

CFR (UK)
(A company limited by guarantee)

Report and financial statements

31 December 2020

Company number 06267939

Registered Charity number 1119999

COMPANY INFORMATION

Reference and administrative information

| | |
|-------------------------------|--|
| Trustees and Directors | Mansoor Esmail Nadia Bhimji Sikin Velji |
| Company Secretary | Almas Mithani |
| Registered office | Quadrant House – Floor 6 4 Thomas More Square London E1W 1YW |
| Company number | 06267939 |
| Charity number | 1119999 |
| Auditors | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW |
| Bankers | Lloyds TSB Bank Plc Pall Mall St James's Branch 8-10 Waterloo Place London SW1Y 4BE |
| Legal advisors | Stone King LLP 13 Queen Square Bath BA1 2HJ |

CFR (UK)

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Report of the Trustees | 3 - 7 |
| Independent auditors' report | 8 - 11 |
| Statement of financial activities | 12 |
| Balance sheet | 13 |
| Cash flow statement | 14 |
| Notes to the financial statements | 15 - 20 |

CFR (UK)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are pleased to present the Annual Report and financial statements of CFR (UK) for the year ended 31 December 2020.

About CFR (UK)

CFR (UK) has the aim of contributing to the quality of life of the members of the Shia Imami Ismaili Muslim Community (the 'Community') through its events and programmes.

The charity's objectives reflect this aim and are set out below:

- To advance the Shia Imami Ismaili Muslim faith and tradition, in particular but not exclusively by holding religious gatherings and commemorative festivals and disseminating information.
- To advance education in the history and culture of the Community.
- To promote the mental, spiritual, moral and physical development and improvement of members of the Community for the public benefit and to provide opportunities for them to develop their full capacities and enable them to become responsible members of society.
- To relieve the needs of the members of the Community.
- To advance such exclusively charitable purposes as the Trustees shall decide.

The Trustees have complied with their duty to have regard to the public benefit guidance issued by the Charity Commission. The programmes and activities of the charity take into account the Commission's public benefit criteria.

The Covid impact

On 23 March 2020, the UK went into lockdown in a national effort to reduce the spread of the Covid-19 coronavirus. During 2020 and into 2021, the UK has been in varying degrees of lockdown, which has resulted in the cancellation of the majority of programmes and activities due to be supported by the charity.

Nevertheless, CFR (UK) has continued to support new programmes and alternative ways of delivering programmes to the Community, provided they have met the charity's objectives. Throughout this time, the health, safety and wellbeing of the charity's volunteers and beneficiaries have been paramount and front of mind for the Trustees.

The programmes and activities supported in 2020 by CFR (UK) in pursuance of its charitable aims are described below in more detail.

Achievements and Performance in 2020

Applications for grant-funding and programme adoptions are assessed on a case-by-case basis using a number of criteria. These include the objectives of the programme and accessibility of the programme to marginalised and vulnerable members of the Community, taking into particular consideration the impact of the pandemic and lockdown periods.

In 2020, the charity supported the following programmes:

- Prior to lockdown, in February 2020, the Ismaili Community Ensemble performed a concert at The Ismaili Centre entitled '*People Planet Purpose- Starting with me*'. Inspired by the theme of caring for the environment and a kinder humanity, 30 musicians aged 11 years to over 60 years, were involved in the creative process of the music, culminating in the original compositions performed. The programme nurtures musical expression and creativity, and engenders confidence and skills associated with shared responsibility and working as a team.

CFR (UK)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

- The publication of the Information Leaflet before the first lockdown in March 2020. The Information Leaflet served to provide members from all sections of the Community with information on Community events and programmes.
- Set up in direct response to the pandemic, “Reflections” is a ‘dial-in’ telephone service, the purpose of which is to enable vulnerable and elderly members of the Community with limited access to online platforms to access programmes and information and stay connected with the Community. Programmes and information are delivered in English, Gujarati, Farsi and Arabic. This service has helped several isolated members of the Community to cope better with anxiety and loneliness during this difficult year.
- Continued support aimed at improving the quality of life of disadvantaged members of the Community with complex, multifaceted needs. Marginalised members are encouraged to reach their full potential by signposting them to relevant support mechanisms and agencies. Guidance is given on a range of issues including housing, education, physical and mental health.

Volunteers

This year more than ever, our volunteers are central to the operations of CFR (UK). They donate their time and knowledge to all aspects of the charity’s activities. The charity greatly appreciates the valuable contribution made by all the volunteers, and has been particularly grateful for the creativity, time and effort given by all its volunteers during the pandemic.

The financial value of the contribution made by the charity’s volunteers has neither been calculated nor included in the financial statements as it is difficult to quantify in monetary terms.

Future Plans

The Covid-19 pandemic has resulted in the number of programmes in 2021 also being put on hold although, wherever possible, these programmes have moved from face-to-face activity to online initiatives. While Government restrictions have lifted in the latter half of 2021, the Trustees will nevertheless remain cautious with the re-introduction of in-person programmes to ensure that no volunteer or participant is subject to unnecessary health and safety risks.

The pandemic has exacerbated challenges across all age groups in the Community, especially in the vulnerable and marginalised sections. Issues include disrupted education, loneliness, financial hardship, mental illness and a detrimental impact on wellbeing. We plan to extend our support in 2021 to those members of the Community most in need by funding programmes which focus on information dissemination, mentoring and health and wellbeing.

The Trustees are also keen to support diversity and inclusion (D&I) initiatives and will consider any applications for funding where D&I is a particular focus.

The Trustees are grateful for the ongoing donations from regular donors, who have continued to support the charity during the pandemic. The Trustees do not envisage undertaking additional fundraising in 2021.

Financial Review

A summary of the result of CFR (UK)'s activities during 2020 is given in the Statement of Financial Activities on page 12. The comparative figures below relate to the year 1 January 2019 to 31 December 2019.

CFR (UK)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The income from donations and income generated from activities of CFR (UK) were sufficient to carry out the planned programmes and events during the year. The total income of the charity amounted to £181,724 (2019: £365,093), which included income from donations of £178,672 (2019: £153,985) and income from charitable activities of £3,052 (2019: £208,887).

Governance costs of £13,740 (2019: £15,157) consisted of audit, legal and professional fees and administrative expenses. These costs were approved by the Trustees. CFR (UK) does not incur any employment costs as all of the charity's programmes and activities are delivered by volunteers.

The total funds at 31 December 2020 were £590,432 (2019: £483,722), all of which were unrestricted funds. In the Trustees' opinion, there are adequate assets available to fulfil the obligations of CFR(UK) in 2021.

The charity has no long-term investments.

Risk Management

Principal risks in the key areas of CFR (UK)'s operations are reviewed and assessed by the Trustees on an ongoing basis, with particular focus having been placed on the impact of the pandemic. The principal risks include:

- the health and safety risks associated with the gradual easing of Government restrictions and the return to normal activity and social interaction; and
- the economic impact of the pandemic and its associated risk on future voluntary donations and costs of programme delivery.

The Trustees are satisfied that appropriate systems are in place to manage and mitigate the risks identified.

Reserves Policy

The Trustees have reviewed the reserves of the charity, having regard to the power in the Memorandum and Articles of Association of the charity to set aside funds as reserves for future expenditure.

The charity held total reserves of £590,432 (2019 £483,722) all of which were unrestricted funds. In the opinion of the Trustees, there are adequate assets available to fulfil the routine obligations of CFR(UK) in 2021.

Structure, Governance and Management

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and financial statements for each financial year in accordance with the law applicable to charities in England & Wales. They have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the United Kingdom Accounting Standards (specifically, the United Kingdom Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The Annual Report and financial statements also comply with the Companies Act 2006.

CFR (UK)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Company law requires the directors, who are referred to here as the Trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and 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.

Legal status and Governing document

CFR (UK) is a charitable company limited by guarantee, incorporated in England & Wales on 4 June 2007 and registered as a charity on 10 July 2007. The objects and powers of the company were established in its Memorandum of Association and are governed by its Articles of Association.

The charity commenced operation on the date of incorporation. The directors of the charitable company are its Trustees for the purposes of charity law.

Organisational structure

The Trustees are responsible for the general control and management of the charity, for setting the overall strategy of the charity, as well as its policies and priorities. They are also responsible for reviewing and authorising requests for grants and adoption of programmes. The Trustees give their time on a voluntary basis and receive no remuneration or other financial benefits.

The Trustees meet as required to manage and guide the day-to-day running of CFR (UK). The Trustees are assisted by a number of professionals, many of whom give of their time and expertise on a voluntary basis.

The Trustees who held office during the financial year and the Trustees who hold office as at the date of this report are set out on page 1. The Trustees are appointed in accordance with the rules set out in the Articles of Association.

No new Trustees were appointed during the year.

Interests of the Trustees

None of the Trustees had, at any time during the financial year, any interests in CFR (UK) that are required to be disclosed in this report.

CFR (UK)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Auditors

The auditors, UHY Hacker Young, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Statement of disclosure to Auditor

So far as the trustees are aware:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' report was signed and authorised on behalf of the Board of Trustees on ^{22 SEPTEMBER}
2021 by:



Mansoor Esmail

Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CFR (UK)

Opinion on financial statements

We have audited the financial statements of CFR (UK) for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, 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 financial statements:

- 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, 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 statement 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 AUDITORS' REPORT TO THE TRUSTEES OF CFR (UK)

Other information

The other information comprises the information included in the annual report, including the Trustees' report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 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 where 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 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' exemption 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 set out on pages 5 - 6, 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 AUDITORS' REPORT
TO THE TRUSTEES OF CFR (UK)**

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

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charitable company's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CFR (UK)**

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 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.



.....
Colin Wright (Senior Statutory Auditor)
For and behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

24/9/2021

CFR (UK)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING SUMMARY OF INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

| Incoming Resources | Notes | 2020 Unrestricted funds £ | 2020 Total Funds £ | 2019 Total funds £ |
|---|-------|------------------------------------|-----------------------------|-----------------------------|
| <i>Incoming resources from generated funds:</i> | | | | |
| Voluntary income – donations | 6 | 178,672 | 178,672 | 153,985 |
| Activity generated income – sale of cultural & memorabilia items | 7 | - | - | 2,152 |
| | | <u>178,672</u> | <u>178,672</u> | <u>156,137</u> |
| <i>Incoming resources from charitable activities:</i> | | | | |
| Income from various programme activities in furtherance of the objects of the charity | | 3,052 | 3,052 | 208,887 |
| <i>Other income</i> | | - | - | 69 |
| Total incoming resources | | <u>181,724</u> | <u>181,724</u> | <u>365,093</u> |
| Resources Expended | | | | |
| <i>Costs of generating funds:</i> | | | | |
| Costs of cultural and memorabilia items | | - | - | (35) |
| <i>Charitable activities:</i> | | | | |
| Costs of various programme activities in furtherance of the objects of the charity | 8 | (61,274) | (61,274) | (495,982) |
| Governance costs | 8 | (13,740) | (13,740) | (15,157) |
| | | <u>(75,014)</u> | <u>(75,014)</u> | <u>(511,139)</u> |
| Total resources expended | | <u>(75,014)</u> | <u>(75,014)</u> | <u>(511,174)</u> |
| Net surplus/(deficit) for the year | | 106,710 | 106,710 | (146,081) |
| Total Funds brought forward | | 483,722 | 483,722 | 629,803 |
| Total Funds carried forward | | <u><u>590,432</u></u> | <u><u>590,432</u></u> | <u><u>483,722</u></u> |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included in the above.

The notes on pages 15 to 20 form part of these financial statements.

CFR (UK)**BALANCE SHEET
AS AT 31 DECEMBER 2020**

| | Notes | £ | 2020 £ | £ | 2019 £ |
|---|-------|----------------|----------------|----------------|----------------|
| Current assets | | | | | |
| Debtors | 11 | 6,419 | | 8,518 | |
| Cash at bank and in hand | | 599,756 | | 504,134 | |
| | | <u>606,175</u> | | <u>512,652</u> | |
| Creditors: amounts falling due within one year | 12 | (15,743) | | (28,930) | |
| Net current assets | | | 590,432 | | 483,722 |
| Net assets | | | <u>590,432</u> | | <u>483,722</u> |
| Funds | | | | | |
| Unrestricted funds | 15 | | 590,432 | | 483,722 |
| Total unrestricted funds | | | <u>590,432</u> | | <u>483,722</u> |

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

The financial statements on pages 12 to 20 were approved by the Board of Trustees on 22 September 2021 and were signed on its behalf by:



Mansoor Esmail
Trustee



Nadia Bhimji
Trustee

Company Registration number: 06267939

CFR (UK)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|-------------|-------------|
| Cash flows from operating activities | | | |
| Net cash from/(used in) operating activities | 14 | 95,622 | (151,644) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the year | | 95,622 | (151,644) |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the beginning of the year | | 504,134 | 655,778 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year | | 599,756 | 504,134 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 15 to 20 form part of these financial statements.

CFR (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Statutory information

CFR (UK) is a company limited by guarantee, domiciled in England and Wales, registration number 06267939. The registered office is Quadrant House Floor 6, 4 Thomas More Square, London E1W 1YW.

2. Accounting policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

These accounts have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), 'Accounting and Reporting by Charities' the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

CFR (UK) 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 notes.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

As part of the going concern review, and particularly in the light of the Covid-19 pandemic, the cash flows of the charity are being carefully monitored. The Trustees are confident the charity has adequate reserves and that there are no material uncertainties about the charity's ability to continue as a going concern for the foreseeable future.

2.3 Funds

General funds are unrestricted funds 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. There are no designated funds and no restricted funds.

2.4 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date or at a contracted rate, if applicable. Exchange gains or losses are included in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2.5 Incoming resources

Voluntary income, comprising donations, provides core funding and is of general nature. This is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income from sale of cultural and memorabilia items is recognised as earned when the related goods and services are provided. VAT is accounted for on the standard rated activities including sales of memorabilia and books. All such income in the financial statements is net of VAT. Investment income is recognised on a receivable basis.

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contributions made by volunteers can be found in the Trustees' Report.

2.6 Resources expended

Expenditure is recognised on an accruals basis as liability is incurred.

Charitable income and expenditure is allocated to the respective activities and any shortfall is funded from unrestricted funds.

Costs of generating funds are those costs associated with the printing and sale of cultural and memorabilia items. Programme costs comprise those costs incurred by the charity in the delivery of its activities, including both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants awarded are charged in the year when formally awarded by the Trustees and communicated to the recipient, irrespective of the period covered by the donation, as they are regarded by the Trustees as financial obligations.

2.7 Financial instruments

The charity only has basic financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. 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.

The trustees do not consider there to be any estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities in the financial statements.

CFR (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4. Emoluments to the Trustees

No emoluments were paid to the Trustees. The Trustees did not claim, nor receive, reimbursement of expenses incurred by them in the course of their duties.

5. Employee information

There were no employees (2019: nil) and there are no costs related to this.

6. Voluntary income

| | Unrestricted funds 2020 £ | Unrestricted funds 2019 £ |
|------------------------|------------------------------------|------------------------------------|
| Donations and Gift Aid | 178,672 | 153,985 |

7. Income from sale of cultural and memorabilia items:

| | 2020 £ | 2019 £ |
|----------------------|-----------|-----------|
| Sales of memorabilia | - | 2,152 |

8. Programme activities

The costs of various programme activities of the charity can be summarised in the following thematic areas:

| 31 December 2020 | | Faith and tradition | Community development | Raising awareness | Total 2020 | Total 2019 |
|-----------------------|-----|---------------------------|--------------------------|----------------------|---------------|---------------|
| Note | £ | £ | £ | £ | £ | £ |
| Direct costs | 8.a | - | (58,695) | (2,579) | (61,274) | (495,982) |
| Governance costs | 8.b | - | (13,053) | (687) | (13,740) | (15,157) |
| Total costs allocated | | - | (71,748) | (3,266) | (75,014) | (511,139) |

| 31 December 2019 | | Faith and tradition | Community development | Raising awareness | Total 2019 | Total 2018 |
|-----------------------|-----|---------------------------|--------------------------|----------------------|---------------|---------------|
| Note | £ | £ | £ | £ | £ | £ |
| Direct costs | 8.a | (68,008) | (399,717) | (28,257) | (495,982) | (4,756,065) |
| Governance costs | 8.b | (2,078) | (12,215) | (864) | (15,157) | (18,218) |
| Total costs allocated | | (70,086) | (411,932) | (29,121) | (511,139) | (4,774,283) |

CFR (UK)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

| 8.a Analysis of direct costs | Note | 2020 | 2019 |
|--|-------------|---------------|----------------|
| | | £ | £ |
| Grants awarded | 9 | 54,520 | 135,677 |
| Venue costs | | - | 247,240 |
| Printing, postage, stationery and literature | | - | 15,630 |
| Programme support costs | | 6,754 | 97,435 |
| Total direct costs | | 61,274 | 495,982 |
| | | ===== | ===== |
| 8.b Analysis of governance costs | | 2020 | 2019 |
| | | £ | £ |
| Administration, professional and legal costs | | 8,240 | 9,157 |
| Auditors' remuneration | | 5,500 | 6,000 |
| Total governance costs | | 13,740 | 15,157 |
| | | ===== | ===== |

Direct costs have been incurred in furthering the objects of the charity in the following thematic areas: (1) Faith and traditions; (2) Community development; and (3) Raising awareness and are allocated on a percentage basis of the total direct costs associated with the activity.

9. Grants awarded

| | | |
|--|---------------|----------------|
| | 2020 | 2019 |
| | £ | £ |
| Regular grants awarded to institutions | 54,520 | 135,677 |
| Total awarded to institutions | 54,520 | 135,677 |
| | ===== | ===== |

10. Net incoming resources

The net incoming resources are stated after charging the following costs:

| | | |
|------------------------|-------------|-------------|
| | 2020 | 2019 |
| | £ | £ |
| Auditors' remuneration | 5,500 | 6,000 |
| | ===== | ===== |

CFR (UK)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****11. Debtors**

| | 2020 | 2019 |
|----------------------|--------------|--------------|
| | £ | £ |
| Gift Aid recoverable | 5,606 | 5,514 |
| Other debtors | 378 | 378 |
| Prepayments | - | 1,800 |
| VAT refundable | 435 | 826 |
| | <u>6,419</u> | <u>8,518</u> |

12. Creditors

| | 2020 | 2019 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade creditors | - | 725 |
| Grants payable | 2,246 | 14,460 |
| Accruals | 13,497 | 13,745 |
| | <u>15,743</u> | <u>28,930</u> |

13. Taxation

The company is a registered charity and is not liable to corporation tax on its charitable activities. Gift aid donations are reclaimed by the company.

14. Reconciliation of net movement in resources to net cash inflow from operating activities

| | 2020 | 2019 |
|--|---------------|------------------|
| | £ | £ |
| Net surplus/(deficit) for year | 106,710 | (146,081) |
| Decrease in debtors | 2,099 | 38,044 |
| Decrease in creditors | (13,187) | (43,607) |
| Net cash from/(used in) operating activities | <u>95,622</u> | <u>(151,644)</u> |

CFR (UK)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020****15. Reconciliation of unrestricted funds**

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Balance as at 1 January | 483,722 | 629,803 |
| Net movement in resources for the year | 106,710 | (146,081) |
| Balance as at 31 December | <u>590,432</u> | <u>483,722</u> |
| Represented by: | 2020 | 2019 |
| | £ | £ |
| Current assets | 606,175 | 512,652 |
| Current liabilities | (15,743) | (28,930) |
| | <u>590,432</u> | <u>483,722</u> |

16. Related party transactions

During the reporting year, Mansoor Esmail, Trustee of the charity, was also a member of the Ismaili Council for the UK ("the Council"). The Council has 20 members in total.

During the year, grants of £54,520 (2019: £135,677) were awarded to the Council for programmes where the Trustees have been satisfied that these were in keeping with the charity's objectives.