



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><u>1,689,947</u></u>		<u><u>1,125,377</u></u>
Represented by:					
Unrestricted funds			1,003,377		305,557
Restricted funds			686,570		819,820
TOTAL FUNDS			<u><u>1,689,947</u></u>		<u><u>1,125,377</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 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)	<u>698,406</u>	<u>444,739</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(92,604)	(134,087)
Cash provided by (used in) investing activities	<u>(92,604)</u>	<u>(134,087)</u>
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	<u>2,090,273</u>	<u>1,375,638</u>

Analysis of Cash and Cash Equivalents

	2022	2021
	£	£
Cash in hand	2,090,273	1,375,638
	<u>2,090,273</u>	<u>1,375,638</u>

(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	<u>698,406</u>	<u>444,739</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) (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
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Donations and grants	Staff costs	Support costs		2022	2021
		Governance	Other		
£	£	£	£	£	£

Raising funds	-	286,493	-	135,372	421,865	42,606
Fundraising activities						

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
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Other-forex losses	-	-	-	(108,832)	(108,832)	(131,807)
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Total	10,125,005	1,225,897	50,649	78,852	11,480,403	15,365,545
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Donations and grants	Staff costs	Governance	Support costs Other	2021
£	£	£	£	£

Fundraising activities	-	-	-	42,606	42,606
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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)
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Total	13,849,046	966,682	149,597	300,499	15,365,545
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2022	2021
£	£

Auditor's remuneration – audit	19,167	16,740
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Auditors remuneration – other	-	6,300
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Depreciation	59,601	30,589
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AL-AYN SOCIAL CARE FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<u>7</u>	<u>7</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
	885,694	579,511	637,579	371,767

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
	2,171,428	1,691,841	1,655,133	1,383,022

AL-AYN SOCIAL CARE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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>
	<u><u>991,380</u></u>	<u><u>686,570</u></u>	<u><u>1,677,950</u></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>
	<u><u>283,895</u></u>	<u><u>819,820</u></u>	<u><u>1,103,715</u></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>
	<u><u>1,003,377</u></u>	<u><u>686,570</u></u>	<u><u>1,689,947</u></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>
	<u><u>305,557</u></u>	<u><u>819,820</u></u>	<u><u>1,125,377</u></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	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
<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>