

**Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 December 2022**

AL KAWTHAR FOUNDATION

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AL KAWTHAR FOUNDATION

Report of the Trustees for the Year Ended 31 December 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Deed of Trust dated 23 December 2009 and as amended by the Deed of Variation dated 15 February 2010, outlines the objects of the charity to be:

- a) The relief of poverty, sickness and distress by providing such services and facilities as are necessary including food, Clothing and medical supplies;
- b) To advance the Islamic religion in accordance with the "Shia" school of thought by such means as the Trustees in their absolute discretion determine;
- c) To advance education by providing grants and such items, services and facilities as required particularly, but not exclusively for the benefit of young people.

Grantmaking

During the period, a total of £203,510 (2020 - £203,510) was granted to various UK Registered Charities in connection with educational and poverty relief and other humanitarian causes.

ACHIEVEMENT AND PERFORMANCE

Investment performance

The charity continued to rent out the property at Prospect House, 50 Leigh Road, Eastleigh for an annual rent of £12,000 for 50% of the property. However, the property was sold during the last quarter of the year.

FINANCIAL REVIEW

Financial position

The charity continues to benefit from voluntary donations without the need for actively sourcing these or making appeals.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1134628

Report of the Trustees for the Year Ended 31 December 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Principal address

Prospect House
50 Leigh Road
Eastleigh
Hampshire
SO50 9DT

Trustees

Mr Shabbirali Mohamed Husein Walji FCA
Mrs Nurjehan Shabbirali Walji
Mr Rizwan Shafiq Walji ACCA
Mr Rezahussein Mahmood Hooda FCA CTA

Independent examiner

Mrs Tracy Modha MAAT
Merrifield
Oakhill
Bursledon
Southampton
Hampshire
SO31 8AS

Approved by order of the board of trustees on 21st September 2023 and signed on its behalf by:

.....
Shabbirali Mohamed Husein Walji FCA – Trustee

Independent Examiner's Report to the Trustees of Al-Kawthar Foundation

I report on the accounts for the year ended 31 December 2022 set out on pages five to twelve.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

The charity's trustees consider that an audit is not required for this year under Section 144 of the Act and that an independent examination is required.

It is my responsibility to:

- examine the accounts under Section 145 of the Charities Act
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mrs Tracy Modha MAAT
Merrifield
Oakhill
Bursledon
Southampton
Hampshire
SO31 8AS

Date: 21st September 2023

AL KAWTHAR FOUNDATION

Statement of Financial Activities for the Year Ended 31 December 2022

		31.12.22 Unrestricted funds £	31.12.21 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		130,300	64,000
Investment income	2	<u>9,167</u>	<u>10,000</u>
Total		139,467	74,000
EXPENDITURE ON			
Charitable activities			
The Lady Fatemah (as) Charitable Trust (Charity No. 1072270)		7,650	1,000
Orison Charitable Trust (Charity No. 1098822)		7,900	3,535
The World Federation of KSIMC (Charity No. 282303)		64,100	22,200
The Wessex Jamaat (Charity No. 1010076)		109,774	166,180
The Imam Hussein Foundation (Charity No. 1109002)		1,500	1,900
Beta Charitable Trust (Charity No. 1103023)		-	3,100
Al-Zahra Association (Charity No. 1142491)		1,600	-
Al Mahdi Centre (Charity No. 1127750)		-	-
Other Charities		2,352	5,595
Other		<u>327</u>	<u>84</u>
Total		195,203	203,594
NET (DEFICIT)/INCOME		(55,736)	(129,594)
Other recognised gains/(losses)			
Gains/(Losses) on revaluation of fixed assets		-	-
Gain/(Loss) on disposal of fixed assets		<u>5,000</u>	<u>-</u>
Net movement in funds		(50,736)	(129,594)
RECONCILIATION OF FUNDS			
Total funds brought forward		203,228	332,822
TOTAL FUNDS CARRIED FORWARD		<u>152,492</u>	<u>203,228</u>

AL KAWTHAR FOUNDATION

Balance Sheet At 31 December 2022

			31.12.22 Unrestricted funds £	31.12.21 Total funds £
FIXED ASSETS	Notes	£		
Tangible assets	5		-	120,000
			-	120,000
CURRENT ASSETS				
Debtors: amounts falling due within one year	6		650	3,000
Debtors: amounts falling due after more than one year	6		-	-
Cash at bank			152,175	80,728
			152,825	83,728
CREDITORS				
Amounts falling due within one year	7		(333)	(500)
NET CURRENT ASSETS			152,492	83,228
TOTAL ASSETS LESS CURRENT LIABILITIES			152,492	203,228
NET ASSETS			152,492	203,228
FUNDS	8			
Unrestricted funds			203,228	203,228
TOTAL FUNDS			203,228	203,228

The financial statements were approved by the Board of Trustees on 21st September 2023 and were signed on its behalf by:

.....
Shabbirali Mohamed Husein Walji FCA-Trustee

Notes to the Financial Statements for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Charities Act 2011.

Income

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

Expenditure

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

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

Tangible fixed assets

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

Freehold property	- not provided
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Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

AL KAWTHAR FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. INVESTMENT INCOME

	31.12.22	31.12.21
	£	£
Rents received	<u>9,167</u>	<u>10,000</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	64,000
Investment income	<u>10,000</u>
Total	74,000
EXPENDITURE ON	
Charitable activities	
The Lady Fatemah (as) Charitable Trust	1,000
Orison Charitable Trust	3,535
The World Federation of KSIMC	22,200
The Wessex Jamaat	166,180
The Imam Hussein Foundation	1,900
Beta Charitable Trust	3,100
Other Charities	5,595
Other	<u>84</u>
Total	203,594
NET DEFICIT	(129,594)

AL KAWTHAR FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted
funds
£

Other recognised gains/(losses)

Gain on revaluation of fixed assets

-

Loss on disposal of fixed assets

-

-

Net movement in funds

RECONCILIATION OF FUNDS

Total funds brought forward

332,822

TOTAL FUNDS CARRIED FORWARD

203,228

5. TANGIBLE FIXED ASSETS

Freehold
property
£

COST OR VALUATION

At 1 January 2022

120,000

Addition/(disposal)

(120,000)

At 31 December 2022

-

NET BOOK VALUE

At 31 December 2022

-

At 31 December 2021

120,000

6. DEBTORS

31.12.22
£

31.12.21
£

Amounts falling due within one year:

Trade debtors

-

-

Loan to Wessex Jamaat

-

3,000

Gift Aid claimable

650

-

650

3,000

AL KAWTHAR FOUNDATION

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

6. DEBTORS – continued

	31.12.22 £	31.12.21 £
Amounts falling due after more than one year:		
Loan to Wessex Jamaat	<u>-</u>	<u>-</u>
Aggregate amounts	<u>-</u>	<u>3,000</u>

An interest free loan of £40,000 was provided in February 2019 to Wessex Jamaat (a charity registered in the UK under number 1010076) to assist with their Foundation Fund. The loan was settled in April 2022. Repayment of the loan commenced in May 2019.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22 £	31.12.21 £
Bank loans and overdrafts	-	-
Taxation and social security	<u>333</u>	<u>500</u>
	<u>333</u>	<u>500</u>

8. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	182,602	(30,110)	152,492
Sadaat fund	-	-	-
Al-Mahdi	-	-	-
Revaluation Fund	<u>20,626</u>	<u>(20,626)</u>	<u>-</u>
	<u>203,228</u>	<u>(50,738)</u>	<u>152,492</u>
TOTAL FUNDS	<u>203,228</u>	<u>(50,738)</u>	<u>152,492</u>

AL KAWTHAR FOUNDATION

Notes to the Financial Statements – continued for the Year Ended 31 December 2022

8. MOVEMENT IN FUNDS – continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	139,467	(195,203)	25,626	(30,110)
Sadaat fund	-	-	-	-
Al-Mahdi	-	-	-	-
Revaluation Reserve	-	(20,626)	-	(20,626)
	<u>139,467</u>	<u>(215,829)</u>	<u>25,626</u>	<u>(50,736)</u>
TOTAL FUNDS	<u><u>139,467</u></u>	<u><u>(215,829)</u></u>	<u><u>25,626</u></u>	<u><u>(50,736)</u></u>

9. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

AL KAWTHAR FOUNDATION

Detailed Statement of Financial Activities for the Year Ended 31 December 2022

	31.12.22 £	31.12.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	106,400	51,200
Gift aid	<u>23,900</u>	<u>12,800</u>
	130,300	64,000
Investment income		
Rents received	<u>9,167</u>	<u>10,000</u>
Total incoming resources	139,467	74,000
EXPENDITURE		
Charitable activities		
Grants to institutions	194,876	203,510
Grants to individuals	<u>-</u>	<u>-</u>
	194,876	203,510
Other		
Professional fees	225	-
Bank charges	<u>102</u>	<u>84</u>
	<u>327</u>	<u>84</u>
Total resources expended	195,203	203,594
Gain/(Loss) on disposal of assets	<u>5,000</u>	<u>-</u>
Net (deficit)/income	<u>(50,736)</u>	<u>(129,594)</u>