usage of funds.
Reputation and Associations	• Operations are restricted / prohibited because of its reputation and associations. • Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations. • Careful management of charitable activities including board oversight. • Careful vetting of all partnerships. • Close monitoring of changes to charitable regulations. • Ongoing monitoring of media coverage and opensource information.

Structure, governance and management

The Foundation's Articles of Association provides for a minimum of three Trustees, who are also directors for the purpose of company law. Trustees are selected for their skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations. Newly appointed Trustees undertake a series of meetings with the Foundation's senior management to ensure they gain a full understanding of the Foundation and their responsibilities.

The Foundation does not actively raise funds, income is received through donations from the Asfari Family to meet its objectives.

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively after review by the Projects sub-committee. Trustees with conflicts of interest declare these in advance and do not participate in related decision making.

THE ASFARI FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Key Management Personnel of the Foundation represent the Trustees and the Chief Executive Officer (CEO) only. Whilst the Trustees provide their time on a voluntary basis and thus do not receive any remuneration, the Chief Executive Officer's remuneration is set by the Board of Trustees, having regard to sector benchmarks.

Following the resignation of Saba Almubaslat as CEO on 31 March 2022, Anas Darkaoui performed CEO duties on an interim basis prior to the appointment of Muna Abbas, who joined the Foundation as CEO in September 2022. In their capacity as CEO, they were accountable for the team's performance and had the overall responsibility to ensure proper management of the foundation, so that its objects are met, and resources are well managed.

Statement of disclosure to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



.....
Mr Ayman Asfari
Chair

Date: 28/7/23

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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 Companies Act 2006. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:


.....
Mr Ayman Asfari
Chair
Date: 28/7/2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

Opinion

We have audited the financial statements of The Asfari Foundation (the 'Charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION (CONTINUED)

Use of our report

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditor

London, United Kingdom

Date: 21/08/2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations	4	7,816,068	14,703	7,830,771	2,731,352
Investments	5	273,946	-	273,946	298,010
Total income		8,090,014	14,703	8,104,717	3,029,362
Expenditure on:					
Costs of Raising funds: Investment management fees	6	35,149	-	35,149	46,789
Charitable activities	7	3,055,367	14,703	3,070,070	3,051,595
Total expenditure		3,090,516	14,703	3,105,219	3,098,384
Revaluation of investments	12	(3,069,862)	-	(3,069,862)	1,113,518
Net movement in funds		1,929,636	-	1,929,636	1,044,496
Reconciliation of funds:					
Total funds brought forward		16,288,484	-	16,288,484	15,243,988
Net movement in funds		1,929,636	-	1,929,636	1,044,496
Total funds carried forward		18,218,120	-	18,218,120	16,288,484

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 18 to 33 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05938633

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	11		10,359		2,355
Investments	12		16,811,856		15,030,621
			<u>16,822,215</u>		<u>15,032,976</u>
Current assets					
Debtors: Amounts falling due within one year	13	64,686		643,481	
Cash at bank and in hand	17	1,804,180		1,865,037	
		<u>1,868,866</u>		<u>2,508,518</u>	
Creditors: Amounts falling due within one year	14	(472,961)		(1,253,010)	
Net current assets			<u>1,395,905</u>		<u>1,255,508</u>
Total net assets			<u><u>18,218,120</u></u>		<u><u>16,288,484</u></u>
Charity funds					
Restricted funds	15		-		-
Unrestricted funds	15		18,218,120		16,288,484
Total funds			<u><u>18,218,120</u></u>		<u><u>16,288,484</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
Mr Ayman Asfari
Chair
Date: 28/7/2023

The notes on pages 18 to 33 form part of these financial statements.
As at the current and prior year-end, all assets and liabilities were held in Unrestricted funds.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	16	4,552,715	(1,052,133)
Cash flows from investing activities			
Investment income		273,946	298,010
Purchase of tangible fixed assets	11	(10,451)	-
Proceeds from sale of investments	12	814,588	7,628,570
Purchase of investments	12	(491,655)	(7,673,096)
Shares gifted to the Charity	12	(5,200,000)	-
Net cash (used in)/provided by investing activities		(4,613,572)	253,484
Cash flows from financing activities			
Change in cash and cash equivalents in the year		(60,857)	(798,649)
Cash and cash equivalents at the beginning of the year		1,865,037	2,663,686
Cash and cash equivalents at the end of the year	17	1,804,180	1,865,037

The notes on pages 18 to 33 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Charity is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1116751) and Registrar of Companies (Company Registration Number 05938633).

The Members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are listed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Asfari Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Property income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, net of discounts, VAT and other sales related taxes.

Income in relation to Gift Aid or deeds of covenant is recognised at the time of the donation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs represents costs that cannot be directly attributed to the charitable activities. Support costs have been allocated to a charitable activity on the basis of a proportion of total direct costs per activity.

Governance costs include the costs of compliance with constitutional and statutory requirements and have been allocated to the charitable activities in the same proportions as support costs.

Staff costs and depreciation have been allocated in full to support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

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

Depreciation is provided on the following basis:

Fixtures, fittings & equipment	-	20% Straight line
Office equipment	-	20% Straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.6 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Foreign exchange

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the Balance Sheet date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Exchange gains and losses are recognised in the Statement of Financial Activities.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

No significant accounting estimates or judgements were made in preparing these accounts.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Income from donations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations and gifts	7,293,711	14,703	7,308,414
Gift aid	522,357	-	522,357
	<u>7,816,068</u>	<u>14,703</u>	<u>7,830,771</u>

At the beginning of April 2022, the Charity received an unrestricted donation of listed shares from a Trustee. At the date of receipt, the fair value of the shares was £5,200,000.

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations and gifts	2,198,539	3,623	2,202,162
Gift aid	529,190	-	529,190
	<u>2,727,729</u>	<u>3,623</u>	<u>2,731,352</u>

5. Investment income

	2022 £	2021 £
Rental income	4,800	4,800
Listed investment income	210,138	194,719
Fund investment income	58,330	98,137
Interest receivable	678	354
	<u>273,946</u>	<u>298,010</u>

All investment income in both the current and prior year has been allocated to the unrestricted fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Expenditure on raising funds

	Unrestricted funds 2022 £	Total funds 2022 £
Investment management fees	35,149	35,149

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Investment management fees	46,789	46,789

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Analysis of expenditure on charitable activities

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Youth Learning, Entrepreneurship & Innovation (YLEAP)	1,115,980	315,699	1,431,679
Civil Society (CS)	836,050	234,262	1,070,312
Relief	121,678	34,094	155,772
Strategic Learning & Engagement (SLE)	322,064	90,243	412,307
	2,395,772	674,298	3,070,070

	<i>Grant funding of activities 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Youth Learning, Entrepreneurship & Innovation (YLEAP)	1,367,836	230,672	1,598,508
Civil Society (CS)	912,380	153,863	1,066,243
Relief	93,252	15,726	108,978
Strategic Learning & Engagement (SLE)	237,769	40,097	277,866
	2,611,237	440,358	3,051,595

Please see Note 22 for detailed analysis of grants payable.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	389,810	362,494
Depreciation	2,447	4,717
Office costs	169,201	102,402
Other professional services	66,318	23,224
Finance interest expense	7	-
Governance costs	21,480	22,510
Foreign exchange (gains)/losses	25,035	(74,989)
	674,298	440,358

8. Governance costs

	2022 £	2021 £
Auditor's remuneration - Audit of the financial statements	16,800	15,600
Auditor's remuneration - Other services	2,400	2,400
Auditor's remuneration - Under accrual of prior year fees	1,200	3,550
Tax compliance - Corporation tax return	1,080	960
	21,480	22,510

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Staff costs

	2022	2021
	£	£
Wages and salaries	348,816	322,463
Social security costs	31,342	30,567
Pension costs	9,652	9,464
	389,810	362,494

The average number of persons employed by the Charity during the year was as follows:

	2022	2021
	No.	No.
Managerial, administrative and programme technical	6	7

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	-

The Foundation considers its Key Management Personnel to be the Trustees and the Chief Executive Officer. Total remuneration paid to Key Management Personnel in 2022 was £172,881 (2021 - £109,486).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits in their capacity as a Trustee (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

11. Tangible fixed assets

	Fixtures, fittings & equipment £	Office equipment £	Total £
Cost or valuation			
At 1 January 2022	5,889	21,238	27,127
Additions	-	10,451	10,451
Disposals	-	(21,238)	(21,238)
At 31 December 2022	5,889	10,451	16,340
Depreciation			
At 1 January 2022	3,534	21,238	24,772
Charge for the year	1,177	1,270	2,447
On disposals	-	(21,238)	(21,238)
At 31 December 2022	4,711	1,270	5,981
Net book value			
At 31 December 2022	1,178	9,181	10,359
At 31 December 2021	2,355	-	2,355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2022	12,380,346	2,650,275	15,030,621
Additions	5,200,000	491,655	5,691,655
Disposals	(814,588)	-	(814,588)
Revaluations	(3,143,265)	73,403	(3,069,862)
Interest and management charges paid from portfolio	(25,970)	-	(25,970)
At 31 December 2022	<u>13,596,523</u>	<u>3,215,333</u>	<u>16,811,856</u>
Net book value			
At 31 December 2022	<u>13,596,523</u>	<u>3,215,333</u>	<u>16,811,856</u>
At 31 December 2021	<u>12,380,346</u>	<u>2,650,275</u>	<u>15,030,621</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Debtors: Amounts falling due within one year

	2022 £	2021 £
Due within one year		
Other debtors	13,167	13,167
Prepayments and accrued income	51,519	101,124
Gift aid receivable	-	529,190
	64,686	643,481

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Grants payable	450,000	1,230,000
Trade creditors	1,306	2,236
Other taxation and social security	1,375	1,577
Other creditors	-	237
Accruals	20,280	18,960
	472,961	1,253,010

Grants payable relates to grants committed in furtherance of the Charity's objectives that are expected to be made within twelve months.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
Unrestricted funds	16,288,484	8,090,014	(3,090,516)	(3,069,862)	18,218,120
Restricted funds					
Restricted Funds	-	14,703	(14,703)	-	-
Total of funds	16,288,484	8,104,717	(3,105,219)	(3,069,862)	18,218,120

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
Unrestricted funds	15,243,988	3,025,739	(3,094,761)	1,113,518	16,288,484
Restricted funds					
Restricted Funds	-	3,623	(3,623)	-	-
Total of funds	15,243,988	3,029,362	(3,098,384)	1,113,518	16,288,484

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Reconciliation of net movement in funds to net cash flow from operating activities

		2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)		1,929,636	1,044,496
Adjustments for:			
Depreciation charges	11	2,447	4,717
Losses/(gains) on investments	12	3,069,862	(1,113,518)
Investment income		(273,946)	(298,010)
Decrease in debtors	13	578,795	73,910
Decrease in creditors	14	(780,049)	(769,694)
Interest and management charges paid from portfolio	12	25,970	5,966
Net cash provided by/(used in) operating activities		4,552,715	(1,052,133)

17. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	1,804,180	1,865,037
Total cash and cash equivalents	1,804,180	1,865,037

18. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,865,037	(60,857)	1,804,180
	1,865,037	(60,857)	1,804,180

The Charity had no debt in either the current or previous year.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Pension commitments

The amount recognised as an expense in the year was £9,652 (2021 - £9,464). There were £1,375 (2021 - £1,577) contributions payable to the fund at the Balance Sheet date.

20. Operating lease commitments

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	39,500	39,500
Later than 1 year and not later than 5 years	38,745	78,245
	78,245	117,745

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2022 £	2021 £
Operating lease rentals	39,500	39,500

The operating lease relates to the rental of the Foundation's office over a period of 10 years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21. Related party transactions

Marwan Muasher is the Vice President for Studies and Ayman Asfari is a Member of the Board of Trustees at Carnegie Endowment for the International Peace (Carnegie). In 2022, the Foundation granted £240,402 (2021 - £76,500) to the Carnegie Endowment for International Peace.

Sawsan Asfari is the Co-founder and Director of the Galilee Foundation. In 2022, the Foundation granted £Nil (2021 - £75,000) to the Galilee Foundation. £Nil remained payable as at the year-end (2021 - £75,000) and is therefore included within creditors.

Ayman Asfari and Marwan Muasher are Trustees of the American University of Beirut. In 2022, the Foundation granted £110,404 (2021 - £300,832) to the University.

Ayman Asfari is the Chairman of the Civil Society Network (Madaniya). In 2022, the Foundation granted £10,255 (2021 - £NIL) to the Civil Society Network.

All grants and donations made by the Asfari Foundation are independently agreed by the Board of Trustees at the Foundation's Board meeting. Trustees with conflicts of interest declare these in advance and do not participate in related decision making. When a decision is required in relation to programmes or funding associated with organisations that receive funding from The Asfari Foundation, the relevant Trustee abstains from voting.

The total amounts of donations given by the Trustees to The Asfari Foundation in the year was £7,291,931 (2021 - £2,116,979); this amount includes a gift of shares in the year valued at £5.2 million.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. List of 2022 Grants by Programme / Organisation / Country

	Grant Location	2022 £	2021 £
Youth Empowerment			
Al-Fanar	Lebanon	-	50,000
Al-Nayzak	Palestine	-	75,000
Beirut Today	Lebanon	8,370	-
Bloom	Lebanon	86,876	-
ChangeLabs/Changemakers	Lebanon	75,000	30,000
Design for Communities	Lebanon	8,389	-
Fondation Diane	Lebanon	75,000	75,000
Galilee Foundation	UK	-	75,000
International Rescue Committee	UK	675,306	672,836
MakeSense	France	101,100	-
MMKN NGO	Lebanon	8,370	-
Pitchworthy	Lebanon	-	75,000
ShareQ	Lebanon	-	75,000
Year Here	UK	-	75,000
Yes Theatre	Palestine	-	75,000
YMCA	Lebanon	75,000	75,000
Other (consultancy)	Palestine	2,569	15,000
		1,115,980	1,367,836
Civil society		£	£
Alzheimer Association Lebanon	Lebanon	8,187	-
Awan Media		7,040	-
Badael	Germany	-	75,000
Civil Society Network	UK	39,812	-
Dawlaty	Brussels	-	75,000
DOT Lebanon	Lebanon	17,819	7,500
Enab Baladi	Turkey	-	75,000
IDRAAC	Lebanon	8,187	-
Lebanese Observatory for Workers & Employee Rights (LOWER)	Lebanon	8,370	-
Masar	Lebanon	37,500	37,500
Megaphone	Lebanon	37,500	37,500
Mentor Arabia	Lebanon	-	7,000
Mousawat	Turkey	- 7,050	7,000
Musawa	France	-	7,000
Recycle Lebanon	Lebanon	-	7,000
Riyadah	Lebanon	-	7,000
Superpower Partners	UK	7,000	-
SYE Initiative	USA	8,187	-
Syrian Archive	Germany	75,000	75,000
Syrian Centre for Legal Studies and Research	Germany	-	75,000
Syrian Centre for Policy Research	Lebanon	-	75,000
The American University of Beirut	Lebanon	83,056	-
The Asfari Institute for Civil Society & Citizenship at The American University of Beirut	Lebanon	364,296	262,880
The Levant Centre for Strategic Studies	USA	41,220	-
The Policy Initiative	Lebanon	8,187	-
Tiny Hand	Turkey	9,369	-
WeExist		-	7,000
Women Now	France	75,000	75,000
Untold Stories	Berlin	7,370	-
		836,050	912,380

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. List of 2022 Grants by Programme / Organisation / Country (continued)

Strategic Learning and Engagement		£	£
Asfari Portal		47,125	47,226
Carnegie Endowment for International Peace	USA	164,535	76,515
Citizens Build a Community	Israel	-	5,000
Door Beyond War	Turkey	-	5,000
Global Health Institute at the American University of Beirut	Lebanon	-	75,913
Hakini	Palestine	-	5,000
Injaz	Lebanon	-	3,000
Sanad	Lebanon	-	5,000
Stichting Female Journalists Network	Netherlands	-	5,000
The American University of Beirut	Lebanon	110,404	-
Other		-	10,115
		322,064	237,769
Relief		£	£
CanDo		-	10,000
Carnegie Endowment for International Peace	USA	75,867	-
Chain of Hope	UK	10,000	-
Foundation for Middle East Peace	USA	10,000	-
Good Chance Theatre	UK	-	10,000
MedGlobal	USA	19,079	-
Universidade Nova de Lisboa (Nova School of Business and Economics)	Portugal	6,732	3,400
The American University of Beirut	Lebanon	-	59,852
Other		-	10,000
		121,678	93,252
Total Grants		2,395,772	2,611,237

THE ASFARI FOUNDATION

England & Wales - Charity number 1116751

Accounts

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

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THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	Mr Ayman Asfari, Chair Mrs Sawsan Asfari Mr John Ferguson FCA Dr Marwan Muasher Ms Rasha ElMasry Mr Adeeb Asfari Mr Kareem Asfari Ms Saba Almubaslat (appointed 1 April 2022)
Company registered number	05938633
Charity registered number	1116751
Registered office	The Asfari Foundation Unit A 1-3 Canfield Place London United Kingdom NW6 3BT
Chief Executive Officer	Saba Almubaslat (resigned 31 March 2022) Anas Darkaoui (appointed as interim CEO 31 March 2022)
Independent auditor	MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	Metro Bank 1 Southampton Row London WC18 5HA EFG Bank AG Bleicherweg 8 P.O. Box 6012 8022 Zurich
Solicitors	BDB Pitmans 50 Broadway Westminster London SW1H 0BL

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Constitution

The Asfari Foundation (the Foundation) is a company limited by guarantee (company number 05938633) and a registered charity governed by its memorandum and articles of association. Charity number in England and Wales: 1116751.

Directors and Trustees serving during the year and since the year end:

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr Adeeb Asfari
Mr Kareem Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Mrs Rasha ElMasry
Ms Saba Almubaslat (resigned as CEO: 31 March 2022, appointed as Trustee: 01 April 2022)

Objectives and activities

The objectives of the Foundation are to further such charitable objects as the Trustees in their absolute discretion think fit, but to include the following:

- The advancement of education in any part of the world and in particular of young people from Syria, Lebanon, Palestine and the UK.
- The prevention and relief of poverty for the public benefit in any part of the world in particular but not exclusively from Syria, Lebanon, Palestine and the UK.
- The promotion of civic responsibility, good citizenship and community development for the public benefit in particular but not exclusively for the benefit of young people and civil society organisations from Syria, Lebanon, Palestine and the UK.
- The advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), conflict resolution or reconciliation and the promotion of equality and diversity for the public benefit anywhere in any part of the world and in particular for young people from Syria, Lebanon, Palestine and the UK.

These charitable objects are encompassed within the Foundation's vision of creating a just world where people have equal opportunities to transform their lives, invest in their communities, and shape the future of their countries. In support of achieving this vision, the Foundation makes its mission to invest in, and support the sustainability of, a resilient and empowered civil society infrastructure and innovative youth, who can collectively lead a transformational positive change in their communities and countries.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Foundation engages in this mission by supporting the activities of our partner organisations activities at the local, regional and global level. At the local level the Foundation makes grants available across four thematic programmes including: Youth Learning, Entrepreneurship & Innovation (YLEAP), Civil Society (CS), Strategic Learning & Engagement (SLE), and Relief. At the regional level the Foundation develops strategic partnerships with influential academic and policy centres (such as the American University of Beirut and Carnegie Middle East Center) for convening around critical issues facing the Middle East region and connecting high-level policy and research with effective practice on the ground. The Foundation also actively pursues partnerships with International Non-governmental Organisations (INGOs, such as International Rescue Committee) and other Foundations (such as the Ford Foundation) to deliver co-investment in areas of shared common interest, enabling the Foundation to take its impact to scale. At the global level, the Foundation uses the evidence of its impact and that of its partners to advocate for localisation, collaboration, experimentation with innovative approaches to grant making and partnerships, and the important role family foundations can play in helping to drive positive change in the Middle East.

Grant making policy

The Foundation supports organisations that:

- Are fully registered with the appropriate authorities.
- Share our values and are aligned with our objectives.
- Have strong track records in implementation.
- Demonstrate clear purpose and strategy linked to a specific constituency/target group.
- Actively seek to become more effective, accountable and sustainable.
- Actively seek to transform and grow their organisation, and the ecosystem in which they operate, including the professional development of their staff.
- Adopt innovative approaches to programming.
- Address systemic weaknesses in our thematic areas.
- Are committed to transparency, active partnership, and sharing learning and insight.

Grant funding provided to eligible organisations is designed to support one of more of:

- Organisational development (OD) and sustainability, focusing on staff and organisational capacity-building as well as digital transformation.
- Seed funding or experimenting with new ideas or approaches by organisations that we believe are particularly innovative, have strong potential to help young people, and work in our thematic areas.
- Research into systemic issues facing communities in the Middle East, and development of public policy approaches and recommendations.
- Connecting academic research and practice through convening and supporting civil society organisations (CSOs) to document and disseminate their practical expertise at the local, regional and global levels.
- Specific areas of need, identified by eligible organisations, that do not fall into the above examples.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Foundation's Grants are offered through 4 programmes that address our thematic focus areas:

Youth Learning, Entrepreneurship and Innovation Programme (YLEAP)

Well-educated and engaged young people, working together with others as active members of society can make a genuine contribution to the development of their communities. The YLEAP Programme aims to address the structural and systemic issues that restrict the educational, vocational, and business opportunities available to young people. It does so by investing in organisations and initiatives that contribute to the overall vibrancy, professionalism, effectiveness and accountability of innovation and entrepreneurship ecosystems in Palestine, Lebanon and the United Kingdom.

Civil Society Programme (CSP)

A strong, energetic, and resilient civil society is key to the development of all healthy, participatory democratic societies and therefore critical to the future of Syria, Palestine, and Lebanon. The aim of the Civil Society Programme is to effectively bring people together for the common good, to provide quality information to citizens and policymakers, serving those in need and advocating for change.

Strategic Learning and Engagement Programme (SLE)

The Foundation's partners work on societally transformative issues in a volatile region. The ensuing data offers a rare insight into how civil society in the Middle East is developing; yet their capacity to collect and share it is limited. The Strategic Learning & Engagement Programme aims to leverage data from its peers, partners and wider practitioner and research communities and present best practices to stakeholders across regional and global networks, helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

Relief Programme

The Relief Programme is reactive and ad hoc in nature. As geopolitical disruptions continue in the Middle East, the Foundation recognises that there will be specific needs in communities not supported through our main funding programmes.

Achievements and performance

In its strategic plan for 2021, the Foundation mainstreamed the use of digital capacity and technology to maintain partner support and to be able to respond to the needs of their communities at scale. To support partners through this digital transformation, the Foundation released the 'Digital Transformation Grant' which offered partners access to quality digital learning, mentoring and financial support to operationalize such transformation in their line of business.

The Youth Learning, Entrepreneurship & Innovation Programme (YLEAP)

The Foundation's grants of £1,668,000 invested in 15 partner organisations enabling them to support aspiring entrepreneurs responding to a wide range of social issues including inclusive quality education, employment, gender justice, and environmental sustainability. The grants also enabled young people to bridge their academic aspirations with the needs of the world of work and offered women in the West Bank, youth in Gaza and Lebanon specialised training to join the technology sector.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Foundation's Monitoring Evaluation Accountability and Learning (MEAL) framework, partner progress reports, observation and anecdotes from partners provides evidence of how the Foundation's financial support enables organisations to offer alternative opportunities to youth in the region in a stagnant labour market, giving youth agency to decide what they want to do and become more engaged in responding to their social challenges while doing so, and offering innovative upskilling opportunities for youth to compete on a global level.

The Civil Society Programme (CSP)

The Foundation paid 21 grants totalling £1,265,500 that empowered local and diaspora civil society organisations to contribute to the vibrancy, professionalism, and effectiveness of the civil society sector and engage citizens directly in critical societal issues. The Foundation provided grants, networking and learning opportunities for our partners. The grants included:

- 'Organisational Development' grants - which included professional mentoring by a technical partner to help the partners identify and address gaps in their governance structure and financial administration through clear annual plans and milestones.
- 'Digital Transformation' grants - which supported organisations to enhance their digital presence and delivery, enabling them to grow their impact and sustainability.

Our civil society partners are critical for creating a more peaceful, just, and prosperous future in a region that is facing poor governance, tyranny and lack of justice. We are investing in their long-term sustainability and professionalism as tackling these chronic issues requires commitment and decades of sustained efforts.

Through the Foundation's long-term investment, the Asfari Institute for Civil Society and Citizenship (the Institute) at the American University of Beirut (AUB) has become a well-recognised regional centre with civil society expertise, providing research, convening and education for the entire region. It is bridging the gap between academic and activism and is helping our civil society partners with relevant learning and networking opportunities. The Institute will host the Foundation's digital knowledge and learning hub 'Midan: A Knowledge Hub for Civil Society' (Midan).

Strategic Learning and Engagement Programme

In 2021, the Foundation awarded grants totalling £190,200 to enable Midan to offer formal and informal e-learning in the Foundation's key thematic areas, in Arabic, to increase accessibility and relevance. This included the launch of the 'Learning Development' grants, to support local 'grassroots' civil society organisations to invest in knowledge production and management, as they evolve to become knowledge and learning organisations.

Through shaping and funding the development and ongoing promotion of Midan, the Foundation is expanding knowledge management among stakeholders across regional and global networks. This is helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Relief Programme

The relief grants totalling £93,232 in 2021 enabled us to respond to emerging crises and developments in the region, including:

- Providing financial support to help retain critical medical staff in Lebanon during the economic crisis.
- Contributing to fundraising campaigns by organisations working to improve protections for schools and school children affected by the ongoing war in Syria, advocating for the human rights of Syrians, and promoting positive narratives about refugees in Europe.

Future Plans and Recent Developments

The Foundation continues to make grants that strengthen organisations with a focus on youth education (entrepreneurship, education system improvement, and higher education provision), and in the field of civil society (governance, citizenship, and media). We support this work in Lebanon, Palestine (including funding organisations supporting Palestinians residing in Israel), and the UK. Continuing from its 2021 strategic plan, the Foundation will offer a further round of Digital Transformation Grants in 2022.

Financial Review

Total income for 2021 amounted to £3.0 million (2020 - £3.7M). Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years, the family has made substantial donations to the Foundation, part of which is intended to progressively build an investment capital base that at a future date can serve to fund charitable expenditures. Income from investments is usually applied to augmenting the investment capital but with the flexibility to be called upon for annual expenditures if required.

Total expenditure on charitable activities for 2021 was £3.1 million (2020 - £3.4M). Of this total, £2.6 million (2020 - £2.8M) was spent on grants awarded across the Foundation's programmes. Support costs to operate the organisation amounted to £0.4 million (2020 - £0.6M).

At 2021 year end, the funds of the Foundation amounted to £16.3 million (2020 - £15.2M). These funds were entirely unrestricted. During 2021, some £1.0 (2020 – deficit of £1.2M) was added as a result of net gains on investments and a surplus of income over expenditure.

Reserves Policy

The Trustees periodically review the Reserves policy. This recognises that the income of the Foundation varies year on year and so to enable the Foundation to plan its activities, it is prudent to hold reserves with an appropriate level of liquidity. The material impact of Covid-19 and uncertainties in economic outlook resulted in requiring that liquid reserves can cover 12 months of expenditure. The policy also recognises that the reserves that represent the fixed assets and the restricted funds of the Foundation are not freely available and thus are to be distinguished from free reserves. The pool of unrestricted funds comprises investment capital and funds for annual expenditures. In practice the flexibility offered enables funding of the annual expenditures whilst investment capital grows or, if required, can be drawn upon. At the year end liquid reserves significantly exceeded the 12 months cover target due in part to changes in the components of investment capital.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Investment policy and performance

The Trustees have an investment policy that evolves in line with the strategic goals for the organisation. In the short term, the Foundation's investment objective is growth. Longer term (beyond 10 years), the objective is to provide income to support the Foundation's programme expenditure. The Foundation's Investment Committee reviews, monitors investments and provides investment support to the Board.

Over the period of investment, the portfolio has performed well. In 2021 the Foundation made the decision to move its investment portfolio from Credit Suisse to EFG. This process was completed in the first quarter of 2022. In addition, the Foundation has maintained its direct shareholdings in three listed stocks and its stakes in private equity investment.

Public benefit statement

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Risk Management

The Foundation operates a comprehensive risk register, and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO, the team and the Trustees to ensure risks are appropriately managed. The Audit and Risk Committee monitors and advises the Board on audit, risks, and policy development and each Board sub-committee addresses relevant risks. The principal risks and countermeasures identified by Trustees include:

- Covid-19 impacts upon partners – Transition to increased digital working including the introduction of Digital Transformation grants and the Midan resource hub. Dialogue with partners to revise grant schedules and deliverables to aid partner viability.
- Business Continuity - Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure
 - Appropriate and secure cloud backup solutions.
- Breach of regulations regarding the funding of terrorism, sanctions imposed upon countries, entities or individuals or paying or facilitating the use of bribes - Adequate Training for all employees
 - Robust policies and procedures to identify risks and mitigation through effective controls
 - Appropriate vetting procedures documenting all investigations, rationale, and decision-making process
 - In-depth understanding of funding requirements and proposed usage of funds.
- Reputation and Associations - the Foundation's operations are restricted / prohibited because of its reputation and associations
 - Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations
 - Careful management of charitable activities
 - Careful vetting of all partnerships
 - Experienced and reputable Board
 - Close monitoring of changes to charitable regulations
 - Ongoing monitoring of media coverage and open-source information.

The increased political tensions in the Middle East, specifically between governments and Civil Society partners, coupled with the instability of the banking system in Lebanon are currently risks the Foundation is monitoring closely.

THE ASFARI FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

The Foundation's Articles of Association provides for a minimum of three Trustees, who are also directors for the purpose of company law. Trustees are selected for their skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations. Newly appointed Trustees undertake a series of meetings with the Foundation's senior management to ensure they gain a full understanding of the Foundation and their responsibilities.

The Foundation does not actively raise funds, income is received through donations from the Asfari Family to meet its objectives.

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively after review by the Projects sub-committee. Trustees with conflicts of interest declare these in advance and do not participate in related decision making.

The Key Management Personnel of the Foundation represent the Trustees and the Chief Executive Officer only. Whilst the Trustees provide their time on a voluntary basis and thus do not receive any remuneration, the Chief Executive Officer's remuneration is set by the Board of Trustees, and in doing so they pay regard to sector benchmarks.

In Saba Almubaslat's capacity as the Chief Executive Officer, she was accountable for the team's performance and had the overall responsibility to ensure proper management of the foundation, so that its objects are met, and resources are well managed. She joined the Board in April 2022 after resigning as Chief Executive Officer in March 2022.

Statement of disclosure to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report was approved and authorised for issue by the Trustees and signed on its behalf by:



Mr Ayman Asfari
Chair

Date: 12 September 2022

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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 Companies Act 2006. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Members of the Board of Trustees and signed on its behalf by:



.....
Mr Ayman Asfari

Chair

Date: 12 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

Opinion

We have audited the financial statements of The Asfari Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets and forecasts provided.

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement included on page 9 of these accounts, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASFARI FOUNDATION

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

London, United Kingdom

Date: 27/09/2022

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
	Note				
Income from:					
Donations	4	2,727,729	3,623	2,731,352	3,340,917
Investments		298,010	-	298,010	351,790
Other income		-	-	-	12,012
Total income		3,025,739	3,623	3,029,362	3,704,719
Expenditure on:					
Costs of Raising funds: Investment management fees	7	46,789	-	46,789	43,130
Charitable activities	8	3,047,972	3,623	3,051,595	3,375,352
Total expenditure		3,094,761	3,623	3,098,384	3,418,482
Revaluation of investments	13	1,113,518	-	1,113,518	(1,475,713)
Net movement in funds		1,044,496	-	1,044,496	(1,189,476)
Reconciliation of funds:					
Total funds brought forward		15,243,988	-	15,243,988	16,433,464
Net movement in funds		1,044,496	-	1,044,496	(1,189,476)
Total funds carried forward		16,288,484	-	16,288,484	15,243,988

The Statement of Financial Activities includes all gains and losses recognised in the year.

In the previous year all income and expenditure was allocated to / from unrestricted funds.

All income and expenditure derive from continuing activities.

The notes on pages 17 to 34 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05938633

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		2,355		7,072
Investments	13		15,030,621		13,878,543
			<u>15,032,976</u>		<u>13,885,615</u>
Current assets					
Debtors: Amounts falling due within one year	14	643,481		717,391	
Cash at bank and in hand	19	1,865,037		2,663,686	
		<u>2,508,518</u>		<u>3,381,077</u>	
Creditors: Amounts falling due within one year	15	(1,253,010)		(2,022,704)	
Net current assets			<u>1,255,508</u>		<u>1,358,373</u>
Total net assets			<u><u>16,288,484</u></u>		<u><u>15,243,988</u></u>
Charity funds					
Restricted funds	16		-		-
Unrestricted funds	16		16,288,484		15,243,988
Total funds			<u><u>16,288,484</u></u>		<u><u>15,243,988</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Mr Ayman Asfari
 Chair
 Date: 12 September 2022

The notes on pages 17 to 34 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	(1,052,133)	1,049,013
Cash flows from investing activities			
Investment income		298,010	351,790
Proceeds from sale of investments	13	7,628,570	-
Purchase of investments	13	(7,673,096)	-
Net cash provided by investing activities		253,484	351,790
Cash flows from financing activities			
Change in cash and cash equivalents in the year		(798,649)	1,400,803
Cash and cash equivalents at the beginning of the year		2,663,686	1,262,883
Cash and cash equivalents at the end of the year	19	1,865,037	2,663,686

The notes on pages 17 to 34 form part of these financial statements.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Charity is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 1116751) and Registrar of Companies (Company Registration Number 05938633).

The Members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are listed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Asfari Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

2.2 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Property income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, net of discounts, VAT and other sales related taxes.

Income in relation to Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Support costs represents costs that cannot be directly attributed to the charitable activities.

Governance costs include the costs of compliance with constitutional and statutory requirements and have been allocated to the charitable activities in the same proportions as support costs.

Staff costs and depreciation have been allocated in full to support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition are included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following basis:

Fixtures, fittings & equipment	-	20% Straight line
Office equipment	-	20% Straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.6 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains / (losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded. Investment income is accounted for in the period in which the charitable company is entitled to receipt.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 14. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Note 15. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Foreign exchange

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the Balance Sheet date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Exchange gains and losses are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Restatement of activities

During the year the Charity decided to reallocate investment management costs from Expenditure on Charitable Activities support costs to Costs of Raising Funds. Furthermore, the Charity decided to redistribute total grants payable between programmes, and allocate the reduced total support costs between said programmes, in line with Accounting Policy 2.4. The prior year comparatives have also been redistributed to ensure comparability with the current financial reporting period. Affected notes have been marked as such throughout these financial statements. The reclassification did not affect the Charity's deficit nor its net assets for the year ended 31 December 2020.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

No significant accounting estimates or judgements were made in preparing these accounts.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and gifts	2,198,539	3,623	2,202,162
Gift aid	529,190	-	529,190
	<u>2,727,729</u>	<u>3,623</u>	<u>2,731,352</u>
		<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations and gifts		2,737,981	2,737,981
Gift aid		602,936	602,936
		<u>3,340,917</u>	<u>3,340,917</u>

5. Investment income

	2021 £	2020 £
Rental income	4,800	4,400
Listed investment income	194,719	233,194
Fund investment income	98,137	111,345
Interest receivable	354	2,851
	<u>298,010</u>	<u>351,790</u>

All investment income in both the current and prior year has been allocated to the unrestricted fund.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Other income

	2021 £	2020 £
Other income	-	12,012
	<u>-</u>	<u>12,012</u>

Other income in the prior year related to the recovery of a donation made to Kid's Company which went into administration in 2014.

7. Expenditure on raising funds

	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	46,789	46,789
	<u>46,789</u>	<u>46,789</u>

	<i>As restated Unrestricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
Investment management fees	43,130	43,130
	<u>43,130</u>	<u>43,130</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure on charitable activities

	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Youth Empowerment	1,367,836	230,672	1,598,508
Civil Society	912,380	153,863	1,066,243
Relief	93,252	15,726	108,978
Strategic learning	237,769	40,097	277,866
	2,611,237	440,358	3,051,595

	<i>As restated Grant funding of activities 2020 £</i>	<i>As restated Support costs 2020 £</i>	<i>As restated Total funds 2020 £</i>
Youth Empowerment	1,055,059	229,742	1,284,801
Civil Society	1,354,042	294,846	1,648,888
Relief	165,828	36,109	201,937
Strategic learning	196,859	42,867	239,726
	2,771,788	603,564	3,375,352

Please see Note 24 for detailed analysis of grants payable.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>As restated Total funds 2020 £</i>
Staff costs	362,494	356,544
Depreciation	4,717	5,426
Office costs	102,402	115,587
Other professional services	23,224	76,418
Finance interest expense	-	32,792
Governance costs	22,510	13,800
Foreign exchange (gains)/losses	(74,989)	2,997
	440,358	603,564

9. Governance costs

	2021 £	2020 £
Auditor's remuneration - Audit of the financial statements	15,600	13,800
Auditor's remuneration - Other services	2,400	-
Auditor's remuneration - Under accrual of prior year fees	3,550	-
Tax compliance - Corporation tax return	960	-
	22,510	13,800

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Staff costs

	2021	2020
	£	£
Wages and salaries	322,463	317,111
Social security costs	30,567	30,466
Pension costs	9,464	8,967
	<u>362,494</u>	<u>356,544</u>

The average number of persons employed by the Charity during the year was as follows:

	2021	2020
	No.	No.
Managerial, administrative and programme technical	<u>7</u>	<u>7</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £90,001 - £100,000	1	1

The Foundation considers its Key Management Personnel to be the Trustees and the Chief Executive Officer. Total remuneration paid to Key Management Personnel in 2021 was £109,486 (2020 - £97,280).

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 December 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Tangible fixed assets

	Fixtures, fittings & equipment £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	5,889	21,238	27,127
At 31 December 2021	5,889	21,238	27,127
Depreciation			
At 1 January 2021	2,356	17,699	20,055
Charge for the year	1,178	3,539	4,717
At 31 December 2021	3,534	21,238	24,772
Net book value			
At 31 December 2021	2,355	-	2,355
At 31 December 2020	3,533	3,539	7,072

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2021	11,550,319	2,328,224	13,878,543
Additions	7,370,781	302,315	7,673,096
Disposals	(7,624,981)	(3,589)	(7,628,570)
Revaluations	1,090,193	23,325	1,113,518
Interest and management charges paid from portfolio	(5,966)	-	(5,966)
At 31 December 2021	<u>12,380,346</u>	<u>2,650,275</u>	<u>15,030,621</u>
Net book value			
At 31 December 2021	<u>12,380,346</u>	<u>2,650,275</u>	<u>15,030,621</u>
At 31 December 2020	<u>11,550,319</u>	<u>2,328,224</u>	<u>13,878,543</u>

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Debtors: Amounts falling due within one year

	2021 £	2020 £
Due within one year		
Other debtors	13,167	14,172
Prepayments and accrued income	101,124	100,283
Gift aid receivable	529,190	602,936
	<u>643,481</u>	<u>717,391</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Grants payable	1,230,000	2,006,362
Trade creditors	2,236	339
Other taxation and social security	1,577	1,558
Other creditors	237	429
Accruals	18,960	14,016
	<u>1,253,010</u>	<u>2,022,704</u>

Grants payable relates to grants committed in furtherance of the Charity's objectives that are expected to be made within twelve months.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
Unrestricted funds	15,243,988	3,025,739	(3,094,761)	1,113,518	16,288,484
Restricted funds					
Restricted Funds	-	3,623	(3,623)	-	-
Total of funds	15,243,988	3,029,362	(3,098,384)	1,113,518	16,288,484

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
Unrestricted funds	16,433,464	3,704,719	(3,418,482)	(1,475,713)	15,243,988

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,355	2,355
Fixed asset investments	15,030,621	15,030,621
Current assets	2,508,518	2,508,518
Creditors due within one year	(1,253,010)	(1,253,010)
Total	16,288,484	16,288,484

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,072	7,072
Fixed asset investments	13,878,543	13,878,543
Current assets	3,381,077	3,381,077
Creditors due within one year	(2,022,704)	(2,022,704)
Total	15,243,988	15,243,988

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Reconciliation of net movement in funds to net cash flow from operating activities

		2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)		1,044,496	(1,189,476)
Adjustments for:			
Depreciation charges	12	4,717	5,426
(Gains)/losses on investments	13	(1,113,518)	1,475,713
Investment income		(298,010)	(351,790)
Decrease in debtors	14	73,910	325,405
(Decrease)/increase in creditors	15	(769,694)	1,060,688
Interest and management charges paid from portfolio	13	5,966	76,323
Income retained in portfolio	13	-	(353,276)
Net cash provided by/(used in) operating activities		(1,052,133)	1,049,013

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	1,865,037	2,663,686
Total cash and cash equivalents	1,865,037	2,663,686

20. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,663,686	(798,649)	1,865,037
	2,663,686	(798,649)	1,865,037

The Charity had no debt in either the current or previous year.

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

21. Pension commitments

The amount recognised as an expense in the year was £9,464 (2020 - £8,967). There were £1,577 (2020 - £1,558) contributions payable to the fund at the Balance Sheet date.

22. Operating lease commitments

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	39,500	39,500
Later than 1 year and not later than 5 years	78,245	117,745
	<u>117,745</u>	<u>157,245</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	<u>39,500</u>	<u>39,500</u>

The operating lease relates to the rental of the Foundation's office over a period of 10 years.

23. Related party transactions

Marwan Muasher is the Vice President for Studies and Ayman Asfari is a Member of the Board of Trustees at Carnegie Endowment for the International Peace (Carnegie). In 2021, the Foundation granted £76,500 (2020 - £110,957) to the Carnegie Endowment for International Peace.

Sawsan Asfari is the Co-founder and Director of the Galilee Foundation. In 2021, the Foundation granted £75,000 (2020 - £75,000) to the Galilee Foundation. £75,000 remained payable as at the year-end (2020 - £75,000) and is therefore included within creditors.

Ayman Asfari and Marwan Muasher are Trustees of the American University of Beirut. In 2021, the Foundation granted £300,832 (2020 - £333,643) to the University.

All grants and donations made by the Asfari Foundation are independently agreed by the Board of Trustees at the Foundation's Board meeting. Trustees with conflicts of interest declare these in advance and do not participate in related decision making. When a decision is required in relation to programmes or funding associated with organisations that receive funding from The Asfari Foundation, the relevant Trustee abstains from voting.

The total amounts of donations given by the Trustees to The Asfari Foundation in the year was £2,116,979 (2020 - £2,737,981).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

24. Post balance sheet events

At the beginning of April 2022, the Charity received an unrestricted donation of shares from a Trustee.
At the date of receipt, the fair value of the shares was £5,200,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

25. List of 2021 Grants by Programme / Organisation / Country

	Grant Location	2021 £	2020 £
Youth Empowerment			
Al-Fanar	Lebanon	50,000	75,000
Al-Nayzak	Palestine	75,000	75,000
Basma and Zeitooneh	Lebanon	-	75,000
Challenge to Change	Switzerland	-	10,000
ChangeLabs/Changemakers	Lebanon	30,000	30,000
Fondation Diane	Lebanon	75,000	75,000
Galilee Foundation	UK	75,000	75,000
Gaza Sky Geeks	UK	-	75,000
International Rescue Committee	UK	672,836	-
Pitchworthy	Lebanon	75,000	190,059
ShareQ	Lebanon	75,000	75,000
United Lebanon Youth Project	Lebanon	-	75,000
Year Here	UK	75,000	75,000
Yes Theatre	Palestine	75,000	75,000
YMCA	Lebanon	75,000	75,000
Other YEP Charitable contributions	Palestine	15,000	-
		1,367,836	1,055,059
		2021 £	2020 £
Civil society			
Al-Jumhuriya	Turkey	-	75,000
Al Share Media	Canada	-	7,000
Badael	Germany	75,000	75,000
CanDo	UK	-	75,000
Dawlaty	Brussels	75,000	75,000
DOT Lebanon	Lebanon	7,500	-
Enab Baladi	Turkey	75,000	75,000
Hands Up Foundation	UK	-	75,000
Lebanon Support	Lebanon	-	7,000
Masar	Lebanon	37,500	37,500
Megaphone	Lebanon	37,500	37,500
Mentor Arabia	Lebanon	7,000	-
Musawa	France	7,000	-
Mousawat	Turkey	7,000	-
Nahnoo Association	Lebanon	-	75,000
Recycle Lebanon	Lebanon	7,000	-
Riyadah	Lebanon	7,000	-
Roia	Netherlands	-	7,000
Syrian Archive	Germany	75,000	75,000
Syrian Centre for Legal Studies and Research	Germany	75,000	75,000
Syrian Centre for Media and Freedom of Expression	France	-	75,000
Syrian Centre for Policy Research	Lebanon	75,000	75,000
The Asfari Institute for Civil Society & Citizenship at The American University of Beirut	Lebanon	262,880	283,042
The Syria Campaign	USA	-	75,000
We Exist		7,000	-
Women Now	France	75,000	75,000
		912,380	1,354,042

THE ASFARI FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

25. List of 2021 Grants by Programme / Organisation / Country (continued)

		2021 £	2020 £
Strategic Learning and Engagement			
Asfari Portal	UK	47,226	-
Carnegie Endowment for International Peace	USA	76,515	21,352
Centre for Lebanese Studies	UK	5,000	-
Citizens Build a Community	Israel	-	7,000
Door Beyond War	Turkey	5,000	-
Global Health Institute at the American University of Beirut	Lebanon	75,913	84,087
Hakini	Palestine	5,000	7,000
Hands up Foundation	UK	-	7,000
Humanitarian Leadership Academy	UK	-	30,281
IDRAAC	Lebanon	-	7,000
Injaz	Lebanon	3,000	-
RiyadA	Lebanon	-	7,000
Sanad	Israel	5,000	-
ShareQ	Lebanon	-	7,000
Stichting Female Journalists Network	Netherlands	5,000	-
Technovatio	UK	-	18,000
Other		10,115	1,159
		237,769	196,859
		2021 £	2020 £
Relief			
Al Quds Foundation for Medical Schools in Palestine	Palestine	-	6,250
CanDo		10,000	-
Good Chance Theatre	UK	10,000	20,000
Jusoor	USA	-	50,000
Universidade Nova de Lisboa (Nova School of Business and Economics)	Portugal	3,400	-
The American University of Beirut	Lebanon	59,852	50,601
The Voices Project	UK	10,000	-
Other		-	38,977
		93,252	165,828
Total Grants		2,611,237	2,771,788

THE ASFARI FOUNDATION

England & Wales - Charity number 1116751

Accounts

Charity Registration No. 1116751

Company Registration No. 05938633 (England and Wales)

THE ASFARI FOUNDATION
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE ASFARI FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Ms Rasha ElMasry
Mr Adeeb Asfari
Mr Kareem Asfari

Chief Executive Officer Saba Almubaslat

Charity number 1116751

Company number 05938633

Registered office

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Auditor

HW Fisher LLP
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Bankers

Metro Bank
1 Southampton Row
London
WC1B 5HA

EFG Bank AG
Bleicherweg 8
P.O. Box 6012
8022 Zurich

Solicitors

Bircham Dyson Bell
50 Broadway
Westminster
London
SW1H 0BL

THE ASFARI FOUNDATION

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ASFARI FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Trustees present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "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 2019)".

Constitution

The Asfari Foundation is a company limited by guarantee (company number 05938633) and a registered charity governed by its memorandum and articles of association. Charity number in England and Wales: 1116751.

Directors and Trustees serving during the year and since the year end:

Mr Ayman Asfari (Chair)
Mrs Sawsan Asfari
Mr John Ferguson FCA
Dr Marwan Muasher
Mrs Rasha ElMasry
Mr Adeeb Asfari
Mr Kareem Asfari

Asfari Foundation Vision and Mission

The vision of the Foundation is of a world where people actively work together to create productive, inclusive, and just societies. Our mission is to educate young people from Syria, Lebanon, Palestine, and the UK, and to strengthen civil society organisations in their communities.

Asfari Foundation Objectives

- The advancement of education in any part of the world and in particular of young people from Syria, Lebanon, Palestine and the UK, including establishing and supporting schools, universities and other educational facilities.
- The promotion of civic responsibility, good citizenship and community development for the public benefit in particular but not exclusively for the benefit of young people and civil-society organisations from Syria, Lebanon, Palestine and the UK.
- The prevention and relief of poverty for the public benefit in any part of the world, in particular but not exclusively from Syria, Lebanon, Palestine and the UK, by raising awareness about poverty,
- The provision of grants to organisations providing nutritional, medical, shelter and other relief provisions and services.
- The advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), conflict resolution or reconciliation and the promotion of equality and diversity for the public benefit anywhere in any part of the world and in particular for young people from Syria, Lebanon, Palestine and the UK.
- In order to support our partners, the Asfari Foundation provides grants:
 - That are flexible and include individual and organisational capacity-building support.
 - For research into systemic issues.
 - That seed fund or test new ideas or approaches by organisations that we believe are particularly innovative, have strong potential to help young people, and are related to our thematic areas.
- Despite the ongoing challenges of COVID-19, the Foundation seized the opportunity to shift to more cost effective and efficient ways of delivery and ensure the sustainability of this delivery. This included:
 - Investing in digital organisational capacity and capabilities and digitising services where possible
 - Introducing basic digital literacy to beneficiaries and end users to ensure they are not cut off or excluded in the new digital world through the promotion of digital transformation grants and boosting e- learning content.

ASFARI FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Asfari Foundation works through three Programmes with specific themes:

The Youth Learning, Entrepreneurship & Innovation Programme

Well-educated and engaged young people, working together with others as active members of society can make a genuine contribution to the development of their communities. The Asfari Foundation's objective is to address the structural and systemic issues that restrict the educational, vocational and business opportunities available to young people. It does so by investing in organisations and initiatives that contribute to the overall vibrancy, professionalism, effectiveness and accountability of innovation and entrepreneurship ecosystems in Palestine and Lebanon.

The Civil Society Programme

A strong, vibrant and resilient civil society is key to the development of all healthy, participatory democratic societies and thus critical to the future of Syria, Palestine and Lebanon. The Asfari Foundations aims to foster a strong and sustainable civil society that is able to effectively bring people together for the common good, providing quality information to citizens and policymakers, serving those in need and advocating for change. The Asfari Foundation currently focuses on civil society in, or of, Syria and Lebanon (including Palestinian organisations working in these countries). To do this, we support organisations and initiatives that contribute to the vibrancy, professionalism, effectiveness and governance of the civil society sector as a whole. We also continue to support and develop the Asfari Institute for Civil Society and Citizenship at the American University of Beirut which has become a regional centre with civil society expertise, providing support through research, convening and education.

Strategic Learning and Engagement Programme

The Foundation's partners work on societally transformative issues in one of the most combustible regions in the world. The data they generate offers rare insight into how civil society in the Middle East is developing; but their capacity to collect and share it is limited. The Foundation wants to leverage this data by creating an online portal (Midan) to become a digital learning and knowledge exchange for its peers, partners and wider practitioner and research communities, both in the Arab region and beyond. Midan will capture and present partner data and best practices to stakeholders across regional and global networks, helping to shape global understanding of the challenges of the region, and to share the innovative solutions and approaches developed in that context. Midan will also offer formal and non-formal e-learning in the Foundation's key thematic areas, in Arabic, to increase accessibility and relevance.

Performance of fundraising activities against objectives

The Asfari Foundation does not actively raise funds, income is received through donations from the Asfari Family to meet its objectives.

Organisational Structure

The Asfari Foundation's Articles of Association provides for a minimum of three Trustees, who are also directors for the purpose of company law. Trustees are selected for their skills and abilities to ensure that the overall governance is sound and meets its legal and moral obligations.

Newly appointed Trustees undertake a series of meetings with the Asfari Foundation's senior management to ensure they gain a full understanding of the Foundation and their responsibilities.

All grants paid by the Asfari Foundation are independently agreed by the Trustees collectively, following recommendations by the Projects Committee. Trustees with conflicts of interest declare these in advance and do not participate in related decision making.

Saba Almubaslat is the only Senior Manager at the Foundation for the year. In her capacity as the Chief Executive Officer, she is accountable for the team's performance and has the overall responsibility to ensure proper management of the foundation, so that its objects are met, and resources are well managed.

Future Plans and Recent Developments

The Asfari Foundation continues to make grants that strengthen organisations with a focus on youth education (entrepreneurship, education system improvement, and higher education provision), and in the field of civil society (governance, citizenship, and media). We support this work in Lebanon, Palestine, Israel, and the UK.

ASFARI FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

In its strategic plan for 2020, the Asfari Foundation envisaged mainstream use of digital capacity and technology to maintain partner support and to be able to respond to the needs of their communities at scale. As a result, when COVID 19 interrupted the traditional mediums of programme delivery, the Foundation reached out to partners and worked with them to amend their delivery plans so that most of their services are provided through digital platforms. To support partners through this digital transformation, the Asfari Foundation released The Digital Transformation Fund and the Digital Challenge, both of which offer partners access to quality digital learning, mentoring and financial support to operationalize such transformation in their line of business. In addition, and as a responsible donor, the Foundation is working closely with its partners to allow a thorough review of project plans and offered partners the option of a 'no-cost extension', to ensure they have additional time to conclude their activities, without any negative implications caused by COVID 19 lockdown time, which put most of the partners' projects on hold for a period of 3-4 months.

Financial Review

Total income for 2020 amounted to £3.7m million (2019: £5.2 m). Donations from the Asfari family constitute the principal source of income for the Foundation. Over the years, the family has made substantial donations to the Foundation. The Foundation also receives income from its investments.

Total expenditure on charitable activities for 2020 was £3.4 million (2019: £4.4 m). Of this total, £2.8 million (2019: £3.7 million) was spent on grants awarded across the Foundation's programmes. Support costs to operate the organisation amounted to £0.6 million (2019: £0.7m).

At 2020 year end, the funds of the Foundation were entirely unrestricted and amounted to £15.2million (2019: £16.4 m). During 2020, funds declined by £1.2 million (2019: augmented by £2.0 million) as a surplus of income over expenditure was offset by a net loss on investments.

Reserves Policy

In line with the recommendations of the Charity Commission, the Trustees have a regularly reviewed Reserves policy. This recognises that the income of the Foundation varies year on year and so to enable the Foundation to plan its activities, it is prudent to hold reserves. The policy also recognises that the reserves that represent the fixed assets and the restricted funds of the Foundation are not freely available and thus are to be distinguished from free reserves. In the annual review of the Reserves Policy the Board decided that in the prevailing economic climate it would be prudent to ensure that we have cover for 12 months of expenditure in our reserves. These reserves are held to ensure that the Trust can continue to engage in its charitable work even if adverse economic conditions constrain annual income.

Investment policy and performance

To mitigate financial risk, the Trustees have an investment policy that evolves in line with the strategic goals for the organisation. In the short term, the Foundation's investment objective is growth. Longer term (beyond 10 years), the objective is to provide income to support the Foundation's programme expenditure. The Asfari Foundation's Investment Committee reviews, monitors investments, and provides investment support to the Board.

Over the period of investment, the portfolio has performed well, despite the reduction in market value in 2020. In 2020 the Foundation maintained its investment portfolios with Credit Suisse to give greater diversification of the total investments in accordance with policy. In addition, the Foundation has direct shareholdings in three listed stocks and stakes in a private equity investment.

Public benefit statement

The Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Risk Management

A comprehensive risk register is managed by the Foundation and, for each risk, specific mitigations are put in place. The risk register is regularly reviewed by the CEO, the team and the Trustees to ensure risks are appropriately managed. An Audit and Risk Committee monitors and advises the Board on audit, risks, and policy development. Risks to which the Foundation is exposed to are regularly reviewed, and systems are established to mitigate them.

**ASFARI FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

FOR THE YEAR ENDED 31 DECEMBER 2020

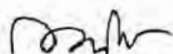
In 2020, the following risks to the Foundation were identified by Trustees and staff, and the following controls were in place for active risk management. The principal risks and countermeasures identified by Trustees include:

- **Business Continuity**
 - Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure.
 - Appropriate and secure cloud backup solutions.
- **Breach of regulations regarding the funding of terrorism, sanctions or facilitating the use of bribes.**
 - Robust policies and procedures to identify risks and mitigation through effective controls.
 - Appropriate vetting procedures documenting all investigations, rationale, and decision-making processes.
 - In-depth understanding of funding requirements and proposed usage of funds.
- **Reputation and Associations**
 - Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations.
 - Careful management of charitable activities.
 - Careful vetting of all partnerships
 - Close monitoring of changes to charitable regulations
 - Ongoing monitoring of media coverage and open-source information.
- **COVID-19 - Implications on business continuity and Foundation impact in the region**
 - Schedule quarterly online meetings with partners; carry out audit spot checks to ensure funds are being spent appropriately; request photo evidence of progress to be uploaded to Grant Management System.
 - Establish robust IT infrastructure including remote / secure file sharing and access to Grant Management System.
 - Ensure staff have appropriate broadband connection to sustain secure connection during working hours while working remotely.
 - Regular catch ups with staff scheduled with senior management to ensure health and wellbeing of staff is not being adversely affected by working from home.

Statement of disclosure to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Mr Ayman Asfari
Chairman

Dated: 28/7/2021

THE ASFARI FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also the directors of The Asfari Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts 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 charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

THE ASFARI FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ASFARI FOUNDATION

Opinion

We have audited the accounts of The Asfari Foundation (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including significant accounting policies. The financial reporting framework 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 December 2020 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 Companies Act 2006.

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 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.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the accounts themselves. 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.

Opinions 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.

Matters on which we are required to report by exception

In the 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.

THE ASFARI FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ASFARI FOUNDATION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 or 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 Trustees either intend to liquidate the charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the accounts that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011 and Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the disclosures in the accounts and determining whether accounting policies have been appropriately applied.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes, correspondence with solicitors, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the accounts even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ASFARI FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ASFARI FOUNDATION

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 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.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

30/7/21.....

THE ASFARI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income and endowments from:</u>			
Donations and legacies	3	3,340,917	4,806,309
Investment income	4	351,790	443,225
Other income	5	12,012	-
Total income		3,704,719	5,249,534
<u>Expenditure on:</u>			
Charitable activities	6	3,418,482	4,410,090
Net gains/(losses) on investments	11	(1,475,713)	1,192,547
Net movement in funds		(1,189,476)	2,031,991
Fund balances at 1 January 2020		16,433,464	14,401,473
Fund balances at 31 December 2020		15,243,988	16,433,464

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

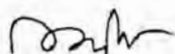
THE ASFARI FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		7,072		12,498
Investments	13		13,878,543		15,077,303
			<u>13,885,615</u>		<u>15,089,801</u>
Current assets					
Debtors	15	717,391		1,042,796	
Cash at bank and in hand		2,663,686		1,262,883	
		<u>3,381,077</u>		<u>2,305,679</u>	
Creditors: amounts falling due within one year	16	<u>(2,022,704)</u>		<u>(962,016)</u>	
Net current assets			1,358,373		1,343,663
Total assets less current liabilities			<u>15,243,988</u>		<u>16,433,464</u>
Income funds					
Unrestricted funds			15,243,988		16,433,464
			<u>15,243,988</u>		<u>16,433,464</u>

The accounts were approved by the board of directors and authorised for issue on 28.07.2021 and are signed on its behalf by:



Mr Ayman Asfari (Chair)
Trustee

Company Registration No. 05938633

THE ASFARI FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19		1,049,013		481,667
Investing activities					
Purchase of tangible fixed assets		-		(194)	
Proceeds on disposal of investment property		-		8,137,358	
Purchase of other investments		-		(8,978,639)	
Investment income		351,790		443,225	
Net cash generated from/(used in) investing activities			351,790		(398,250)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,400,803		83,417
Cash and cash equivalents at beginning of year			1,262,883		1,179,466
Cash and cash equivalents at end of year			2,663,686		1,262,883

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

The Asfari Foundation is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, NW1 3ER.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these accounts are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These accounts are prepared on the going concern basis.

The trustees have considered the effect of the Covid-19 outbreak. The outbreak has caused little disruption to the charity's ability to continue as a going concern to date. The trustees consider it unlikely that a prolonged outbreak will cause significant disruption. Accordingly, at the time of approving the accounts, the trustees have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Property income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Resources expended are recognised in the period to which they relate.

Direct charitable expenditure comprises all the expenditure relating to the activities carried out to achieve the charitable objectives.

Support costs represent costs that cannot be directly attributed to the charitable activities.

Governance costs include the costs of compliance with constitutional and statutory requirements and have been allocated to the charitable activities in the same proportions as support costs.

Staff costs and depreciation have been allocated in full to support costs.

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment	20% Straight Line
Fixtures, fittings & equipment	20% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Grants payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in the Statement of Financial Activities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. No significant accounting estimates or judgements were made in preparing these accounts.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	2,737,981	3,845,103
Gift aid	602,936	961,206
	<u>3,340,917</u>	<u>4,806,309</u>

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investment income

	2020	2019
	£	£
Rental income	4,400	143,130
Fund investment income	111,345	51,521
Listed investment income	233,194	238,857
Interest receivable	2,851	9,717
	<u>351,790</u>	<u>443,225</u>

The listed investment income comprises dividend income from shareholdings in Regional REIT and Royal Dutch Shell.

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other income

	2020 £	2019 £
Other income	12,012	-
	<u>12,012</u>	<u>-</u>

This related to recovery of donation made to Kid's Company which went into administration in 2014.

6 Charitable activities

	Grants to individuals and organisations 2020 £	Grants to individuals and organisations 2019 £
Grant funding of activities (see note 7)	2,771,788	3,735,526
Share of support costs (see note 8)	632,894	662,544
Share of governance costs (see note 8)	13,800	12,020
	<u>3,418,482</u>	<u>4,410,090</u>

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

	2020 £	2019 £
Youth Empowerment	1,055,059	739,554
Civil Society	1,354,042	2,497,626
Relief	165,828	442,424
Cross programme	-	55,922
Strategic learning	196,859	-
	<u>2,771,788</u>	<u>3,735,526</u>

Please see note 21 on page 23 and 24 for detailed analysis of grants payable.

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	356,544	-	356,544	368,864	-	368,864
Depreciation	5,426	-	5,426	4,935	-	4,935
Office costs	118,584	-	118,584	173,291	-	173,291
Other Professional Services	76,418	-	76,418	100,593	-	100,593
Investment management fees	43,130	-	43,130	-	-	-
Finance interest expense	32,792	-	32,792	14,861	-	14,861
Audit fees	-	13,800	13,800	-	12,020	12,020
	<u>632,894</u>	<u>13,800</u>	<u>646,694</u>	<u>662,544</u>	<u>12,020</u>	<u>674,564</u>
Analysed between						
Charitable activities	<u>632,894</u>	<u>13,800</u>	<u>646,694</u>	<u>662,544</u>	<u>12,020</u>	<u>674,564</u>

Total fees for services paid to the auditors over the year were £28,483 (2019: 36,149) and include the following:

Statutory audit	£13,800
Accountancy services	£14,683

9 Trustees

The Trustees do not receive any salary or other benefit except for the reimbursement of actual expenditure incurred in attending Board meetings or field visits. None of the Trustees have been paid any remuneration and other benefits by the charity or by related parties. All six Trustees directly incurred expenses related to travel, training and field visits for Foundation purposes; a total amount of £nil (£2019: £10,778) was incurred by the Foundation.

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The Foundation aims to pay salaries that appropriately recognise and reward the qualifications, experience and responsibilities of its CEO and other employees, while also keeping salaries at a reasonable level compared to similar organisations in the sector. When posts are created, salary research is done with partners in the sector, through specialist agencies and tools. Salaries are adjusted with increased responsibility or a change of position, and occasionally increased in line with inflation.

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Managerial, administrative and programme technical	7	6

Employment costs

	2020 £	2019 £
Wages and salaries	317,111	321,952
Social security costs	30,466	32,491
Other pension costs	8,967	14,421
	356,544	368,864

The key management personnel within the Foundation is the Chief Executive Officer (CEO). The current CEO was the only member of staff who was remunerated within the pay band £90,000 to £99,999 (2019: £70,000 to £79,999). All staff are entitled to several benefits. A key benefit is the Foundation's pension scheme, which matches staff contributions of up to 5% of qualifying earnings. Remuneration paid to key management personnel in 2020 totaled £97,280 (2019: £109,529). This remuneration relates to gross salary paid.

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£70,000 - £79,999	-	1
£90,000 - £99,999	1	-

11 Net gains / (losses) on investments

	2020 £	2019 £
Revaluation of investments	(1,475,713)	1,206,854
Loss on sale of investment properties	-	(14,307)
	(1,475,713)	1,192,547

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Office Equipment	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2020	21,238	5,889	27,127
At 31 December 2020	21,238	5,889	27,127
Depreciation and impairment			
At 1 January 2020	13,451	1,178	14,629
Depreciation charged in the year	4,248	1,178	5,426
At 31 December 2020	17,699	2,356	20,055
Carrying amount			
At 31 December 2020	3,539	3,533	7,072
At 31 December 2019	7,787	4,711	12,498

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

	Managed portfolios £	Listed investments £	Unlisted investments £	Total £
Cost or valuation				
At 1 January 2020	7,051,660	5,627,238	2,398,405	15,077,303
Valuation changes	251,772	(1,397,199)	(330,286)	(1,475,713)
Interest and management charges	(36,516)	-	(39,807)	(76,323)
Income retained in portfolio	53,364	-	299,912	353,276
At 31 December 2020	7,320,280	4,230,039	2,328,224	13,878,543
Carrying amount				
At 31 December 2020	7,320,280	4,230,039	2,328,224	13,878,543
At 31 December 2019	7,051,660	5,627,238	2,398,405	15,077,303

The listed investments consist of £2,519,906 (2019 : £3,457,617) Regional REIT Limited shares, £855,133 (2019 :£1,520,621) Royal Dutch Shell B shares, and £855,000 (2019: £649,000) Smithson Investment Fund shares.

The Foundation also holds investments worth £7,320,280 (2019: 7,051,660) in two Credit Suisse managed investment portfolios. In addition, the Foundation has unlisted investments including Jermyn Street Educational Real Estate Fund now valued at £2,220,153 (2019: £2,253,242).

14 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	13,878,543	15,077,303

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Gift aid receivable	602,936	961,275
Other debtors	14,172	14,912
Prepayments and accrued income	100,283	66,609
	717,391	1,042,796

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	1,558	1,610
Grants payable	2,006,362	932,536
Trade creditors	339	12,295
Other creditors	429	-
Accruals and deferred income	14,016	15,575
	<u>2,022,704</u>	<u>962,016</u>

Grants payable relates to grants committed in furtherance of the charity's objectives that are expected to be made within twelve months. Due to COVID-19, some activities are being modified which may delay some payments.

17 Operating lease commitments

At the year end date the charity had outstanding commitments for future minimum lease payments under operating leases, which fall due as follows:

	2020 £	2019 as restated £
Within one year	39,500	39,500
Between two and five years	117,745	157,245
	<u>157,245</u>	<u>196,745</u>

The operating lease relates to the rental of the Foundation's office over a period of 10 years. The total lease payment recognised as an expense in the year totalled £39,500 (2019: £39,500).

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Related party transactions

Ayman Asfari is on the panel of senior advisors of Chatham House. No grants were funded in 2020.

Marwan Muasher is the Vice President for Studies at Carnegie Endowment for International Peace (Carnegie). In June 2015, Carnegie was awarded a grant by the Asfari Foundation of \$1m over 3 years. In 2020 the Foundation donated \$146,400 (2019: \$120,000).

Ayman Asfari is a member of the Board of Trustees of Carnegie Endowment for International Peace.

Ayman Asfari and Marwan Muasher are Board members of the American University of Beirut to whom the Asfari Foundation donated \$nil in 2020 (2019: \$1,597,722).

Sawsan Asfari is a General Member of The Welfare Association. The Foundation donated £Nil in 2020 (2019: £10,000). Sawsan Asfari is also the Co-Founder and Director of the Galilee Foundation to whom the Asfari Foundation donated £75,000 in 2020 (2019: £75,000).

Rasha Elmasry is a Board Member at the Karam Foundation to whom the Foundation donated £Nil (2019: £20,000).

All grants and donations made by the Asfari Foundation are independently agreed by the Board of Trustees at the Foundation's Board meeting. Trustees with conflicts of interest declare these in advance and do not participate in related decision making. When a decision is required in relation to programmes or funding associated with organisations that receive funding from the Asfari Foundation, the relevant Trustee abstains from voting.

The total amount of donations given by the trustees to The Asfari Foundation in the year was £2,737,981 (2019: £3,845,103).

19	Cash generated from operations	2020 £	2019 £
	(Deficit)/surplus for the year	(1,189,476)	2,031,991
	Adjustments for:		
	Investment income recognised in statement of financial activities	(351,790)	(443,225)
	(Gain)/loss on disposal of investment property	-	14,307
	Fair value (gains) and losses on investments	1,475,713	(1,206,854)
	Depreciation and impairment of tangible fixed assets	5,426	4,935
	Interest and management charges paid from portfolio	76,323	22,500
	Income retained in portfolio	(353,276)	-
	Movements in working capital:		
	Decrease in debtors	325,405	114,497
	Increase/(decrease) in creditors	1,060,688	(56,484)
	Cash generated from operations	1,049,013	481,667

20 Analysis of changes in net funds

The charity had no debt during the year.

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 List of 2020 Grants by Programme / Organisation / Country

	Grant Location	2020 £	2019 £
Youth Empowerment			
Al-Fanar	Lebanon	75,000	75,000
Al-Nayzak	Palestine	75,000	72,980
Basma and Zeitooneh	Lebanon	75,000	73,511
Challenge to Change	Switzerland	10,000	-
ChangeLabs/Changemakers	Lebanon	30,000	-
Fondation Diane	Lebanon	75,000	-
Galilee Foundation	UK	75,000	75,000
Gaza Sky Geeks	UK	75,000	75,000
Pitchworthy	Lebanon	190,059	75,000
ShareQ	Lebanon	75,000	72,136
United Lebanon Youth Project	Lebanon	75,000	73,382
Year Here	UK	75,000	75,000
Yes Theatre	Palestine	75,000	72,544
YMCA	Lebanon	75,000	-
		1,055,059	739,554
		2020 £	2019 £
Civil society			
Al-Jumhuriya	Turkey	75,000	75,931
Al Share Media	Canada	7,000	-
Atlantic Council of the United States	USA	-	37,736
Badael	Germany	75,000	72,545
CanDo	UK	75,000	75,000
Dawlaty	Brussels	75,000	71,629
Enab Baladi	Turkey	75,000	72,136
Hands Up Foundation	UK	75,000	75,000
Lebanon Support	Lebanon	7,000	-
Masar	Lebanon	37,500	-
Megaphone	Lebanon	37,500	-
Nahnou	Lebanon	75,000	72,058
Roia	Netherlands	7,000	-
Syrian Centre for Legal Studies and Research	Germany	75,000	73,045
Syrian Centre for Media and Freedom of Expression	France	75,000	79,255
Syrian Centre for Policy Research	Lebanon	75,000	72,136
Syrian Archive	Germany	75,000	-
The Asfari Institute for Civil Society & Citizenship at AUB	Lebanon	283,042	1,662,514
The Syria Campaign	USA	75,000	72,927
Women Now	France	75,000	-
Other			-14,288
		1,354,042	2,497,626

THE ASFARI FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 £	2019 £
Strategic Learning and Engagement			
Carnegie Endowment for International Peace	USA	21,352	-
Citizens Build a Community	Israel	7,000	-
Global Health Institute at the American University of Beirut	Lebanon	84,087	-
Hakini	Palestine	7,000	-
Hands Up Foundation	UK	7,000	-
Humanitarian Leadership Academy	UK	30,261	-
IDRAAC	Lebanon	7,000	-
RiyadA	Lebanon	7,000	-
ShareQ	Lebanon	7,000	-
Technovatio	UK	18,000	-
Other		1,159	-
		196,859	-
		2020 £	2019 £
Cross Programmes			
SRM Intelligence and Risk Consulting	UK	-	200
Technovatio	UK	-	45,000
Other	UK	-	10,722
		-	55,922
		2020 £	2019 £
Relief			
Al Quds Foundation for Medical Schools in Palestine	Palestine	6,250	-
Black Pearl	USA	-	31,000
Good Chance Theatre	UK	20,000	-
International Medical Education Trust	UK	-	20,000
Jusoor	USA	50,000	-
Karam Foundation	Turkey	-	20,000
Maram Foundation	Lebanon	-	54,000
Medical Aid for Palestinians	UK	-	53,000
Syrian Civil Defence	USA	-	77,349
The American University of Beirut	Lebanon	50,601	121,833
The Syria Campaign	USA	-	42,280
Welfare Association	UK	-	10,000
Other		38,977	12,962
		165,828	442,424
Total Grants			
		2,771,788	3,735,526