

**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

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**FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

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**FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

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**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

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**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**

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**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**

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**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   | <ul style="list-style-type: none"><li>• Appointment of a reputable and experienced IT provider to ensure connectivity within a timely manner following an IT failure.</li><li>• Appropriate and secure cloud backup solutions.</li></ul>  |
| Breach of regulations notably the funding of terrorism, sanctions imposed upon countries, entities or individuals or paying or facilitating the use of bribes | <ul style="list-style-type: none"><li>• Periodic training for all employees.</li><li>• Robust policies and procedures to identify risks and mitigation through effective controls.</li><li>• Appropriate vetting procedures documenting all investigations, rationale, and decision-making process.</li><li>• In-depth understanding of funding requirements and proposed usage of funds.</li></ul>   |
| Reputation and Associations   | <ul style="list-style-type: none"><li>• Operations are restricted / prohibited because of its reputation and associations.</li><li>• Transparency of internal framework in which the Foundation operates in accordance with all regulatory obligations.</li><li>• Careful management of charitable activities including board oversight.</li><li>• Careful vetting of all partnerships.</li><li>• Close monitoring of changes to charitable regulations.</li><li>• Ongoing monitoring of media coverage and opensource information.</li></ul> |

**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.

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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

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

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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

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

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**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.

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

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**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**

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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.

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**(A Company Limited by Guarantee)**

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

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**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<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|--|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                                |      |                                    |                                  |                             |                             |
| Donations  | 4    | 7,816,068                          | 14,703                           | 7,830,771                   | 2,731,352                   |
| Investments  | 5    | 273,946                            | -                                | 273,946                     | 298,010                     |
| <b>Total income</b>                                |      | <b>8,090,014</b>                   | <b>14,703</b>                    | <b>8,104,717</b>            | <b>3,029,362</b>            |
| <b>Expenditure on:</b>                             |      |                                    |                                  |                             |                             |
| 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                   |
| <b>Total expenditure</b>                           |      | <b>3,090,516</b>                   | <b>14,703</b>                    | <b>3,105,219</b>            | <b>3,098,384</b>            |
| Revaluation of investments                         | 12   | (3,069,862)                        | -                                | (3,069,862)                 | 1,113,518                   |
| <b>Net movement in funds</b>                       |      | <b>1,929,636</b>                   | <b>-</b>                         | <b>1,929,636</b>            | <b>1,044,496</b>            |
| <b>Reconciliation of funds:</b>                    |      |                                    |                                  |                             |                             |
| 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                   |
| <b>Total funds carried forward</b>                 |      | <b>18,218,120</b>                  | <b>-</b>                         | <b>18,218,120</b>           | <b>16,288,484</b>           |

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<br>£        | 2022<br>£                | 2021<br>£        | 2021<br>£                |
|--|------|------------------|--------------------------|------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                  |                          |                  |                          |
| 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>        |
| <b>Current assets</b>                          |      |                  |                          |                  |                          |
| 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)      |                          |
| <b>Net current assets</b>                      |      |                  | <u>1,395,905</u>         |                  | <u>1,255,508</u>         |
| <b>Total net assets</b>                        |      |                  | <u><u>18,218,120</u></u> |                  | <u><u>16,288,484</u></u> |
| <b>Charity funds</b>                           |      |                  |                          |                  |                          |
| Restricted funds                               | 15   |                  | -                        |                  | -                        |
| Unrestricted funds                             | 15   |                  | 18,218,120               |                  | 16,288,484               |
| <b>Total funds</b>                             |      |                  | <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**

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

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

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**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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**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**

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**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**

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**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**

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**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**

|                     | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Restricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|---------------------|--|--|---------------------------------------|
| Donations and gifts | 7,293,711                                    | 14,703                                     | <b>7,308,414</b>                      |
| Gift aid            | 522,357                                      | -  | <b>522,357</b>                        |
|                     | <u>7,816,068</u>                             | <u>14,703</u>                              | <u><b>7,830,771</b></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<br/>funds<br/>2021<br/>£</i> | <i>Restricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</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**

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

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6. Expenditure on raising funds

|                            | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> | <b>Total<br/>funds<br/>2022<br/>£</b> |
|----------------------------|--|---------------------------------------|
| Investment management fees | 35,149                                       | <b>35,149</b>                         |

|                            | <i>Unrestricted<br/>funds<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</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**

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

|   | <i>Grant<br/>funding of<br/>activities<br/>2021<br/>£</i> | <i>Support<br/>costs<br/>2021<br/>£</i> | <i>Total<br/>funds<br/>2021<br/>£</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                               |
|   | <b>2,611,237</b>  | <b>440,358</b>                          | <b>3,051,595</b>                      |

Please see Note 22 for detailed analysis of grants payable.

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**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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**7. Analysis of expenditure on charitable activities (continued)**

**Analysis of support costs**

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

**8. Governance costs**

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

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**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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**9. Staff costs**

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

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

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>No.</b>  | <b>No.</b>  |
| Managerial, administrative and programme technical | <b>6</b>    | 7           |

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

|                                 | <b>2022</b> | <b>2021</b> |
|---------------------------------|-------------|-------------|
|                                 | <b>No.</b>  | <b>No.</b>  |
| In the band £60,001 - £70,000   | <b>1</b>    | 1           |
| In the band £90,001 - £100,000  | <b>1</b>    | 1           |
| In the band £100,001 - £110,000 | <b>1</b>    | -           |

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).

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**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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**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,<br>fittings &<br>equipment<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|--------------------------|---|--------------------------|------------|
| <b>Cost or valuation</b> |   |                          |            |
| 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     |
| <b>Depreciation</b>      |   |                          |            |
| 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      |
| <b>Net book value</b>    |   |                          |            |
| 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<br>investments<br>£ | Unlisted<br>investments<br>£ | Total<br>£        |
|---|----------------------------|------------------------------|-------------------|
| <b>Cost or valuation</b>                            |                            |                              |                   |
| 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> |
| <b>Net book value</b>                               |                            |                              |                   |
| 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> |

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**THE ASFARI FOUNDATION**  
**(A Company Limited by Guarantee)**

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

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**13. Debtors: Amounts falling due within one year**

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

**14. Creditors: Amounts falling due within one year**

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

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**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Statement of funds**

**Statement of funds - current year**

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

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



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

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

**17. Analysis of cash and cash equivalents**

|  | 2022<br>£        | 2021<br>£ |
|--|------------------|-----------|
| Cash in hand                           | <b>1,804,180</b> | 1,865,037 |
| <b>Total cash and cash equivalents</b> | <b>1,804,180</b> | 1,865,037 |

**18. Analysis of changes in net debt**

|                          | At 1<br>January<br>2022<br>£ | Cash flows<br>£ | At 31<br>December<br>2022<br>£ |
|--------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | <b>1,865,037</b>             | <b>(60,857)</b> | <b>1,804,180</b>               |
|                          | <b>1,865,037</b>             | <b>(60,857)</b> | <b>1,804,180</b>               |

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

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

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**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:

|  | <b>2022</b><br>£ | <b>2021</b><br>£ |
|--|------------------|------------------|
| Not later than 1 year                        | <b>39,500</b>    | 39,500           |
| Later than 1 year and not later than 5 years | <b>38,745</b>    | 78,245           |
|  | <b>78,245</b>    | <b>117,745</b>   |

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

|                         | <b>2022</b><br>£ | <b>2021</b><br>£ |
|-------------------------|------------------|------------------|
| Operating lease rentals | <b>39,500</b>    | 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**

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**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<br>£        | 2021<br>£        |
|---|----------------|------------------|------------------|
| <b>Youth Empowerment</b>  |                |                  |                  |
| 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           |
|   |                | <b>1,115,980</b> | <b>1,367,836</b> |
| <b>Civil society</b>  |                | <b>£</b>         | <b>£</b>         |
| 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            | -                |
|   |                | <b>836,050</b>   | <b>912,380</b>   |

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

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

| <b>Strategic Learning and Engagement</b>                            |             | <b>£</b>         | <b>£</b>         |
|---|-------------|------------------|------------------|
| 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           |
|   |             | <b>322,064</b>   | <b>237,769</b>   |
| <b>Relief</b>   |             | <b>£</b>         | <b>£</b>         |
| 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           |
|   |             | <b>121,678</b>   | <b>93,252</b>    |
| <b>Total Grants</b>   |             | <b>2,395,772</b> | <b>2,611,237</b> |