

AL-AYN SOCIAL CARE FOUNDATION

England & Wales · Charity number 1163706

Details

Other names AL-AYN

Status Registered

Legal form CIO

Registered 2015-09-23

Register [View on the Charity Commission register](#)

Contact

Address Al Ayn Social Care Foundation
Unit 5
Watling Gate
297-303 Edgware Road
Colindale
LONDON

Phone 02037195221

Email enquiries@alayn.co.uk

Website www.alayn.co.uk

Activities

Objects: The objects of the charity are for the public benefit: - The prevention or relief of poverty and financial hardship by providing: grants, items and services to orphans and other individuals in need and/or charities, or other organisations working to prevent or relieve poverty and financial hardship; - The prevention or relief of sickness among orphans and other individuals in need, by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness; - The advancement of education; - To provide or assist in the provision of facilities, equipment and services in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such facilities, equipment or services by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life; and- the advancement of such other charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time.

Activities: - The prevention or relief of poverty and financial hardship among orphaned children and other individuals in need .- The prevention or relief of sickness among orphaned children and other individuals in need.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** OVERSEAS
- Afghanistan
- Ghana
- Iraq
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£20,390,918	£18,887,929	£2,805,044	95
2023-12-31	£20,689,928	£21,013,456	£1,302,055	81
2022-12-31	£12,054,637	£11,589,235	£1,677,949	69
2021-12-31	£15,361,919	£15,365,545	£1,103,715	60
2020-12-31	£14,615,575	£14,013,959	£1,128,779	35

Trustees

Name	Role	Appointed
Aliya Azam	Chair	2015-09-23
AHMED ALKHAJA		2015-09-23
MOHAMAD BAQER AL-YASSIN		2015-09-23
MUSTAFA MOHSIN ALI MOHAMED		2015-09-23
RABAB MOHAMMED ALI KLEIT		2015-09-23

Accounts

Trustees' Report and Financial Statements

For the year ended 31 December 2024

AL-AYN SOCIAL CARE FOUNDATION

YEAR ENDED 31 DECEMBER 2024

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The photo on the cover page is of Habiba (aged 5), a child supported by Al-Ayn Social Care Foundation in Ghana.

AL-AYN SOCIAL CARE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Aliya Azam Dr Ahmed Alkhaja Mrs Rabab Kleit Mr Mohamad Baqer Al-Yassin Mr Mustafa Mohamed
Acting Director (unpaid)	Dr Ahmed Alkhaja
Charity Registration Number	1163706
Principal Address and Registered Office	Unit 5, Watling Gate 297 – 303 Edgware Road Colindale London NW9 6NB
Independent Auditor	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays 75 King Street Hammersmith London W6 9HY
Solicitor	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

The Trustees present their report, together with the audited financial statements of Al-Ayn Social Care Foundation (the Charity) for the year ended 31 December 2024. The Trustees confirm that the report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP 2019) 'Accounting and Reporting by Charities' Second Edition applicable for accounting periods commencing on and after 1 January 2019.

Al-Ayn Social Care Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission of England & Wales on 23 September 2015.

These financial statements cover the period from 1 January 2024 to 31 December 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The CIO was registered on 23 September 2015, and its governing document was amended on 9 May 2017 and 7th October 2024.

Organisational structure

The Charity has a board of five trustees (the Trustees), who meet formally on a regular basis to determine and review implementation of the Charity's strategy, identify and manage risks and administer the affairs of the Charity. The Trustees are drawn from persons of suitable experience, professional qualification or business acumen who are deemed suitable to administer the assets and the running of the Charity and are appointed by the sole member. The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the constitution, with some management responsibilities delegated to the Charity's staff. They receive no remuneration or financial benefit for their role as Trustees, except as may be permitted by the Charity's constitution. The Trustees will regularly review their training needs and, if necessary, obtain training for the Trustees where appropriate. Any new trustees would undergo an induction process which would include obtaining a copy of the Charity's constitution and minutes of meetings, declaring conflicts of interest, and attending meetings with the acting director and senior staff to be updated on the affairs of the Charity.

Al-Ayn Social Care gGmbH is a wholly owned subsidiary of the Charity and is managed by a director with the support of members of staff and volunteers. The Trustees are updated regularly on the performance of Al-Ayn Social Care gGmbH.

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with the terms of an agreement between the parties.

Pay and Remuneration

The Trustees review the pay and remuneration of staff on a regular basis, to ensure internal consistency and that pay is competitive within the sector. Banding of pay is reviewed on an annual basis.

Risk management

The Trustees regularly review the major business and operational risks which the Charity faces, including risks associated with the diversity of its income and application of expenditure overseas. They have agreed and implemented policies and systems to ensure appropriate steps are taken to safeguard the Charity's assets, including by ensuring appropriate due diligence, monitoring and reporting is carried out on grant recipients and beneficiaries, and that grant agreements are entered into in accordance with the Charity Commission and HMRC guidance on overseas donations. Regular reports are produced for the Trustees to identify and, if necessary, manage business and operational risks. The Trustees regularly review the Charity's policies and systems and are satisfied with the policies and controls in place to manage the risks identified.

Objects

The objects of the CIO for the public benefit are:

- the prevention or relief of poverty and financial hardship by providing: grants, items and services to orphans and other individuals in need and/or charities, or other organisations working to prevent or relieve poverty and financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- the prevention or relief of sickness among orphans and other individuals in need, by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness;
- the advancement of education;
- to provide or assist in the provision of facilities, equipment and services in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such facilities, equipment or services by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life; and
- the advancement of such other charitable purposes (according to the law of England and Wales) as the Trustees see fit from time to time.

Grant making policies

The Charity continues to make international grants in accordance with its "International Grants Policy". The procedure for international grants includes identifying potential recipients, carrying out appropriate due diligence checks and risk assessments, and then entering a grant agreement with the recipient. To help the Charity assess and manage the risks of overseas grants, the Trustees require recipients to provide a monitoring report using an agreed template, as set out in the grant agreements.

The Charity makes grants primarily to Al-Ayn Social Care Foundation (Iraq), subject to the discretion of the Trustees. The Trustees closely monitor all grants made, review the supporting documentation and undertake random inspection of the various projects that are supported by the grants.

The grants are typically disbursed in instalments to ensure that agreed timings and results are being met and managed, and to enable monitoring and evaluation of progress. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

The Trustees have considered the Charity Commission guidance on working internationally and HMRC guidance on overseas payments and have put in place appropriate and robust arm's length grant agreements.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, with no material uncertainties. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Reserves policy

The Trustees are of the view that holding substantial reserves is unnecessary, as it would tie up funds which could and should be spent on charitable activities. All income received is spent on charitable activities in the form of grants, and all administrative costs are covered by Al-Ayn Social Care Foundation (Iraq). However, the Trustees have set aside £625,000 which would be sufficient to sustain the Charity's activities, including those in Afghanistan and Ghana, for three months during an orderly wind down, should that be required.

The Trustees are committed to regularly reviewing the Charity's reserves policy, to ensure that the appropriate levels of reserves are maintained. The Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- safeguard the Charity's service commitment in the event of delays in receipt of grants or other income;
- provide a financial cushion against risk and future uncertainties; and
- resource the research and development of services and initiatives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal funding

Funding for the activities of the Charity has been derived solely from the kind donors and supporters of the Charity, with the administrative overheads donated by Al-Ayn Social Care Foundation (Iraq).

Investment powers and policy

The Trustees have the powers to make investments on behalf of the Charity as they deem fit, taking account of standard investment criteria. At the moment, the Charity's risk profile indicates that investments should be held in low-risk assets. Consequently, all investments are currently held in bank account balances.

Related parties

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with an agreement between the parties.

Ahmed Alkhaja is a director of Al-Ayn Social Care Foundation (Australia). The Charity received donations totalling £7,024 (2023: £2,906m) during the year from Al-Ayn Social Care Foundation (Australia). The relationship between the Charity and Al-Ayn Social Care Foundation (Australia) is governed in accordance with a grant agreement between the parties.

Ahmed Alkhaja is a director of Stichting Al-Ayn for Social Care (Netherlands). The Charity received donations totalling £22,769 (2023: nil) during the year from Stichting Al-Ayn for Social Care (Netherlands). The relationship between the Charity and Stichting Al-Ayn for Social Care (Netherlands) is governed in accordance with a grant agreement between the parties.

Ahmed Alkhaja is a director of Al-Ayn for Social Care (Switzerland). The Charity received donations totalling £37,583 (2023: nil) during the year from Al-Ayn for Social Care (Switzerland). The relationship between the Charity and Al-Ayn for Social Care (Switzerland) is governed in accordance with a grant agreement between the parties.

Aliya Azam and Mustafa Mohamed are trustees of Al-Ayn Social Care Foundation International. The Charity received donations totalling £2,449 (2023: nil) during the year from Al-Ayn Social Care Foundation International. The relationship between the Charity and Al-Ayn Social Care Foundation International is governed in accordance with a grant agreement between the parties.

The Charity is the sole shareholder of Al-Ayn Social Care gGmbH, a German not-for-profit limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under registration number HRB 174865 B. Further details are set out in note 7 to the accounts.

The Trustees and staff are also related parties. The Trustees are not aware of the existence of any other related parties. Please note that details of any related party transactions are set out in note 12 to the accounts.

ACHIEVEMENT AND PERFORMANCE

Detailed information on the Charity's activities in the reporting period is available by visiting www.alayn.co.uk/activities-report/.

The Trustees consider that the performance of the Charity in this financial period has been good, taking into account the following measures:

- total income received by the Charity over the period;
- total number of volunteers supporting the activities of the Charity over the period;
- total number of coordinators, acting as points of contact for the Charity's supporters throughout the United Kingdom;
- total number of orphaned children supported through the orphaned child sponsorship scheme;
- total number of Sadaqa Boxes (collection boxes) distributed and received;
- variety of events and fundraising activities carried out by the Charity and its supporters; and
- overall engagement with the Charity's website and social media platforms.

ACHIEVEMENT AND PERFORMANCE (continued)

During 2024, the Charity saw a continuation of its trend of steady performance. There are several contributing factors, which we deem to include the following:

- Successful fundraising campaigns, such as those held in Ramadan and Muharram, for which we saw an increase in engagement and overall engagement and support;
- Sustained public trust and positive reputation of, largely stemming from the strength of the reputation of Al-Ayn Social Care Foundation (Iraq), and maintenance of the Charity's reputation through internal policies and controls put in place to protect it;
- An increased effort to showcase the scale of the Charity's work across its areas of operation through events, seminars and direct community engagement. Highlighting the unmatched scale of the Charity's work and the impact giving can make through Al-Ayn was positively received by the public;
- Strengthened capacity of the Charity's Afghanistan and Ghana offices, enabling them to register even more children to receive ongoing support

Through these efforts, the Charity was able to fund the construction of medical centres, housing complexes and family homes, as well as equip and run centres that provide crucial services to thousands of orphaned children each month, ranging from financial and in-kind support to medical procedures, educational support and psychological rehabilitation.

During the reporting period, the Trustees continued to ensure that internal controls surrounding fundraising and marketing activity that are in place to protect the Charity's reputation were reviewed and adhered to.

A milestone of over 100,000 children under the care of Al-Ayn across its areas of operation was reached for the first time in the Al-Ayn's history, highlighting the increase in the reach of its charitable activities as a result of increased overall funding, support and capacity.

The Charity carried out the following main activities for the year ended 31 December 2024 in furtherance of its charitable activities for public benefit.

- (1) Direct support of orphaned children
The Charity's principal activity continues to be the provision of ongoing financial support to registered families through its branches in Afghanistan and Ghana and through its grants made to Al-Ayn Social Care Foundation (Iraq). Grants made for this purpose by the Charity are comprised of a variety of donation types that are handled in accordance with all relevant requirements, including religious dues such as Khums and Sadaqa, and the Charity's 'Orphaned Children Fund'.

The Charity's Sadaqa Boxes, situated across thousands of homes and business across the UK, continued to raise a significant proportion of the overall Sadaqa received during the reporting period as cash donations. Supporters are able to request these boxes or a collection of their existing box via email, telephone, from an Al-Ayn representative at an event, via the Charity's app and its website.

The Charity's 'Orphaned Child Sponsorship Programme' continued to expand in accordance with existing trends of year-on-year steady growth in this area. This programme is a one-to-one sponsorship model that enables donors to provide ongoing monthly support to a registered child within the Charity's areas of operation. This holistic model of care provides for the immediate and long-term needs of the child, including education, financial assistance, medical care, psychological support and in-kind items. The programme is devised by specialists and experts across relevant fields and is tailored to each region to ensure that the financial assistance given is able to lift the child and their family above the poverty line rather than simply sustaining them in their existing conditions, considering their specific circumstances, the wider context of the region, and the local economy and the cost of living. This programme gives supporters the opportunity to support a child directly with this all-encompassing method of care that transforms lives and lifts children and their families out of poverty.

ACHIEVEMENT AND PERFORMANCE (continued)

During the reporting period, the Charity was able to expand its funding of the facilitation of one-to-one child sponsorships to Afghanistan and Ghana due to an increase in the capacity of the offices, enabling them to run this holistic programme. This marked a major milestone for the Charity in 2024, having previously only offered direct sponsorships of children in Iraq to its supporters.

Supporters have the ability to fund specific areas of the work being carried out, such as medical care, which is restricted and spent in accordance with its intended purpose. During the reporting period, the Charity strategically shifted its focus to receiving unrestricted funding, increasing awareness of its work outside of Iraq and introducing the option to donate to 'any country' or toward general funds. The Charity's 'Orphaned Children Fund', which is largely promoted seasonally when significant income is raised, is a general fund that enables the Charity to have the freedom to tailor its charitable activities to where it is needed most and, on a case-by-case basis, supporting not only the orphaned children under its care, but also their guardians and siblings. The needs of each family are assessed and regularly reviewed following registration by dedicated social workers, who can recommend specific tailored care to be funded. Examples of this include funding for medical treatments, medication and operations, and housing repairs.

(2) Supporting continual charity (Sadaqa Jariya) projects

The Charity continued to fund Sadaqa Jariya projects in Iraq via Al-Ayn Social Care Foundation (Iraq) throughout the reporting period. The scale of the Sadaqa Jariya projects funded are incredibly substantial, and beyond this, their impact is significant, providing transformational care to thousands each month.

Supporters were offered a range of projects to contribute towards, including Luminous Stars Centres, which are purpose-built multi-storey buildings across provinces in Iraq that house the work of Al-Ayn Social Care Foundation (Iraq) in the region they are situated, acting as local service centres for financial and in-kind distributions, events, medical facilities for screenings and treatments and psychological support services, providing care to thousands of children and their families per month in each region.

Supporters were also given the opportunity to contribute to the construction of housing complexes and medical facilities that are built, equipped and run by Al-Ayn Social Care Foundation (Iraq).

Charitable activities and fundraising

During this period, the Charity organised a number of events both in person and remotely.

These included:

- (1) Wills Writing Seminars: Giving supporters a legal and Islamic perspective on will-writing presented by professionals in this field, which also helped to generate future sources of funding for the Charity.
- (2) Religious Dues Workshops: These are held in order to address frequently asked questions around topics and are in line with the preferences of supporters that regularly request information and further guidance on subjects such as Khums, Fidya and Kaffara, helping them to decide how they can donate to the Charity.
- (3) National Fundraising Conference: This brought together fundraising teams and volunteers from across the UK for training, brainstorming sessions and alignment with fundraising strategies.

Volunteers

The Charity continued to benefit from the skills and experiences of volunteers during the period, across various areas of its work.

Al-Ayn Social Care gGmbH was supported by more than 30 volunteer coordinators in 9 different cities in Germany, who promoted the charitable activities of the Charity through seminars, stalls, events, and meetings with local non-profit organisations.

FINANCIAL REVIEW

The Charity has built a strong presence amongst its core supporters and donors, however, there was slight fall in income during the period. The Charity also reached out to new audiences during the period. This was achieved through organising events, speaking at external events, carrying out outreach activities, digital advertising, social media engagement, and running a key supporter programme. The Charity continues to have no borrowings and has achieved a good outcome for the period, with the necessary resources moving forward to continue to expand its activities.

As a result, income for the period was £20.391m (2023: £20.69m), arising largely from donations. Of this, £1.719m (2023: £1.53m) was received by Al-Ayn Social Care gGmbH, also largely from donations. There was unrealised currency exchange loss of £132k (2023: £52k).

Expenditure was £18.888m (2023: £21.013m) of which £13.87m (2023: £17.8m) were grants made to Al-Ayn Social Care Foundation (Iraq), and £751k (2023: £495k) was expenditure on supporting orphaned children in Afghanistan, and £314k (2023: £178k) was expenditure on supporting orphaned children in Ghana.

Total funds carried forward at the end of the year were £2.805m (2023: £1.3m), of which £640k (2023: £674k) were in restricted funds, and the remaining balance of £2.165m (2023: £628k) in unrestricted funds to support future charitable expenditures. Further details are set out in note 11 to the accounts.

The Trustees are satisfied that all funds received have been applied in an effective manner.

PLANS FOR FUTURE PERIODS

The Charity will continue with its core activities of supporting orphaned children in Iraq, whilst building on the support it provides to orphaned children in Afghanistan and Ghana and exploring opportunities to expand its operation to other countries. The main objectives for the next financial year continue to be:

1. reaching out to wider audiences to raise awareness about the plight of orphaned children in need and the Charity's work to support them;
2. raising funds to support the work of the Charity in empowering orphaned children;
3. diversifying the sources of funding coming into the Charity, and
4. engaging supporters with the Charity's work and providing services for them.

The Charity also aims to provide additional training and development for staff and volunteers through workshops. The Charity aims to distribute and collect a significantly larger number of Sadaqa Boxes throughout the UK and promote further the use of its mobile app for donations. The Charity also aims to expand its legacy programme, raising awareness amongst supporters about the potential benefits of donating to charity through wills and legacies.

The Trustees are committed to continuing to monitor the application of funds for all campaigns to ensure they remain effective and targeted. The Charity also plans to expand its team further and update its processes to match new regulations as well as the increase in support for its work.

EVENTS SINCE THE END OF THE PERIOD

There are no events to report since the end of the period.

FUNDRAISING STATEMENT

The Charity continues to work towards diversifying its fundraising activities to enable it to raise vital funds that will create better outcomes for more orphaned children in poverty. The Trustees and broader team are committed to building trust with supporters, and in 2024 the Charity continued to build upon its internal guidance and individual agreements with each additional member of the team which stipulated the roles, procedures and expectations relating to all aspects of work, including fundraising. During this period, more feedback opportunities were provided for staff, coordinators, volunteers and supporters through frequent surveys and private feedback meetings. The Trustees also recognise the need to monitor the wider team, providing them with regular training and shadowing if needed.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

FUNDRAISING STATEMENT (continued)

The Trustees are committed to protecting vulnerable adults and children during fundraising activities, through appropriate policies and procedures. The Charity's Safeguarding Policy and Vulnerable Persons Policy details this commitment, and the Trustees regularly review the Charity's policies and procedures in line with performance.

Alongside this, the Charity's commitment to adhering to stringent procedures relating to all aspects of its work and in line with the Code of Fundraising Practice has meant that the Charity has received zero complaints (2023: zero) about activities for the purposes of fundraising during the reporting period.

PUBLIC BENEFIT STATEMENT

In deciding the Charity's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the prevention or relief of poverty and its supplementary public benefit guidance on the advancement of health or the saving of lives in accordance with the requirement of section 17(5) of the Charities Act 2011. The Trustees always ensure that the Charity's activities are undertaken in line with its charitable objects and aims.

Further details on the activities carried out in the reporting period to deliver public benefit are outlined above.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable incorporated organisation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with charity law. 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees on the 28th of October 2025 and signed on their behalf by:


.....
Mustafa Mohamed
Chair of Board of Trustees

Opinion

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

In our opinion, the financial statements:

- a true and fair view of the group's and the parent charitable company's affairs as at 31 December 2024 and of the group's and parent charitable company's net movement in funds, including the 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity;
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, set out on page 8, the trustees 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.

In preparing the financial statements, the trustees are responsible for assessing the group'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 group 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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Charity Law and employment law 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 Charities Act 2011, payroll tax.

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 posting inappropriate journal entries and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in preparing the financial statements.

INDEPENDENT AUDITOR'S REPORT

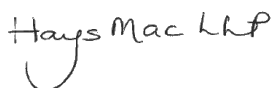
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



For and on behalf of HaysMac LLP, Statutory Auditors
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 31 October 2025

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

INCOME AND EXPENDITURE	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<u>Income from:</u>					
Donations and legacies	2	13,919,776	6,471,142	20,390,918	20,689,928
Total Income		<u>13,919,776</u>	<u>6,471,142</u>	<u>20,390,918</u>	<u>20,689,928</u>
<u>Expenditure on:</u>	3				
Raising funds		1,109,359	-	1,109,359	557,909
Charitable activities		11,141,815	6,504,657	17,646,472	20,455,547
Other -unrealised Forex (gains)/losses		<u>132,098</u>	<u>-</u>	<u>132,098</u>	<u>52,366</u>
Total Expenditure		<u>12,383,272</u>	<u>6,504,657</u>	<u>18,887,929</u>	<u>21,065,822</u>
 Net movement in funds		 1,536,504	 (33,515)	 1,502,989	 (375,894)
Total funds brought forward		<u>628,298</u>	<u>673,757</u>	<u>1,302,055</u>	<u>1,677,949</u>
Total funds carried forward		<u><u>2,164,802</u></u>	<u><u>640,242</u></u>	<u><u>2,805,044</u></u>	<u><u>1,302,055</u></u>

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

All the Charity's activities are classified as continuing.

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024	2023
		£	£
Fixed Assets			
Tangible fixed assets	6	785,374	917,923
Investment property	6a	301,140	-
		<u>1,086,514</u>	<u>917,923</u>
Current Assets			
Debtors	8	854,769	919,458
Cash at bank and in hand		2,450,609	1,996,221
		<u>3,305,378</u>	<u>2,915,679</u>
Creditors: amounts falling due within one year	9	<u>(1,586,848)</u>	<u>(2,531,547)</u>
Net Current Assets		<u>1,718,530</u>	<u>384,132</u>
Net Assets		<u><u>2,805,044</u></u>	<u><u>1,302,055</u></u>
Represented by:			
Unrestricted funds		2,164,802	628,298
Restricted funds	11	640,242	673,757
TOTAL FUNDS		<u><u>2,805,044</u></u>	<u><u>1,302,055</u></u>

The financial statements were approved by the board and authorised for issue on the 28th of October 2025 and signed on its behalf by:

Mustafa Mohamed

.....
Mustafa Mohamed
Chair of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6		747,101		872,196
Investment in subsidiary	7		21,988		21,988
Investment property	6a		301,140		-
			<u>1,070,229</u>		<u>894,184</u>
Current Assets					
Debtors	8	730,195		534,283	
Cash at bank and in hand		<u>2,189,723</u>		<u>1,508,112</u>	
		2,919,918		2,042,395	
Creditors: amounts falling due within one year	9	<u>(1,187,261)</u>		<u>(1,638,733)</u>	
Net Current Assets			<u>1,732,657</u>		<u>403,662</u>
Net Assets			<u><u>2,802,886</u></u>		<u><u>1,297,846</u></u>
Represented by:					
Unrestricted funds			2,162,644		624,089
Restricted funds	11		<u>640,242</u>		<u>673,757</u>
TOTAL FUNDS			<u><u>2,802,886</u></u>		<u><u>1,297,846</u></u>

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented. Total net expenditure and movement in reserves of the parent charity was £1.505m (2023: £392,101)

The financial statements were approved by the board and authorised for issue on the 28th of October 2025 and signed on its behalf by:



Mustafa Mohamed
Chair of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash provided by operating activities (a)	613,413	63,812
Cash flows from investing activities		
Purchase of tangible fixed assets and investment property improvements	(26,927)	(105,497)
Cash (used in) investing activities	(26,927)	(105,497)
Increase/(decrease) in cash and cash equivalents in the period	586,486	(41,685)
Cash and cash equivalents at the beginning of the period	1,996,221	2,090,272
Change in cash due to ex rate movements	(132,098)	(52,366)
Total cash and cash equivalents at period end	2,450,609	1,996,221
Analysis of Cash and Cash Equivalents		
	2024 £	2023 £
Cash in hand	2,450,609	1,996,221
	2,450,609	1,996,221
(a) Reconciliation of net movement in funds to net cash inflow from operating activities		
	2024 £	2023 £
Net movement in funds	1,502,989	(375,894)
Adjustments for:		
Add back depreciation charge	152,430	82,972
Decrease/(increase) in debtors	64,689	(33,764)
(Decrease)/increase in creditors	(944,699)	360,120
Foreign exchange losses	132,098	52,366
Investment in subsidiary	-	(21,988)
Fixed assets disposal	5,906	-
Donations of investment property	(300,000)	-
Net cash provided by operating activities	613,413	63,812

AL-AYN SOCIAL CARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

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

1.1. Basis of accounting

The financial statements 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) (second edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Al-Ayn Social Care 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 note(s).

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

1.3. Basis of Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Al-Ayn Social Care gGmbH, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented but the total income, total expenditure and net movement for the parent charity has been disclosed as a footnote on page 14.

1.4. Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, there is probability of receipt and the amount can be quantified with reasonable accuracy.

Gifts in kind represent assets donated for distribution or use by the Charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the Charity would otherwise have paid for the assets.

No amounts are included in the financial statements for services donated by volunteers.

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable.

1.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Support costs which cannot be directly attributed to particular activities are apportioned based on estimated usage. Governance costs, which form part of support costs include expenditure on the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1. ACCOUNTING POLICIES (continued)

1.6. Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Leasehold land	Not depreciated
Leasehold property	50 years straight line
Office equipment	4 years straight line
Furniture and fittings	4 years straight line
Vehicles	5 years straight line
Software	5 years straight line

1.7. Investments

Investments are non-listed investments held at historic cost in the financial statements.

Investment property is included in the financial statements at market value.

1.8. Debtors

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

1.9. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.10. Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.12. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2. DONATIONS AND LEGACIES

	2024 £	2023 £
Donations including gift aid receipts	20,390,918	20,689,928

3. EXPENDITURE

	Donations and grants £	Staff costs £	Support costs Governance £	Other £	2024 £	2023 £
Raising funds						
Fundraising activities	-	575,995	-	533,364	1,109,359	557,909
Charitable activity: The Prevention or relief of poverty and financial hardship among orphaned children.	14,814,769	1,724,875	94,942	1,011,886	17,646,472	20,455,547
Other-forex losses	-	-	-	132,098	132,098	52,366
Total	14,814,769	2,300,870	94,942	1,677,348	18,887,929	21,065,822

	Donations and grants £	Staff costs £	Support costs Governance £	Other £	2023 £
Raising funds					
Fundraising activities	-	164,857	-	393,052	557,909
Charitable activity: The Prevention or relief of poverty and financial hardship among orphaned children.	17,809,034	1,675,119	40,468	930,926	20,455,547
Other-forex losses	-	-	-	52,366	52,366
Total	17,809,034	1,839,976	40,468	1,376,344	21,065,822

	2024 £	2023 £
Net income is stated after charging:		
Auditor's remuneration – audit	20,570	18,700
Auditors remuneration – other	-	-
Depreciation	152,430	83,959

4. TRUSTEES

None of the trustees (or any persons connected with them) received any reimbursement of expenses, remuneration or benefits from the Charity during the period.

5. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	2,063,737	1,638,934
Social security costs	204,246	174,441
Pension costs	32,887	26,601
	<u>2,300,870</u>	<u>1,839,976</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024	2023
	No.	No.
£60,000 - £69,999	2	1
£70,000 - £79,999	-	-
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-

The role of key management personnel was undertaken by the trustees during the period for which they received no remuneration (2023: no remuneration) from the Charity.

The average monthly employee headcount during the period was as follows:

	2024	2023
	No.	No.
Al-Ayn Social Care Foundation – UK Staff	54	46
Al-Ayn Social Care Foundation – Afghanistan	16	15
Al-Ayn Social Care gGmbH- Germany staff	14	12
Al-Ayn Social Care Foundation – Ghana	<u>11</u>	<u>8</u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. TANGIBLE FIXED ASSETS

GROUP	Leasehold property £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost						
As at 1 January 2024	746,080	224,055	20,864	72,544	70,327	1,133,870
Additions	-	25,447	340	-	-	25,787
Disposal	(2,000)	-	-	-	(3,906)	(5,906)
At 31 December 2024	744,080	249,502	21,204	72,544	66,421	1,153,751
Depreciation						
As at 1 January 2024	35,985	112,516	13,477	29,350	24,619	215,947
Charge for the year	72,779	46,785	5,767	14,927	12,172	152,430
At 31 December 2024	108,764	159,301	19,244	44,277	36,791	368,377
Net book value						
At 31 December 2024	635,316	90,201	1,960	28,267	29,630	785,374
At 31 December 2023	710,095	111,539	7,387	43,194	45,708	917,923

6. TANGIBLE FIXED ASSETS (continued)

CHARITY	Leasehold property £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost						
As at 1 January 2024	746,080	180,412	20,864	72,544	38,419	1,058,319
Additions	-	25,361	340	-	-	25,701
Disposal	(2,000)	-	-	-	(2,979)	(4,979)
	<u>744,080</u>	<u>205,773</u>	<u>21,204</u>	<u>72,544</u>	<u>35,440</u>	<u>1,079,041</u>
Depreciation						
As at 1 January 2024	35,985	95,455	13,477	29,350	11,856	186,123
Charge for the year	72,779	45,733	5,767	14,927	6,611	145,817
	<u>108,764</u>	<u>141,188</u>	<u>19,244</u>	<u>44,277</u>	<u>18,467</u>	<u>331,940</u>
Net book value						
At 31 December 2024	<u>635,316</u>	<u>64,585</u>	<u>1,960</u>	<u>28,267</u>	<u>16,973</u>	<u>747,101</u>
At 31 December 2023	<u>710,095</u>	<u>84,957</u>	<u>7,387</u>	<u>43,194</u>	<u>26,563</u>	<u>872,196</u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6a. INVESTMENT PROPERTY

	Investment property £
Market Value	
At 1 January 2024	-
Additions	301,140
	<u> </u>
At 31 December 2024	<u><u>301,140</u></u>

The investment property was valued at £300k by Templewhite Ltd, qualified surveyors - RICS Number 5018355, in November 2024 on an open market valuation basis.

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

7. INVESTMENTS

Al-Ayn Social Care Foundation owns the entire share capital of Al-Ayn Social Care gGmbH, a German charitable limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under the registration number HRB 174865 B. A summarised income statement and balance sheet for Al-Ayn Social care gGmbH are set out below.

	2024 £	2023 £
Income	1,719,303	1,534,588
Expenditure	(1,728,228)	(1,535,881)
Net movement of funds	(8,925)	1,290
<u>Balance Sheet</u>	<u>2024</u> <u>£</u>	<u>2023</u> <u>£</u>
Fixtures and equipment	3,627	4,594
Motor Vehicle	12,393	19,145
Cash at bank	260,884	488,109
Debtors	124,574	385,175
Creditors and accruals	(405,718)	(892,197)
Net assets	(4,240)	1,290
Share capital	22,000	22,000

8. DEBTORS

	Group		Parent	
	2024 £	2023 £	2024 £	2023 £
Other debtors and prepayments	21,437	10,815	15,075	4,263
Accrued income	833,332	908,643	715,120	530,020
	<u>854,769</u>	<u>919,458</u>	<u>730,195</u>	<u>534,283</u>

9. CREDITORS: amounts falling due Within one year

	Group		Parent	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	154,583	165,528	136,260	142,749
Other creditors and accruals	1,432,263	2,366,019	1,051,001	1,495,984
	<u>1,586,846</u>	<u>2,531,547</u>	<u>1,187,261</u>	<u>1,638,733</u>

10a	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2024 as represented by:			
	Fixed assets	446,272	640,242	1,086,514
	Current assets	1,670,921	1,634,457	3,305,378
	Current liabilities	47,609	(1,634,457)	(1,586,848)
		<u>2,164,802</u>	<u>640,242</u>	<u>2,805,044</u>
10b	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2023 as represented by:			
	Tangible fixed assets	244,166	673,757	917,923
	Current assets	1,594,729	1,320,950	2,915,679
	Current liabilities	(1,210,597)	(1,320,950)	(2,531,547)
		<u>628,298</u>	<u>673,757</u>	<u>1,302,055</u>
10c	ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2024 as represented by:			
	Fixed assets	407,999	640,242	1,048,241
	Investment in subsidiary	21,988	-	21,988
	Current assets	1,401,898	1,518,020	2,919,918
	Current liabilities	330,759	(1,518,020)	(1,187,261)
		<u>2,162,644</u>	<u>640,242</u>	<u>2,802,886</u>
10d	ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2023 as represented by:			
	Tangible fixed assets	198,439	673,757	872,196
	Investment in subsidiary	21,988	-	21,988
	Current assets	820,977	1,221,418	2,042,395
	Current liabilities	(417,315)	(1,221,418)	(1,638,733)
		<u>624,089</u>	<u>673,757</u>	<u>1,297,846</u>

AL-AYN SOCIAL CARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024

11. RESTRICTED FUNDS (GROUP)	At 1 January 2024	Income	Expenditure	At 31 December 2024
		£	£	£
Private Sponsorship	-	2,259,435	(2,259,435)	-
Religious Dues	-	1,641,913	(1,641,913)	-
Al-Ayn Social Care Foundation (USA)	-	259,498	(259,498)	-
Al-Ayn Social Care Foundation (International)	-	2,440	(2,440)	-
Al-Ayn for Social Care (Sweden)	-	617,864	(617,864)	-
Al-Ayn Social Care Foundation (Australia)	-	7,024	(7,024)	-
Al-Ayn for Social Care (Norway)	-	10,688	(10,688)	-
Al-Ayn for Social Care (Switzerland)	-	37,583	(37,583)	-
Al-Ayn Social Care gGmbH (Germany)	-	17,595	(17,595)	-
Stichting Al-Ayn for Social Care (Netherlands)	-	22,769	(22,769)	-
Sadaqa Jariya	-	389,831	(389,831)	-
Specified donations	-	1,204,502	(1,204,502)	-
Building fund	673,757	-	(33,515)	640,242
	<u>673,757</u>	<u>6,471,142</u>	<u>(6,504,657)</u>	<u>640,242</u>
	At 1 January 2023	Income	Expenditure	At 31 December 2023
	£	£	£	£
Africa fund	15,403	30,084	(45,487)	-
Afghanistan Fund	-	349,528	(349,528)	-
Private Sponsorship	-	2,362,982	(2,362,982)	-
Religious Dues	-	1,372,930	(1,372,930)	-
Al-Ayn Social Care Foundation (Australia)	-	2,906,114	(2,906,114)	-
Al-Ayn for Social Care (Sweden)	-	925,787	(925,787)	-
Al-Ayn for Social Care (Norway)	-	4,036	(4,036)	-
Sadaqa Jariya	-	365,580	(365,580)	-
Specified donations	-	766,750	(766,750)	-
Building fund	671,167	14,702	(12,112)	673,757
	<u>686,570</u>	<u>9,098,493</u>	<u>(9,111,306)</u>	<u>673,757</u>

Private Sponsorship: Donations towards providing financial assistance for named orphaned children, in line with the Charity's Private Sponsorship scheme.

Religious dues: Khoms donations which are used for the poor and the needy. These are distributed as part of monthly financial allowances to orphaned children.

11. RESTRICTED FUNDS (CONTINUED)

Al-Ayn Social Care Foundation (Australia): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Australia), to support the different schemes and projects supported by the Charity, under an agreement dated 11 May 2018, with its terms to be reviewed annually.

Al-Ayn Social Care Foundation (Switzerland): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Switzerland), to support the different schemes and projects supported by the Charity, under an agreement dated 11 September 2021, with its terms to be reviewed annually.

Al-Ayn for Social Care Sweden: Relates to the movement on donations received from Al-Ayn for Social Care Sweden, to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2019, with its terms to be reviewed annually.

Al-Ayn Social Care Foundation (Norway): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Norway), to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2022, with its terms to be reviewed annually.

Al-Ayn Social Care Foundation (USA): Relates to the movement on donations received from Al-Ayn Social Care Foundation (USA), to support the different schemes and projects supported by the Charity, under an agreement dated 22 September 2022, with its terms to be reviewed annually.

Al-Ayn Social Care gGmbH (Germany): Relates to the movement on donations received from Al-Ayn Social Care gGmbH (Germany), to support the different schemes and projects supported by the Charity, under an agreement dated 20 September 2021, with its terms to be reviewed annually.

Stichting Al-Ayn for Social Care (Netherlands): Relates to the movement on donations received from Stichting Al-Ayn for Social Care (Netherlands), to support the different schemes and projects supported by the Charity, under an agreement dated 28 June 2022, with its terms to be reviewed annually.

Al-Ayn Social Care Foundation (International): Relates to the movement on donations received from Al-Ayn Social Care Foundation (International), to support the different schemes and projects supported by the Charity, under an agreement dated 19 January 2023, with its terms to be reviewed annually.

Sadaqa Jariya: Donations received for the construction of projects in Iraq that provide services to orphaned children, including housing complexes, vocational training centres, and personal development centres.

Specified donations incorporates various smaller restricted funds to support specific needs of orphaned children and their families, including medical, educational, psychological and housing needs.

Building Fund: Grant received from Al-Ayn Social Care Foundation (Iraq) for the purchase of the Charity's premises lease.

12. RELATED PARTIES

The following related party transactions took place in 2024:

- The Charity made donations and grants of £13.87m (2023: £17.8m) to Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, in accordance with a Grant Agreement between the two parties.
- The Charity recognised donations in the sum of £2.6m (2023: £2.8m) from Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, to cover staff and support costs of the Charity.
- The Charity received donations total £7k (2023: £2.9m) during the year from Al-Ayn Social Care Foundation (Australia). Ahmed Alkhaja is a Director of Al-Ayn Social Care Foundation (Australia).
- The Charity received donations total £22,769 (2023: nil) during the year from Stichting Al-Ayn for Social Care (Netherlands). Ahmed Alkhaja is a Director of Stichting Al-Ayn for Social Care (Netherlands).
- The aggregate value of donations from Trustees and their related parties made in the year was £36,953 (2023: £25,675).
- Al-Ayn Social Care Foundation (International); two trustees of AA-INT are also trustees of AA-UK

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE		Unrestricted funds £	Restricted Funds £	Total 2023 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	11,606,137	9,083,791	20,689,928
Total Income		<u>11,606,137</u>	<u>9,083,791</u>	<u>20,689,928</u>
<u>Expenditure on:</u>	3			
Raising funds		557,909	-	557,909
Charitable activities		11,358,943	9,096,604	20,455,547
Other -unrealised Forex (gains)/losses		<u>52,366</u>	<u>-</u>	<u>52,366</u>
Total Expenditure		<u>11,969,218</u>	<u>9,096,604</u>	<u>21,065,822</u>
 Net movement in funds		 (363,081)	 (12,813)	 (375,894)
Total funds brought forward		<u>991,379</u>	<u>686,570</u>	<u>1,677,949</u>
Total funds carried forward		<u><u>628,298</u></u>	<u><u>673,757</u></u>	<u><u>1,302,055</u></u>

Accounts



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

AL-AYN SOCIAL CARE FOUNDATION

YEAR ENDED 31 DECEMBER 2023

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The photo on the cover page is of Alim (aged 10), a child supported by Al-Ayn Social Care Foundation in Afghanistan.

AL-AYN SOCIAL CARE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Aliya Azam Dr Ahmed Alkhaja Mrs Rabab Kleit Mr Mohamad Baqer Al-Yassin Mr Mustafa Mohamed
Acting Director (unpaid)	Dr Ahmed Alkhaja
Charity Registration Number	1163706
Principal Address and Registered Office	Unit 5, Watling Gate 297 – 303 Edgware Road Colindale London NW9 6NB
Independent Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays 75 King Street Hammersmith London W6 9HY
Solicitor	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

The Trustees present their report, together with the audited financial statements of Al-Ayn Social Care Foundation (the Charity) for the period ended 31 December 2023. The Trustees confirm that the report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP 2019) 'Accounting and Reporting by Charities' Second Edition applicable for accounting periods commencing on and after 1 January 2019.

Al-Ayn Social Care Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission of England & Wales on 23 September 2015.

These financial statements cover the period from 1 January 2023 to 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The CIO was registered on 23 September 2015 and its governing document was amended on 9 May 2017.

Organisational structure

The Charity has a board of five trustees (the Trustees), who meet formally on a regular basis to determine and review implementation of the Charity's strategy, identify and manage risks and administer the affairs of the Charity. The Trustees are drawn from persons of suitable experience, professional qualification or business acumen who are deemed suitable to administer the assets and the running of the Charity and are appointed by the sole member. The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the constitution, with some management responsibilities delegated to the Charity's staff. They receive no remuneration or financial benefit for their role as Trustees, except as may be permitted by the Charity's constitution. The Trustees will regularly review their training needs and, if necessary, obtain training for the Trustees where appropriate. Any new trustees would undergo an induction process which would include obtaining a copy of the Charity's constitution and minutes of meetings, declaring conflicts of interest, and attending meetings with the acting director and senior staff to be updated on the affairs of the Charity.

Al-Ayn Social Care gGmbH is a wholly owned subsidiary of the Charity and is managed by a director with the support of members of staff and volunteers. The Trustees are updated regularly on the performance of Al-Ayn Social Care gGmbH.

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with the terms of an agreement between the parties.

Pay and Remuneration

The Trustees review the pay and remuneration of staff on a regular basis, to ensure internal consistency and that pay is competitive within the sector. Banding of pay is reviewed on an annual basis.

Risk management

The Trustees regularly review the major business and operational risks which the Charity faces, including risks associated with the diversity of its income and application of expenditure overseas. They have agreed and implemented policies and systems to ensure appropriate steps are taken to safeguard the Charity's assets, including by ensuring appropriate due diligence, monitoring and reporting is carried out on grant recipients and beneficiaries, and that grant agreements are entered into in accordance with the Charity Commission and HMRC guidance on overseas donations. Regular reports are produced for the Trustees to identify and, if necessary, manage business and operational risks. The Trustees regularly review the Charity's policies and systems and are satisfied with the policies and controls in place to manage the risks identified.

Objects

The objects of the CIO for the public benefit are:

- the prevention or relief of poverty and financial hardship by providing: grants, items and services to orphans and other individuals in need and/or charities, or other organisations working to prevent or relieve poverty and financial hardship;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- the prevention or relief of sickness among orphans and other individuals in need, by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness;
- the advancement of education; and
- to provide or assist in the provision of facilities, equipment and services in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such facilities, equipment or services by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Grant making policies

The Charity continues to make international grants in accordance with its "International Grants Policy". The procedure for international grants includes identifying potential recipients, carrying out appropriate due diligence checks and risk assessments, and then entering a grant agreement with the recipient. To help the Charity assess and manage the risks of overseas grants, the Trustees require recipients to provide a monitoring report using an agreed template, as set out in the grant agreements.

The Charity makes grants primarily to Al-Ayn Social Care Foundation (Iraq), subject to the discretion of the Trustees. The Trustees closely monitor all grants made, review the supporting documentation and undertake random inspection of the various projects that are supported by the grants.

The grants are typically disbursed in instalments to ensure that agreed timings and results are being met and managed, and to enable monitoring and evaluation of progress. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

The Trustees have considered the Charity Commission guidance on working internationally and HMRC guidance on overseas payments and have put in place appropriate and robust arm's length grant agreements.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, with no material uncertainties. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Reserves policy

The Trustees are of the view that holding substantial reserves is unnecessary, as it would tie up funds which could and should be spent on charitable activities. All income received is spent on charitable activities in the form of grants, and all administrative costs are covered by Al-Ayn Social Care Foundation (Iraq). However, the Trustees have set aside £60,000 for administrative costs, which would be sufficient to sustain the Charity's activities for three months during an orderly wind down, should that be required.

The Trustees are committed to regularly reviewing the Charity's reserves policy, to ensure that the appropriate levels of reserves are maintained. The Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- safeguard the Charity's service commitment in the event of delays in receipt of grants or other income;
- provide a financial cushion against risk and future uncertainties; and
- resource the research and development of services and initiatives.

In light of the Charity's expansion to work in Afghanistan and Ghana, the Trustees have approved the building of designated funds equivalent to six months of monthly allowances for beneficiaries supported in these two countries. This will allow the Charity to support these beneficiaries in the case of shortage of available funds.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal funding

Funding for the activities of the Charity has been derived solely from the kind donors and supporters of the Charity, with the administrative overheads donated by Al-Ayn Social Care Foundation (Iraq).

Investment powers and policy

The Trustees have the powers to make investments on behalf of the Charity as they deem fit, taking account of standard investment criteria. At the moment, the Charity's risk profile indicates that investments should be held in low-risk assets. Consequently, all investments are currently held in bank account balances.

Related parties

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with an agreement between the parties.

Ahmed Alkhaja is a director of Al Ayn Social Care Foundation (Australia). The Charity received donations totalling £2.906m (2022: £1.591m) during the year from Al Ayn Social Care Foundation (Australia). The relationship between the Charity and Al-Ayn Social Care Foundation (Australia) is governed in accordance with a grant agreement between the parties.

The Charity is the sole shareholder of Al-Ayn Social Care gGmbH, a German not-for-profit limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under registration number HRB 174865 B. Further details are set out in note 7 to the accounts.

The Trustees and staff are also related parties. The Trustees are not aware of the existence of any other related parties. Please note that details of any related party transactions are set out in note 12 to the accounts.

ACHIEVEMENT AND PERFORMANCE

Detailed information on the Charity's activities in the reporting period is available by visiting www.alayn.co.uk/activities-report/.

The Trustees consider that the performance of the Charity in this financial period has been good, taking into account the following measures:

- total income received by the Charity over the period;
- total number of volunteers supporting the activities of the Charity over the period;
- total number of coordinators, acting as points of contact for the Charity's supporters throughout the United Kingdom;
- total number of orphaned children supported through the orphaned child sponsorship scheme;
- total number of Sadaqa Boxes (collection boxes) distributed and received;
- variety of events and fundraising activities carried out by the Charity and its supporters; and
- overall engagement with the Charity's website and social media platforms.

During 2023, the Charity continued its steady growth, building upon similar performance from previous years. This has been largely made possible due to the strong reputation of Al-Ayn Social Care Foundation (Iraq) and its unmatched presence on the ground across Iraq.

A successful campaign in the month of Ramadhan provided critical fundraising for essential services to support children, youth and their mothers. The Charity continued to support projects carried out by Al-Ayn Social Care Foundation (Iraq), including medical clinics, educational support, house refurbishment, and housing complexes.

During the period, the Charity continued its operations in Afghanistan and Ghana to address the critical need of orphaned children there. The Charity provided children registered there with monthly allowances, food, and clothes.

ACHIEVEMENT AND PERFORMANCE (continued)

The Charity carried out the following main activities for the period ended 31 December 2023 in furtherance of its charitable activities for public benefit.

(1) Supporting orphaned children

The Charity's principal activity continues to be the provision of monthly financial allowances for orphaned children in Iraq, through grants made to Al-Ayn Social Care Foundation (Iraq), in addition to orphaned children in Afghanistan and Ghana. This is funded through donations, religious dues such as Khoms and Sadaqa, and the Charity's "Orphaned Child Sponsorship Programme".

A substantial proportion of Sadaqa donations received by the Charity comes from its Sadaqa Boxes. These Sadaqa Boxes are used to collect cash and can be requested by supporters either online, by phone or from the Charity's office for their homes or businesses and the Charity replaces them periodically. In this accounting period, thousands of Sadaqa Boxes were distributed and collected throughout the United Kingdom, through postal services, in person at events and at designated drop-off locations including the Charity's offices. The Al-Ayn mobile app continued to grow in popularity in this period, allowing the Charity's supporters to give Sadaqa donations and other forms of donations conveniently, with just a few taps.

The "Orphaned Child Sponsorship Programme" provides the Charity's supporters with the opportunity to financially support a particular orphaned child in Iraq on a monthly basis. It is a distinctively comprehensive care package. Alongside the financial aid distributed, orphaned children and widowed mothers are provided access to free medical, psychological, educational, housing, in-kind and other forms of support. Supporters are given the ability to support any of these areas and guarantees are in place to ensure restricted funds for each area reach the beneficiaries in the intended form.

The Charity received funds to address certain specific needs of orphaned children, including medical needs, educational needs, food, and housing needs, and was able to deliver such support through grants made to Al-Ayn Social Care Foundation (Iraq) and through supporting orphaned children registered with it in Afghanistan and Ghana.

(2) Supporting continual charity (Sadaqa Jariya) projects

The Charity has continued to fund Sadaqa Jariya projects throughout Iraq that are being implemented on the ground by Al-Ayn Social Care Foundation (Iraq). Supporters were offered a number of projects that they were invited to support. These included a housing complex and a number of vocational training and psychological rehabilitation centres, which are being built in various provinces in Iraq. The various projects aim to meet the needs of orphaned children, in particular those who have been unable to continue to further education or are in need of adequate housing or other support in order to achieve their full potential.

Charitable activities and fundraising

During this period, the Charity organised a number of events both in person and remotely.

These included:

- (1) Wills Writing Seminars to give supporters a legal and Islamic perspective on will-writing presented by professionals in this field and help generate future sources of funding for the Charity.
- (2) Religious Dues Workshops held in line with supporters' preferences for more information on subjects like Khoms, Fidyah and Kaffara, helping them to decide how they can donate to the Charity.

ACHIEVEMENT AND PERFORMANCE (continued)

- (3) A national conference bringing together staff, volunteers and supporters across the United Kingdom to share lessons learned from 2022 and to mobilise them for the year ahead.
- (4) Numerous children's events across the Charity's offices aimed at raising awareness through crafts, fun and learning. This included Hikayati (My Story), a series of highly interactive certified personal development & STEM workshops to develop social, emotional and educational skills, a Forest Fundraising Walk and The Little Iftar.
- (5) Targeted events both in and out of the office, such as a mental health & wellbeing workshops for men and women, and a five-a-side football tournament to raise awareness about different campaigns the Charity is running.
- (6) Supported small volunteer-led fundraising initiatives, such as bake sales and sponsored walks by providing fundraising materials and/or sending a representative to give assistance and guidance where needed.
- (7) Training events for staff and volunteers to bolster knowledge and awareness of the Charity's latest projects as well as its strategic direction.
- (8) Stalls, presentations, and speeches at various external events across the United Kingdom which in previous years were extremely valuable for gaining new supporters.
- (9) Awards and appreciation for all volunteers and coordinators to thank them for their dedication and support.

These activities supported the Charity in raising awareness about its cause and fundraising for the Charity's campaigns.

Volunteers

The Charity continued to benefit from the skills and experiences of volunteers during the period, across various areas of its work.

Al-Ayn Social Care gGmbH was supported by more than 30 volunteer coordinators in 9 different cities in Germany, who promoted the charitable activities of the Charity through seminars, stalls, events, and meetings with local non-profit organisations.

FINANCIAL REVIEW

The Charity has built a strong presence amongst its core supporters and donors, leading to continued sustained growth during the period. The Charity also reached out to new audiences during the period. This was achieved through organising events, speaking at external events, carrying out outreach activities, digital advertising, social media engagement, and running a key supporter programme. The Charity continues to have no borrowings and has achieved a good outcome for the period, with the necessary resources moving forward to continue to expand its activities.

As a result, income for the period was £20.69m (2022: £12.05m), arising largely from donations. Of this, £1.53m (2022: £1.27m) was received by Al-Ayn Social Care gGmbH, also largely from donations.

Expenditure was £21.013m (2022: £11.5m) of which £17m (2022: £8.51m) were grants made to Al-Ayn Social Care Foundation (Iraq), and £611k (2022: £228k) was expenditure on supporting orphaned children in Afghanistan, and £178k (2022: £6k) was expenditure on supporting orphaned children in Ghana. There was unrealised currency exchange loss of £52,366 (2022: gains of £108,832). The excess of expenditure over income arose primarily due to funds carried forward from the previous financial year for charitable expenditure in Afghanistan.

Total funds carried forward at the end of the year were £1.3m (2022: £1.7m), of which £674k (2022: £686k) were in restricted funds, and the remaining balance of £628k (2022: £919k) in unrestricted funds to support future charitable expenditures. Further details are set out in note 11 to the accounts.

The Trustees are satisfied that all funds received have been applied in an effective manner.

PLANS FOR FUTURE PERIODS

The Charity will continue with its core activities of supporting orphaned children in Iraq, whilst building on the support it provides to orphaned children in Afghanistan and Ghana and exploring opportunities to expand its operation to other countries. The main objectives for the next financial year continue to be:

1. reaching out to wider audiences to raise awareness about the plight of orphaned children in need and the Charity's work to support them;
2. raising funds to support the work of the Charity in empowering orphaned children;
3. diversifying the sources of funding coming into the Charity, and
4. engaging supporters with the Charity's work and providing services for them.

The Charity also aims to provide additional training and development for staff and volunteers through workshops. The Charity aims to distribute and collect a significantly larger number of Sadaqa Boxes throughout the UK and promote further the use of its mobile app for donations. The Charity also aims to expand its legacy programme, raising awareness amongst supporters about the potential benefits of donating to charity through wills and legacies.

The Trustees are committed to continuing to monitor the application of funds for all campaigns to ensure they remain effective and targeted. The Charity also plans to expand its team further and update its processes to match new regulations as well as the increase in support for its work.

EVENTS SINCE THE END OF THE PERIOD

There are no events to report since the end of the period.

FUNDRAISING STATEMENT

The Charity continues to work towards diversifying its fundraising activities to enable it to raise vital funds that will create better outcomes for more orphaned children in poverty. The Trustees and broader team are committed to building trust with supporters, and in 2023 the Charity continued to build upon its internal guidance and individual agreements with each additional member of the team which stipulated the roles, procedures and expectations relating to all aspects of work, including fundraising. During this period, more feedback opportunities were provided for staff, coordinators, volunteers and supporters through frequent surveys and private feedback meetings. The Trustees also recognise the need to monitor the wider team, providing them with regular training and shadowing if needed.

The Trustees are committed to protecting vulnerable adults and children during fundraising activities, through appropriate policies and procedures. The Charity's Safeguarding Policy and Vulnerable Persons Policy details this commitment, and the Trustees regularly review the Charity's policies and procedures in line with performance.

Alongside this, the Charity's commitment to adhering to stringent procedures relating to all aspects of its work and in line with the Code of Fundraising Practice has meant that the Charity has received zero complaints (2022: zero) about activities for the purposes of fundraising during the reporting period.

PUBLIC BENEFIT STATEMENT

In deciding the Charity's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the prevention or relief of poverty and its supplementary public benefit guidance on the advancement of health or the saving of lives in accordance with the requirement of section 17(5) of the Charities Act 2011. The Trustees always ensure that the Charity's activities are undertaken in line with its charitable objects and aims.

Further details on the activities carried out in the reporting period to deliver public benefit are outlined above.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable incorporated organisation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with charity law. 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees on the 31st of May 2024 and signed on their behalf by:

.....
Ahmed Alkhaja
Chair of Board of Trustees

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group's and parent charitable company's net movement in funds, including the 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 **[group/charity]**'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity;
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement [set out on page 8], the trustees 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.

In preparing the financial statements, the trustees are responsible for assessing the group'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 group 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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with laws and regulations related to regulatory requirements of the Charity Commission 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 Charities Act 2011, payroll tax.

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 posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the recognition of income and expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of income;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in preparing the financial statements

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Vikram Sandhu
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 1 July 2024

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

INCOME AND EXPENDITURE		Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	11,606,137	9,083,791	20,689,928	12,054,637
Total Income		<u>11,606,137</u>	<u>9,083,791</u>	<u>20,689,928</u>	<u>12,054,637</u>
<u>Expenditure on:</u>	3				
Raising funds		557,909		557,909	421,865
Charitable activities		11,358,943	9,096,604	20,455,547	11,167,370
Other -unrealised Forex (gains)/losses		<u>52,366</u>	<u></u>	<u>52,366</u>	<u>(108,832)</u>
Total Expenditure		<u>11,969,218</u>	<u>9,096,604</u>	<u>21,065,822</u>	<u>11,480,403</u>
Net movement in funds		(363,081)	(12,813)	(375,894)	574,234
Total funds brought forward		<u>991,379</u>	<u>686,570</u>	<u>1,677,949</u>	<u>1,103,715</u>
Total funds carried forward		<u><u>628,298</u></u>	<u><u>673,757</u></u>	<u><u>1,302,055</u></u>	<u><u>1,677,949</u></u>

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

All the Charity's activities are classified as continuing.

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6		917,923		873,410
Current Assets					
Debtors	8	919,458		885,694	
Cash at bank and in hand		1,996,221		2,090,273	
		<u>2,915,679</u>		<u>2,975,967</u>	
Creditors: amounts falling due within one year	9	<u>(2,531,547)</u>		<u>(2,171,428)</u>	
Net Current Assets			384,132		804,538
Net Assets			<u>1,302,055</u>		<u>1,677,949</u>
Represented by:					
Unrestricted funds			673,757		991,379
Restricted funds			628,298		686,570
TOTAL FUNDS			<u>1,302,055</u>		<u>1,677,949</u>

The financial statements were approved by the board and authorised for issue on the 31st of May 2024 and signed on its behalf by:

.....
Ahmed Alkhaja
Chair of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

BALANCE SHEET-CHARITY

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6		872,196		847,615
Investment in subsidiary	7		21,988		21,988
			<u>894,184</u>		<u>869,603</u>
Current Assets					
Debtors	8	534,283		637,579	
Cash at bank and in hand		1,508,112		1,837,898	
		<u>2,042,395</u>		<u>2,475,477</u>	
Creditors: amounts falling due within one year	9	(1,638,733)		(1,655,133)	
Net Current Assets			<u>403,662</u>		<u>820,344</u>
Net Assets			<u>1,297,846</u>		<u>1,689,947</u>
Represented by:					
Unrestricted funds			673,757		1,003,377
Restricted funds			624,089		686,570
TOTAL FUNDS			<u>1,297,846</u>		<u>1,689,947</u>

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented. Total net expenditure and movement in reserves of the parent charity was £392,101 (2022: £564,570)

The financial statements were approved by the board and authorised for issue on the 31st of May 2024 and signed on its behalf by:

.....
Ahmed Alkhaja
Chair of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash provided by operating activities (a)	63,812	698,406
Cash flows from investing activities		
Purchase of tangible fixed assets	(105,497)	(92,604)
Cash provided by (used in) investing activities	(105,497)	(92,604)
Increase (decrease) in cash and cash equivalents in the period	(41,685)	605,802
Cash and cash equivalents at the beginning of the period	2,090,273	1,375,638
Change in cash due to ex rate movements	(52,366)	108,832
Total cash and cash equivalents at period end	1,996,221	2,090,273

Analysis of Cash and Cash Equivalents

	2023 £	2022 £
Cash in hand	1,996,221	2,090,273
	1,996,221	2,090,273

(a) Reconciliation of net movement in funds to net cash inflow from Operating Activities

	2023 £	2022 £
Net movement in funds	(375,894)	574,234
Adjustments for:		
Add back depreciation charge	82,972	59,601
Decrease (increase) in debtors	(33,764)	(306,183)
Increase (decrease) in creditors	360,120	479,586
Foreign exchange (gains)/losses	52,366	(108,832)
Investment in subsidiary	(21,988)	
Net cash provided by operating activities	63,812	698,406

1. ACCOUNTING POLICIES

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

1.1. Basis of accounting

The financial statements 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) (second edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Al-Ayn Social Care 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 note(s).

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

1.3. Basis of Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Al-Ayn Social Care GmbH, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented but the total income, total expenditure and net movement for the parent charity has been disclosed as a footnote on page 13.

1.4. Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, there is probability of receipt and the amount can be quantified with reasonable accuracy.

Gifts in kind represent assets donated for distribution or use by the Charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the Charity would otherwise have paid for the assets.

No amounts are included in the financial statements for services donated by volunteers.

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable.

1.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Support costs which cannot be directly attributed to particular activities are apportioned based on estimated usage. Governance costs, which form part of support costs include expenditure on the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.6. Pension schemes

The Charity commenced auto enrolment in November 2020, with NEST Pensions.

1. ACCOUNTING POLICIES (continued)

1.7. Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Leasehold land	Not depreciated
Leasehold property	50 years straight line
Office equipment	4 years straight line
Furniture and fittings	4 years straight line
Vehicles	5 years straight line
Software	5 years straight line

1.8. Investments

Investments are non-listed investments held at historic cost in the financial statements.

1.9. Debtors

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

1.10. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.11. Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.13. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2. DONATIONS AND LEGACIES

	2023 £	2022 £
Donations including gift aid receipts	20,689,928	12,054,637

3. EXPENDITURE

	Donations and grants £	Staff costs £	Governance £	Support costs Other £	2023 £	2022 £
Raising funds	-	164,857	-	393,052	557,909	421,865
Fundraising activities						
Charitable activity:	17,809,034	1,675,119	40,468	930,926	20,455,547	11,167,370
The Prevention or relief of poverty and financial hardship among orphaned children.						
Other-forex losses	-	-	-	52,365	52,365	(108,832)
Total	17,809,034	1,839,976	40,468	1,373,343	21,065,822	11,480,403

	Donations and grants £	Staff costs £	Governance £	Support costs Other £	2022 £
Raising funds					
Fundraising activities	-	286,493	-	135,372	421,865
Charitable activity:					
The Prevention or relief of poverty and financial hardship among orphaned children.	10,125,005	939,404	50,649	52,312	11,167,370
Other-forex losses	-	-	-	(108,832)	(108,832)
Total	10,125,005	1,225,897	50,649	78,852	11,480,403

	2023 £	2022 £
Net income is stated after charging:		
Auditor's remuneration – audit	18,700	19,167
Auditors remuneration – other	-	-
Depreciation	83,959	59,601

4. TRUSTEES

None of the trustees (or any persons connected with them) received any reimbursement of expenses, remuneration or benefits from the Charity during the period.

5. STAFF COSTS	2023 £	2022 £
Wages and salaries	1,638,934	1,059,584
Social security costs	174,441	148,137
Pension costs	26,601	18,173
	<u>1,839,976</u>	<u>1,225,897</u>

One employee (2022: No employee) received emoluments of more than £60,000 in the period.

The role of key management personnel was undertaken by the trustees during the period for which they received no remuneration (2022: no remuneration) from the Charity.

The average monthly employee headcount during the period was as follows:

	2023 Number	2022 Number
Al-Ayn Social Care Foundation – UK Staff	46	33
Al-Ayn Social Care Foundation - Afghanistan	15	15
Al-Ayn Social Care gGmbH- Germany staff	12	14
Al-Ayn Social Care Foundation - Ghana	8	7
	<u>81</u>	<u>69</u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6. TANGIBLE FIXED ASSETS

GROUP	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost							
As at 1 January 2023	744,080	-	117,529	19,624	72,544	52,608	1,006,385
Additions	2,000		84,538	1,240	-	17,719	105,497
Transferred					-		
At 31 December 2023	746,080	-	202,067	20,864	72,544	70,327	1,111,882
Depreciation							
As at 1 January 2023	23,833	-	72,311	8,909	14,423	13,499	132,975
Charge for the year	12,152		40,205	4,568	14,927	11,120	82,972
At 31 December 2023	35,985	-	112,516	13,477	29,350	24,619	215,947
Net book value		-					
At 31 December 2023	710,095		89,551	7,387	43,194	45,708	895,935
At 31 December 2022	720,247		45,218	10,715	58,121	39,109	873,410

6. TANGIBLE FIXED ASSETS (continued)

CHARITY	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost							
As at 1 January 2023	744,080		101,198	19,418	72,544	21,052	958,292
Additions	2,000		79,214	1,446	-	17,367	100,027
Transferred							
At 31 December 2023	746,080	-	180,412	20,864	72,544	38,419	1,058,319
Depreciation							
As at 1 January 2023	23,833	-	58,889	8,909	14,423	4,623	110,667
Charge for the year	12,152		36,566	4,568	14,927	7,233	75,446
At 31 December 2023	35,985	-	95,455	13,477	29,350	11,856	186,113
Net book value							
At 31 December 2023	710,095	-	84,957	7,387	43,194	26,563	872,196
At 31 December 2022	720,247		42,309	10,509	58,121	16,429	847,615

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7. INVESTMENTS

Al-Ayn Social Care Foundation owns the entire share capital of Al-Ayn Social Care gGmbH, a German charitable limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under the registration number HRB 174865 B. A summarised income statement and balance sheet for Al-Ayn Social care gGmbH are set out below.

	2023 £	2022 £
Income	1,534,588	1,298,205
Expenditure	(1,535,881)	(1,292,491)
Net movement of funds	1,290	5,714
<u>Balance Sheet</u>	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Fixtures and equipment	4,594	550
Motor Vehicle	19,145	25,245
Cash at bank	488,109	252,375
Debtors	385,175	248,115
Creditors and accruals	(892,197)	(520,572)
Net assets	1,290	5,714
Share capital	22,000	22,000

8. DEBTORS

	Group		Parent	
	2023 £	2022 £	2023 £	2022 £
Other debtors and prepayments	10,815	10,907	4,263	4,427
Accrued income	908,643	874,787	530,020	633,152
	<u>919,458</u>	<u>885,694</u>	<u>534,283</u>	<u>637,579</u>

9. CREDITORS: amounts falling due Within one year

	Group		Parent	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	165,528	58,483	142,749	31,403
Other creditors and accruals	2,365,402	2,112,945	1,495,984	1,623,730
	<u>2,530,930</u>	<u>2,171,428</u>	<u>1,638,733</u>	<u>1,655,133</u>

10a ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2023 as represented by:			
Tangible fixed assets	258,908	659,015	917,923
Current assets	1,579,987	1,335,692	2,915,679
Current liabilities	(1,210,597)	(1,320,950)	(2,531,547)
	<u>628,298</u>	<u>673,757</u>	<u>1,302,055</u>
	<u><u>628,298</u></u>	<u><u>673,757</u></u>	<u><u>1,302,055</u></u>
10b ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2022 as represented by:			
Tangible fixed assets	202,243	671,167	873,410
Current assets	1,639,614	1,336,353	2,975,967
Current liabilities	(850,477)	(1,320,950)	(2,171,427)
	<u>991,380</u>	<u>686,570</u>	<u>1,677,950</u>
	<u><u>991,380</u></u>	<u><u>686,570</u></u>	<u><u>1,677,950</u></u>
10c ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2023 as represented by:			
Tangible fixed assets	213,181	659,015	872,196
Investments	21,988	-	21,988
Current assets	820,977	1,221,418	2,042,395
Current liabilities	(432,057)	(1,206,676)	(1,638,733)
	<u>624,089</u>	<u>673,757</u>	<u>1,297,846</u>
	<u><u>624,089</u></u>	<u><u>673,757</u></u>	<u><u>1,297,846</u></u>
10d ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2022 as represented by:			
Tangible fixed assets	176,448	671,167	847,615
Investments	21,988	-	21,988
Current assets	1,253,398	1,222,079	2,475,477
Current liabilities	(448,457)	(1,206,676)	(1,655,133)
	<u>1,003,377</u>	<u>686,570</u>	<u>1,689,947</u>
	<u><u>1,003,377</u></u>	<u><u>686,570</u></u>	<u><u>1,689,947</u></u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

11. RESTRICTED FUNDS (GROUP)

	At 1 January 2023 £	Income £	Expenditure £	At 31 December 2023 £
Africa Fund	15,403	30,084	(45,487)	-
Afghanistan Fund	-	349,528	(349,528)	-
Private Sponsorship	-	2,362,982	(2,362,982)	-
Religious Dues	-	1,372,930	(1,372,930)	-
Al-Ayn Social Care Foundation (Australia)	-	2,906,114	(2,906,114)	-
Al-Ayn for Social Care (Sweden)	-	925,787	(925,787)	-
Al-Ayn for Social Care (Norway)	-	4,036	(4,036)	-
Sadaqa Jariya	-	365,580	(365,580)	-
Specified donations	-	766,750	(766,750)	-
Building fund	671,167	-	(12,152)	659,015
	<u>1,677,949</u>	<u>20,689,928</u>	<u>(21,065,822)</u>	<u>1,302,055</u>
	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Africa fund	-	16,029	(626)	15,403
Afghanistan Fund	136,541	103,598	(240,139)	-
Private Sponsorship	-	1,470,728	(1,470,728)	-
Religious Dues	-	3,522,476	(3,522,476)	-
Luminous Stars Centres	-	40,474	(40,474)	-
Al-Ayn Social Care Foundation (Australia)	-	1,591,056	(1,591,056)	-
Al-Ayn Social Care Foundation (Switzerland)	-	66,887	(66,887)	-
Al-Ayn for Social Care (Sweden)	-	299,472	(299,472)	-
Ramadhan Appeal	-	177,177	(177,177)	-
Sadaqa Jariya	-	205,562	(205,562)	-
Gifts for Sponsored Children	-	26,068	(26,068)	-
Medical Support	-	49,788	(49,788)	-
Housing Complexes	-	65,195	(65,195)	-
Winter Appeal	-	43,879	(43,879)	-
Building fund	683,279	-	(12,112)	671,167
Other restricted funds (<£30k)	-	75,951	(75,951)	-
	<u>819,820</u>	<u>12,054,637</u>	<u>(11,480,403)</u>	<u>686,570</u>

Africa Fund: Donations towards providing financial assistance and other forms of support for orphaned children in Ghana.

Afghanistan Fund: Donations towards providing financial assistance and other forms of support for orphaned children in Afghanistan.

Private Sponsorship: Donations towards providing financial assistance for named orphaned children, in line with the Charity's Private Sponsorship scheme.

Religious dues: Khoms donations which are used for the poor and the needy. These are distributed as part of monthly financial allowances to orphaned children.

11. RESTRICTED FUNDS (CONTINUED)

Al-Ayn Social Care Foundation (Australia): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Australia), to support the different schemes and projects supported by the Charity, under an agreement dated 11 May 2018, with its terms to be reviewed annually.

Al-Ayn Social Care Foundation (Switzerland): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Switzerland), to support the different schemes and projects supported by the Charity, under an agreement dated 11 September 2021, with its terms to be reviewed annually.

Al-Ayn for Social Care Sweden: Relates to the movement on donations received from Al-Ayn for Social Care Sweden, to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2019, with its terms to be reviewed annually.

Al-Ayn Social Care Foundation (Norway): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Norway), to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2022, with its terms to be reviewed annually.

Sadaqa Jariya: Donations received for the construction of projects in Iraq that provide services to orphaned children, including housing complexes, vocational training centres, and personal development centres.

Specified donations incorporates various smaller restricted funds to support specific needs of orphaned children and their families, including medical, educational, psychological and housing needs.

Building Fund: Grant received from Al-Ayn Social Care Foundation (Iraq) for the purchase of the Charity's premises lease.

Luminous Stars Centres: Donations received for the construction of the Luminous Stars Vocational Training and Psychological Rehabilitation Centres in different provinces in Iraq.

Housing Complexes: Donations received for the construction of housing units in Iraq to house families of orphaned children.

Ramadhan Appeal: Donations received specifically for the Ramadhan Appeal, providing financial, vocational, medical and educational support for orphaned children.

Gifts for Sponsored Children: Donations received to provide monetary gifts for named orphaned children on occasions such as their birthdays and religious festivals.

Medical Support: Donations received for the purpose of providing medical treatment and medicines.

12. RELATED PARTIES

The following related party transactions took place in 2023:

- The Charity made donations and grants of £17m (2022: £8.51m) to Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, in accordance with a Grant Agreement between the two parties.
- The Charity recognised donations in the sum of £2.8m (2022: £1.3m) from Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, to cover staff and support costs of the Charity.
- The Charity received donations totalling £2.9m (2022: £1.59m) during the year from Al Ayn Social Care Foundation (Australia). Ahmed Alkhaja is a Director of Al Ayn Social Care Foundation (Australia).
- The aggregate value of donations from Trustees and their related parties made in the year was £25,675 (2022: £28,809).

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
<u>Income and endowments from:</u>				
Donations and legacies	2	4,300,297	7,754,340	12,054,637
Total Income		<u>4,300,297</u>	<u>7,754,340</u>	<u>12,054,637</u>
<u>Expenditure on:</u>	3			
Raising funds		421,865	-	421,865
Charitable activities		3,279,780	7,887,590	11,167,370
Other -unrealised Forex (gains)/losses		<u>(108,832)</u>	<u>-</u>	<u>(108,832)</u>
Total Expenditure		<u>3,592,813</u>	<u>7,887,590</u>	<u>11,480,403</u>
 Net movement in funds		 707,484	 (133,250)	 574,234
Total funds brought forward		<u>414,658</u>	<u>692,683</u>	<u>1,107,341</u>
Total funds carried forward		<u><u>991,380</u></u>	<u><u>686,570</u></u>	<u><u>1,677,950</u></u>

Accounts



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

AL-AYN SOCIAL CARE FOUNDATION

YEAR ENDED 31 DECEMBER 2022

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The photo on the cover page is of Zainab (aged 5), a child supported by Al-Ayn Social Care Foundation (Iraq).

AL-AYN SOCIAL CARE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Aliya Azam Dr Ahmed Alkhaja Mrs Rabab Kleit Mr Mohamad Baqer Al-Yassin Mr Mustafa Mohamed
Acting Director (unpaid)	Dr Ahmed Alkhaja
Charity Registration Number	1163706
Principal Address and Registered Office	Unit 5, Watling Gate 297 – 303 Edgware Road Colindale London NW9 6NB
Independent Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays 75 King Street Hammersmith London W6 9HY
Solicitor	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

The Trustees present their report, together with the audited financial statements of Al-Ayn Social Care Foundation (the Charity) for the period ended 31 December 2022. The Trustees confirm that the report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP 2019) 'Accounting and Reporting by Charities' Second Edition applicable for accounting periods commencing on and after 1 January 2019.

Al-Ayn Social Care Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission of England & Wales on 23 September 2015.

These financial statements cover the period from 1 January 2022 to 31 December 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The CIO was registered on 23 September 2015 and its governing document was amended on 9 May 2017.

Organisational structure

The Charity has a board of five trustees (the Trustees), who meet formally on a regular basis to determine and review implementation of the Charity's strategy, identify and manage risks and administer the affairs of the Charity. The Trustees are drawn from persons of suitable experience, professional qualification or business acumen who are deemed suitable to administer the assets and the running of the Charity and are appointed by the sole member. The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the constitution, with some management responsibilities delegated to the Charity's staff. They receive no remuneration or financial benefit for their role as Trustees, except as may be permitted by the Charity's constitution. The Trustees will regularly review their training needs and if necessary obtain training for the Trustees where appropriate. Any new trustees would undergo an induction process which would include obtaining a copy of the Charity's constitution and minutes of meetings, declaring conflicts of interest, and attending meetings with the acting director and senior staff to be updated on the affairs of the Charity.

Al-Ayn Social Care gGmbH is a wholly owned subsidiary of the Charity and is managed by a director with the support of members of staff and volunteers. The Trustees are updated regularly on the performance of Al-Ayn Social Care gGmbH.

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970 is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with the terms of an agreement between the parties.

Pay and Remuneration

The Trustees review the pay and remuneration of staff on a regular basis, to ensure internal consistency and that pay is competitive within the sector. Banding of pay is reviewed on an annual basis.

Risk management

The Trustees regularly review the major business and operational risks which the Charity faces, including risks associated with the diversity of its income and application of expenditure overseas. They have agreed and implemented policies and systems to ensure appropriate steps are taken to safeguard the Charity's assets, including by ensuring appropriate due diligence, monitoring and reporting is carried out on grant recipients and beneficiaries, and that grant agreements are entered into in accordance with the Charity Commission and HMRC guidance on overseas donations. Regular reports are produced for the Trustees to identify and, if necessary, manage business and operational risks. The Trustees regularly review the Charity's policies and systems and are satisfied with the policies and controls in place to manage the risks identified.

Objects

The objects of the CIO for the public benefit are:

- the prevention or relief of poverty and financial hardship by providing: grants, items and services to orphans and other individuals in need and/or charities, or other organisations working to prevent or relieve poverty and financial hardship;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- the prevention or relief of sickness among orphans and other individuals in need, by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness;
- the advancement of education; and
- to provide or assist in the provision of facilities, equipment and services in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such facilities, equipment or services by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Grant making policies.

The Charity continues to make international grants in accordance with its "International Grants Policy". The procedure for international grants includes identifying potential recipients, carrying out appropriate due diligence checks and risk assessments, and then entering a grant agreement with the recipient. To help the Charity assess and manage the risks of overseas grants, the Trustees require recipients to provide a monitoring report using an agreed template, as set out in the grant agreements.

The Charity makes grants primarily to Al-Ayn Social Care Foundation (Iraq), subject to the discretion of the Trustees. The Trustees closely monitor all grants made, review the supporting documentation and undertake random inspection of the various projects that are supported by the grants.

The grants are typically disbursed in instalments to ensure that agreed timings and results are being met and managed, and to enable monitoring and evaluation of progress. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

The Trustees have considered the Charity Commission guidance on working internationally and HMRC guidance on overseas payments and have put in place appropriate and robust arm's length grant agreements.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Reserves policy

The Trustees are of the view that holding substantial reserves is unnecessary, as it would tie up funds which could and should be spent on charitable activities. All income received is spent on charitable activities in the form of grants, and all administrative costs are covered by Al-Ayn Social Care Foundation (Iraq). However, the Trustees have set aside £60,000 for administrative costs, which would be sufficient to sustain the Charity's activities for three months during an orderly wind down, should that be required.

The Trustees are committed to regularly reviewing the Charity's reserves policy, to ensure that the appropriate levels of reserves are maintained. The Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- safeguard the Charity's service commitment in the event of delays in receipt of grants or other income;
- provide a financial cushion against risk and future uncertainties; and
- resource the research and development of services and initiatives.

In light of the Charity's expansion to work in Afghanistan and Ghana, the Trustees have approved designating funds in the following financial year equivalent to six months of monthly allowances for beneficiaries supported in these two countries. This will allow the Charity to support these beneficiaries in the case of shortage of available funds.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal funding

Funding for the activities of the Charity has been derived solely from the kind donors and supporters of the Charity, with the administrative overheads donated by Al-Ayn Social Care Foundation (Iraq).

Investment powers and policy

The Trustees have the powers to make investments on behalf of the Charity as they deem fit, taking account of standard investment criteria. At the moment, the Charity's risk profile indicates that investments should be held in low risk assets. Consequently, all investments at the moment are currently held in bank account balances.

Related parties

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with an agreement between the parties.

Ahmed Alkhaja is a director of Al Ayn Social Care Foundation (Australia). The Charity received donations totalling £1,591m (2021: £506k) during the year from Al Ayn Social Care Foundation (Australia). The relationship between the Charity and Al-Ayn Social Care Foundation (Australia) is governed in accordance with a grant agreement between the parties.

The Charity is the sole shareholder of Al-Ayn Social Care gGmbH, a German not-for-profit limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under registration number HRB 174865 B. Further details are set out in note 7 to the accounts.

The Trustees and staff are also related parties. The Trustees are not aware of the existence of any other related parties. Please note that details of any related party transactions are set out in note 12 to the accounts.

ACHIEVEMENT AND PERFORMANCE

Detailed information on the Charity's activities in the reporting period is available by visiting www.alayn.co.uk/activities-report/

The Trustees consider that the performance of the Charity in this financial period has been good, taking into account the following measures:

- the total income received by the Charity over the period;
- the total number of volunteers supporting the activities of the Charity over the period;
- the total number of coordinators, acting as points of contact for the Charity's supporters throughout the United Kingdom;
- the total number of orphaned children supported through the orphaned child sponsorship scheme;
- the total number of Sadaqa Boxes (collection boxes) distributed and received;
- the variety of events and fundraising activities carried out by the Charity and its supporters; and
- overall engagement with the Charity's website and social media platforms.

During 2022 the Charity continued its steady growth, building upon similar performance from previous years. This has been largely made possible due to the strong reputation of Al-Ayn Social Care Foundation (Iraq) and its unmatched presence on the ground across Iraq.

A second mental health and vocational training campaign provided critical fundraising to ensure essential services reach all children, youth and their mothers. The Charity continued to support projects carried out by Al-Ayn Social Care Foundation (Iraq), including medical clinics, educational support, house refurbishment, and housing complexes.

During the period, the Charity continued its operations in Afghanistan despite significant challenges, to address the critical need of orphaned children there. The Charity provided children registered there with monthly allowances, food, and clothes.

ACHIEVEMENT AND PERFORMANCE (continued)

The Charity also started operations in Ghana during the period, providing monthly allowances, food and clothes to orphaned children registered with it there.

The Charity carried out the following main activities for the period ended 31 December 2022 in furtherance of its charitable activities for public benefit.

(1) Supporting orphaned children

The Charity's principal activity continues to be the provision of monthly financial allowances for orphaned children in Iraq, through grants made to Al-Ayn Social Care Foundation (Iraq), in addition to orphaned children in Afghanistan and Ghana. This is funded through donations, religious dues such as Khoms and Sadaqa, and the Charity's "Orphaned Child Sponsorship Programme".

A substantial proportion of Sadaqa donations received by the Charity comes from its Sadaqa Boxes. These Sadaqa Boxes are used to collect cash and can be requested by supporters either online, by phone or from the Charity's office for their homes or businesses and the Charity replaces them periodically. In this accounting period, thousands of Sadaqa Boxes were distributed and collected throughout the United Kingdom, through postal services, in person at events and at designated drop-off locations including the Charity's offices. The Al-Ayn mobile app continued to grow in popularity in this period, allowing the Charity's supporters to give Sadaqa donations and other forms of donations conveniently, with just a few taps.

The "Orphaned Child Sponsorship Programme" provides the Charity's supporters with the opportunity to financially support a particular orphaned child in Iraq on a monthly basis. It is a distinctively comprehensive care package. Alongside the financial aid distributed, orphaned children and widowed mothers are provided access to free medical, psychological, educational, housing, in-kind and other forms of support. Supporters are given the ability to support any of these areas and guarantees are in place to ensure restricted funds for each area reach the beneficiaries in the intended form.

The Charity received funds to address certain specific needs of orphaned children, including medical needs, educational needs, food, and housing needs, and was able to deliver such support through grants made to Al-Ayn Social Care Foundation (Iraq) and through supporting orphaned children registered with it in Afghanistan and Ghana.

(2) Providing toys and clothes to orphaned children

The Charity's initiative to draw smiles through providing toys and clothes for orphaned children continued in this period. Supporters were encouraged to gift children during milestones and celebrations like birthdays and Eid.

(3) Supporting continual charity (Sadaqa Jariya) projects

The Charity has continued to fund Sadaqa Jariya projects throughout Iraq that are being implemented on the ground by Al-Ayn Social Care Foundation (Iraq). Supporters were offered a number of projects that they were invited to support. These included a housing complex and a number of vocational training and psychological rehabilitation centres, which are being built in various provinces in Iraq. The various projects aim to meet the needs of orphaned children, in particular those who have been unable to continue to further education or are in need of adequate housing or other support in order to achieve their full potential.

ACHIEVEMENT AND PERFORMANCE (continued)

Charitable activities and fundraising

During this period, the Charity organised a number of events both in person and remotely.

These included:

- (1) Wills Writing Seminars to give supporters a legal and Islamic perspective on will-writing presented by professionals in this field and help generate future sources of funding for the Charity.
- (2) Religious Dues Workshops held in line with supporters' preferences for more information on subjects like Khoms, Fidyah and Kaffara, helping them to decide how they can donate to the Charity.
- (3) Various Coffee Mornings held remotely with supporters to update them on their impact and hear their suggestions as well as respond to their questions and in person with neighbouring work offices.
- (4) Numerous children's events across the Charity's offices aimed at raising awareness through crafts, fun and learning. This included Hikayati (My Story) a series of highly interactive certified personal development & STEM workshops to develop social, emotional and educational skills, a Forest Fundraising Walk and The Little Iftar.
- (5) Targeted office events to raise awareness about different campaigns the Charity is running.
- (6) Stalls and speeches at various external events across the United Kingdom which in previous years were extremely valuable at gaining new supporters.
- (7) Awards and appreciation for all volunteers and coordinators to thank them for their dedication and support.

These activities supported the Charity in raising awareness about its cause and fundraising for the Charity's campaigns.

Volunteers

The Charity continued to benefit from the skills and experiences of volunteers during the period, across various areas of its work.

Al-Ayn Social Care gGmbH was supported by more than 30 volunteer coordinators in 9 different cities in Germany, who promoted the charitable activities of the Charity through seminars, stalls, events, and meetings with local non-profit organisations.

FINANCIAL REVIEW

The Charity has built strong presence amongst its core supporters and donors, leading to continued sustained growth during the period. The Charity also reached out to new audiences during the period. This was achieved through organising events, speaking at external events, carrying out outreach activities, digital advertising, social media engagement, and running a key supporter programme. The Charity continues to have no borrowings and has achieved a good outcome for the period, with the necessary resources moving forward to continue to expand its activities.

As a result, income for the period was £12.054m (2021: £15.3m) arising largely from donations. Of this, £1.298m (2021: £1.27m) was received by Al-Ayn Social Care gGmbH, also largely from donations. There were unrealised currency exchange gains of £108,832 (2021: gains of £131,807).

Expenditure was £11.5m (2021: £15.5m) of which £8,511m (2021: £13.8m) were grants made to Al-Ayn Social Care Foundation (Iraq), and £228k (2021: £100k) was charitable expenditure on supporting orphaned children in Afghanistan, and £6,150 (2021: none) was charitable expenditure on supporting orphaned children in Ghana.

Total funds carried forward at the end of the year were £1,677,950 (2021: £1,103,715), of which £686k (2021: £840k) were in restricted funds, and the remaining balance of £919k (2021: £283k) in unrestricted funds to support future charitable expenditures. Further details are set out in note 11 to the accounts.

The Trustees are satisfied that all funds received have been applied in an effective manner.

PLANS FOR FUTURE PERIODS

The Charity will continue with its core activities of supporting orphaned children in Iraq, whilst building on the support it provides to orphaned children in Afghanistan and Ghana and exploring opportunities to expand its operation to other countries. The main objectives for the next financial year continue to be:

1. reaching out to wider audiences, to raise awareness about the plight of orphaned children in need and the Charity's work to support them;
2. raising funds to support the work of the Charity in empowering orphaned children;
3. diversifying the sources of funding coming into the Charity, and
4. engaging supporters with the Charity's work and providing services for them.

The Charity also aims to provide additional training and development for staff and volunteers through workshops. The Charity aims to distribute and collect a significantly larger number of Sadaqa Boxes throughout the UK and promote further the use of its mobile app for donations. The Charity also aims to expand its legacy programme, raising awareness amongst supporters about the potential benefits of donating to charity through wills and legacies.

The Trustees are committed to continuing to monitor the application of funds for all campaigns to ensure they remain effective and targeted. The Charity also plans to expand its team further and update its processes to match new regulations as well as the increase in support for its work.

EVENTS SINCE THE END OF THE PERIOD

There are no events to report since the end of the period.

FUNDRAISING STATEMENT

The Charity continues to work towards diversifying its fundraising activities to enable it to raise vital funds that will create better outcomes for more orphaned children in poverty. The Trustees and broader team are committed to building trust with supporters, and in 2022 the Charity continued to build upon its internal guidance and individual agreements with each additional member of the team which stipulated the roles, procedures and expectations relating to all aspects of work, including fundraising. During this period, more feedback opportunities were provided for staff, coordinators, volunteers and supporters through frequent surveys and private feedback meetings. The Trustees also recognise the need to monitor the wider team, providing them with regular training and shadowing if needed.

The Trustees are committed to protecting vulnerable adults and children during fundraising activities, through appropriate policies and procedures. The Charity's Safeguarding Policy and Vulnerable Persons Policy details this commitment and the Trustees regularly review the Charity's policies and procedures in line with performance.

Alongside this, the Charity's commitment to adhering to stringent procedures relating to all aspects of its work and in line with the Code of Fundraising Practice has meant that the Charity has received zero complaints (2021: zero) about activities for the purposes of fundraising during the reporting period.

PUBLIC BENEFIT STATEMENT

In deciding the Charity's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the prevention or relief of poverty and its supplementary public benefit guidance on the advancement of health or the saving of lives in accordance with the requirement of section 17(5) of the Charities Act 2011. The Trustees always ensure that the Charity's activities are undertaken in line with its charitable objects and aims.

Further details on the activities carried out in the reporting period to deliver public benefit are outlined above.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable incorporated organisation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with charity law. 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees on the 23rd of October 2023 and signed on their behalf by:

.....
Rabab Kleit
Chair of Board of Trustees

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the group's and the parent charitable company's affairs as at 31 December 2022 and of the group's and parent charitable company's net movement in funds, including the 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception.

In light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 group or the parent 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 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 sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, 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 Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the recognition of income and expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of income;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging any assumptions and judgements made by management in preparing the financial statements.

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

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

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Vikram Sandhu
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 27 October 2023

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

INCOME AND EXPENDITURE		Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	4,300,297	7,754,340	12,054,637	15,361,919
Total Income		<u>4,300,297</u>	<u>7,754,340</u>	<u>12,054,637</u>	<u>15,361,919</u>
<u>Expenditure on:</u>	3				
Raising funds		421,865		421,865	42,606
Charitable activities		3,279,780	7,887,590	11,167,370	15,454,746
Other -unrealised Forex (gains)/losses		(108,832)		(108,832)	(131,807)
Total Expenditure		<u>3,592,813</u>	<u>7,887,590</u>	<u>11,480,403</u>	<u>15,365,545</u>
Net movement in funds		707,484	(133,250)	574,234	(3,626)
Total funds brought forward		<u>283,895</u>	<u>819,820</u>	<u>1,103,715</u>	<u>1,107,341</u>
Total funds carried forward		<u><u>991,379</u></u>	<u><u>686,570</u></u>	<u><u>1,677,949</u></u>	<u><u>1,103,715</u></u>

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

All the Charity's activities are classified as continuing.

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6				840,407
			873,410		
Current Assets					
Debtors	8	885,694		579,511	
Cash at bank and in hand		2,090,273		1,375,638	
		<u>2,975,967</u>		<u>1,955,149</u>	
Creditors: amounts falling due within one year	9	<u>(2,171,428)</u>		<u>(1,691,841)</u>	
Net Current Assets			804,538		263,308
Net Assets			<u>1,677,949</u>		<u>1,103,715</u>
Represented by:					
Unrestricted funds			991,379		283,895
Restricted funds			686,570		819,820
TOTAL FUNDS			<u>1,677,949</u>		<u>1,103,715</u>

The financial statements were approved by the board and authorised for issue on 23 October 2023 and signed on its behalf by:

.....
Rabab Kleit
Chair of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

BALANCE SHEET-CHARITY

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6		847,615		837,637
Investment in subsidiary	7		21,988		21,988
			<u>869,603</u>		<u>859,625</u>
Current Assets					
Debtors	8	637,579		371,767	
Cash at bank and in hand		1,837,898		1,277,007	
		<u>2,475,477</u>		<u>1,648,774</u>	
Creditors: amounts falling due within one year	9	(1,655,133)		(1,383,022)	
Net Current Assets			<u>820,344</u>		<u>265,752</u>
Net Assets			<u>1,689,947</u>		<u>1,125,377</u>
Represented by:					
Unrestricted funds			1,003,377		305,557
Restricted funds			686,570		819,820
TOTAL FUNDS			<u>1,689,947</u>		<u>1,125,377</u>

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented. Total net expenditure and movement in reserves of the parent charity was £3,402.

The financial statements were approved by the board and authorised for issue on 23 October 2023 and signed on its behalf by:

.....
Rabab Kleit
Chair of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash provided by operating activities (a)	698,406	444,739
Cash flows from investing activities		
Purchase of tangible fixed assets	(92,604)	(134,087)
Cash provided by (used in) investing activities	(92,604)	(134,087)
Increase (decrease) in cash and cash equivalents in the period	605,802	310,652
Cash and cash equivalents at the beginning of the period	1,375,638	933,179
Change in cash due to ex rate movements	108,832	131,807
Total cash and cash equivalents at period end	2,090,273	1,375,638

Analysis of Cash and Cash Equivalents

	2022 £	2021 £
Cash in hand	2,090,273	1,375,638
	2,090,273	1,375,638

(a) Reconciliation of net movement in funds to net cash inflow from Operating Activities

	2022 £	2021 £
Net movement in funds	574,234	(3,626)
Adjustments for:		
Add back depreciation charge	59,601	30,589
Decrease (increase) in debtors	(306,183)	952,704
Increase (decrease) in creditors	479,586	(403,121)
Foreign exchange (gains)/losses	(108,832)	(131,807)
Net cash provided by operating activities	698,406	444,739

1. ACCOUNTING POLICIES

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

1.1. Basis of accounting

The financial statements 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) (second edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Al-Ayn Social Care 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 note(s).

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

1.3. Basis of Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Al-Ayn Social Care GmbH, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented but the total income, total expenditure and net movement for the parent charity has been disclosed as a footnote on page 13.

1.4. Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, there is probability of receipt and the amount can be quantified with reasonable accuracy.

Gifts in kind represent assets donated for distribution or use by the Charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the Charity would otherwise have paid for the assets.

No amounts are included in the financial statements for services donated by volunteers.

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable.

1.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Support costs which cannot be directly attributed to particular activities are apportioned based on estimated usage. Governance costs, which form part of support costs include expenditure on the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.6. Pension schemes

The Charity commenced auto enrolment in November 2020, with NEST Pensions.

1. ACCOUNTING POLICIES (continued)

1.7. Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Leasehold land	Not depreciated
Leasehold property	50 years straight line
Office equipment	4 years straight line
Furniture and fittings	4 years straight line
Vehicles	5 years straight line
Software	5 years straight line

1.8. Investments

Investments are non-listed investments held at historic cost in the financial statements.

1.9. Debtors

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

1.10. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.11. Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.13. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. The purposes and uses of the restricted funds are set out in the notes to the accounts.

FOR THE YEAR ENDED 31 DECEMBER 2022

2022	2021
₹	₹

Donations including gift aid receipts	12,054,637	15,361,919
---------------------------------------	------------	------------

Donations and grants	Staff costs	Support costs		2022	2021
		Governance	Other		
£	£	£	£	£	£

Raising funds	-	286,493	-	135,372	421,865	42,606
Fundraising activities						
Charitable activity:						
The Prevention or relief of poverty and financial hardship among orphaned children	10,125,005	939,404	50,649	52,312	11,167,370	15,454,746
Other -forex losses	-	-	-	(108,832)	(108,832)	(131,807)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	10,125,005	1,225,897	50,649	78,852	11,480,403	15,365,545
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Donations and grants £	Staff costs £	Governance £	Support costs Other £	2021 £
Raising funds					
Fundraising activities	-	-	-	42,606	42,606
Charitable activity:					
The Prevention or relief of poverty and financial hardship among orphaned children	13,948,767	966,682	149,597	389,700	15,454,746
Other -forex losses	-	-	-	(131,807)	(131,807)
Total	13,849,046	966,682	149,597	300,499	15,365,545

	2022 £	2021 £
Net income is stated after charging:		
Auditor's remuneration – audit	19,167	16,740
Auditors remuneration – other	-	6,300
Depreciation	59,601	30,589

4. TRUSTEES

None of the trustees (or any persons connected with them) received any reimbursement of expenses, remuneration or benefits from the Charity during the period.

5. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	1,059,584	849,301
Social security costs	148,137	102,217
Pension costs	18,176	15,164
	<u>1,225,897</u>	<u>966,682</u>

No employee (2021: No employee) received emoluments of more than £60,000 in the period.

The role of key management personnel was undertaken by the trustees during the period for which they received no remuneration (2021: no remuneration) from the Charity.

The average monthly employee headcount during the period was as follows:

	2022	2021
	Number	Number
Al-Ayn Social Care Foundation – UK Staff	33	27
Al-Ayn Social Care Foundation - Afghanistan	15	13
Al-Ayn Social Care gGmbH- Germany staff	14	13
Al-Ayn Social Care Foundation - Ghana	7	7
	<u>79</u>	<u>60</u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. TANGIBLE FIXED ASSETS

GROUP	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost							
As at 1 January 2022	744,080	48,096	93,973	16,830	5,848	4,954	913,781
Additions			23,556	2,794	18,600	47,654	92,604
Transferred		(48,096)			48,096		
At 31 December 2022	744,080	-	117,529	19,624	72,544	52,608	1,006,385
Depreciation							
As at 1 January 2022	11,721	-	52,660	6,415	2,162	416	73,374
Charge for the year	12,112		19,651	2,494	12,261	13,083	59,601
At 31 December 2022	23,833	-	72,311	8,909	14,423	13,499	132,975
Net book value		-					
At 31 December 2022	720,247		45,218	10,715	58,121	39,109	873,410
At 31 December 2021	732,359	48,096	41,313	10,415	3,686	4,538	840,407

6. TANGIBLE FIXED ASSETS (continued)

CHARITY	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost							
As at 1 January 2022	744,080	48,096	78,377	16,624	5,848	4,954	897,979
Additions			22,821	2,794	18,600	16,098	60,313
Transferred		(48,096)			48,096		
At 31 December 2022	744,080	-	101,198	19,418	72,544	21,052	958,292
Depreciation							
As at 1 January 2022	11,721	-	39,834	6,209	2,162	416	60,342
Charge for the year	12,112		19,055	2,700	12,261	4,207	50,335
At 31 December 2022	23,833	-	58,889	8,909	14,423	4,623	110,677
Net book value							
At 31 December 2022	720,247	-	42,309	10,509	58,121	16,429	847,615
At 31 December 2021	732,359	48,096	38,543	10,415	3,686	4,538	837,637

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. INVESTMENTS

Al-Ayn Social Care Foundation owns the entire share capital of Al-Ayn Social Care gGmbH, a German charitable limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under the registration number HRB 174865 B. A summarised income statement and balance sheet for Al-Ayn Social care gGmbH are set out below.

	2022 £	2021 £
Income	1,298,205	1,273,546
Expenditure	(1,292,491)	(1,273,769)
Net movement of funds	5,714	(223)
<u>Balance Sheet</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
Fixtures and equipment	550	2,770
Motor Vehicle	25,245	-
Cash at bank	252,375	98,631
Debtors	248,115	207,744
Creditors and accruals	(520,572)	(308,813)
Net assets	5,714	336
Share capital	22,000	22,000

8. DEBTORS

	Group		Parent	
	2022 £	2021 £	2022 £	2021 £
Other debtors and prepayments	10,907	374,408	4,427	367,456
Accrued income	874,787	205,103	633,152	4,311
	<u>885,694</u>	<u>579,511</u>	<u>637,579</u>	<u>371,767</u>

9. CREDITORS: amounts falling due Within one year

	Group		Parent	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	58,483	62,777	31,403	63,312
Other creditors and accruals	2,112,945	1,629,064	1,623,730	1,319,710
	<u>2,171,428</u>	<u>1,691,841</u>	<u>1,655,133</u>	<u>1,383,022</u>

10a	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2022 as represented by:			
	Tangible fixed assets	202,243	671,167	873,410
	Current assets	1,639,614	1,336,353	2,975,967
	Current liabilities	(850,477)	(1,320,950)	(2,171,427)
		<u>991,380</u>	<u>686,570</u>	<u>1,677,950</u>
10b	ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2021 as represented by:			
	Tangible fixed assets	157,128	683,279	840,407
	Current assets	497,658	1,457,491	1,955,149
	Current liabilities	(370,891)	(1,320,950)	(1,691,841)
		<u>283,895</u>	<u>819,820</u>	<u>1,103,715</u>
10c	ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2022 as represented by:			
	Tangible fixed assets	176,448	671,167	847,615
	Investments	21,988	-	21,988
	Current assets	1,253,398	1,222,079	2,475,477
	Current liabilities	(448,457)	(1,206,676)	(1,655,133)
		<u>1,003,377</u>	<u>686,570</u>	<u>1,689,947</u>
10d	ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
	Fund balances at 31 December 2021 as represented by:			
	Tangible fixed assets	154,358	683,279	837,637
	Investments	21,988	-	21,988
	Current assets	305,557	1,343,217	1,648,774
	Current liabilities	(176,346)	(1,206,676)	(1,383,022)
		<u>305,557</u>	<u>819,820</u>	<u>1,125,377</u>

AL-AYN SOCIAL CARE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

11. RESTRICTED FUNDS (GROUP)	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
Africa Fund	16,029	16,029	(626)	15,403
Afghanistan Fund	103,598	103,598	(240,139)	-
Private Sponsorship	1,470,728	1,470,728	(1,470,728)	-
Religious Dues	3,522,476	3,522,476	(3,522,476)	-
Luminous Stars Centres	40,474	40,474	(40,474)	-
Al-Ayn Social Care Foundation (Australia)	1,591,056	1,591,056	(1,591,056)	-
Al-Ayn Social Care Foundation (Switzerland)	66,887	66,887	(66,887)	-
Al-Ayn for Social Care (Sweden)	299,472	299,472	(299,472)	-
Ramadhan Appeal	177,177	177,177	(177,177)	-
Sadaqa Jariya	205,562	205,562	(205,562)	-
Gifts for Sponsored Children	26,068	26,068	(26,068)	-
Medical Support	49,788	49,788	(49,788)	-
Housing Complexes	65,195	65,195	(65,195)	-
Winter Appeal	43,879	43,879	(43,879)	-
Building fund	-	-	(12,112)	671,167
Premises Fund	-	-	-	-
Other Restricted Funds (<£30k)	75,951	75,951	(75,951)	-
	<u>12,054,636</u>	<u>12,054,637</u>	<u>(11,480,403)</u>	<u>686,570</u>
	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
Afghanistan Fund	-	236,262	(99,721)	136,541
Private Sponsorship	-	1,855,047	(1,855,047)	-
Religious Dues	-	1,363,168	(1,363,168)	-
Luminous Stars Centres	-	144,123	(144,123)	-
Al-Ayn Social Care Foundation (Australia)	-	506,370	(506,370)	-
Al-Ayn Social Care Foundation (Denmark)	-	159,780	(159,780)	-
Al-Ayn for Social Care (Sweden)	-	647,439	(647,439)	-
Ramadhan Appeal	-	269,036	(269,036)	-
Sadaqa Jariya	-	269,955	(269,955)	-
Gifts for Sponsored Children	-	50,205	(50,205)	-
Medical Support	-	226,661	(226,661)	-
Housing Complexes	-	101,510	(101,510)	-
Premises Fund	692,683	-	(9,404)	683,279
Other Restricted Funds (<£30k)	-	74,846	(74,846)	-
	<u>692,683</u>	<u>5,904,402</u>	<u>(5,777,265)</u>	<u>819,820</u>

Africa Fund: Donations towards providing financial assistance and other forms of support for orphaned children in Ghana.

Afghanistan Fund: Donations towards providing financial assistance and other forms of support for orphaned children in Afghanistan.

Private Sponsorship: Donations towards providing financial assistance for named orphaned children, in line with the Charity's Private Sponsorship scheme.

11. RESTRICTED FUNDS (CONTINUED)

Religious dues: Khoms and Zakat Al-Fitra, which are used for the poor and the needy. These are distributed as part of monthly financial allowances to orphaned children in Iraq.

Luminous Stars Centres: Donations received for the construction of the Luminous Stars Vocational Training and Psychological Rehabilitation Centres in different provinces in Iraq.

Housing Complexes: Donations received for the construction of housing units in Iraq to house families of orphaned children.

Al-Ayn Social Care Foundation (Australia): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Australia), to support the different schemes and projects supported by the Charity, under an agreement dated 11 May 2018, with its terms to be reviewed annually.

Al-Ayn for Social Care Sweden: Relates to the movement on donations received from Al-Ayn for Social Care Sweden, to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2019, with its terms to be reviewed annually.

Ayn Social Care Foundation (Switzerland): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Switzerland), to support the different schemes and projects supported by the Charity, under an agreement dated 11 September 2021, with its terms to be reviewed annually.

Al-Ayn for Social Care Denmark: Relates to the movement on donations received from Al-Ayn for Social Care Denmark, to support the different schemes and projects supported by the Charity, under an agreement which was reinstated on 11 September 2022, with its terms to be reviewed annually.

Ramadhan Appeal: Donations received specifically for the Ramadhan Appeal, providing financial, vocational, medical and educational support for orphaned children.

Sadaqa Jariya: Donations received for the construction of projects in Iraq that provide services to orphaned children, including housing complexes, vocational training centres, and personal development centres.

Gifts for Sponsored Children: Donations received to provide monetary gifts for named orphaned children on occasions such as their birthdays and religious festivals.

Medical Support: Donations received for the purpose of providing medical treatment and medicines.

Premises Fund: Grant received from Al-Ayn Social Care Foundation (Iraq) for the purchase of the Charity's premises.

Other Restricted Funds – These are donations under £30,000 which have been collected for specific charitable projects in Iraq.

12. RELATED PARTIES

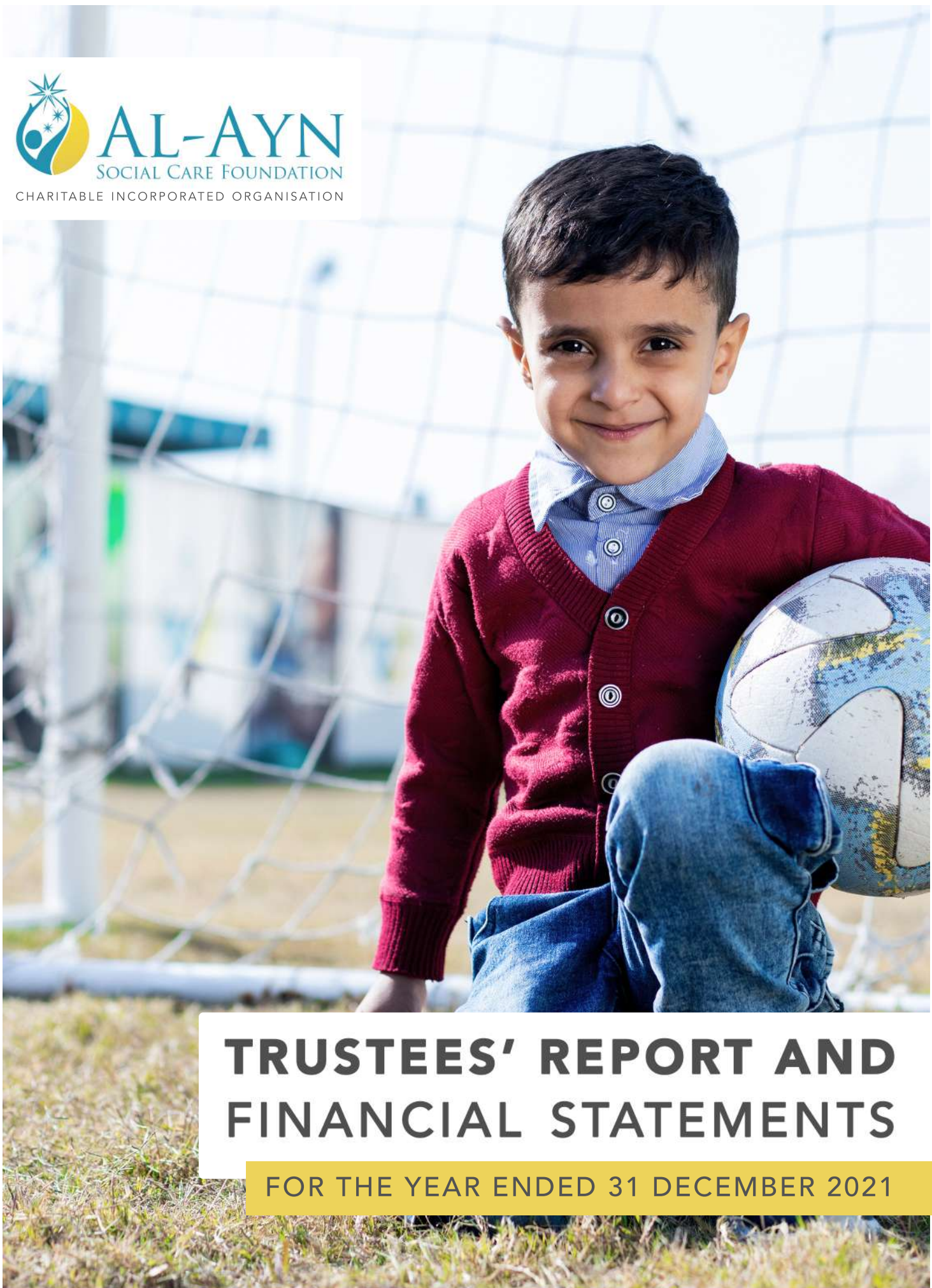
The following related party transactions took place in 2022:

- The Charity made donations and grants of £8.511m (2021: £13.76m) to Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, in accordance with a Grant Agreement between the two parties.
- The Charity recognised donations in the sum of £1.3m (2021: £1.4m) from Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, to cover staff and support costs of the Charity.
- The Charity received donations totalling £ 1,591,056 (2021: £506k) during the year from Al Ayn Social Care Foundation (Australia). Ahmed Alkhaja is a Director of Al Ayn Social Care Foundation (Australia).
- The aggregate value of donations from Trustees and their related parties made in the year was £28,809 (2021: £25,987).

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE		Unrestricted funds £	Restricted funds £	Total 2021 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	2	4,300,297	7,754,340	12,054,637
Total Income		<u>4,300,297</u>	<u>7,754,340</u>	<u>12,054,637</u>
<u>Expenditure on:</u>	3			
Raising funds		421,865	-	421,865
Charitable activities		3,279,780	7,887,590	11,167,370
Other -unrealised Forex (gains)/losses		(108,832)	-	(108,832)
Total Expenditure		<u>3,592,813</u>	<u>7,887,590</u>	<u>11,480,403</u>
Net movement in funds		707,484	(133,250)	574,234
Total funds brought forward		<u>414,658</u>	<u>692,683</u>	<u>1,107,341</u>
Total funds carried forward		<u><u>991,380</u></u>	<u><u>686,570</u></u>	<u><u>1,677,950</u></u>

Accounts



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

AL-AYN SOCIAL CARE FOUNDATION

YEAR ENDED 31 DECEMBER 2021

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The photo on the cover page is of Hussain (aged 6), a child supported by Al-Ayn Social Care Foundation (Iraq).

AL-AYN SOCIAL CARE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Aliya Azam Dr Ahmed Alkhaja Mrs Rabab Kleit Mr Mohamad Baqer Al-Yassin Mr Mustafa Mohamed
Acting Director (unpaid)	Dr Ahmed Alkhaja
Charity Registration Number	1163706
Principal Address and Registered Office	Unit 5, Watling Gate 297 – 303 Edgware Road Colindale London NW9 6NB
Independent Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays 75 King Street Hammersmith London W6 9HY
Solicitor	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

The Trustees present their report, together with the audited financial statements of Al-Ayn Social Care Foundation (the Charity) for the period ended 31 December 2021. The Trustees confirm that the report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP 2019) 'Accounting and Reporting by Charities' Second Edition applicable for accounting periods commencing on and after 1 January 2019.

Al-Ayn Social Care Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission of England & Wales on 23 September 2015.

These financial statements cover the period from 1 January 2021 to 31 December 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The CIO was registered on 23 September 2015 and its governing document was amended on 9 May 2017.

Organisational structure

The Charity has a board of five trustees (the Trustees), who meet formally on a regular basis to determine and review implementation of the Charity's strategy, identify and manage risks and administer the affairs of the Charity. The Trustees are drawn from persons of suitable experience, professional qualification or business acumen who are deemed suitable to administer the assets and the running of the Charity and are appointed by the sole member. The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the constitution, with some management responsibilities delegated to the Charity's staff. They receive no remuneration or financial benefit for their role as Trustees, except as may be permitted by the Charity's constitution. The Trustees will regularly review their training needs and if necessary obtain training for the Trustees where appropriate. Any new trustees would undergo an induction process which would include obtaining a copy of the Charity's constitution and minutes of meetings, declaring conflicts of interest, and attending meetings with the acting director and senior staff to be updated on the affairs of the Charity.

Al-Ayn Social Care gGmbH is a wholly owned subsidiary of the Charity and is managed by a director with the support of members of staff and volunteers. The Trustees are updated regularly on the performance of Al-Ayn Social Care gGmbH.

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970 is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with the terms of an agreement between the parties.

Pay and Remuneration

The Trustees review the pay and remuneration of staff on a regular basis, to ensure internal consistency and that pay is competitive within the sector. Banding of pay is reviewed on an annual basis.

Risk management

The Trustees regularly review the major business and operational risks which the Charity faces, including risks associated with the diversity of its income and application of expenditure overseas. They have agreed and implemented policies and systems to ensure appropriate steps are taken to safeguard the Charity's assets, including by ensuring appropriate due diligence, monitoring and reporting is carried out on grant recipients and beneficiaries, and that grant agreements are entered into in accordance with the Charity Commission and HMRC guidance on overseas donations. Regular reports are produced for the Trustees to identify and, if necessary, manage business and operational risks. The Trustees regularly review the Charity's policies and systems and are satisfied with the policies and controls in place to manage the risks identified.

Objects

The objects of the CIO for the public benefit are:

- the prevention or relief of poverty and financial hardship by providing: grants, items and services to orphans and other individuals in need and/or charities, or other organisations working to prevent or relieve poverty and financial hardship;
- the prevention or relief of sickness among orphans and other individuals in need, by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- the advancement of education; and
- to provide or assist in the provision of facilities, equipment and services in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such facilities, equipment or services by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Grant making policies

The Charity continues to make international grants in accordance with its "International Grants Policy". The procedure for international grants includes identifying potential recipients, carrying out appropriate due diligence checks and risk assessments, and then entering a grant agreement with the recipient. To help the Charity assess and manage the risks of overseas grants, the Trustees require recipients to provide a monitoring report using an agreed template, as set out in the grant agreements.

The Charity makes grants primarily to Al-Ayn Social Care Foundation (Iraq), subject to the discretion of the Trustees. The Trustees closely monitor all grants made, review the supporting documentation and undertake random inspection of the various projects that are supported by the grants.

The grants are typically disbursed in instalments to ensure that agreed timings and results are being met and managed, and to enable monitoring and evaluation of progress. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

The Trustees have considered the Charity Commission guidance on working internationally and HMRC guidance on overseas payments and have put in place appropriate and robust arm's length grant agreements.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Reserves policy

The Trustees are of the view that holding substantial reserves is unnecessary, as it would tie up funds which could and should be spent on charitable activities. All income received is spent on charitable activities in the form of grants, and all administrative costs are covered by Al-Ayn Social Care Foundation (Iraq). However, the Trustees have set aside £60,000 for administrative costs, which would be sufficient to sustain the Charity's activities for three months during an orderly wind down, should that be required.

The Trustees are committed to regularly reviewing the Charity's reserves policy, to ensure that the appropriate levels of reserves are maintained. The Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- safeguard the Charity's service commitment in the event of delays in receipt of grants or other income;
- provide a financial cushion against risk and future uncertainties; and
- resource the research and development of services and initiatives.

In light of the Charity's expansion to work in Afghanistan, the Trustees are reviewing the level of reserves needed for the following financial year.

Principal funding

Funding for the activities of the Charity has been derived solely from the kind donors and supporters of the Charity, with the administrative overheads donated by Al-Ayn Social Care Foundation (Iraq).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Investment powers and policy

The Trustees have the powers to make investments on behalf of the Charity as they deem fit, taking account of standard investment criteria. At the moment, the Charity's risk profile indicates that investments should be held in low risk assets. Consequently, all investments at the moment are currently held in bank account balances.

Related parties

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with an agreement between the parties.

Ahmed Alkhaja is a director of Al Ayn Social Care Foundation (Australia). The Charity received donations totalling £506k during the year from Al Ayn Social Care Foundation (Australia). The relationship between the Charity and Al-Ayn Social Care Foundation (Australia) is governed in accordance with a grant agreement between the parties.

The Charity is the sole shareholder of Al-Ayn Social Care gGmbH, a German not-for-profit limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under registration number HRB 174865 B. Further details are set out in note 7 to the accounts.

The Trustees and staff are also related parties. The Trustees are not aware of the existence of any other related parties. Please note that details of any related party transactions are set out in note 12 to the accounts.

ACHIEVEMENT AND PERFORMANCE

Detailed information on the Charity's activities in the reporting period is available by visiting www.alayn.co.uk/activities-report/

The Trustees consider that the performance of the Charity in this financial period has been good, taking into account the following measures:

- the total income received by the Charity over the period;
- the total number of volunteers supporting the activities of the Charity over the period;
- the total number of coordinators, acting as points of contact for the Charity's supporters throughout the United Kingdom;
- the total number of orphaned children supported through the orphaned child sponsorship scheme;
- the total number of Sadaqa Boxes (collection boxes) distributed and received;
- the variety of fundraising activities carried out by the Charity and its supporters; and
- overall engagement with the Charity's social media platforms.

During 2021 the Charity faced opportunities, challenges and significant development milestones. Despite the ongoing impact of the global pandemic as well as the economic uncertainty, the Charity has continued its steady growth, building upon similar performance from previous years.

Due to the overwhelming dedication of staff, volunteers and supporters, the Charity has been able to not only maintain, but also expand, its support to its beneficiaries and beyond. A significant contributing factor to the Charity's ability to provide this support is the unmatched presence on the ground of Al-Ayn Social Care Foundation (Iraq) across provinces and spanning to remote villages in Iraq.

A mental health and vocational training campaign also provided critical fundraising to ensure essential services reach all children, youth and their mothers. The Charity continued to support projects carried out by Al-Ayn Social Care Foundation (Iraq), including medical clinics, house refurbishment, and housing complexes.

During the period, the Charity also began operating in Afghanistan to address the critical need of orphaned children there. The Charity opened an office on the ground in Kabul. Since then, over 500 children were registered and have already begun receiving various forms of aid including monthly allowances, food, and clothes.

ACHIEVEMENT AND PERFORMANCE (continued)

Following the shift to raising awareness through digital channels over the previous years, the Charity developed its digital communications in this period and adjusted where possible to offer in person opportunities. Additional online events and services were provided to supporters during the onset of the pandemic including expanding the collection and drop-off services for charity (Sadaqa) boxes.

The Charity carried out the following main activities for the period ended 31 December 2021 in furtherance of its charitable activities for public benefit.

(1) Supporting orphaned children

The Charity's principal activity continues to be the provision of monthly financial allowances for orphaned children in Iraq, through grants made to Al-Ayn Social Care Foundation (Iraq). This is funded through donations, religious dues such as Khoms and Sadaqa, and the Charity's "Orphaned Child Sponsorship Programme".

A substantial proportion of Sadaqa donations received by the Charity comes from its Sadaqa Boxes. The Charity's supporters became more accustomed to requesting Sadaqa Boxes for their homes online and then replacing them periodically. In this accounting period, thousands of Sadaqa Boxes were distributed and collected throughout the United Kingdom, through postal services and at designated drop-off locations including the charity's offices. The Al-Ayn App continued to grow in popularity in this period, allowing the Charity's supporters to give Sadaqa donations and other forms of donations conveniently, with just a few taps.

The "Orphaned Child Sponsorship Programme" provides the Charity's supporters with the opportunity to financially support a particular orphaned child on a monthly basis. It is a distinctively comprehensive care package. Alongside the financial aid distributed, orphaned children and widowed mothers are provided access to free medical, psychological, educational, housing, in-kind and other forms of support. Supporters are given the ability to support any of these areas and guarantees are in place to ensure restricted funds for each area reach the beneficiaries in the intended form.

(2) Providing food aid

During a crisis like the COVID-19 pandemic, food aid was essential to those in poverty experiencing lockdown without access to any other help. However, the economic impact of the pandemic became clear on the families who became even more dependent on the food aid provided through the charity. The cost of living crisis meant that the monthly food parcels provided to each family containing staples was a lifeline.

(3) Providing toys and clothes to orphaned children

The Charity's initiative to draw smiles through providing toys and clothes for orphaned children continued in this period. Supporters were encouraged to gift children during milestones and celebrations like birthdays and Eid.

(4) Supporting continual charity (Sadaqa Jariya) projects

The Charity has continued to fund Sadaqa Jariya projects throughout Iraq that are being implemented on the ground by Al-Ayn Social Care Foundation (Iraq). Supporters were offered a number of projects that they were invited to support. These included a housing complex and a number of vocational training and psychological rehabilitation centres, which are being built in various provinces in Iraq. The various projects aim to meet the needs of orphaned children, in particular those who have been unable to continue to further education or are in need of adequate housing or other support in order to achieve their full potential. During the period, three further Luminous Stars Centres were opened, making the number of centres at various stages of construction a total of thirteen.

(5) Operating in Afghanistan

The charity believes in empowering orphaned children in need wherever they may be. In this period significant progress was made to build sustainable, effective and dignified services allowing operations to begin on the ground in Afghanistan. The office there has registered over 500 children in this period. It has also begun receiving various forms of aid including monthly allowances, food, and clothes. Operations in Afghanistan were temporarily halted during the year due to the political changes in the country, whilst a risk-assessment on the situation there was carried out. Operations have since resumed.

ACHIEVEMENT AND PERFORMANCE (continued)

Charitable activities and fundraising

During this period, the Charity organised a number of events. Whilst a few took place in person, others continued to be held remotely.

These included:

- (1) Wills Writing Seminars to give supporters a legal and Islamic perspective on will-writing presented by professionals in this field and help generate future sources of funding for the Charity.
- (2) A Bereavement Workshop held remotely which touched upon the complexity of this subject for orphaned children and widowed mothers as well as supporters in the UK. The session was followed by an engaging Q and A session with the facilitator.
- (3) Religious Dues Workshops held in line with supporters' preferences for more information on subjects like Zakat, Khoms, Fidyah and Kaffara, helping them to decide how they can donate to the Charity
- (4) Various Coffee Mornings held remotely with supporters to update them on their impact and hear their suggestions as well as respond to their questions.
- (5) Numerous children's events aimed at raising awareness through crafts, fun and learning, which went ahead remotely. This included a Forest Fundraising Walk and The Little Iftar.
- (6) Targeted office events to raise awareness about different campaigns the Charity is running.
- (7) Stalls and speeches at various external events which in previous years were extremely valuable at gaining new supporters, whilst some remained as informative 'drop-ins' at other remote events.

These activities supported the Charity in raising awareness about its cause and fundraising for the Charity's campaigns.

Volunteers

During the period, the role of volunteers faced new challenges. Whilst in the previous period, the Charity shifted towards remote volunteering to help with various aspects of the work, in this period we began operating on a hybrid model. Benefiting from the flexibility of remote work whilst also offering adjusted in person opportunities.

Al-Ayn Social Care gGmbH was supported by more than 30 volunteer coordinators in 9 different cities in Germany, who promoted the charitable activities of the Charity through seminars, stalls, events, and meetings with local non-profit organisations.

FINANCIAL REVIEW

The Charity continued to build on its sustained growth during this period, reaching out to an increasing number of supporters through its various publicity avenues. This included presence at a larger number of events and stalls, digital advertising, social media engagement, a key supporter programme, and TV advertising campaigns. With the support of its Trustees, staff, coordinators and all other volunteers, the Charity has been able to respond to the increased demand from donors, and the resulting administrative and logistical workload. The Charity continues to have no borrowings and has achieved a good outcome for the period, with the necessary resources moving forward to continue to expand its activities.

As a result, income for the period was £15.3m (2020: £14.6m) arising largely from donations. Of this, £1.27m (2020: £1.1m) was received by Al-Ayn Social Care gGmbH, also largely from donations. There were unrealised currency exchange gains of £131,807 (2020: gains of £61k), on funds held in the Charity's US dollar account, due to the weakening of the pound over the reporting period.

Expenditure was £15.5m (2020: £18.4m) of which £13.8m (2020: £12.8m) were grants made to Al-Ayn Social Care Foundation (Iraq), and £100k (2020: £nil) was charitable expenditure on supporting orphaned children in Afghanistan.

Total funds carried forward at the end of the year were £1,103,715 (2020: £1,107,341), of which £840k (2020: £737k) were in fixed assets, and the remaining arose primarily due to donations which were disbursed in the following reporting year.

The Trustees are satisfied that all funds received have been applied in an effective manner.

PLANS FOR FUTURE PERIODS

Al-Ayn will continue with its core activities of supporting orphaned children in Iraq, whilst building on the support it provides to orphaned children in Afghanistan and exploring expanding its operation to other countries. The main objectives for the next financial year include:

1. reaching out to wider audiences, to raise awareness about the plight of orphaned children and the Charity's work to support them;
2. raising funds to support the work of the Charity in empowering orphaned children;
3. diversifying the sources of funding coming into the Charity, and
4. engaging supporters with the Charity's work and providing services for them.

The Charity also aims to provide additional training and development for staff and volunteers through workshops. The Charity aims to distribute and collect a significantly larger number of Sadaqa Boxes throughout the UK and promote further the use of its app for donations.

The Trustees are committed to continuing to monitor the application of funds for all campaigns to ensure they remain effective and targeted. The Charity also plans to expand its team further and update its processes to match new regulations as well as the increase in support for its work.

EVENTS SINCE THE END OF THE PERIOD

The Charity started to support orphaned children in Ghana in 2022. Expenditure in Ghana in this reporting year relates to the costs of setting up operations there.

FUNDRAISING STATEMENT

The Charity continues to work towards diversifying its fundraising activities to enable it to raise vital funds that will create better outcomes for more orphaned children in poverty. The Trustees and broader team are committed to building trust with supporters, and in 2021 the Charity continued to build upon its internal guidance and individual agreements with each additional member of the team which stipulated the roles, procedures and expectations relating to all aspects of work, including fundraising. During this period, more feedback opportunities were provided for staff, coordinators, volunteers and supporters through frequent surveys and private feedback meetings. The Trustees also recognise the need to monitor the wider team, providing them with regular training and shadowing if needed.

The Trustees are committed to protecting vulnerable adults and children during fundraising activities, through appropriate policies and procedures. The Charity's Safeguarding Policy and Vulnerable Persons Policy details this commitment and the Trustees regularly review the Charity's policies and procedures in line with performance.

Alongside this, the Charity's commitment to adhering to stringent procedures relating to all aspects of its work and in line with the Code of Fundraising Practice has meant that the Charity has received zero complaints (2020: zero) about activities for the purposes of fundraising during the reporting period.

PUBLIC BENEFIT STATEMENT

In deciding the Charity's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the prevention or relief of poverty and its supplementary public benefit guidance on the advancement of health or the saving of lives in accordance with the requirement of section 17(5) of the Charities Act 2011. The Trustees always ensure that the Charity's activities are undertaken in line with its charitable objects and aims.

Further details on the activities carried out in the reporting period to deliver public benefit are outlined above.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable incorporated organisation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with charity law. 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees on the 24th of October 2022 and signed on their behalf by:

.....
Mohamad Baqer Al-Yassin
Chairman of Board of Trustee

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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.

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 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 sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, 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 Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the recognition of income and expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of income;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging any assumptions and judgements made by management in preparing the financial statements.

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

irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 28 October 2022

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

INCOME AND EXPENDITURE		Unrestricted funds	Restricted funds	Total 2021	Total 2020
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Donations and legacies	2	9,457,518	5,904,402	15,361,919	14,554,371
Total Income		<u>9,457,518</u>	<u>5,904,402</u>	<u>15,361,919</u>	<u>14,554,371</u>
<u>Expenditure on:</u>	3				
Raising funds		42,606	-	42,606	18,752
Charitable activities		9,677,482	5,777,265	15,454,746	13,995,207
Other -unrealised Forex (gains)/losses		(131,807)	-	(131,807)	(61,204)
Total Expenditure		<u>9,588,281</u>	<u>5,777,265</u>	<u>15,365,545</u>	<u>13,952,755</u>
Net movement in funds		(130,763)	127,137	(3,626)	601,616
Total funds brought forward		<u>414,658</u>	<u>692,683</u>	<u>1,107,341</u>	<u>505,725</u>
Total funds carried forward		<u><u>283,895</u></u>	<u><u>819,820</u></u>	<u><u>1,103,715</u></u>	<u><u>1,107,341</u></u>

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

All the Charity's activities are classified as continuing.

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Fixed Assets			
Tangible fixed assets	6	840,407	736,909
Current Assets			
Debtors	8	579,511	1,532,215
Cash at bank and in hand		1,375,638	933,179
		<u>1,955,149</u>	<u>2,465,394</u>
Creditors: amounts falling due within one year	9	<u>(1,691,841)</u>	<u>(2,094,962)</u>
Net Current Assets		<u>263,308</u>	<u>370,432</u>
Net Assets		<u><u>1,103,715</u></u>	<u><u>1,107,341</u></u>
Represented by:			
Unrestricted funds		283,895	414,658
Restricted funds		819,820	692,683
TOTAL FUNDS		<u><u>1,103,715</u></u>	<u><u>1,107,341</u></u>

The financial statements were approved by the board and authorised for issue on the 24th of October 2022 and signed on its behalf by:

.....
Mohamad Baqer Al-Yassin
Chairman of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

BALANCE SHEET-CHARITY

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6		837,637		731,725
Investment in subsidiary	7		21,988		21,988
			<u>859,625</u>		<u>753,713</u>
Current Assets					
Debtors	8	371,767		1,429,149	
Cash at bank and in hand		<u>1,277,007</u>		<u>873,954</u>	
		1,648,774		2,303,103	
Creditors: amounts falling due within one year	9	<u>(1,383,022)</u>		<u>(1,928,037)</u>	
Net Current Assets			<u>265,752</u>		<u>375,066</u>
Net Assets			<u><u>1,125,377</u></u>		<u><u>1,128,779</u></u>
Represented by:					
Unrestricted funds			305,557		436,096
Restricted funds			<u>819,820</u>		<u>692,683</u>
TOTAL FUNDS			<u><u>1,125,377</u></u>		<u><u>1,128,779</u></u>

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented. Total net expenditure and movement in reserves of the parent charity was £3,402.

The financial statements were approved by the board and authorised for issue on the 24th of October 2022 and signed on its behalf by:

.....
Mohamad Baqer Al-Yassin
Chairman of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash provided by operating activities (a)	444,739	454,576
Cash flows from investing activities		
Purchase of tangible fixed assets	(134,087)	(736,224)
Cash provided by (used in) investing activities	(134,087)	(736,224)
Increase (decrease) in cash and cash equivalents in the period	310,652	(281,648)
Cash and cash equivalents at the beginning of the period	933,179	1,153,623
Change in cash due to ex rate movements	131,807	61,204
Total cash and cash equivalents at period end	1,375,638	933,179

Analysis of Cash and Cash Equivalents

	2021 £	2020 £
Cash in hand	1,375,638	933,179
	1,375,638	933,179

(a) Reconciliation of net movement in funds to net cash inflow from Operating Activities

	2021 £	2020 £
Net movement in funds	(3,626)	228,675
Adjustments for:		
Add back depreciation charge	30,589	12,862
Decrease (increase) in debtors	952,704	(397,605)
Increase (decrease) in creditors	(403,121)	198,576
Foreign exchange (gains)/losses	(131,807)	101,052
Net cash provided by operating activities	444,739	143,560

1. ACCOUNTING POLICIES

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

1.1. Basis of accounting

The financial statements 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) (second edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Al-Ayn Social Care 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 note(s).

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

1.3. Basis of Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Al-Ayn Social Care GmbH, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented but the total income, total expenditure and net movement for the parent charity has been disclosed as a footnote on page 13.

1.4. Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, there is probability of receipt and the amount can be quantified with reasonable accuracy.

Gifts in kind represent assets donated for distribution or use by the Charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the Charity would otherwise have paid for the assets.

No amounts are included in the financial statements for services donated by volunteers.

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable.

1.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Support costs which cannot be directly attributed to particular activities are apportioned based on estimated usage. Governance costs, which form part of support costs include expenditure on the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.6. Pension schemes

The Charity commenced auto enrolment in November 2020, with NEST Pensions.

1. ACCOUNTING POLICIES (continued)

1.7. Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Leasehold land	Not depreciated
Leasehold property	50 years straight line
Office equipment	4 years straight line
Furniture and fittings	4 years straight line

1.8. Investments

Investments are non-listed investments held at historic cost in the financial statements.

1.9. Debtors

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

1.10. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.11. Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.13. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations including gift aid receipts	15,361,919	14,554,371

3. EXPENDITURE

	Donations and grants £	Staff costs £	Governance £	Support costs Other £	2021 £	2020 £
Raising funds						
Fundraising activities	-	-	-	42,606	42,606	18,752
Charitable activity:						
The Prevention or relief of poverty and financial hardship among orphaned children	13,948,767	966,682	149,597	389,700	15,454,746	13,995,207
Other-forex losses	-	-	-	(131,807)	(131,807)	(61,204)
Total	13,849,046	966,682	149,597	300,499	15,365,545	13,952,755

	Donations and grants £	Staff costs £	Governance £	Support costs Other £	2020 £
Raising funds					
Fundraising activities	-	-	-	18,752	18,752
Charitable activity:					
The Prevention or relief of poverty and financial hardship among orphaned children	12,830,423	719,945	140,533	304,306	13,995,207
Other-forex losses	-	-	-	(61,204)	(61,204)
Total	12,830,423	719,945	140,533	261,854	13,952,755

	2021 £	2020 £
Net income is stated after charging:		
Auditor's remuneration – audit	16,740	17,640
Auditors remuneration – other	6,300	4,320
Depreciation	30,589	31,094

4. TRUSTEES

None of the trustees (or any persons connected with them) received any reimbursement of expenses, remuneration or benefits from the Charity during the period.

5. STAFF COSTS	2021 £	2020 £
Wages and salaries	849,301	449,057
Social security costs	102,217	28,835
Pension costs	15,164	9,971
	<u>966,682</u>	<u>487,863</u>

No employee (2020: No employee) received emoluments of more than £60,000 in the period.

The role of key management personnel was undertaken by the trustees during the period for which they received no remuneration (2020: no remuneration) from the Charity.

The average monthly employee headcount during the period was as follows:

	2021 Number	2020 Number
Al-Ayn Social Care Foundation – UK Staff	27	24
Al-Ayn Social Care Foundation - Afghanistan	13	-
Al-Ayn Social Care gGmbH- Germany staff	13	11
Al-Ayn Social Care Foundation - Ghana	7	-
	<u> </u>	<u> </u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

6. TANGIBLE FIXED ASSETS

GROUP	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost							
As at 1 January 2021	695,000	20,400	57,114	6,022	1,158	-	779,694
Additions	28,680	48,096	36,859	10,808	4,690	4,954	134,087
Transferred	20,400	(20,400)	-	-	-	-	-
At 31 December 2021	744,080	48,096	93,973	16,830	5,848	4,954	913,781
Depreciation							
As at 1 January 2021	2,317	-	36,433	3,335	700	-	42,785
Charge for the year	9,404	-	16,227	3,080	1,462	416	30,589
At 31 December 2021	11,721	-	52,660	6,415	2,162	416	73,374
Net book value							
At 31 December 2021	732,359	48,096	41,313	10,415	3,686	4,538	840,407
At 31 December 2020	692,683	20,400	20,681	2,687	458	-	736,909

6. TANGIBLE FIXED ASSETS (continued)

CHARITY	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Motor vehicles £	Total £
Cost							
As at 1 January 2021	695,000	20,400	41,518	5,816	1,616	-	763,892
Additions	28,680	48,096	36,859	10,808	4,690	4,954	134,087
Transferred	20,400	(20,400)	-	-	-	-	-
At 31 December 2021	744,080	48,096	78,377	16,624	5,848	4,954	897,979
Depreciation							
As at 1 January 2021	2,317	-	26,021	3,129	700	-	32,167
Charge for the year	9,404	-	13,813	3,080	1,462	416	28,175
At 31 December 2021	11,721	-	39,834	6,209	2,162	416	60,342
Net book value							
At 31 December 2021	732,359	48,096	38,543	10,415	3,686	4,538	837,637
At 31 December 2020	692,683	20,400	15,497	2,687	458	-	731,725

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

7. INVESTMENTS

Al-Ayn Social Care Foundation owns the entire share capital of Al-Ayn Social Care gGmbH, a German charitable limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under the registration number HRB 174865 B. A summarised income statement and balance sheet for Al-Ayn Social care gGmbH are set out below.

	2021 £	2020 £
Income	1,273,546	1,103,768
Expenditure	(1,273,769)	1,101,972
Net movement of funds	(223)	1,796

<u>Balance Sheet</u>	2021 £	2020 £
Fixtures and equipment	2,770	5,184
Cash at bank	98,631	59,225
Debtors	207,744	103,066
Creditors and accruals	(308,813)	(166,925)
Net assets	336	550
Share capital	22,000	22,000

8. DEBTORS

	Group		Parent	
	2021 £	2020 £	2021 £	2020 £
Other debtors	374,408	1,429,618	367,456	1,423,134
Prepayments and accrued income	205,103	102,597	4,311	6,015
	579,511	1,532,215	371,767	1,429,149

9. CREDITORS: amounts falling due Within one year

	Group		Parent	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	62,777	35,631	63,312	35,631
Other creditors and accruals	1,629,064	2,059,331	1,319,710	1,892,406
	1,691,841	2,094,962	1,383,022	1,928,037

10a ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2021 as represented by:			
Tangible fixed assets	157,128	683,279	840,407
Current assets	497,658	1,457,491	1,955,149
Current liabilities	(370,891)	(1,320,950)	(1,691,841)
	<u>283,895</u>	<u>819,820</u>	<u>1,103,715</u>
	<u><u>283,895</u></u>	<u><u>819,820</u></u>	<u><u>1,103,715</u></u>
10b ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	44,226	692,683	736,909
Current assets	559,090	1,906,304	2,465,394
Current liabilities	(188,658)	(1,906,304)	(2,094,962)
	<u>414,658</u>	<u>692,683</u>	<u>1,107,341</u>
	<u><u>414,658</u></u>	<u><u>692,683</u></u>	<u><u>1,107,341</u></u>
10c ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2021 as represented by:			
Tangible fixed assets	154,358	683,279	837,637
Investments	21,988	-	21,988
Current assets	305,557	1,343,217	1,648,774
Current liabilities	(176,346)	(1,206,676)	(1,383,022)
	<u>305,557</u>	<u>819,820</u>	<u>1,125,377</u>
	<u><u>305,557</u></u>	<u><u>819,820</u></u>	<u><u>1,125,377</u></u>
10d ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	39,042	692,683	731,725
Investments	21,988	-	21,988
Current assets	559,536	1,743,567	2,303,103
Current liabilities	(184,470)	(1,743,567)	(1,928,037)
	<u>436,096</u>	<u>692,683</u>	<u>1,128,779</u>
	<u><u>436,096</u></u>	<u><u>692,683</u></u>	<u><u>1,128,779</u></u>

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

11. RESTRICTED FUNDS (GROUP)

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
Afghanistan Fund	-	236,262	(99,721)	136,541
Private Sponsorship	-	1,855,047	(1,855,047)	-
Religious Dues	-	1,363,168	(1,363,168)	-
Luminous Stars Centres	-	144,123	(144,123)	-
Al-Ayn Social Care Foundation (Australia)	-	506,370	(506,370)	-
Al-Ayn Social Care Foundation (Denmark)	-	159,780	(159,780)	-
Al-Ayn for Social Care (Sweden)	-	647,439	(647,439)	-
Ramadhan Appeal	-	269,036	(269,036)	-
Sadaqa Jariya	-	269,955	(269,955)	-
Gifts for Sponsored Children	-	50,205	(50,205)	-
Medical Support	-	226,661	(226,661)	-
Housing Complexes	-	101,510	(101,510)	-
Premises Fund	692,683	-	(9,404)	683,279
Other Restricted Funds (<£30k)	-	74,846	(74,846)	-
	<u>692,683</u>	<u>5,904,402</u>	<u>(5,777,265)</u>	<u>819,820</u>

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Private Sponsorship	-	1,148,179	(1,148,179)	-
Religious dues	-	1,010,528	(1,010,528)	-
Luminous Stars Centres	-	33,266	(33,266)	-
Al-Ayn Social Care Foundation (Australia)	-	685,348	(685,348)	-
Al-Ayn for Social Care Sweden	-	703,412	(703,412)	-
Winter Appeal	-	40,620	(40,620)	-
Ramadhan Appeal	-	112,018	(112,018)	-
Sadaqa Jariya	-	113,995	(113,995)	-
Shajarat Tuba	-	34,740	(34,740)	-
Food Support	-	35,014	(35,014)	-
Housing Complexes	-	90,000	(90,000)	-
COVID-19 Relief Fund	-	145,786	(145,786)	-
Premises Fund	-	695,000	(2,317)	692,683
Other Restricted Funds (<£30k)	-	96,031	(96,031)	-
	<u>-</u>	<u>4,943,937</u>	<u>(4,251,254)</u>	<u>692,683</u>

Afghanistan Fund: Donations towards providing financial assistance and other forms of support for orphaned children in Afghanistan.

Private Sponsorship: Donations towards providing financial assistance for named orphaned children, in line with the Charity's Private Sponsorship scheme.

Religious dues: Khoms and Zakat Al-Fitra, which are used for the poor and the needy. These are distributed as part of monthly financial allowances to orphaned children in Iraq.

Luminous Stars Centres: Donations received for the construction of the Luminous Stars Vocational Training and Psychological Rehabilitation Centres in different provinces in Iraq.

Housing Complexes: Donations received for the construction of housing units in Iraq to house families of orphaned children.

11. RESTRICTED FUNDS (CONTINUED)

Al-Ayn Social Care Foundation (Australia): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Australia), to support the different schemes and projects supported by the Charity, under an agreement dated 11 May 2018, with its terms to be reviewed annually.

Al-Ayn for Social Care Sweden: Relates to the movement on donations received from Al-Ayn for Social Care Sweden, to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2019, with its terms to be reviewed annually.

Al-Ayn for Social Care Denmark: Relates to the movement on donations received from Al-Ayn for Social Care Denmark, to support the different schemes and projects supported by the Charity, under an agreement which was reinstated on 11 September 2021, with its terms to be reviewed annually.

Educational Support: Donations received for tuition and educational supplies for orphaned children.

Winter Appeal: Donations received for the refurbishment and repairs of houses for orphaned children.

Ramadhan Appeal: Donations received specifically for the Ramadhan Appeal, providing financial, vocational, medical and educational support for orphaned children.

Sadaqa Jariya: Donations received for the construction of projects in Iraq that provide services to orphaned children, including housing complexes, vocational training centres, and personal development centres.

Shajarat Tuba: Donations received for the construction of the Shajarat Tuba project in Karbala, Iraq, which will incorporate various services provided to orphaned children.

Food Support: Donations received for the purchases of meat, food baskets, and other food items for orphaned children.

Gifts for Sponsored Children: Donations received to provide monetary gifts for named orphaned children on occasions such as their birthdays and religious festivals.

Medical Support: Donations received for the purpose of providing medical treatment and medicines

COVID-19 Relief Fund: Donations received for COVID-19 relief efforts in Iraq, including food parcels, protective equipment and medical support.

Premises Fund: Grant received from Al-Ayn Social Care Foundation (Iraq) for the purchase of the Charity's premises.

Other Restricted Funds – These are donations under £30,000 which have been collected for specific charitable projects in Iraq.

12. RELATED PARTIES

The following related party transactions took place in 2021:

- The Charity made donations and grants of £13.76m (2020: £12.8m) to Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, in accordance with a Grant Agreement between the two parties.
- The Charity recognised donations in the sum of £1.4m (2020: £1.2m) from Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, to cover staff and support costs of the Charity.
- The Charity received donations totalling £506k (2020: £685k) during the year from Al Ayn Social Care Foundation (Australia). Ahmed Alkhaja is a Director of Al Ayn Social Care Foundation (Australia).
- The aggregate value of donations from Trustees and their related parties made in the year was £25,987 (2020: £53,625).

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	9,610,434	4,943,937	14,554,371
Total Income	<u>9,610,434</u>	<u>4,943,937</u>	<u>14,554,371</u>
<u>Expenditure on:</u>			
Raising funds	18,752	-	18,752
Charitable activities	9,743,953	4,251,254	13,995,207
Other -Forex (gains)/losses	(61,204)	-	(61,204)
Total Expenditure	<u>9,701,501</u>	<u>4,251,254</u>	<u>13,952,755</u>
 Net movement in funds	 (91,067)	 692,683	 601,616
Total funds brought forward	<u>505,725</u>	<u>-</u>	<u>505,725</u>
Total funds carried forward	<u><u>414,658</u></u>	<u><u>692,683</u></u>	<u><u>1,107,341</u></u>

Accounts



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

AL-AYN SOCIAL CARE FOUNDATION

YEAR ENDED 31 DECEMBER 2020

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The photo on the cover page is of Fidha (aged 8), a child supported by Al-Ayn Social Care Foundation (Iraq).

AL-AYN SOCIAL CARE FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Mrs Aliya Azam Dr Ahmed Alkhaja Mrs Rabab Kleit Mr Mohamad Baqer Al-Yassin Mr Mustafa Mohamed
Acting Director (unpaid)	Dr Ahmed Alkhaja
Charity Registration Number	1163706
Principal Address and Registered Office	Unit 5, Watling Gate 297 – 303 Edgware Road Colindale London NW9 6NB
Independent Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	Barclays 75 King Street Hammersmith London W6 9HY
Solicitor	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report, together with the audited financial statements of Al-Ayn Social Care Foundation (the Charity) for the period ended 31 December 2020. The Trustees confirm that the report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP 2015) 'Accounting and Reporting by Charities' Second Edition applicable for accounting periods commencing on and after 1 January 2020.

Al-Ayn Social Care Foundation is a Charitable Incorporated Organisation (CIO) registered with the Charity Commission of England & Wales on 23 September 2015.

These financial statements cover the period from 1 January 2020 to 31 December 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The CIO was registered on 23 September 2015 and its governing document was amended on 9 May 2017.

Organisational structure

The Charity has a board of five trustees (the Trustees), who meet formally on a regular basis to determine and review implementation of the Charity's strategy, identify and manage risks and administer the affairs of the Charity. The Trustees are drawn from persons of suitable experience, professional qualification or business acumen who are deemed suitable to administer the assets and the running of the Charity and are appointed by the sole member. The management of the Charity is the responsibility of the Trustees who are appointed under the terms of the constitution, with some management responsibilities delegated to the Charity's staff. They receive no remuneration or financial benefit for their role as Trustees, except as may be permitted by the Charity's constitution. The Trustees will regularly review their training needs and if necessary obtain training for the Trustees where appropriate. Any new trustees would undergo an induction process which would include obtaining a copy of the Charity's constitution and minutes of meetings, declaring conflicts of interest, and attending meetings with the acting director and senior staff to be updated on the affairs of the Charity.

Al-Ayn Social Care gGmbH is a wholly owned subsidiary of the Charity and is managed by a director with the support of members of staff and volunteers. The Trustees are updated regularly on the performance of Al-Ayn Social Care gGmbH.

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970 is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with the terms of a cooperation agreement between the parties.

Pay and Remuneration

The Trustees review the pay and remuneration of staff on a regular basis, to ensure internal consistency and that pay is competitive within the sector. Banding of pay is reviewed on an annual basis.

Risk management

The Trustees regularly review the major business and operational risks which the Charity faces, including risks associated with the diversity of its income and application of expenditure in Iraq. They have agreed and implemented policies and systems to ensure appropriate steps are taken to safeguard the Charity's assets, including by ensuring appropriate due diligence, monitoring and reporting is carried out on grant recipients and beneficiaries, and that grant agreements are entered into in accordance with the Charity Commission and HMRC guidance on overseas donations. Regular reports are produced for the Trustees to identify and, if necessary, manage business and operational risks. The Trustees regularly review the Charity's policies and systems and are satisfied with the policies and controls in place to manage the risks identified.

Objects

The objects of the CIO for the public benefit are:

- the prevention or relief of poverty and financial hardship by providing: grants, items and services to orphans and other individuals in need and/or charities, or other organisations working to prevent or relieve poverty and financial hardship;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- the prevention or relief of sickness among orphans and other individuals in need, by purchasing medical equipment and/or providing grants to organisations working to prevent or relieve sickness;
- the advancement of education; and
- to provide or assist in the provision of facilities, equipment and services in the interests of social welfare for recreation or other leisure time occupation for individuals who have need of such facilities, equipment or services by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their conditions of life.

Grant making policies

The Charity continues to make international grants in accordance with its "International Grants Policy". The procedure for international grants includes identifying potential recipients, carrying out appropriate due diligence checks and risk assessments, and then entering a grant agreement with the recipient. To help the Charity assess and manage the risks of overseas grants, the Trustees require recipients to provide a monitoring report using an agreed template, as set out in the grant agreements.

The Charity makes grants primarily to Al-Ayn Social Care Foundation (Iraq), subject to the discretion of the Trustees. The Trustees closely monitor all grants made, review the supporting documentation and undertake random inspection of the various projects that are supported by the grants.

The grants are typically disbursed in instalments to ensure that agreed timings and results are being met and managed, and to enable monitoring and evaluation of progress. The nature of these activities will depend on the size and complexity of the grant and the perceived level of risk.

The Trustees have considered the Charity Commission guidance on working internationally and HMRC guidance on overseas payments and have put in place appropriate and robust arm's length grant agreements.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Reserves policy

The Trustees are of the view that holding substantial reserves is unnecessary, as it would tie up funds which could and should be spent on charitable activities. All income received is spent on charitable activities in the form of grants, and all administrative costs are covered by Al-Ayn Social Care Foundation (Iraq). However, the Trustees have set aside £60,000 for administrative costs, which would be sufficient to sustain the Charity's activities for three months during an orderly wind down, should that be required.

The Trustees are committed to regularly reviewing the Charity's reserves policy, to ensure that the appropriate levels of reserves are maintained. The Trustees are committed to generating sufficient reserves to support current organisational activities to meet the following requirements:

- safeguard the Charity's service commitment in the event of delays in receipt of grants or other income;
- provide a financial cushion against risk and future uncertainties; and
- resource the research and development of services and initiatives.

Principal funding

Funding for the activities of the Charity has been derived solely from the kind donors and supporters of the Charity, with the administrative overheads donated by Al-Ayn Social Care Foundation (Iraq).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Investment powers and policy

The Trustees have the powers to make investments on behalf of the Charity as they deem fit, taking account of standard investment criteria. At the moment, the Charity's risk profile indicates that investments should be held in low risk assets. Consequently, all investments at the moment are currently held in bank account balances.

Related parties

Al-Ayn Social Care Foundation (Iraq), a charitable organisation incorporated under the laws of Iraq and registered with the certificate number IZ 71970, is the sole member of the Charity. The relationship between the Charity and Al-Ayn Social Care Foundation (Iraq) is governed in accordance with a cooperation agreement between the parties.

Ahmed Alkhaja is a director of Al Ayn Social Care Foundation (Australia). The Charity received donations totalling £685k during the year from Al Ayn Social Care Foundation (Australia). The relationship between the Charity and Al-Ayn Social Care Foundation (Australia) is governed in accordance with a grant agreement between the parties.

The Charity is the sole shareholder of Al-Ayn Social Care gGmbH, a German not-for-profit limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under registration number HRB 174865 B. Further details are set out in note 7 to the accounts.

The Trustees and staff are also related parties. The Trustees are not aware of the existence of any other related parties. Please note that details of any related party transactions are set out in note 12 to the accounts.

ACHIEVEMENT AND PERFORMANCE

Detailed information on the Charity's activities in the reporting period is available by visiting www.alayn.co.uk/activities-report/

The Trustees consider that the performance of the Charity in this financial period has been good, taking into account the following measures:

- the total income received by the Charity over the period;
- the total number of volunteers supporting the activities of the Charity over the period;
- the total number of coordinators, acting as points of contact for the Charity's supporters throughout the United Kingdom;
- the total number of orphaned children supported through the orphaned child sponsorship scheme;
- the total number of Sadaqa Boxes (collection boxes) distributed and received;
- the variety of fundraising activities carried out by the Charity and its supporters;
- overall engagement with the Charity's social media platforms; and
- the response to the challenges faced from the outset of the pandemic and the related considerations for beneficiaries, staff, volunteers and supporters.

The Charity began the period with steady growth building upon similar performance from previous years. As a result of the considerable changes brought about by the pandemic, it faced new challenges and opportunities. Due to the overwhelming dedication of staff, volunteers and supporters, the Charity has been able to not only maintain, but also expand its support to its beneficiaries and beyond. A significant contributing factor to the Charity's ability to provide this support is the unmatched presence on the ground of Al-Ayn Social Care Foundation (Iraq) across provinces and spanning to remote villages in Iraq. Changes were implemented at the beginning of the crisis to allow distribution of aid to continue, taking into account strict health and safety considerations. COVID-19 relief efforts took priority with the largest food aid initiative in Iraq, to ensure urgent aid was delivered to those in need. A medical relief campaign also provided critical medical equipment at the height of the crisis. Whilst some events and services were paused, the core work of the Charity in relation to its sponsorship programme continued throughout despite the restrictions on travel whilst taking into account new processes and procedures for aid workers and beneficiaries.

ACHIEVEMENT AND PERFORMANCE (continued)

To enable it to carry out its objects, the Charity shifted its focus to raising awareness about the plight of orphaned children in poverty to digital channels. Annual plans covering the main operational areas of the Charity were adjusted, as were event plans. Whilst a significant proportion of the plans were implemented remotely, at the beginning of the crisis, a few events were postponed. Additional events and services were provided including expanding the collections and drop-off services for charity (Sadaqa) boxes.

The Charity carried out the following main activities for the period ended 31 December 2020 in furtherance of its charitable activities for public benefit.

(1) Supporting orphaned children

The Charity's principal activity continues to be the provision of monthly financial allowances for orphaned children in Iraq, through grants made to Al-Ayn Social Care Foundation (Iraq). This is funded through donations, religious dues such as Khoms and Sadaqa, and the Charity's "Orphaned Child Sponsorship Programme".

A substantial proportion of Sadaqa donations received by the Charity comes from its Sadaqa Boxes. The Charity's supporters became more accustomed to requesting Sadaqa Boxes for their homes online and then replacing them periodically. In this accounting period, thousands of Sadaqa Boxes were distributed and collected throughout the United Kingdom, through postal services and at designated drop-off locations including the charity's offices. The Al-Ayn App grew in popularity in this period, allowing the Charity's supporters to give Sadaqa donations and other forms of donations conveniently, with just a few taps.

The "Orphaned Child Sponsorship Programme" provides the Charity's supporters with the opportunity to financially support a particular orphaned child on a monthly basis. It is a distinctively comprehensive care package. Alongside the financial aid distributed, orphaned children and widowed mothers are provided access to free medical, psychological, educational, housing, in-kind and other forms of support. Supporters are given the ability to support any of these areas and guarantees are in place to ensure restricted funds for each area reach the beneficiaries in the intended form.

(2) Providing food aid

During a crisis like the COVID-19 pandemic, food aid was essential to those in poverty experiencing lockdown without access to any other help. Over 140,000 food parcels were provided across Iraq within weeks. Dedicated aid workers following strict COVID-19 safety protocols not only provided aid to every orphaned child registered and their families, but also served other families living in poverty. This provision of urgent relief was a lifeline for many. It continued throughout lockdown and the Charity's supporters were provided with the opportunity to fund these food aid packages.

(3) Providing toys to orphaned children

The Charity's initiative to collect and send good condition and new toys to Iraq has resulted in multiple shipments of toys being sent to beneficiaries throughout Iraq. During this period, there was a further toys shipment to Iraq.

Toys contribute towards a unique experience for orphaned children who choose the toy of their liking from one of the pop-up 'toy shops' set up in Al-Ayn Social Care Foundation (Iraq)'s various offices.

Our "Let them Play" campaign allows the Charity to build connections with young supporters. Once they donate their toys, they often contribute to sorting, packing and labelling the toys. However, during this period, in person volunteering was reduced significantly and the charity's supporters were informed that alternative ways of supporting children would be prioritised.

(4) Supporting continual charity (Sadaqa Jariya) projects

The Charity has continued to fund Sadaqa Jariya projects throughout Iraq that are being implemented on the ground by Al-Ayn Social Care Foundation (Iraq). Supporters were offered a number of projects that they were invited to support. These

ACHIEVEMENT AND PERFORMANCE (continued)

included a housing complex and a number of vocational training and psychological rehabilitation centres, which are being built in various provinces in Iraq. The various projects aim to meet the needs of orphaned children, in particular those who have been unable to continue to further education or are in need of adequate housing or other support in order to achieve their full potential. During the period, two new Luminous Stars Centres were opened and nine further centres were at various stages of construction. Though there were delays due to the pandemic, progress was made in the later months of the period.

Charitable activities and fundraising

During this period, the Charity organised a number of events. Whilst a few took place in person at the beginning of the period, the rest were held remotely as a result of the pandemic. The remote events allowed the Charity to reach even more people and as a result, many more events were held in this period than any other previous period.

These included:

- (1) Two Wills Writing Seminars were held, one in Birmingham and one remotely, to give supporters a legal and Islamic perspective on will-writing presented by professionals in this field and help generate future sources of funding for the Charity.
- (2) A Managing Depression Workshop was held at the head office which touched upon the complexity of this subject for orphaned children and widowed mothers as well as supporters in the UK. The session was followed by an engaging Q and A session with the facilitator.
- (3) Parenting workshops are also common at the Charity and in this period, an interactive session was held in the office that built upon previous learning.
- (4) A football tournament (a popular event in the previous period) was advertised to be held but was postponed due to COVID-19 considerations.
- (5) Numerous children's events aimed at raising awareness through crafts, fun and learning went ahead remotely. This included a Puppet Theatre Arts and Crafts workshop, Make Your Own Suncatcher event, A Good Deeds Tree nature and crafts event and more.
- (6) Targeted introductory office events to raise awareness about different campaigns the Charity is running moved online with Virtual Coffee Mornings taking place targeted at various supporter groups.
- (7) Stalls and speeches at various external events which in previous years were extremely valuable at gaining new supporters became short informative 'drop-ins' at other remote events.
- (8) Careers in the Current Economic Climate was a highly engaging event that was also held online and well received by supporters.
- (9) A key event held in this period to highlight the work on the ground and expand upon the size of the crisis was a Women in Development event which was followed by a discussion and Q and A.
- (10) A Financial Support Workshop was also held remotely which tackled pertinent issues and gave supporters a chance to ask a professional for advice.

These activities supported the Charity in raising awareness about its cause and fundraising for the Charity's campaigns.

Volunteers

During the period, the role of volunteers evolved significantly. Whilst in previous periods, the Charity relied heavily on office volunteers to help with various aspects of the work, many new volunteers supported the work of the charity remotely. Administrative, creative and technical support was instrumental to the Charity's ability to shift its operations to match the unfolding need.

Al-Ayn Social Care gGmbH was supported by more than 30 volunteer coordinators in 9 different cities in Germany, who promoted the charitable activities of the Charity through seminars, stalls, events, and meetings with local non-profit organisations.

FINANCIAL REVIEW

The Charity has increased its reach during this period and built its donor base through its various publicity avenues. Presence at a larger number of events and stalls, development of its social media strategy, and street and TV advertising campaigns have all contributed to this. With the support of its Trustees, staff, coordinators and all other volunteers, the Charity has been able to respond to the increased demand from donors, and the resulting administrative and logistical workload. The Charity continues to have no borrowings and has achieved a good outcome for the period, with the necessary resources moving forward to continue to expand its activities.

As a result, income for the period was £14.6m arising largely from donations. Of this, £1.1m was received by Al-Ayn Social Care gGmbH, also largely from donations. There were currency exchange gains of £61,204, on funds held in the Charity's US dollar account, due to the weakening of the pound over the reporting period.

Expenditure was £14.6m of which £12.8m were grants made to Al-Ayn Social Care Foundation (Iraq), and £695,000 was for the purchase of the Charity's premises, funded by a grant from Al-Ayn Social Care Foundation (Iraq) for this purpose. The premises has been capitalised on the Charity's balance sheet.

Total funds carried forward at the end of the year were £1,126,463, of which £737,000 were in fixed assets, and the remaining arose primarily due to Gift Aid which was allocated to charitable activities after the end of the reporting period.

The Trustees are satisfied that all funds received have been applied in an effective manner.

PLANS FOR FUTURE PERIODS

Al-Ayn will continue with its core activities of supporting orphaned children in Iraq, whilst expanding its operation to other countries. The main objectives for the next financial year include:

1. reaching out to wider audiences, to raise awareness about the plight of orphaned children and the Charity's work to support them;
2. raising funds to support the work of the Charity in empowering orphaned children;
3. diversifying the sources of funding coming into the Charity, and
4. engaging supporters with the Charity's work and providing services for them.

The Charity also aims to provide additional training and development for staff and volunteers through workshops and consultancy services. The Charity also aims to distribute and collect a significantly larger number of Sadaqa Boxes throughout the UK.

The Trustees are committed to continuing to monitor the application of funds for all campaigns to ensure they remain effective and targeted. The Charity also plans to expand its team further and update its processes to match new regulations as well as the increase in support for its work.

EVENTS SINCE THE END OF THE PERIOD

There are no events to report since the end of the period.

FUNDRAISING STATEMENT

The Charity continues to work towards diversifying its fundraising activities to enable it to raise vital funds that will create better outcomes for more orphaned children in poverty. The Trustees and broader team are committed to building trust with supporters, and in 2020 the Charity continued to build upon its internal guidance and individual agreements with each additional member of the team which stipulated the roles, procedures and expectations relating to all aspects of work, including fundraising. During this period, more feedback opportunities were provided for staff, coordinators, volunteers and supporters through frequent surveys and private feedback meetings. The Trustees also recognise the need to monitor the wider team, providing them with regular training and shadowing if needed.

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

FUNDRAISING STATEMENT (continued)

The Trustees are committed to protecting vulnerable adults and children during fundraising activities, through appropriate policies and procedures. The Charity's Safeguarding Policy and Vulnerable Persons Policy details this commitment and the Trustees regularly review the Charity's policies and procedures in line with performance.

Alongside this, the Charity's commitment to adhering to stringent procedures relating to all aspects of its work and in line with the Code of Fundraising Practice has meant that the Charity has received zero complaints (2019: zero) about activities for the purposes of fundraising during the reporting period.

PUBLIC BENEFIT STATEMENT

In deciding the Charity's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the prevention or relief of poverty and its supplementary public benefit guidance on the advancement of health or the saving of lives in accordance with the requirement of section 17(5) of the Charities Act 2011. The Trustees always ensure that the Charity's activities are undertaken in line with its charitable objects and aims.

Further details on the activities carried out in the reporting period to deliver public benefit are outlined above.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees 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).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with charity law. 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.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees on the 20th of October 2021 and signed on their behalf by:

.....
Aliya Azam
Chairperson of Board of Trustees

Opinion

We have audited the financial statements of Al-Ayn Social Care Foundation for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, 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.

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 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 sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charity Commission, 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 Charities Act 2011, Companies Act 2006 and payroll taxes.

We evaluated management's opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the recognition of income and expenditure at the year-end. Audit procedures performed by the engagement team included:

- Inspecting correspondence with appropriate regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings to identify expected material amounts of income;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging any assumptions and judgements made by management in preparing the financial statements.

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

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Murtaza Jessa
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 20 October 2021

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

INCOME AND EXPENDITURE		Unrestricted funds	Restricted funds	Total 2020	Total 2019
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Donations and legacies	2	9,610,434	4,943,937	14,554,371	18,664,945
Total Income		<u>9,610,434</u>	<u>4,943,937</u>	<u>14,554,371</u>	<u>18,664,945</u>
<u>Expenditure on:</u>	3				
Raising funds		18,752	-	18,752	20,475
Charitable activities		9,743,953	4,251,254	13,995,207	18,314,743
Other -Forex (gains)/losses		(61,204)	-	(61,204)	101,052
Total Expenditure		<u>9,701,501</u>	<u>4,251,254</u>	<u>13,952,755</u>	<u>18,436,270</u>
Net movement in funds		(91,067)	692,683	601,616	228,675
Total funds brought forward		<u>505,725</u>	<u>-</u>	<u>505,725</u>	<u>227,050</u>
Total funds carried forward		<u><u>414,658</u></u>	<u><u>692,683</u></u>	<u><u>1,107,341</u></u>	<u><u>505,725</u></u>

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

All the Charity's activities are classified as continuing.

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Fixed Assets			
Tangible fixed assets	6	736,909	31,779
Current Assets			
Debtors	8	1,532,215	956,546
Cash at bank and in hand		933,179	1,153,623
		<u>2,465,394</u>	<u>2,110,169</u>
Creditors: amounts falling due within one year	9	<u>(2,094,962)</u>	<u>(1,636,223)</u>
Net Current Assets		<u>370,432</u>	<u>473,946</u>
Net Assets		<u><u>1,107,341</u></u>	<u><u>505,725</u></u>
Represented by::			
Unrestricted funds		414,658	505,725
Restricted funds		692,683	-
TOTAL FUNDS		<u><u>1,107,341</u></u>	<u><u>505,725</u></u>

The financial statements were approved by the board and authorised for issue on the 20th of October 2021 and signed on its behalf by:

.....
Aliya Azam
Chairperson of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

BALANCE SHEET-CHARITY

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed Assets					
Tangible fixed assets	6		731,725		25,783
Investment in subsidiary	7		21,988		21,988
			<u>753,713</u>		<u>47,771</u>
Current Assets					
Debtors	8	1,429,149		718,424	
Cash at bank and in hand		873,954		912,760	
		<u>2,303,103</u>		<u>1,631,184</u>	
Creditors: amounts falling due within one year	9	<u>(1,928,037)</u>		<u>(1,148,822)</u>	
Net Current Assets			<u>375,066</u>		<u>482,362</u>
Net Assets			<u><u>1,128,779</u></u>		<u><u>530,133</u></u>
Represented by:					
Unrestricted funds			436,096		530,133
Restricted funds			692,683		-
TOTAL FUNDS			<u><u>1,128,779</u></u>		<u><u>530,133</u></u>

A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented. Total net income and movement in reserves of the parent charity was £598,646.

The financial statements were approved by the board and authorised for issue on the 20th of October 2021 and signed on its behalf by:

.....
Aliya Azam
Chairman of Board of Trustees

The accompanying notes form an integral part of these financial statements.

AL-AYN SOCIAL CARE FOUNDATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash provided by operating activities (a)	454,576	143,560
Cash flows from investing activities		
Purchase of tangible fixed assets	(736,224)	(17,025)
Cash provided by (used in) investing activities	(736,224)	(17,025)
Increase (decrease) in cash and cash equivalents in the period	(281,648)	126,535
Cash and cash equivalents at the beginning of the period	1,153,623	1,128,140
Change in cash due to ex rate movements	61,204	(101,052)
Total cash and cash equivalents at period end	933,179	1,153,623

Analysis of Cash and Cash Equivalents

	2020 £	2019 £
Cash in hand	933,179	1,153,623
	933,179	1,153,623

(a) Reconciliation of net movement in funds to net cash inflow from Operating Activities

	2020 £	2019 £
Net movement in funds	601,616	228,675
Adjustments for:		
Add back depreciation charge	31,094	12,862
Decrease (increase) in debtors	(575,669)	(397,605)
Increase (decrease) in creditors	458,739	198,576
Foreign exchange (gains)/losses	(61,204)	101,052
Net cash provided by operating activities	454,576	143,560

1. ACCOUNTING POLICIES

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

1.1. Basis of accounting

The financial statements 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 the Charities Act 2011.

Al-Ayn Social Care 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 note(s).

No restatement has been required in making the transition to FRS 102 and the Charities SORP FRS 102.

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

1.3. Basis of Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, Al-Ayn Social Care GmbH, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented but the total income, total expenditure and net movement for the parent charity has been disclosed as a footnote on page 13.

1.4. Income

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, there is probability of receipt and the amount can be quantified with reasonable accuracy.

Gifts in kind represent assets donated for distribution or use by the Charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the Charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the Charity would otherwise have paid for the assets.

No amounts are included in the financial statements for services donated by volunteers.

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable.

1.5. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Support costs which cannot be directly attributed to particular activities are apportioned based on estimated usage. Governance costs, which form part of support costs include expenditure on the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Charitable expenditure consists of all expenditure relating to the objects of the Charity. All costs are directly attributable to the activities under which they have been analysed.

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

1.6. Pension schemes

The Charity commenced auto enrolment in November 2020, with NEST Pensions.

1. ACCOUNTING POLICIES (continued)

1.7. Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows:

Leasehold land	Not depreciated
Leasehold property	50 years straight line
Office equipment	4 years straight line
Furniture and fittings	4 years straight line

1.8. Investments

Investments are non-listed investments held at historic cost in the financial statements.

1.9. Debtors

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

1.10. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.11. Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

1.13. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor. The purposes and uses of the restricted funds are set out in the notes to the accounts.

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

2. DONATIONS AND LEGACIES

	2020 £	2019 £
Donations including gift aid receipts	14,554,371	18,664,945

3. EXPENDITURE

	Donations and grants £	Staff costs £	Support costs Governance £	Other £	2020 £	2019 £
Raising funds						
Fundraising activities	-	-	-	18,752	18,752	20,475
Charitable activity:						
The Prevention or relief of poverty and financial hardship among orphaned children in Iraq	12,830,423	719,945	140,533	304,306	13,995,207	18,314,743
Other-forex losses	-	-	-	(61,204)	(61,204)	101,052
Total	12,830,423	719,945	140,533	261,854	13,952,755	18,436,270

	Donations and grants £	Staff costs £	Support costs Governance £	Other £	2019 £
Raising funds					
Fundraising activities	-	-	-	20,475	20,475
Charitable activity:					
The Prevention or relief of poverty and financial hardship among orphaned children in Iraq	17,329,448	595,882	110,795	278,618	18,314,743
Other-forex losses	-	-	-	101,052	101,052
Total	17,329,448	595,882	110,795	400,145	18,436,270

	2020 £	2019 £
Net income is stated after charging:		
Auditor's remuneration – audit	17,640	20,280
Auditors remuneration – other	4,320	3,579
Depreciation	31,094	12,862

4. TRUSTEES

None of the trustees (or any persons connected with them) received any reimbursement of expenses, remuneration or benefits from the Charity during the period.

5. STAFF COSTS	2020 £	2019 £
Wages and salaries	449,057	526,318
Social security costs	28,835	64,067
Pension costs	9,971	5,497
	<u>487,863</u>	<u>595,882</u>

No employee (2019: No employee) received emoluments of more than £60,000 in the period.

The role of key management personnel was undertaken by the trustees during the period for which they received no remuneration (2019: no remuneration) from the Charity.

The average monthly employee headcount during the period was as follows:

	2020 Number	2019 Number
Al-Ayn Social Care Foundation – UK Staff	24	22
Al-Ayn Social Care gGmbH- Germany staff	<u>11</u>	<u>9</u>

6. TANGIBLE FIXED ASSETS

GROUP	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Total £
Cost						
As at 1 January 2020	-	-	51,865	6,022	1,158	59,045
Additions	695,000	20,400	17,659	2,687	458	736,224
At 31 December 2020	695,000	20,400	69,544	8,709	1,616	795,269
Depreciation						
As at 1 January 2020	-	-	24,911	1,945	410	27,266
Charge for the year	2,317	-	23,952	4,077	748	31,094
At 31 December 2020	2,217	-	48,863	6,022	1,158	58,360
Net book value						
At 31 December 2020	692,683	20,400	20,681	2,687	458	736,909
At 31 December 2019	-	-	26,954	4,077	748	31,779
CHARITY	Leasehold property £	Assets under construction £	Office equipment £	Furniture & fittings £	Software £	Total £
Cost						
As at 1 January 2020	-	-	38,450	5,816	1,158	45,424
Additions	695,000	20,400	15,498	2,687	458	734,043
At 31 December 2020	695,000	20,400	53,948	8,503	1,616	779,467
Depreciation						
As at 1 January 2020	-	-	17,390	1,841	410	19,641
Charge for the year	2,317	-	21,061	3,975	748	28,101
At 31 December 2020	2,217	-	38,451	5,816	1,158	47,742
Net book value						
At 31 December 2020	692,683	20,400	15,497	2,687	458	731,725
At 31 December 2019	-	-	21,060	3,975	748	25,783

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

7. INVESTMENTS

Al-Ayn Social Care Foundation owns the entire share capital of Al-Ayn Social Care gGmbH, a German charitable limited liability company registered in the commercial register of the local court of Berlin Charlottenburg under the registration number HRB 174865 B. A summarised income statement and balance sheet for Al-Ayn Social care gGmbH are set out below.

	2020 £	2019 £
Income	1,103,768	907,486
Expenditure	1,101,972	907,486
	<u>1,796</u>	<u>-</u>
Net movement of funds	<u>1,796</u>	<u>-</u>
<u>Balance Sheet</u>	<u>2020</u> £	<u>2019</u> £
Fixtures and equipment	5,184	5,949
Cash at bank	59,225	245,735
Debtors	103,066	232,459
Creditors and accruals	(166,925)	(462,143)
Net assets	<u>550</u>	<u>22,000</u>
Share capital	<u>22,000</u>	<u>22,000</u>

8. DEBTORS

	Group		Parent	
	2020 £	2019 £	2020 £	2019 £
Other debtors	1,429,618	714,882	1,423,134	710,010
Prepayments and accrued income	102,597	241,664	6,015	8,414
	<u>1,532,215</u>	<u>956,546</u>	<u>1,429,149</u>	<u>718,424</u>

9. CREDITORS: amounts falling due Within one year

	Group		Parent	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	35,631	8,066	35,631	7,685
Other creditors and accruals	2,059,331	1,628,157	1,892,406	1,141,137
	<u>2,094,962</u>	<u>1,636,223</u>	<u>1,928,037</u>	<u>1,148,822</u>

10a ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	44,226	692,683	736,909
Current assets	559,090	1,906,304	2,465,394
Current liabilities	(188,658)	(1,906,304)	(2,094,962)
	<u>414,658</u>	<u>692,683</u>	<u>1,107,341</u>
	<u><u>414,658</u></u>	<u><u>692,683</u></u>	<u><u>1,107,341</u></u>
10b ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2019 as represented by:			
Tangible fixed assets	31,779	-	31,779
Current assets	486,657	1,623,512	2,110,169
Current liabilities	(12,711)	(1,623,512)	(1,636,223)
	<u>505,725</u>	<u>-</u>	<u>505,725</u>
	<u><u>505,725</u></u>	<u><u>-</u></u>	<u><u>505,725</u></u>
10c ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	39,042	692,683	731,725
Investments	21,988	-	21,988
Current assets	559,536	1,743,567	2,303,103
Current liabilities	(184,470)	(1,743,567)	(1,928,037)
	<u>436,096</u>	<u>692,683</u>	<u>1,128,779</u>
	<u><u>436,096</u></u>	<u><u>692,683</u></u>	<u><u>1,128,779</u></u>
10d ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2019 as represented by:			
Tangible fixed assets	25,783	-	25,783
Investments	21,988	-	21,988
Current assets	486,657	1,623,512	1,631,184
Current liabilities	(12,711)	(1,623,512)	(1,148,822)
	<u>530,133</u>	<u>-</u>	<u>530,133</u>
	<u><u>530,133</u></u>	<u><u>-</u></u>	<u><u>530,133</u></u>

11. RESTRICTED FUNDS (GROUP)

	At 1 January 2020	Income	Expenditure	At 31 December 2020
	£	£	£	£
Private Sponsorship	-	1,148,179	(1,148,179)	-
Religious dues	-	1,010,528	(1,010,528)	-
Luminous Stars Centres	-	33,266	(33,266)	-
Al-Ayn Social Care Foundation (Australia)	-	685,348	(685,348)	-
Al-Ayn for Social Care Sweden	-	703,412	(703,412)	-
Winter Appeal	-	40,620	(40,620)	-
Ramadhan Appeal	-	112,018	(112,018)	-
Sadaqa Jariya	-	113,995	(113,995)	-
Shajarat Tuba	-	34,740	(34,740)	-
Food Support	-	35,014	(35,014)	-
Babil Housing Complex	-	90,000	(90,000)	-
COVID-19 Relief Fund	-	145,786	(145,786)	-
Premises Fund	-	695,000	(2,317)	692,683
Other Restricted Funds (<£30k)	-	96,031	(96,031)	-
	-	4,943,937	(4,251,254)	692,683

	At 1 January 2019	Income	Expenditure	At 31 December 2019
	£	£	£	£
Private Sponsorship	-	1,112,464	(1,112,464)	-
Religious dues	-	428,616	(428,616)	-
Luminous Stars Centres	-	40,933	(40,933)	-
Imam Al-Baqir Complex	-	11,182	(11,182)	-
Al-Ayn Social Care Foundation (Australia)	-	282,921	(282,921)	-
Al-Ayn for Social Care Sweden	-	1,079,512	(1,079,512)	-
Educational Support	-	11,429	(11,429)	-
Winter Appeal	-	46,934	(46,934)	-
Ramadhan Appeal	-	32,938	(32,938)	-
Sadaqa Jariya	-	248,236	(248,236)	-
Shajarat Tuba	-	214,618	(214,618)	-
Other Restricted Funds (<£10k)	-	43,655	(43,655)	-
	-	3,553,438	(3,553,438)	-

Private Sponsorship: Donations towards providing financial assistance for named orphaned children, in line with the Charity's Private Sponsorship scheme.

Religious dues: Khoms and Zakat Al-Fitra, which are used for the poor and the needy. These are distributed as part of monthly financial allowances to orphaned children in Iraq.

Luminous Stars Centres: Donations received for the construction of the Luminous Stars Vocational Training and Psychological Rehabilitation Centres in different provinces in Iraq.

Imam Al-Baqir Complex: Donations received for the construction of the Imam Al-Baqir (66 housing units) in Najaf, Iraq.

Imam Al-Hassan Complex: Donations received for the construction of the Imam Al-Hassan Residential Complex (42 housing units) in Karbala, Iraq.

11. RESTRICTED FUNDS (CONTINUED)

Al-Ayn Social Care Foundation (Australia): Relates to the movement on donations received from Al-Ayn Social Care Foundation (Australia), to support the different schemes and projects supported by the Charity, under an agreement dated 11 May 2018, with its terms to be reviewed annually.

Al-Ayn for Social Care Sweden: Relates to the movement on donations received from Al-Ayn for Social Care Sweden, to support the different schemes and projects supported by the Charity, under an agreement dated 27 June 2019, with its terms to be reviewed annually.

Educational Support: Donations received for tuition and educational supplies for orphaned children.

Winter Appeal: Donations received for the refurbishment and repairs of houses for orphaned children.

Ramadhan Appeal: Donations received specifically for the Ramadhan Appeal, providing financial, vocational, medical and educational support for orphaned children.

Sadaqa Jariya: Donations received for the construction of projects in Iraq that provide services to orphaned children, including housing complexes, vocational training centres, and personal development centres.

Shajarat Tuba: Donations received for the construction of the Shajarat Tuba project in Karbala, Iraq, which will incorporate various services provided to orphaned children.

Food Support: Donations received for the purchases of meat, food baskets, and other food items for orphaned children.

Gifts for Sponsored Children: Donations received to provide monetary gifts for named orphaned children on occasions such as their birthdays and religious festivals.

Medical Support: Donations received for the purpose of providing medical treatment and medicines

Babil Housing Complex: Donations received for the construction of the Babil Housing Complex in Al-Hilla, Iraq.

COVID-19 Relief Fund: Donations received for COVID-19 relief efforts in Iraq, including food parcels, protective equipment and medical support.

Premises Fund: Grant received from Al-Ayn Social Care Foundation (Iraq) for the purchase of the Charity's premises.

Other Restricted Funds – These are donations under £10,000 which have been collected for specific charitable projects in Iraq.

12. RELATED PARTIES

The following related party transactions took place in 2020:

- The Charity made donations and grants of £12.8m (2019: £17.3m) to Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, in accordance with a Grant Agreement between the two parties.
- The Charity recognised donations in the sum of £1.2m (2019: £1.1m) from Al-Ayn Social Care Foundation (Iraq), the sole member of the Charity, to cover staff and support costs of the Charity.
- The Charity received donations totalling £685k (2019: £283k) during the year from Al Ayn Social Care Foundation (Australia). Ahmed Alkhaja is a Director of Al Ayn Social Care Foundation (Australia).
- The aggregate value of donations from Trustees and their related parties made in the year was £53,625 (2019: £6,789).

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £
<u>Income and endowments from:</u>			
Donations and legacies	15,111,507	3,553,438	18,664,945
Total Income	<u>15,111,507</u>	<u>3,553,438</u>	<u>18,664,945</u>
<u>Expenditure on:</u>			
Raising funds	20,475	-	20,475
Charitable activities	14,761,305	3,553,438	18,314,743
Other -Forex losses	101,052	-	101,052
Total Expenditure	<u>14,882,832</u>	<u>3,553,438</u>	<u>18,436,270</u>
 Net movement in funds	 228,675	 -	 228,675
Total funds brought forward	<u>227,050</u>	<u>-</u>	<u>227,050</u>
Total funds carried forward	<u><u>505,725</u></u>	<u><u>-</u></u>	<u><u>505,725</u></u>