



# **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

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### REFERENCE AND ADMINISTRATIVE INFORMATION

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

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**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 20<sup>th</sup> 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**AL-AYN SOCIAL CARE FOUNDATION**

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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				
<b><u>Income and endowments from:</u></b>					
Donations and legacies	2	9,610,434	4,943,937	14,554,371	18,664,945
<b>Total Income</b>		<u>9,610,434</u>	<u>4,943,937</u>	<u>14,554,371</u>	<u>18,664,945</u>
<b><u>Expenditure on:</u></b>	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
<b>Total Expenditure</b>		<u>9,701,501</u>	<u>4,251,254</u>	<u>13,952,755</u>	<u>18,436,270</u>
 <b>Net movement in funds</b>		 (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>
<b>Total funds carried forward</b>		<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**

		<b>2020</b>		<b>2019</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>					
Tangible fixed assets	6		736,909		31,779
<b>Current Assets</b>					
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>	
<b>Creditors:</b> amounts falling due within one year	9	<u>(2,094,962)</u>		<u>(1,636,223)</u>	
<b>Net Current Assets</b>			370,432		473,946
<b>Net Assets</b>			<u>1,107,341</u>		<u>505,725</u>
<b>Represented by::</b>					
Unrestricted funds			414,658		505,725
Restricted funds			692,683		-
<b>TOTAL FUNDS</b>			<u>1,107,341</u>		<u>505,725</u>

The financial statements were approved by the board and authorised for issue on the 20<sup>th</sup> 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	£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	6		731,725		25,783
Investment in subsidiary	7		21,988		21,988
			<u>753,713</u>		<u>47,771</u>
<b>Current Assets</b>					
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>	
<b>Creditors:</b> amounts falling due within one year	9	<u>(1,928,037)</u>		<u>(1,148,822)</u>	
<b>Net Current Assets</b>			<u>375,066</u>		<u>482,362</u>
<b>Net Assets</b>			<u><u>1,128,779</u></u>		<u><u>530,133</u></u>
<b>Represented by:</b>					
Unrestricted funds			436,096		530,133
Restricted funds			692,683		-
<b>TOTAL FUNDS</b>			<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 20<sup>th</sup> 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**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cash provided by operating activities (a)</b>	<u>454,576</u>	<u>143,560</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(736,224)	(17,025)
<b>Cash provided by (used in) investing activities</b>	<u>(736,224)</u>	<u>(17,025)</u>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	(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)
<b>Total cash and cash equivalents at period end</b>	<u>933,179</u>	<u>1,153,623</u>

**Analysis of Cash and Cash Equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash in hand	933,179	1,153,623
	<u>933,179</u>	<u>1,153,623</u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds</b>	601,616	228,675
<b>Adjustments for:</b>		
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
<b>Net cash provided by operating activities</b>	<u>454,576</u>	<u>143,560</u>

**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 £
<b>Raising funds</b>						
Fundraising activities	-	-	-	18,752	18,752	20,475
<b>Charitable activity:</b>						
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
<b>Other-forex losses</b>	-	-	-	(61,204)	(61,204)	101,052
<b>Total</b>	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 £
<b>Raising funds</b>					
Fundraising activities	-	-	-	20,475	20,475
<b>Charitable activity:</b>					
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
<b>Other-forex losses</b>	-	-	-	101,052	101,052
<b>Total</b>	17,329,448	595,882	110,795	400,145	18,436,270

	2020 £	2019 £
<b>Net income is stated after charging:</b>		
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.

<b>5. STAFF COSTS</b>	<b>2020 £</b>	<b>2019 £</b>
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:

	<b>2020 Number</b>	<b>2019 Number</b>
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**

<b>GROUP</b>	<b>Leasehold property £</b>	<b>Assets under construction £</b>	<b>Office equipment £</b>	<b>Furniture &amp; fittings £</b>	<b>Software £</b>	<b>Total £</b>
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net book value</b>						
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
<b>CHARITY</b>						
	<b>Leasehold property £</b>	<b>Assets under construction £</b>	<b>Office equipment £</b>	<b>Furniture &amp; fittings £</b>	<b>Software £</b>	<b>Total £</b>
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net book value</b>						
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>

<b>10a ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
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>
<b>10b ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
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>
<b>10c ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
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>
<b>10d ANALYSIS OF CHARITY NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total funds £</b>
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>



**AL-AYN SOCIAL CARE FOUNDATION**
**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**FOR THE YEAR ENDED 31 DECEMBER 2020**
**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 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	15,111,507	3,553,438	18,664,945
<b>Total Income</b>	<u>15,111,507</u>	<u>3,553,438</u>	<u>18,664,945</u>
<b><u>Expenditure on:</u></b>			
Raising funds	20,475	-	20,475
Charitable activities	14,761,305	3,553,438	18,314,743
Other -Forex losses	101,052	-	101,052
<b>Total Expenditure</b>	<u>14,882,832</u>	<u>3,553,438</u>	<u>18,436,270</u>
 <b>Net movement in funds</b>	 228,675	 -	 228,675
Total funds brought forward	<u>227,050</u>	<u>-</u>	<u>227,050</u>
<b>Total funds carried forward</b>	<u><u>505,725</u></u>	<u><u>-</u></u>	<u><u>505,725</u></u>