

ISSA FOUNDATION

England & Wales · Charity number 1166025

Details

Status Registered

Legal form Charitable company

Company number [09982930](#)

Registered 2016-03-14

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

Contact

Address EG Group
Waterside Head Office
Haslingden Road
Guide
Blackburn
BB1 2FA

Phone 01254582111

Email charity@issafoundation.co.uk

Activities

Objects: TO ADVANCE SUCH CHARITABLE PURPOSES (ACCORDING TO THE LAW OF ENGLAND AND WALES) AS THE DIRECTORS SEE FIT FROM TIME TO TIME.

Activities: The principal objects of the charity are the advancement of education health and employment of people in need, in particular disadvantaged communities, by supporting projects that address these issues. The charity may also promote other identified projects from time to time as determined by the trustees.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Albania
- Bangladesh
- Burma
- India
- Indonesia
- Kenya
- Malawi
- Morocco
- Scotland
- South Africa
- Sri Lanka
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£9,911,028	£3,985,350	£26,750,761	30
2023-12-31	£7,650,924	£4,223,338	£20,825,083	20
2022-12-31	£4,012,878	£7,937,817	£17,397,497	3
2021-12-31	£10,719	£6,730,966	-	-
2020-12-31	£894,671	£7,408,730	£28,042,683	0

Trustees

Name	Role	Appointed
MOHSIN ISSA		2016-02-02
ZUBER ISSA		2016-02-02

Accounts

Company Number: 09982930

Charity Number: 1166025

Issa Foundation

Trustees' Report and Accounts

Financial Statements
31 December 2024



An independent member of

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INTERNATIONAL

ISSA FOUNDATION

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ISSA FOUNDATION

CHARITY INFORMATION

Trustees	M Issa Z Issa
Company Secretary	J Patel
Registered office	Waterside Head Office Haslingden Road Guide Blackburn BB1 2FA
Auditor	MHA 14 Mannin Way Lancaster Business Park Lancaster LA1 3SW
Company registration number	09982930
Charity registration number	1166025

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Structure, Governance and Management

The Issa Foundation is a registered UK charity (No. 1166025), established under a trust deed dated 14 March 2016. It was founded by brothers Zuber Issa and Mohsin Issa.

The charity is supported by a voluntary advisory sub-committee and a secretary, who contribute valuable guidance on project selection and delivery. The Trustees and sub-committee meet quarterly, with the Trustees making decisions based on sub-committee recommendations. The sub-committee comprises individuals with diverse expertise in areas including construction, healthcare, and charitable operations.

Members of the sub-committee are:

- Ilyas Rehmani
- Muhammad Sadiq Patel
- Siraj Ahmed Patel
- Zubair Desai
- Irfan Ali
- Harun Patel

Trustees and Key Management Personnel

The Trustees, who are also directors of the charitable company, served throughout the reporting period and their names are listed on page 1 of this report.

The charity considers its key management personnel to include the two Trustees, who are responsible for key decisions regarding grant-making, as well as the members of the voluntary advisory sub-committee.

New Trustees are appointed by the existing Trustees for a term of five years, with the option to be reappointed. Trustees receive no remuneration and are encouraged to declare and register any potential conflicts of interest with the sub-committee. All new Trustees receive a formal induction.

Risk Management

The Trustees have identified several major risks to the organisation, including:

- Banking and financial transaction risks
- Potential fraud
- Exposure to extremism-related activities

To address these, the Foundation has implemented enhanced security measures and rigorous due diligence processes that cover every stage of project delivery.

Given that the Foundation works in collaboration with established charitable partners operating on the ground in various regions, it remains exposed to some financial risk. However, the Trustees have put in place comprehensive procedures to minimise these risks, including careful vetting of partner organisations, monitoring of fund usage, and regular audits of funded activities.

ISSA FOUNDATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2024

Due Diligence and Grant-Making Process

- All charitable organisations undergo a rigorous vetting process prior to receiving support.
- Grants are awarded exclusively to organisations that are registered charities within their respective countries.
- Face-to-face meetings are conducted with all recipient organisations, typically via online conferencing platforms, and where feasible, through in-country visits.
- References are obtained based on past collaborative work and projects with other verified charitable organisations.
- Field visits are conducted by Trustees or sub-committee members to monitor and evaluate charitable projects on the ground.

Objectives, Activities and Public Benefit

The charity's core mission is to advance education, healthcare, and employment opportunities for people in need, with a particular focus on disadvantaged communities. By supporting initiatives that address these critical areas, the charity also remains open to funding other impactful projects as identified and approved by the Trustees.

In 2024, the charity disbursed over £3.57 million (2023: £3.97 million) to support initiatives across the following categories:

Category	Spent (£)
Education	542,877
Food	1,143,235
Health	244,767
Housing	1,303,204
Social	323,746
	<u>3,557,829</u>

Strategic Approach

Our approach begins with the provision of direct humanitarian aid—food, clean water, medical care, and emergency shelter. This immediate support forms the foundation for long-term development, empowering communities to transition towards self-sufficiency and resilience.

We are committed to supporting orphans, widows, and those in need—irrespective of race, culture, or religion—with compassion, dignity, and respect

Grant-Making Policy

The Issa Foundation invites proposals from registered charitable organisations delivering humanitarian projects that support communities, particularly those serving disadvantaged groups. All proposals are reviewed by a dedicated sub-committee, which evaluates the merits of each project and advises the Trustees on the appropriate level of funding to be awarded.

The Trustees confirm that, in setting and reviewing the grant-making policy for the year, they have taken into account the Charity Commission's general guidance on public benefit. This guidance continues to inform the charity's strategic aims and future activities.

Social Investment Policy

Grant applications are assessed individually by the Trustees with support from the sub-committee. In cases where an organisation's objectives align closely with those of the Issa Foundation and the organisation demonstrates the capacity for mid- to long-term financial sustainability, the Trustees may offer support through a concessionary loan. These loans, which are repayable on demand, are designed to encourage financial independence while supporting impactful initiatives.

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

Strategic Report

Achievements and Performance

The Trustees of the Issa Foundation express their sincere appreciation to the sub-committee for their invaluable contributions throughout the year.

During the reporting period, the Foundation delivered impactful projects in India, Malawi, and the United Kingdom. We continued our commitment to supporting the most vulnerable through initiatives focused on healthcare, education, livelihoods, shelter, and food provision. These efforts were made possible through the support of our partners and the unwavering dedication, leadership, and passion of our Trustees and sub-committee members.

One of the highlights of the year was our ongoing support for the Maone Vocational Training Centre (MVTC). MVTC offers apprenticeships in essential construction trades including carpentry, joinery, bricklaying, and plumbing. This programme is designed to equip young men and women with practical skills that foster self-reliance and provide a pathway out of poverty.

The Trustees extend heartfelt thanks to all our partners, volunteers, and supporters whose contributions have made these achievements possible.

Financial review

The charity's main source of income is voluntary donations and interest received on unexpended donations. Donations received during the year amounted to £8,569,765 (2023: £7,512,050). The balance held within the bank account has resulted in interest generated during the year of £1,042,620 (2023: £4,869), which has been transferred to a separate restricted interest fund as can be seen in note 16 to the accounts.

Grants totalling £3,557,829 (2023: £3,974,348) have been awarded to projects. Details of these projects can be found in note 7 to the accounts.

Issa Foundation has been predominantly funded by the Trustees of the Foundation, and the related Gift Aid claims on their donations, for the purpose of meeting the charity's aims and objectives.

The current reserves are to be assigned to charitable projects as and when they have been identified, vetted and approved.

Reserves policy

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The Lillah fund balance at 31 December 2024 of £10,276,947 (2023: £9,859,248) will be applied to future awards and operating costs of the charity. The Lillah fund includes fixed assets of £21,796,823 (2023: £17,980,468).

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. The Zakat fund balance at 31 December 2024 of £15,320,891 (2023: £10,823,415) will be applied to future awards.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims. The interest fund balance at 31 December 2024 of £1,152,923 (2023: £142,420) will be applied to future awards under the guidance of religious ruling.

The level of funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The Trustees are concerned to maximise the benefit to disadvantaged communities of their grant making policy.

All unrestricted reserves are to be used on future charitable projects.

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

Fundraising standards information

The charity does not raise funds from the general public.

Plans for future periods

The principal objective of Issa Foundation is **housing, advancement of education, health, empowering those in need, in particular disadvantaged individuals and communities**, by supporting projects that address these issues.

The charity will continually identify projects from time to time as determined by our partners, trustees and volunteers.

Auditor

MHA previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP. MHA have indicated their willingness to be reappointed as statutory auditors.

Trustees' Responsibilities

The Trustees, who also serve as the directors of the Issa Foundation for the purposes of company law, are responsible for preparing both the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Under company law, the Trustees are required to prepare financial statements for each financial period that provide a true and fair view of the state of affairs of the charitable company and of its incoming resources and how those resources are applied, including its income and expenditure for the period.

In preparing the financial statements, the Trustees must:

- Select suitable accounting policies and apply them consistently;
- Follow the principles and methods set out in the Charities SORP 2019 (FRS 102);
- Make reasonable and prudent judgements and estimates;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to assume the charitable company will continue operating.

The Trustees are also responsible for maintaining adequate accounting records that accurately reflect the financial position of the charity at any given time, and for ensuring that the financial statements comply with the Companies Act 2006. Furthermore, they are responsible for safeguarding the charity's assets and taking reasonable steps to prevent and detect fraud or other irregularities.

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024



Ramadan Food Distribution 2023



Borehole 2023

ISSA FOUNDATION

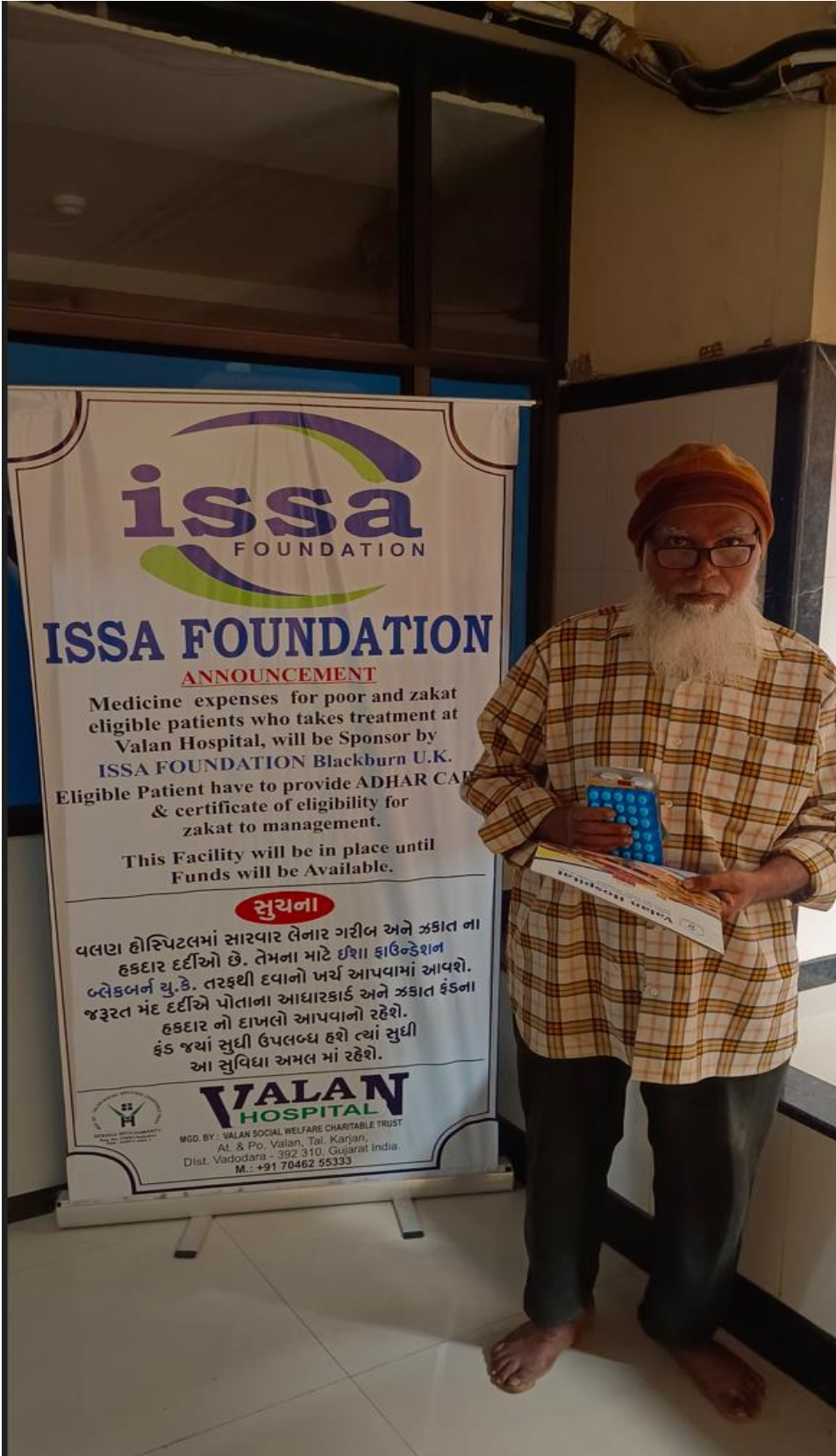
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024



Ramadan 2024 Food Packs Malawi

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2024



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ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024



Cataract Malawi 2023



100 E Rickshaw UP India

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024



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ISSA FOUNDATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2024

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the Trustees on September 26, 2025

Zuber Issa
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Z Issa
Trustee

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Issa Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including 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 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, 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 responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that have had a direct effect on the financial statements;
- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Auditing the risk of fraud in revenue by way of cut off testing and confirming completeness of donations received during the accounting period and performing a proof in total of rental income received;

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2024

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA

14 Mannin Way
Lancaster
Lancashire
LA1 3SW

Date September 29, 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

MHA is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ISSA FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
	Note				
Income and endowments from:					
Donations and legacies	2	8,569,765	-	8,569,765	7,512,050
Income from investments	3	1,238,876	-	1,238,876	109,042
Other income	4	102,387	-	102,387	29,832
Total income and endowments		9,911,028	-	9,911,028	7,650,924
Expenditure on:					
Charitable activities	5	3,985,350	-	3,985,350	4,223,338
Total expenditure		3,985,350	-	3,985,350	4,223,338
Net movement in funds		5,925,678	-	5,925,678	3,427,586
Reconciliation of funds					
Total funds brought forward		20,825,083	-	20,825,083	17,397,497
Total funds carried forward		26,750,761	-	26,750,761	20,825,083

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 18 to 32 form part of these financial statements.

ISSA FOUNDATION**BALANCE SHEET****AS AT 31 DECEMBER 2024**

		Unrestricted funds £	Restricted funds £	Total funds 2024 £	Total funds 2023 £
Fixed assets:					
Tangible fixed assets	11	15,244,188	-	15,244,188	12,412,490
Investment property	12	6,552,635		6,552,635	5,567,978
Current assets:					
Debtors	13	79,626	-	79,626	62,103
Current asset investments	14	525,000	-	525,000	525,000
Cash at bank and in hand		4,454,377	-	4,454,377	2,384,291
		5,059,003	-	5,059,003	2,971,394
Liabilities:					
Creditors: amounts falling due within one year	15	105,065	-	105,065	126,779
Net current assets		4,953,938	-	4,953,938	2,844,615
Total assets less current liabilities		26,750,761	-	26,750,761	20,825,083
Net assets		26,750,761	-	26,750,761	20,825,083
Charity funds:					
Unrestricted funds	16	26,750,761	-	26,750,761	20,825,083
Restricted funds	16	-	-	-	-
		26,750,761	-	26,750,761	20,825,083

These financial statements were approved and authorised for issue by the Board of Trustees on September 26, 2025 and signed on its behalf by:


Z Issa**Trustee****Company registration number: 09982930**

The notes on pages 18 to 32 form part of these financial statements.

ISSA FOUNDATION**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2024**

		Total funds 2024 £	Total funds 2023 £
Cash flows from operating activities:			
<i>Net cash generated from operating activities</i>	A	4,647,565	3,351,871
Cash flows from investing activities:			
Rent and interest from investments		1,238,876	109,042
Payments to acquire fixed assets		(3,816,355)	(3,862,142)
<i>Net cash absorbed by investing activities</i>		(2,577,479)	(3,753,100)
<i>Change in cash and cash equivalents in the reporting period</i>		2,070,086	(401,229)
Cash and cash equivalents at the start of the reporting period		2,384,291	2,785,520
Cash and cash equivalents at the end of the reporting period	B	4,454,377	2,384,291

A Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
<i>Net income for the reporting period</i>	5,925,678	3,427,586
Adjustments for:		
Investment income receivable	(1,238,876)	(109,042)
(Increase) / decrease in debtors	(17,523)	7,880
(Decrease) / (increase) in creditors	(21,714)	25,447
Net cash generated from operating activities	4,647,565	3,351,871

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	4,454,377	2,384,291
	4,454,377	2,384,291

The notes on pages 18 to 32 form part of these financial statements.

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Basis of preparation

Issa Foundation is a company limited by guarantee (registered in England and Wales) and does not have share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 11.

The charity constitutes a public benefit entity as defined by FRS 102. 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as cash. It includes bank interest. Interest income is recognised using the effective interest method.

School tuition fees are recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and can be measured reliably.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (continued)

Expenditure on charitable activities includes grants paid and associated support costs of running the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Freehold property & assets in the course of construction are stated at historical cost. Assets in the course of construction are transferred to freehold property upon completion of the development. Depreciation has not been charged on freehold buildings as the trustees consider the estimated residual value of the property to be a significant proportion of the book value, such that the depreciation would be immaterial. The estimated residual value is expected to be high due to the charity's policy of maintaining the property such that physical deterioration does not occur and the costs of such maintenance are charged in the year of incidence.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in statement of financial activities.

Investments

Social investments are programme related investments being a concessionary loan issued to a charity beneficiary. Concessionary loans include those receivable from a third party which are interest free and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (continued)

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key assumptions, judgements and estimates

In the opinion of the Trustees' there have been no significant judgements made in the process of applying the above accounting policies. There have been no key assumptions concerning future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****2 Income from donations and legacies**

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Donations	8,569,765	-	8,569,765
	8,569,765	-	8,569,765
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2023 £</i>
<i>Donations</i>	<i>7,512,050</i>	<i>-</i>	<i>7,512,050</i>
	<i>7,512,050</i>	<i>-</i>	<i>7,512,050</i>

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Bank interest	1,042,620	-	1,042,620
Rental income	196,256	-	196,256
	1,238,876	-	1,238,876
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2023 £</i>
<i>Bank interest</i>	<i>4,869</i>	<i>-</i>	<i>4,869</i>
<i>Rental income</i>	<i>104,173</i>		<i>104,173</i>
	<i>109,042</i>	<i>-</i>	<i>109,042</i>

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****4 Other income**

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
School tuition fees	101,887	-	101,887
Other	500	-	500
	102,387	-	102,387
	Unrestricted funds £	Restricted funds £	Total funds 2023 £
School tuition fees	29,832	-	29,832
	29,832	-	29,832

5 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2024 £
Grants expenditure (note 7):			
Grants payable	3,557,829	-	3,557,829
Grant related support costs:			
Governance and support costs (note 6)	427,521	-	427,521
	3,985,350	-	3,985,350
	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Grants expenditure (note 7):			
Grants payable	3,974,348	-	3,974,348
Grant related support costs:			
Governance and support costs (note 6)	248,990	-	248,990
	4,223,338	-	4,223,338

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****6 Allocation of support costs**

	Governance £	Support £	2024 £	Basis of apportionment
Subscriptions	-	570	570	Support cost
Advertising & marketing	-	245	245	Support cost
Insurance	-	(2,925)	(2,925)	Support cost
Electricity	-	3,548	3,548	Support cost
Gas	-	6,633	6,633	Support cost
Bank Charges	-	90	90	Support cost
Wages and salaries	-	148,660	148,660	Time spent
Subcontractors	-	-	-	Support cost
Travel	-	366	366	Support cost
Unrecoverable landlord costs	-	132,160	132,160	Support cost
Sundry expenses	-	119,709	119,709	Support cost
POW costs	-	40	40	Support cost
Rates	-	5,772	5,772	Support cost
Security	-	-	-	Support cost
Audit fees	9,535	-	9,535	Governance cost
Other fees payable to the auditor	1,265	-	1,265	Governance cost
Professional fees	804	-	804	Governance cost
	11,604	414,868	426,472	

	Governance £	Support £	2023 £	Basis of apportionment
Subscriptions	-	1,725	1,725	Support cost
Advertising & marketing	-	1,788	1,788	Support cost
Insurance	-	2,154	2,154	Support cost
Electricity	-	2,916	2,916	Support cost
Gas	-	8,512	8,512	Support cost
Bank Charges	-	(612)	(612)	Support cost
Wages and salaries	-	38,083	38,083	Time spent
Subcontractors	-	7,625	7,625	Support cost
Travel	-	6,220	6,220	Support cost
Unrecoverable landlord costs	-	139,342	139,342	Support cost
Sundry expenses	-	1,090	1,090	Support cost
Rates	-	2,675	2,675	Support cost
Security	-	5,525	5,525	Support cost
Audit fees	4,440	-	4,440	Governance cost
Other fees payable to the auditor	2,100	-	2,100	Governance cost
Professional fees	25,407	-	25,407	Governance cost
	31,947	217,043	248,990	

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****7 Analysis of grants**

The charity undertakes its charitable activities through grant making and awarded grants to a number of organisations in furtherance of its charitable activities.

	2024	2023
	£	£
Balance payable brought forward	-	-
Previously awarded grants released	-	-
New grants awarded in the period	3,557,829	3,974,348
Net grant cost in the period (note 5)	3,557,829	3,974,348
	3,557,829	3,974,348
Grants paid in the period	(3,557,829)	(3,974,348)
Balance payable carried forward	-	-

During the year grants were made as detailed below:

Analysis by institution	2024	2023
	£	£
Ajmal Foundation	-	416,834
Lokhandwala General Hospital	-	-
Masjide Tauheedul Mosque Renovation	-	30,000
Blackburn Markaz	67,338	59,215
Education India Public Trust	-	-
Hakim-ul-Islam Academy Society	258,360	101,253
International Humanitarian Relief	30,000	310,000
Malawi Relief Fund UK	1,516,099	2,079,714
Munshi Trust	653,379	905,585
Valan Hospital	27,341	20,423
Welcare Hospital	8,902	5,158
Masjide Vali	2,690	46,166
Blackburn Youth Zone	25,000	-
Charity Events	1,000	-
Dog Ranch	40,000	-
Darul Hijaz Yatama	64,192	-
Markazul Ma'arif	774,943	-
Precious Gifts	15,000	-
Valli Charitable Trust	73,585	-
	3,557,829	3,974,348

ISSA FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

7 Analysis of grants (continued)
Analysis by category

	2024	2023
	£	£
Education	542,877	1,115,301
Food	1,143,235	2,411,271
Health	244,767	321,061
Housing	1,303,204	-
Orphanage	-	-
Social	323,746	89,215
Water	-	37,500
	3,557,829	3,974,348

8 Auditor’s remuneration

The auditor’s remuneration amounts to an audit fee of £7,735 (2023: £3,700) excluding VAT, accountancy fees of £880 (2023: £800) excluding VAT and fees in relation to assistance with charity tax affairs of £385 (2023: £350) excluding VAT.

ISSA FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

9 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

There were no employee benefits received by key management personnel during the period. The charity considers its key management personnel comprise the two Trustees who make all decisions regarding the awarding and payment of grants to projects and the voluntary advisory subcommittee.

The Trustees did not have any expenses reimbursed during the period.

10 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the period was as follows:

	2024	2023
	Number	Number
Charitable activities	23	6
	23	6

The total staff costs and employee benefits were as follows:

	2024	2023
	£	£
Wages and salaries	147,900	37,788
Social security	-	-
Defined contribution pension costs	760	295
	148,660	38,083

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2024**11 Tangible fixed assets**

	Freehold property	Assets under construction £	Total £
<i>Cost</i>			
<i>At 1 January 2024</i>	1,235,961	11,176,529	12,412,490
Additions	30,570	3,778,413	3,808,983
Transfers	-	(977,285)	(977,285)
At 31 December 2024	1,266,531	13,977,657	15,244,188
<i>Depreciation</i>			
<i>At 1 January 2024</i>	-	-	-
Charge for the year	-	-	-
At 31 December 2024	-	-	-
<i>Net book value</i>			
At 31 December 2024	1,266,531	13,977,657	15,244,188
<i>At 31 December 2023</i>	1,235,961	11,176,529	12,412,490

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****12 Investment property****Investment
property*****Fair value****At 1 January 2024*

5,567,978

Additions

7,372

Transfers

977,285

At 31 December 2024**6,552,635**

The Trustees consider that the fair value of the investment properties is equal to its cost.

13 Debtors**2024****£****2023****£**

Trade debtors

50,106

32,583

Prepayments

29,520

29,520

79,626**62,103****14 Current asset investments****2024****£****2023****£**

Programme related investments

525,000

525,000

525,000**525,000**

Programme related investments are concessionary loans made to a charity beneficiary. These are interest free loans repayable on demand.

ISSA FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	37,421	73,491
Accruals and deferred income	67,644	53,288
	105,065	126,779

Deferred income

	2024	2023
	£	£
Balance brough forward	47,338	-
Rental income received in advance	56,714	47,338
Release of deferred income	(47,338)	-
	56,714	47,338

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Fund reconciliation

	Balance at 31 December 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2024 £
Unrestricted funds:					
Lillah	9,859,248	1,011,248	(593,549)	-	10,276,947
Zakat	10,823,415	7,857,160	(3,359,684)	-	15,320,891
Interest	142,420	1,042,620	(32,117)	-	1,152,923
Total unrestricted funds	20,825,083	9,911,028	(3,985,350)	-	26,750,761
Restricted funds	-	-	-	-	-
Total funds	20,825,083	9,911,028	(3,985,350)	-	26,750,761
	Balance at 31 December 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds:					
Lillah	8,643,114	1,638,005	(421,871)	-	9,859,248
Zakat	8,501,086	6,008,050	(3,685,721)	-	10,823,415
Interest	253,297	4,869	(115,746)	-	142,420
Total unrestricted funds	17,397,497	7,650,924	(4,223,338)	-	20,825,083
Restricted funds	-	-	-	-	-
Total funds	17,397,497	7,650,924	(4,223,338)	-	20,825,083

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The religious restrictions placed on the use of Zakat donations for the original donor do not apply to the related gift aid income.

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. No administrative expenses or other operating expenses are paid for by this fund.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims, these funds are discharged under the guidance of religious ruling.

All funds may be applied for any purpose which falls under the primary objects and activities of the charity.

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2024****17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Total 2024 £
Fixed assets including investment property	21,796,823	-	21,796,823
Cash at bank and in hand	4,454,377	-	4,454,377
Other current assets/liabilities	499,561	-	499,561
	26,750,761	-	26,750,761
	Unrestricted funds £	Restricted funds £	Total 2023 £
Fixed assets including investment property	17,980,468	-	17,980,468
<i>Cash at bank and in hand</i>	2,384,291	-	2,384,291
<i>Other current assets/liabilities</i>	460,324	-	460,324
	20,825,083	-	20,825,083

18 Related party transactions

Mr Z Issa and Mr M Issa were both Trustees of the charity throughout the period.

During the period Mr Z Issa and Mr M Issa both made charitable donations to a UBS UK Donor Advised Fund (DAF).

The total of the charitable donations made by the Trustees to the DAF was £7,850,420, with a further £6,540 from a close family member of the Trustees.

Income of £8,563,025 was received as a result of the UBS UK Donor-Advised Fund recovering Gift Aid of £712,605 on these donations.

During the year the charity was recharged costs relating to capital expenditure of £3,816,085 (2023: £3,866,908) by Monte Developments Limited, a company in which Mr M Issa and Mr Z Issa are directors and ultimate owners.

ISSA FOUNDATION

England & Wales - Charity number 1166025

Accounts

Company Number: 09982930

Charity Number: 1166025

Issa Foundation

Trustees' Report and Accounts

Financial Statements
31 December 2023

ISSA FOUNDATION

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ISSA FOUNDATION

CHARITY INFORMATION

Trustees	M Issa Z Issa
Company Secretary	J Patel
Registered office	Waterside Head Office Haslingden Road Blackburn BB1 2FA
Auditor	MHA Richard House 9 Winckley Square Preston PR1 3HP
Company registration number	09982930
Charity registration number	1166025

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Structure, governance and management

Issa Foundation is a registered charity in UK number 1166025 and is constituted under a trust deed dated 14th March 2016. The charity was founded by brothers Zuber Issa and Mohsin Issa. The charity also has a voluntary sub-committee and a secretary who play a vital role in advising the Trustees on various projects. The Trustees and the sub-committee meet every quarter and the Trustees make decisions based upon recommendations from sub-committee. The sub-committee consists of individuals with numerous skills and abilities, ranging from construction, health care and previous charity experience.

The members of the volunteer sub-committee are: Ilyas Rehmani; Muhammad Sadiq Patel; Siraj Ahmed Patel; Zubair Desai; Irfan Ali; Harun Patel and Mohamed Valli.

Trustees of the charity and key management personnel

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are set out on page 1.

The charity considers its key management personnel comprise the two Trustees, who make decisions regarding the awarding and payment of grants to projects, and the voluntary advisory subcommittee.

New Trustees are appointed by the existing Trustees and serve for 5 years after which time they may put themselves forward for re-appointment. No remuneration is paid to the Trustees or sub-committee members. Trustees are recommended to disclose all relevant interests and register them with the sub-committee.

Risk review

Major risks identified within the organisation are banking, fraud and issues relating to extremism activities. To mitigate the identified risks Issa Foundation have increased security measures and implemented additional due diligence checks from the beginning to the end of every project.

We are working with established charitable organisations with on-ground presence in the selected areas of operation, which may expose Issa Foundation to financial risks. We have procedures in place to eliminate these financial risks as highlighted below.



Gifted 30 MMCT, Bharuch – Few successful students' achievement.

ISSA FOUNDATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023

- Comprehensive vetting of all charitable organisations.
- Organisations to which grants are awarded must be a government registered charity in their respective country.
- Face to face meetings held with all charitable organisations who are awarded grants, this is usually done via online web conferencing and visits to relevant countries.
- References obtained from work/projects carried out with other charitable organisations.
- Field visits by either Trustees or sub-committee members for charitable projects.

Objectives, activities and public benefit

The purpose of the charity is the advancement of education, health and employment of people in need, in particularly disadvantaged communities. By supporting projects that address these issues, the activity may also promote other identifiable projects from time to time as determined by the Trustees.

In 2023, the charity had spent over £3.97M (2022: £7.81M) supporting projects in the following categories:-

Category	Spent (£)
Education	1,115,301
Food	2,411,271
Health	321,061
Social	89,215
Water	37,500
	<u>3,974,348</u>

Our strategy involves on ground humanitarian support, providing food, water, medical assistance, and shelter. This is then improved and then developed to form a way of life and routine, leading towards freedom from dependence on others.

We are dedicated in providing support to orphans, widows and less fortunate regardless of race, culture or religion.



A group of people in Malawi receiving food aid – IF Ref 10238

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Grant making policy

Proposals are invited from registered charitable organisations undertaking humanitarian projects to support communities, in particularly disadvantaged groups. Requests received are reviewed by the sub-committee who then advise the Trustees of the merits of each project and give advice on the level of funding to be provided.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Social investment policy

The Trustees assess grant applications on a case-by-case basis with the assistance of the sub-committee. In some cases, the Trustees may identify organisations whose work is in line with the charity's objectives but who have the ability to raise their own funds in the mid-to-long term. In these circumstances they may determine that the most appropriate form of support would be a concessionary loan which is repayable on demand.

Strategic report

Achievements and performance

The Trustees of Issa Foundation would like to thank the sub-committee for their invaluable contribution to the charity.

Our projects in the year have been in India, Malawi and UK.

We maintain our support in funding for the most vulnerable in India and Malawi through our healthcare, livelihood projects, education, shelter and food programmes, with the aid of our partners and by the leadership, zeal, inspiration and dedication of our Trustees and sub-committee members.

Issa Foundation is proud to be supporting The Maone Vocational Training Centre (MVTC) which offers students apprenticeship in key construction skills, carpentry, joinery, bricklaying and plumbing. The objective of this programme is to equip young men and women with the technical and vocational skills and knowledge to promote self-reliance and break the cycle of poverty.

The Trustees of Issa Foundation would like to thank all partners and volunteers for their support.



Students from Maone Vocational Training Centre receiving new fabric and machine – IF Ref :10236

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The charity's main source of income is voluntary donations and interest received on unexpended donations. Donations received during the year amounted to £7,512,050 (2022: £4,007,100). The balance held within the bank account has resulted in interest generated during the year of £4,869 (2022: £5,778), which has been transferred to a separate unrestricted interest fund as can be seen in note 14 to the accounts.

Grants totalling £3,974,348 (2022: £7,819,891) have been awarded to projects. Details of these projects can be found in note 6 to the accounts.

Issa Foundation has been predominantly funded by the Trustees of the Foundation, and the related Gift Aid claims on their donations, for the purpose of meeting the charity's aims and objectives.

The current reserves are to be assigned to charitable projects as and when they have been identified, vetted and approved.

Reserves policy

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The Lillah fund balance at 31 December 2023 of £9,865,173 (2022: £8,643,114) will be applied to future awards and operating costs of the charity. The Lillah fund includes fixed assets of £17,980,468 (2022: £14,118,326).

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. The Zakat fund balance at 31 December 2023 of £10,823,415 (2022: £8,501,086) will be applied to future awards.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims. The interest fund balance at 31 December 2023 of £142,420 (2022: £253,297) will be applied to future awards under the guidance of religious ruling.

The level of funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The Trustees are concerned to maximise the benefit to disadvantaged communities of their grant making policy.

All unrestricted reserves are to be used on future charitable projects.

Fundraising standards information

The charity does not raise funds from the general public.

Plans for future periods

The principal objective of Issa Foundation is **housing, advancement of education, health, empowering those in need, in particular disadvantaged individuals and communities**, by supporting projects that address these issues.

The charity will continually identify projects from time to time as determined by our partners, trustees and volunteers.

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor

Following the merger of MHA Moore & Smalley with MHA, the company's independent auditor has now become MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

Trustees' responsibilities

The Trustees (who are also the directors of Issa Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 (FRS102).
- 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Issa Foundation Volunteers visiting lively hood and food distribution project Apr 2023

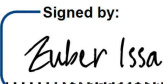
ISSA FOUNDATION
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2023

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the Trustees on August 2, 2024

Signed by:

.....4145A2C0C8B943F...
Z Issa
Trustee

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Issa Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including 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 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2023

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' report (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 6-7, 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that have had a direct effect on the financial statements;

ISSA FOUNDATION
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ISSA FOUNDATION
FOR THE YEAR ENDED 31 DECEMBER 2023

- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Auditing the risk of fraud in revenue by way of cut off testing and confirming completeness of donations received during the accounting period;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 financial statements is located on the FRC’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.

Signed by:

D0F3B7A0E629469...
Paul Williams BA(Hons) FCA
Senior Statutory Auditor
For and on behalf of MHA, Statutory Auditor
Preston, United Kingdom

August 2, 2024
Date

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

ISSA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
	Note				
Income and endowments from:					
Donations and legacies	2	7,512,050	-	7,512,050	4,007,100
Investments	3	109,042	-	109,042	5,778
Other income	4	29,832	-	29,832	-
Total income and endowments		7,650,924	-	7,650,924	4,012,878
Expenditure on:					
Charitable activities	5	4,223,338	-	4,223,338	7,937,817
Total expenditure		4,223,338	-	4,223,338	7,937,817
Net movement in funds		3,427,586	-	3,427,586	(3,924,939)
Reconciliation of funds					
Total funds brought forward		17,397,497	-	17,397,497	21,322,436
Total funds carried forward		20,825,083	-	20,825,083	17,397,497

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 14 to 25 form part of these financial statements.

ISSA FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fixed assets:					
Tangible fixed assets	11	17,980,468	-	17,980,468	14,118,326
Current assets:					
Debtors	12	62,103	-	62,103	69,983
Current asset investments	13	525,000	-	525,000	525,000
Cash at bank and in hand		2,384,291	-	2,384,291	2,785,520
		2,971,394	-	2,971,394	3,380,503
Liabilities:					
Creditors: amounts falling due within one year	14	126,779	-	126,779	101,332
Net current assets		2,844,615	-	2,844,615	3,279,171
Total assets less current liabilities		20,825,083	-	20,825,083	17,397,497
Net assets		20,825,083	-	20,825,083	17,397,497
Charity funds:					
Unrestricted funds	15	20,825,083	-	20,825,083	17,397,497
Restricted funds	15	-	-	-	-
		20,825,083	-	20,825,083	17,397,497

These financial statements were approved and authorised for issue by the Board of Trustees on August 2, 2024 and signed on its behalf by:

Signed by:

 4145A2C0C8B943F...
Z Issa
Trustee
Company registration number: 09982930

The notes on pages 14 to 25 form part of these financial statements.

ISSA FOUNDATION**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Total funds 2023 £	Total funds 2022 £
Cash flows from operating activities:			
<i>Net cash generated from operating activities</i>	1	3,351,871	(3,900,466)
Cash flows from investing activities:			
Dividends and interest from investments		109,042	5,778
Payments to acquire tangible fixed assets		(3,862,142)	(8,698,634)
<i>Net cash generated from investing activities</i>		(3,753,100)	(8,692,856)
<i>Net cash provided by (used in) investing activities</i>		-	-
<i>Change in cash and cash equivalents in the reporting period</i>		(401,229)	(12,593,322)
Cash and cash equivalents at the start of the reporting period		2,785,520	15,378,842
Cash and cash equivalents at the end of the reporting period	2	2,384,291	2,785,520
1 Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2023 £	2022 £
<i>Net income for the reporting period</i>		3,427,586	(3,924,939)
Adjustments for:			
Investment income receivable		(109,042)	(5,778)
(Increase) / decrease in debtors		7,880	(66,923)
Increase / (decrease) in creditors		25,447	97,174
<i>Net cash generated from operating activities</i>		3,351,871	(3,900,466)
2 Analysis of cash and cash equivalents			
		2023 £	2022 £
Current account		2,384,291	2,785,520
		2,384,291	2,785,520

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Basis of preparation

Issa Foundation is a company limited by guarantee (registered in England and Wales) and does not have share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 7.

The charity constitutes a public benefit entity as defined by FRS 102. 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as cash. It includes bank interest. Interest income is recognised using the effective interest method.

School tuition fees are recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and can be measured reliably.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

Expenditure on charitable activities includes grants paid and associated support costs of running the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Tangible fixed assets

Freehold property & assets in the course of construction are stated at historical cost. Assets in the course of construction are transferred to freehold property upon completion of the development. Depreciation has not been charged on freehold buildings as the trustees consider the estimated residual value of the property to be a significant proportion of the book value, such that the depreciation would be immaterial. The estimated residual value is expected to be high due to the charity's policy of maintaining the property such that physical deterioration does not occur and the costs of such maintenance are charged in the year of incidence.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in statement of financial activities.

Investments

Social investments are programme related investments being a concessionary loan issued to a charity beneficiary. Concessionary loans include those receivable from a third party which are interest free and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (continued)

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Judgements and key sources of estimation uncertainty

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023****2 Income from donations and legacies**

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Donations	7,512,050	-	7,512,050
	7,512,050	-	7,512,050
	Unrestricted funds £	Restricted funds £	Total funds 2022 £
<i>Donations</i>	4,007,100	-	4,007,100
	4,007,100	-	4,007,100

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Bank interest	4,869	-	4,869
Rental income	104,173	-	104,173
	109,042	-	109,042
	Unrestricted funds £	Restricted funds £	Total funds 2022 £
<i>Bank interest</i>	5,778	-	5,778
	5,778	-	5,778

4 Other income

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
School tuition fees	29,832	-	29,832
	29,832	-	29,832

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****5 Analysis of expenditure on charitable activities**

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Grants expenditure (note 6):			
Grants payable	3,974,348	-	3,974,348
Grant related support costs:			
Governance and support costs (note 5)	248,990	-	248,990
	4,223,338	-	4,223,338
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2022 £</i>
Grants expenditure (note 6):			
Grants payable	7,819,891	-	7,819,891
Grant related support costs:			
Governance and support costs (note 5)	117,926	-	117,926
	7,937,817	-	7,937,817

6 Allocation of support costs

	Governance £	Support £	2023 £	Basis of apportionment
Subscriptions	-	1,725	1,725	Support cost
Advertising & marketing	-	1,788	1,788	Support cost
Insurance	-	2,154	2,154	Support cost
Electricity	-	2,916	2,916	Support cost
Gas	-	8,512	8,512	Support cost
Bank Charges	-	(612)	(612)	Support cost
Wages and salaries	-	38,083	38,083	Time spent
Subcontractors	-	7,625	7,625	Support cost
Travel	-	6,220	6,220	Support cost
Unrecoverable landlord costs	-	139,342	139,342	Support cost
Sundry expenses	-	1,090	1,090	Support cost
Rates	-	2,675	2,675	Support cost
Security	-	5,525	5,525	Support cost
Audit fees	4,440	-	4,440	Governance cost
Other fees payable to the auditor	2,100	-	2,100	Governance cost
Professional fees	25,407	-	25,407	Governance cost
	31,947	217,043	248,990	

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****6 Allocation of support costs (continued)**

	Governance £	Support £	2022 £	Basis of apportionment
<i>Subscriptions</i>	-	615	615	Support cost
<i>Insurance</i>	-	3,435	3,435	Support cost
<i>Electricity</i>	-	5,730	5,730	Support cost
<i>Gas</i>	-	443	443	Support cost
<i>Bank charges</i>	-	(300)	(300)	Support cost
<i>Wages and salaries</i>	-	56,814	56,814	Time spent
<i>Sundry expenses</i>	-	40	40	Support cost
<i>Rates</i>	-	18,049	18,049	Support cost
<i>Security</i>	-	27,459	27,459	Support cost
<i>Audit fees</i>	5,280	-	5,280	Governance cost
<i>Other fees payable to the auditor</i>	348	-	348	Governance cost
<i>Professional fees</i>	13	-	13	Governance cost
	<u>5,641</u>	<u>112,285</u>	<u>117,926</u>	

7 Analysis of grants

The charity undertakes its charitable activities through grant making and awarded grants to a number of organisations in furtherance of its charitable activities.

	2023 £	2022 £
Balance payable brought forward	-	-
Previously awarded grants released	-	-
New grants awarded in the period	<u>3,974,348</u>	<u>7,819,891</u>
Net grant cost in the period (note 4)	<u>3,974,348</u>	<u>7,819,891</u>
	3,974,348	7,819,891
Grants paid in the period	<u>(3,974,348)</u>	<u>(7,819,891)</u>
Balance payable carried forward	<u>-</u>	<u>-</u>

During the year grants were made as detailed below:

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****7 Analysis of grants (continued)****Analysis by institution**

	2023	2022
	£	£
Ajmal Foundation	416,834	2,626,574
Lokhandwala General Hospital	-	7,014
Masjide Tauheedul Mosque Renovation	30,000	-
Blackburn Markaz	59,215	41,134
Education India Public Trust	-	2,193,397
Hakim-ul-Islam Academy Society	101,253	-
International Humanitarian Relief	310,000	96,000
Malawi Relief Fund UK	2,079,714	2,136,350
Munshi Trust	905,585	668,338
Valan Hospital	20,423	36,061
Welcare Hospital	5,158	15,023
Masjide Vali	46,166	-
	3,974,348	7,819,891

Analysis by category

	2023	2022
	£	£
Education	1,115,301	306,895
Food	2,411,271	6,398,109
Health	321,061	91,735
Housing	-	648,000
Orphanage	-	154,597
Social	89,215	140,555
Water	37,500	80,000
	3,974,348	7,819,891

8 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £4,500 (2022: £4,080) excluding VAT and fees in relation to assistance with charity tax affairs of £950 (2022: £320) excluding VAT.

ISSA FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

9 Trustees’ and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

There were no employee benefits received by key management personnel during the period. The charity considers its key management personnel comprise the two Trustees who make all decisions regarding the awarding and payment of grants to projects and the voluntary advisory subcommittee.

The Trustees did not have any expenses reimbursed during the period.

10 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the period was as follows:

	2023	2022
	Number	Number
Charitable activities	6	3
	6	3

The total staff costs and employee benefits were as follows:

	2023	2022
	£	£
Wages and salaries	37,788	55,000
Social security	-	201
Defined contribution pension costs	295	1,613
	38,083	56,814

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Tangible fixed assets

	Freehold property	Investment property	Assets under construction £	Total £
Cost				
<i>At 1 January 2023</i>	-	5,560,752	8,557,574	14,118,326
Additions	-	7,226	3,854,916	3,862,142
Transfers	1,235,961		(1,235,961)	-
At 31 December 2023	1,235,961	5,567,978	11,176,529	17,980,468
Depreciation				
<i>At 1 January 2023</i>	-	-	-	-
Charge for the year	-	-	-	-
At 31 December 2023	-	-	-	-
Net book value				
At 31 December 2023	1,235,961	5,567,978	11,176,529	17,980,468
<i>At 31 December 2022</i>	-	5,560,752	8,557,574	14,118,326

The investment property valuation has been considered by the Trustees at 31 December 2023, they consider the fair value to be equal to the historic cost.

12 Debtors

	2023 £	2022 £
Trade debtors	32,583	-
Prepayments	29,520	69,983
	62,103	69,983

13 Current asset investments

	2023 £	2022 £
Programme related investments	525,000	525,000
	525,000	525,000

Programme related investments are concessionary loans made to a charity beneficiary. These are interest free loans repayable on demand.

ISSA FOUNDATION**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****14 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	73,491	96,052
Accruals and deferred income	53,288	5,280
	126,779	101,332

15 Fund reconciliation

	Balance at 31 December 2022	Income	Expenditure	Transfers	Balance at 31 December 2023
	£	£	£	£	£
Unrestricted funds:					
Lillah	8,643,114	1,638,005	(421,871)	-	9,859,248
Zakat	8,501,086	6,008,050	(3,685,721)	-	10,823,415
Interest	253,297	4,869	(115,746)	-	142,420
<i>Total unrestricted funds</i>	17,397,497	7,650,924	(4,223,338)	-	20,825,083
Restricted funds	-	-	-	-	-
Total funds	17,397,497	7,650,924	(4,223,338)	-	20,825,083

Unrestricted funds*Lillah*

Lillah comprises the gift aid recovered on Zakat donations. The religious restrictions placed on the use of Zakat donations for the original donor do not apply to the related gift aid income.

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. No administrative expenses or other operating expenses are paid for by this fund.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims, these funds are discharged under the guidance of religious ruling.

All funds may be applied for any purpose which falls under the primary objects and activities of the charity.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Fund reconciliation (continued)

	<i>Balance at 31 December 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 December 2022 £</i>
Unrestricted funds:					
<i>Lillah</i>	8,122,788	801,000	(280,674)	-	8,643,114
<i>Zakat</i>	12,841,382	3,206,100	(7,546,396)	-	8,501,086
<i>Interest</i>	358,266	5,778	(110,747)	-	253,297
<i>Total unrestricted funds</i>	21,322,436	4,012,878	(7,937,817)	-	17,397,497
Restricted funds	-	-	-	-	-
Total funds	21,322,436	4,012,878	(7,937,817)	-	17,397,497

15 Analysis of net assets between funds

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2023 £</i>
Fixed assets	17,980,468	-	17,980,468
Cash at bank and in hand	2,384,291	-	2,384,291
Other current assets/liabilities	460,324	-	460,324
	20,825,083	-	20,825,083
	-	-	-
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2022 £</i>
<i>Fixed assets</i>	14,118,326	-	14,118,326
<i>Cash at bank and in hand</i>	2,785,520	-	2,785,520
<i>Other current assets/liabilities</i>	493,651	-	493,651
	17,397,497	-	17,397,497

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Related party transactions

Mr Z Issa and Mr M Issa were both Trustees of the charity throughout the period. During the period Mr Z Issa and Mr M Issa both made charitable donations to the charity.

The total of the charitable donations made by the Trustees was £6,000,000, with a further £12,050 from a close family member of the Trustees.

Income of £7,500,000 was received as a result of the UBS UK Donor-Advised Fund recovering Gift Aid of £1,500,000 on these donations.

During the year the charity was recharged costs relating to capital expenditure of £3,866,908 (2022: £2,163,541) by Monte Developments Limited, a company in which Mr M Issa and Mr Z Issa are directors and ultimate owners.

Accounts

Company Number: 09982930

Charity Number: 1166025

Issa Foundation

Trustees' Report and Accounts

Financial Statements
31 December 2022

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ISSA FOUNDATION

CHARITY INFORMATION

Trustees	M Issa Z Issa
Company Secretary	J Patel
Registered office	Waterside Head Office Haslingden Road Blackburn BB1 2FA
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Company registration number	09982930
Charity registration number	1166025

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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.

Structure, governance and management

Issa Foundation is a registered charity in UK number 1166025 and is constituted under a trust deed dated 14th March 2016. The charity was founded by brothers Zuber Issa and Mohsin Issa. The charity also has a voluntary sub-committee and a secretary who play a vital role in advising the Trustees on various projects. The Trustees and the sub-committee meet every quarter and the Trustees make decisions based upon recommendations from sub-committee. The sub-committee consists of individuals with numerous skills and abilities, ranging from construction, health care and previous charity experience.

The members of the volunteer sub-committee are: Ilyas Rehmani; Muhammad Sadiq Patel; Siraj Ahmed Patel; Zubair Desai; Irfan Ali; Harun Patel and Mohamed Valli.

Trustees of the charity and key management personnel

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are set out on page 1.

The charity considers its key management personnel comprise the two Trustees, who make decisions regarding the awarding and payment of grants to projects, and the voluntary advisory subcommittee.

New Trustees are appointed by the existing Trustees and serve for 5 years after which time they may put themselves forward for re-appointment. No remuneration is paid to the Trustees or sub-committee members. Trustees are recommended to disclose all relevant interests and register them with the sub-committee.

Risk review

Major risks identified within the organisation are banking, fraud and issues relating to extremism activities. To mitigate the identified risks Issa Foundation have increased security measures and implemented additional due diligence checks from the beginning to the end of every project.

We are working with established charitable organisations with on-ground presence in the selected areas of operation, which may expose Issa Foundation to financial risks. We have procedures in place to eliminate these financial risks as highlighted below.



Talha Scholarship Programme - Malawi

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

- Comprehensive vetting of all charitable organisations.
- Organisations to which grants are awarded must be a government registered charity in their respective country.
- Face to face meetings held with all charitable organisations who are awarded grants, this is usually done via online web conferencing and visits to relevant countries.
- References obtained from work/projects carried out with other charitable organisations.
- Field visits by either Trustees or sub-committee members for charitable projects.

Objectives, activities and public benefit

The purpose of the charity is the advancement of education, health and employment of people in need, in particularly disadvantaged communities. By supporting projects that address these issues, the activity may also promote other identifiable projects from time to time as determined by the Trustees.

In 2022, the charity had spent over £7.81M (2021: £7.93M) supporting projects in the following categories:-

Category	Spent (£)
Education	306,895
Food	6,398,109
Health	91,735
Housing	648,000
Orphanage	154,597
Social	140,555
Water	80,000
	<u>7,819,891</u>

Our strategy involves on ground humanitarian support, providing food, water, medical assistance, and shelter. This is then improved and then developed to form a way of life and routine, leading towards freedom from dependence on others.

We are dedicated in providing support to orphans, widows and less fortunate regardless of race, culture or religion.



Food Aid Distribution in Assam, India

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Grant making policy

Proposals are invited from registered charitable organisations undertaking humanitarian projects to support communities, in particularly disadvantaged groups. Requests received are reviewed by the sub-committee who then advise the Trustees of the merits of each project and give advice on the level of funding to be provided.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Social investment policy

The Trustees assess grant applications on a case-by-case basis with the assistance of the sub-committee. In some cases, the Trustees may identify organisations whose work is in line with the charity's objectives but who have the ability to raise their own funds in the mid-to-long term. In these circumstances they may determine that the most appropriate form of support would be a concessionary loan which is repayable on demand.

Strategic report

Achievements and performance

The Trustees of Issa Foundation would like to thank the sub-committee for their invaluable contribution to the charity.

Our projects in the year have been in India, Malawi and UK.

We maintain our support in funding for the most vulnerable in India and Malawi through our healthcare, livelihood projects, education, shelter and food programmes, with the aid of our partners and by the leadership, zeal, inspiration and dedication of our Trustees and sub-committee members.

Issa Foundation is proud to be supporting The Maone Vocational Training Centre (MVTC) which offers students apprenticeship in key construction skills, carpentry, joinery, bricklaying and plumbing. The objective of this programme is to equip young men and women with the technical and vocational skills and knowledge to promote self-reliance and break the cycle of poverty.

The Trustees of Issa Foundation would like to thank all partners and volunteers for their support.



Students from Orphanage in Bhowguri, Assam, India

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The charity's main source of income is voluntary donations and interest received on unexpended donations. Donations received during the year amounted to £4,007,100 (2021: £4,840). The balance held within the bank account has resulted in interest generated during the year of £5,778 (2021: £5,879), which has been transferred to a separate restricted interest fund as can be seen in note 14 to the accounts.

Grants totalling £7,819,891 (2021: £6,666,697) have been awarded to projects. Details of these projects can be found in note 6 to the accounts.

Issa Foundation has been predominantly funded by the Trustees of the Foundation, and the related Gift Aid claims on their donations, for the purpose of meeting the charity's aims and objectives.

The current reserves are to be assigned to charitable projects as and when they have been identified, vetted and approved.

Reserves policy

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The Lillah fund balance at 31 December 2022 of £8,643,114 (2021: £8,122,788) will be applied to future awards and operating costs of the charity. The Lillah fund includes fixed assets of £14,118,326.

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. The Zakat fund balance at 31 December 2022 of £8,501,086 (2021: £12,841,382) will be applied to future awards.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims. The interest fund balance at 31 December 2022 of £253,297 (2021: £358,266) will be applied to future awards under the guidance of religious ruling.

The level of funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The Trustees are concerned to maximise the benefit to disadvantaged communities of their grant making policy.

All unrestricted reserves are to be used on future charitable projects.

Fundraising standards information

The charity does not raise funds from the general public.

Plans for future periods

The principal objective of Issa Foundation is **housing, advancement of education, health, empowering those in need, in particular disadvantaged individuals and communities**, by supporting projects that address these issues.

The charity will continually identify projects from time to time as determined by our partners, trustees and volunteers.

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor

MHA Moore and Smalley are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Trustees' responsibilities

The Trustees (who are also the directors of Issa Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 (FRS102).
- 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Gift of Sight Project, Malawi

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

This report was approved by the Trustees on ...27/07/2023.....



.....
Z Issa
Trustee

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Issa Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including 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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2022

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' report (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 6-7, 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that have had a direct effect on the financial statements;

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISSA FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2022

- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Auditing the risk of fraud in revenue by way of cut off testing and confirming completeness of donations received during the accounting period;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the Charity's operations, the key laws and regulations we considered to have a material impact on the financial statements include Companies Act and Charities Act. In addition, we consider compliance with employee legislation, as fundamental to the charitable company's operations.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

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.



Paul Williams (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley, Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

Date 27/07/2023.....

ISSA FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
	Note				
Income and endowments from:					
Donations and legacies	2	4,007,100	-	4,007,100	4,840
Investments	3	5,778	-	5,778	5,879
Total income and endowments		4,012,878	-	4,012,878	10,719
Expenditure on:					
Charitable activities	4	7,937,817	-	7,937,817	6,730,966
Total expenditure		7,937,817	-	7,937,817	6,730,966
Net movement in funds		(3,924,939)	-	(3,924,939)	(6,720,247)
Reconciliation of funds					
Total funds brought forward (restated)		21,322,436	-	21,322,436	28,042,683
Total funds carried forward		17,397,497	-	17,397,497	21,322,436

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 14 to 24 form part of these financial statements.

ISSA FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £ <i>Restated</i>
Fixed assets:					
Tangible fixed assets	10	14,118,326	-	14,118,326	5,419,692
Current assets:					
Debtors	11	69,983	-	69,983	3,060
Current asset investments	12	525,000	-	525,000	525,000
Cash at bank and in hand		2,785,520	-	2,785,520	15,378,842
		3,380,503	-	3,380,503	15,906,902
Liabilities:					
Creditors: amounts falling due within one year	13	101,332	-	101,332	4,158
Net current assets		3,279,171	-	3,279,171	15,902,744
Total assets less current liabilities		17,397,497	-	17,397,497	21,322,436
Net assets		17,397,497	-	17,397,497	21,322,436
Charity funds:					
Unrestricted funds	14	17,397,497	-	17,397,497	21,322,436
Restricted funds	14	-	-	-	-
		17,397,497	-	17,397,497	21,322,436

These financial statements were approved and authorised for issue by the Board of Trustees on 27/07/2023.....and signed on its behalf by:



Z Issa
Trustee

Company registration number: 09982930

The notes on pages 14 to 24 form part of these financial statements.

ISSA FOUNDATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Total funds 2022 £	Total funds 2021 £
Cash flows from operating activities:			
<i>Net cash generated from operating activities</i>	1	(3,900,466)	(6,726,222)
Cash flows from investing activities:			
Dividends and interest from investments		5,778	5,879
Payments to acquire tangible fixed assets		(8,698,634)	(2,685,223)
<i>Net cash generated from investing activities</i>		(8,692,856)	(2,679,344)
<i>Net cash provided by (used in) investing activities</i>		-	-
<i>Change in cash and cash equivalents in the reporting period</i>		(12,593,322)	(9,405,566)
Cash and cash equivalents at the start of the reporting period		15,378,842	24,784,408
Cash and cash equivalents at the end of the reporting period	2	2,785,520	15,378,842
1 Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2022 £	2021 £
<i>Net income for the reporting period</i>		(3,924,939)	(6,720,247)
Adjustments for:			
Interest receivable		(5,778)	(5,879)
(Increase) / decrease in debtors		(66,923)	-
Increase / (decrease) in creditors		97,174	(96)
<i>Net cash generated from operating activities</i>		(3,900,466)	(6,726,222)
2 Analysis of cash and cash equivalents			
		2022 £	2021 £
Current account		2,785,520	15,378,842
		2,785,520	15,378,842

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Basis of preparation

Issa Foundation is a company limited by guarantee (registered in England and Wales) and does not have share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 7.

The charity constitutes a public benefit entity as defined by FRS 102. 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, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as cash. It includes bank interest. Interest income is recognised using the effective interest method.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Expenditure on charitable activities includes grants paid and associated support costs of running the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Tangible Fixed Assets

Assets in the course of construction & investment properties are not depreciated.

Investments

Social investments are programme related investments being a concessionary loan issued to a charity beneficiary. Concessionary loans include those receivable from a third party which are interest free and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Judgements and key sources of estimation uncertainty

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Donations	4,007,100	-	4,007,100
	4,007,100	-	4,007,100
	<i>Unrestricted funds £ Restated</i>	<i>Restricted funds £ Restated</i>	<i>Total funds 2021 £ Restated</i>
<i>Donations</i>	<i>4,840</i>	<i>-</i>	<i>4,840</i>
	4,840	-	4,840

3 Income from investments

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Bank interest	5,778	-	5,778
	5,778	-	5,778
	<i>Unrestricted funds £ Restated</i>	<i>Restricted funds £ Restated</i>	<i>Total funds 2021 £ Restated</i>
<i>Bank interest</i>	<i>5,879</i>	<i>-</i>	<i>5,879</i>
	5,879	-	5,879

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Grants expenditure (note 6):			
Grants payable	7,819,891	-	7,819,891
Grant related support costs:			
Governance and support costs (note 5)	117,926	-	117,926
	7,937,817	-	7,937,817
	Unrestricted funds £ <i>Restated</i>	Restricted funds £ <i>Restated</i>	Total funds 2021 £ <i>Restated</i>
Grants expenditure (note 6):			
Grants payable	6,666,697	-	6,666,697
Grant related support costs:			
Governance and support costs (note 5)	64,269	-	64,269
	6,730,966	-	6,730,966

5 Allocation of support costs

	Governance £	Support £	2022 £	Basis of apportionment
Subscriptions	-	615	615	Support cost
Insurance	-	3,435	3,435	Support cost
Electricity	-	5,730	5,730	Support cost
Gas	-	443	443	Support cost
Bank Charges	-	(300)	(300)	Support cost
Wages and salaries	-	56,814	56,814	Time spent
Sundry expenses	-	40	40	Support cost
Rates	-	18,049	18,049	Support cost
Security	-	27,459	27,459	Support cost
Audit fees	5,280	-	5,280	Governance cost
Other fees payable to the auditor	348	-	348	Governance cost
Professional fees	13	-	13	Governance cost
	5,641	112,285	117,926	

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Allocation of support costs (continued)

	£	£	£	apportionment
<i>Subscriptions</i>	-	572	572	Support cost
<i>Insurance</i>	-	2,396	2,396	Support cost
<i>Electricity</i>	-	3,730	3,730	Support cost
<i>Bank charges</i>	-	(350)	(350)	Support cost
<i>Wages and salaries</i>	-	53,398	53,398	Time spent
<i>Sundry expenses</i>	-	40	40	Support cost
<i>Audit fees</i>	4,180	-	4,180	Governance cost
Other fees payable to the auditor	290	-	290	Governance cost
<i>Professional fees</i>	13	-	13	Governance cost
	<u>4,483</u>	<u>59,786</u>	<u>64,269</u>	

6 Analysis of grants

The charity undertakes its charitable activities through grant making and awarded grants to a number of organisations in furtherance of its charitable activities.

	2022 £	2021 £
Balance payable brought forward	-	-
Previously awarded grants released	-	-
New grants awarded in the period	<u>7,819,891</u>	<u>6,666,697</u>
Net grant cost in the period (note 4)	<u>7,819,891</u>	<u>6,666,697</u>
	7,819,891	6,666,697
Grants paid in the period	<u>(7,819,891)</u>	<u>(6,666,697)</u>
Balance payable carried forward	<u>-</u>	<u>-</u>

During the year grants were made as detailed below:

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Analysis of grants (continued)

Analysis by category

	2022 £	2021 £
Education	306,895	434,474
Food	6,398,109	3,695,149
Health	91,735	293,130
Housing	648,000	1,018,592
Orphanage	154,597	108,292
Social	140,555	862,317
Water	80,000	254,743
	7,819,891	6,666,697

Analysis by institution

	2022 £
Ajmal Foundation	2,626,574
Lokhandwala General Hospital	7,014
Blackburn Markaz	41,134
Education India Public Trust	2,193,397
International Humanitarian Relief	96,000
Malawi Relief Fund UK	2,136,350
Munshi Trust	668,338
Valan Hospital	36,061
Welcare Hospital	15,023
	7,819,891

7 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £4,080 (2021: £3,465) excluding VAT and fees in relation to assistance with charity tax affairs of £320 (2021: £290) excluding VAT.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

There were no employee benefits received by key management personnel during the period. The charity considers its key management personnel comprise the two Trustees who make all decisions regarding the awarding and payment of grants to projects and the voluntary advisory subcommittee.

The Trustees did not have any expenses reimbursed during the period.

9 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the period was as follows:

	2022 Number	2021 Number
Charitable activities	3	3
	3	3

The total staff costs and employee benefits were as follows:

	2022 £	2021 £
Wages and salaries	55,000	51,360
Social security	201	519
Defined contribution pension costs	1,613	1,519
	56,814	53,398

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tangible fixed assets

	Investment Property	Assets under construction £	Total £
Cost			
<i>At 1 January 2022</i>	-	5,419,692	5,419,692
Additions	5,560,752	3,137,882	8,698,634
At 31 December 2022	5,560,752	8,557,574	14,118,326
Depreciation			
<i>At 1 January 2022</i>	-	-	-
Charge for the year	-	-	-
At 31 December 2022	-	-	-
Net book value			
At 31 December 2022	5,560,752	8,557,574	14,118,326
<i>At 31 December 2021</i>	-	5,419,692	5,419,692

11 Debtors

	2022 £	2021 £
Prepayments	69,983	3,060
	69,983	3,060

12 Current asset investments

	2022 £	2021 £
Programme related investments	525,000	525,000
	525,000	525,000

Programme related investments are concessionary loans made to a charity beneficiary. These are interest free loans repayable on demand.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	96,052	-
Accruals and deferred income	5,280	4,158
	101,332	4,158

14 Fund reconciliation

	Balance at 31 December 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds:					
Lillah	8,122,788	801,000	(280,674)	-	8,643,114
Zakat	12,841,382	3,206,100	(7,546,396)	-	8,501,086
Interest	358,266	5,778	(110,747)	-	253,297
Total unrestricted funds	21,322,436	4,012,878	(7,937,817)	-	17,397,497
Restricted funds	-	-	-	-	-
Total funds	21,322,436	4,012,878	(7,937,817)	-	17,397,497

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The religious restrictions placed on the use of Zakat donations for the original donor do not apply to the related gift aid income.

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. No administrative expenses or other operating expenses are paid for by this fund.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims, these funds are discharged under the guidance of religious ruling.

All funds may be applied for any purpose which falls under the primary objects and activities of the charity.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fund reconciliation (continued)

	<i>Balance at 31 December 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 December 2021 £</i>
	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>
Unrestricted funds:					
<i>Lillah</i>	8,496,819	1,502	(375,533)	-	8,122,788
<i>Zakat</i>	19,043,304	3,340	(6,205,262)	-	12,841,382
<i>Interest</i>	502,560	5,877	(150,171)	-	358,266
<i>Total unrestricted funds</i>	28,042,683	10,719	(6,730,966)	-	21,322,436
Restricted funds	-	-	-	-	-
Total funds	28,042,683	10,719	(6,730,966)	-	21,322,436

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2022 £
Fixed assets	14,118,326	-	14,118,326
Cash at bank and in hand	2,785,520	-	2,785,520
Other current assets/liabilities	493,651	-	493,651
	17,397,497	-	17,397,497
	-	-	
	Unrestricted funds £	Restricted funds £	Total 2021 £
	<i>Restated</i>	<i>Restated</i>	<i>Restated</i>
<i>Fixed assets</i>	5,419,692	-	5,419,692
<i>Cash at bank and in hand</i>	15,378,842	-	15,378,842
<i>Other current assets/liabilities</i>	523,902	-	523,902
	21,322,436	-	21,322,436

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Related party transactions

Mr Z Issa and Mr M Issa were both Trustees of the charity throughout the period. During the period Mr Z Issa and Mr M Issa both made charitable donations to the charity.

The total of the charitable donations made by the Trustees was £4,003,100, with a further £4,000 from a close family member of the Trustees.

Income of £3,200,000 was received as a result of the UBS UK Donor-Advised Fund recovering Gift Aid of £800,000 on these donations.

During the year the charity was recharged costs relating to capital expenditure of £2,163,541 (2021: £1,424,760) by Monte Developments Limited, a company in which Mr M Issa and Mr Z Issa are directors and ultimate owners.

17 Prior year restatement

In the current financial year the Charity has reassessed the identification of restricted and unrestricted funds. Although the Zakat and Interest funds are separately identifiable from the Lillah fund on religious grounds by the donor, there are no restrictions applied to the perspective of the Charity. On this basis, the funds which were previously shown as restricted funds in the financial statements have been restated to show as unrestricted funds. Total funds remain unaffected by this change in the prior period and the opening position for that year.

The impact of the prior year adjustment on the comparative period and the opening position of that year is as follows:

	At 31 December 2021		
	As previously reported £	Adjustment £	As restated £
Charity funds:			
Unrestricted funds	8,122,788	13,199,648	21,322,436
Restricted funds	13,199,648	(13,199,648)	-
Concessionary loans payable			
	21,322,436	-	21,322,436
At 1 January 2021			
	As previously reported £	Adjustment £	As restated £
	£	£	£
Charity funds:			
Unrestricted funds	8,496,819	19,545,864	28,042,683
Restricted funds	19,545,864	(19,545,864)	-
Concessionary loans payable			
	28,042,683	-	28,042,683

ISSA FOUNDATION

England & Wales - Charity number 1166025

Accounts

Company Number: 09982930

Charity Number: 1166025

Issa Foundation

Trustees' Report and Accounts

Financial Statements
31 December 2020

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ISSA FOUNDATION

CHARITY INFORMATION

Trustees	M Issa Z Issa
Company Secretary	J Patel
Registered office	Waterside Head Office Haslingden Road Blackburn BB1 2FA
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Company registration number	09982930
Charity registration number	1166025

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Structure, governance and management

Issa Foundation is a registered charity in UK number 1166025 and is constituted under a trust deed dated 14th March 2016. The charity was founded by brothers Zuber & Mohsin Issa. The charity also has a voluntary sub-committee who play a vital role in advising the Trustees on various projects. The Trustees and the sub-committee meet regularly, the Trustees make decisions based upon recommendations from sub-committee. The sub-committee consists of individuals with numerous skills and abilities, ranging from construction, health, care and previous charity experience.

The members of the volunteer sub-committee are: Ilyas Rehmani; Muhammad Sadiq Patel; Siraj Ahmed Patel; Zubair Desai; Irfan Ali; Harun Patel and Mohamed Valli.

Trustees of the charity and key management personnel

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are set out on page 1.

The charity considers its key management personnel which comprises of two Trustees, the Trustees make decisions regarding the awarding and payment of grants for projects, and the voluntary subcommittee as an advisory body.

New Trustees are appointed by the existing Trustees and serve for 5 years after which time they may put themselves forward for re-appointment. No remuneration is paid to the Trustees or sub-committee members. Trustees are recommended to disclose all relevant interests and register them with the sub-committee.

New Trustees undergo an orientation event briefing them on their obligations, the contents of Memorandum and Articles of Association, the committee and the decision-making process, the business plan and the recent performance of the charity. They are encouraged to visit any of the charity's activities, by prior notification, having concerns of the educational needs of many of the charity's beneficiaries. Trustees' are encouraged to attend appropriate external training events when these will facilitate the undertaking of the role.

Risk review

Major risks identified within the organisation are banking issues and terrorism related activities. To mitigate the identified risks Issa Foundation have increased security measures and implemented additional due diligence checks from the beginning to the end of every project.

We are working with established charitable organisations with on-ground presence in the selected areas of operation, which may expose Issa Foundation to financial risks. We have procedures in place to eliminate these financial risks as highlighted below:

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

- Comprehensive vetting of all charitable organisations.
- Organisations to which grants are awarded to must be a government registered charity in their respective country.
- Face to face meetings held with all charitable organisations to whom grants are awarded, before, during and after; during Covid19 this is usually done via online web conferencing.
- References obtained from work/projects carried out with other charitable organisations.
- Field visits by either Trustees or sub-committee members for charitable projects.

Objectives, activities and public benefit

The purpose of the charity is the advancement of education, health and employment of people in need, in particularly disadvantaged communities. By supporting projects that address these issues, the activity may also promote other identifiable projects from time to time as determined by the Trustees.

In 2020, the charity had spent over £7.34M (2019: £9.58M) supporting projects in the following categories:-

Category	Spent (£)
Education	51,299
Emergency Aid	316,101
Food	5,613,102
Health	633,733
Housing	413,326
Orphanage	173,656
Social	102,014
Water	33,142
	<u>7,336,373</u>

Our strategy involves on the ground humanitarian support, providing food, water, medical assistance, and shelter. This is then developed to leading towards freedom from dependence on others.

We are dedicated in providing support to orphans, widows and less fortunate regardless of race, culture or religion.



Boys at Orphanage

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Grant making policy

All proposals are from charities undertaking projects to advance education, health and employment of people in need, in particularly disadvantaged communities. All proposals are reviewed by the sub-committee who then advise the Trustees of the merits of each project and the Trustees then advise the sub-committee on the level of funding to be provided.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

Social investment policy

Grant applications are assessed by the Trustees with the assistance of the sub-committee on a case-by-case basis. In some rare instances, if applications are received from organisations unable to raise their own immediate funding, and their objectives are in line with the charity's objectives. In these circumstances the Trustees may determine that the most appropriate form of support would be a concessionary loan which is repayable on demand.

Strategic report

Achievements and performance

The Trustees of Issa Foundation would like to thank the sub-committee for their invaluable contribution to the charity.

Our projects in the year have been in the UK, Malawi, Albania and India.

We continue to expand our housing projects for the poor and needy in Malawi and India. We maintain our support in funding hospitals for the poor in India and we continue to grow our health projects in Malawi. We have also served to support our local hospital (ELHT) as we strive to further the foundations efforts in healthcare, livelihood projects, shelter and food programmes, with the aid of our partners and by the enthusiasm, leadership, inspiration and dedication of our Trustees and sub-committee members.

Issa Foundation is proud to be extending in supporting an orphanage in Assam (India), by expanding the school building and increasing the capacity to support more orphans. The boys at this orphanage come from very deprived backgrounds and most of these boys have lost one or both of their parents. The boys are provided a holistic support, from clothing, education, mentors and beyond.

The Trustees of Issa Foundation would like to thank all partners and volunteers for their support.



Water drilling rig being delivered in Malawi

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

The charity's main source of income is voluntary donations and interest received on unexpended donations. Donations received during the year amounted to £870,956 (2019: £25,062,500). The balance held within the bank account has resulted in interest generated during the year of £23,715 (2019: £225,742), which has been transferred to a separate restricted interest fund as can be seen in note 14 to the accounts.

Grants totalling £7,336,373 (2019: £9,581,693) have been awarded to projects. Details of these projects can be found in note 6 to the accounts.

Issa Foundation has been wholly funded by the Trustees of the Foundation for the purpose of meeting the charity's aims and objectives.

The current reserves are to be assigned to charitable projects as and when they have been identified, vetted and approved.



Shelter Programme Malawi



Winter Blanket Distribution

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves policy

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The Lillah fund balance at 31 December 2020 of £8,496,819 (2019: £8,791,356) will be applied to future awards and operating costs of the charity. The Lillah fund includes fixed assets of £2,734,469, excluding these, free reserves amount to £5,762,350.

Restricted funds

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. The Zakat fund balance at 31 December 2020 of £19,043,304 (2019: £25,647,145) will be applied to future awards.

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims. The interest fund balance at 31 December 2020 of £502,560 (2019: £118,241) will be applied to future awards under the guidance of religious ruling.

The level of funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The Trustees are concerned to maximise the benefit to disadvantaged communities of their grant making policy.

All restricted reserves are to be used on future charitable projects.

Fundraising standards information

The charity does not raise funds from the general public.

Plans for future periods

The principal objective of Issa Foundation is **housing, advancement of education, health, empowering those in need, in particular disadvantaged individuals and communities**, by supporting projects that address these issues.

The charity will continually identify projects from time to time as determined by our partners, trustees and volunteers.

Issa Foundation will carry on supporting local organisations here in the UK to support the most vulnerable in our communities.



Gift of sight – Cataract Operation Malawi

ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

MHA Moore and Smalley are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Trustees' responsibilities

The Trustees (who are also the directors of Issa Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



ISSA FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

21/06/2021

This report was approved by the Trustees on



.....
Z Issa

Trustee

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Issa Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including 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 its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

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' report (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, 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.

ISSA FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Companies Act and Charities Act. In addition, we consider compliance with employee legislation, as fundamental to the charitable company's operations;
- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

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.



Paul Williams (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley, Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

Date 22/06/2021

ISSA FOUNDATION

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

		Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
	Note				
Income and endowments from:					
Donations and legacies	2	-	870,956	870,956	25,062,500
Investments	3	-	23,715	23,715	225,742
Total income and endowments		-	894,671	894,671	25,288,242
Expenditure on:					
Charitable activities	4	294,537	7,114,193	7,408,730	9,654,317
Total expenditure		294,537	7,114,193	7,408,730	9,654,317
Net movement in funds		(294,537)	(6,219,522)	(6,514,059)	15,633,925
Reconciliation of funds					
Total funds brought forward		8,791,356	25,765,386	34,556,742	18,922,817
Total funds carried forward		8,496,819	19,545,864	28,042,683	34,556,742

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised in the period.

ISSA FOUNDATION

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Fixed assets:					
Tangible fixed assets	10	2,734,469	-	2,734,469	-
Current assets:					
Debtors	11	3,060	-	3,060	5,023,898
Current asset investments	12	500,000	25,000	525,000	525,000
Cash at bank and in hand		5,263,544	19,520,864	24,784,408	29,011,744
		5,766,604	19,545,864	25,312,468	34,560,642
Liabilities:					
Creditors: amounts falling due within one year	13	4,254	-	4,254	3,900
Net current assets		5,762,350	19,545,864	25,308,214	34,556,742
Total assets less current liabilities		8,496,819	19,545,864	28,042,683	34,556,742
Net assets		8,496,819	19,545,864	28,042,683	34,556,742
Charity funds:					
Unrestricted funds	14	8,496,819	-	8,496,819	8,791,356
Restricted funds	14	-	19,545,864	19,545,864	25,765,386
		8,496,819	19,545,864	28,042,683	34,556,742

These financial statements were approved and authorised for issue by the Board of Trustees on 21/06/2021.....and signed on its behalf by:



Z Issa
Trustee

Company registration number: 09982930

The notes on pages 15 to 25 form part of these financial statements.

ISSA FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Total funds 2020 £	Total funds 2019 £
Cash flows from operating activities:			
<i>Net cash generated from operating activities</i>	1	(1,516,582)	9,655,967
Cash flows from investing activities:			
Dividends and interest from investments		23,715	225,742
Payments to acquire tangible fixed assets		(2,734,469)	-
<i>Net cash generated from investing activities</i>		(2,710,754)	225,742
<i>Net cash provided by (used in) investing activities</i>		-	-
<i>Change in cash and cash equivalents in the reporting period</i>		(4,227,336)	9,881,709
Cash and cash equivalents at the start of the reporting period		29,011,744	19,130,035
Cash and cash equivalents at the end of the reporting period		24,784,408	29,011,744

1	Reconciliation of net income/(expenditure) to net cash flow from operating activities	2020	2019
		£	£
	<i>Net income for the reporting period</i>	(6,514,059)	15,633,925
	Adjustments for:		
	Interest receivable	(23,715)	(225,742)
	(Increase) / decrease in debtors	5,020,838	(5,438,898)
	Increase / (decrease) in creditors	354	(313,318)
	<i>Net cash generated from operating activities</i>	(1,516,582)	9,655,967

2	Analysis of cash and cash equivalents	2020	2019
		£	£
	Current account	24,784,408	29,011,744
		24,784,408	29,011,744

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Basis of preparation

Issa Foundation is a company limited by guarantee (registered in England and Wales) and does not have share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 8.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as cash. It includes bank interest. Interest income is recognised using the effective interest method.

ISSA FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Expenditure on charitable activities includes grants paid and associated support costs of running the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Assets under construction

Assets in the course of construction are not depreciated.

Investments

Social investments are programme related investments being a concessionary loan issued to a charity beneficiary.

Concessionary loans

Concessionary loans include those receivable from a third party which are interest free and are made to advance charitable purposes. All loans are measured at cost, less impairment.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total funds
	£	£	2020
			£
Donations	-	870,956	870,956
	-	870,956	870,956
	Unrestricted funds	Restricted funds	Total funds
	£	£	2019
			£
Donations	5,012,500	20,050,000	25,062,500
	5,012,500	20,050,000	25,062,500

3 Income from investments

	Unrestricted funds	Restricted funds	Total funds
	£	£	2020
			£
Bank interest	-	23,715	23,715
	-	23,715	23,715
	Unrestricted funds	Restricted funds	Total funds
	£	£	2019
			£
Bank interest	-	225,742	225,742
	-	225,742	225,742

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Grants expenditure (note 6):			
Grants payable	222,180	7,114,193	7,336,373
Grant related support costs:			
Governance and support costs (note 5)	72,357	-	72,357
	294,537	7,114,193	7,408,730
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2019 £</i>
Grants expenditure (note 6):			
Grants payable	694,329	8,887,364	9,581,693
Grant related support costs:			
Governance and support costs (note 5)	72,624	-	72,624
	766,953	8,887,364	9,654,317

5 Allocation of support costs

	Governance £	Support £	2020 £	Basis of apportionment
Travel	-	4,932	4,932	Support cost
Subscriptions	-	592	592	Support cost
Insurance	-	5,024	5,024	Support cost
Wages and salaries	-	57,430	57,430	Time spent
Sundry expenses	-	586	586	Support cost
Audit fees	3,780	-	3,780	Governance cost
Professional fees	13	-	13	Governance cost
	3,793	68,564	72,357	

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Allocation of support costs (continued)

	Governance £	Support £	2019 £	Basis of apportionment
<i>Travel</i>	-	14,898	14,898	Support cost
<i>Subscriptions</i>	-	582	582	Support cost
<i>Insurance</i>	-	2,160	2,160	Support cost
<i>Wages and salaries</i>	-	49,747	49,747	Time spent
<i>Sundry expenses</i>		298	298	Support cost
<i>Audit fees</i>	3,600	-	3,600	Governance cost
<i>Other fees payable to the auditor</i>	1,326	-	1,326	Governance cost
<i>Professional fees</i>	13	-	13	Governance cost
	<u>4,939</u>	<u>67,685</u>	<u>72,624</u>	

6 Analysis of grants

The charity undertakes its charitable activities through grant making and awarded grants to a number of organisations in furtherance of its charitable activities.

	2020 £	2019 £
Balance payable brought forward	313,210	313,210
Previously awarded grants released	-	-
New grants awarded in the period	<u>7,336,373</u>	<u>9,581,693</u>
Net grant cost in the period (note 4)	<u>7,336,373</u>	<u>9,581,693</u>
	7,649,583	9,894,903
Grants paid in the period	<u>(7,649,583)</u>	<u>(9,581,693)</u>
Balance payable carried forward	<u><u>-</u></u>	<u><u>313,210</u></u>

During the year grants were made as detailed below:

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Analysis of grants (continued)

Analysis by category

	2020 £	2019 £
Education	51,299	670,711
Food	5,613,102	5,295,457
Health	633,733	270,167
Housing	413,326	771,388
Orphanage	173,656	109,421
Social	102,014	1,690,097
Water	33,142	191,181
Emergency Aid	316,101	583,271
	7,336,373	9,581,693

Analysis by institution

	2020 £
Ajmal Foundation	2,689,586
Al Mahmood Charitable Trust	60,796
Bombay Patel Welfare Society Bharuch	62,315
East Lancs Hospital Trust	342,931
Education India Public Trust	1,758,494
Lokhandwala General Hospital	40,633
Madrasah Taleemul Islam (Jamea Masjid)	3,708
Mahmood Chowk Thikribari Edara Faizul Quran	71,685
Malawi Relief Fund UK	2,163,115
Marhaba Trading Ltd	6,960
Munshi Trust	13,783
Muslim Society of Preston New Rd (Masjid-e-Anwar)	4,000
Rahma Mercy	100,000
Welcare Hospital	18,367
	7,336,373

7 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £3,150 (2019: £3,000) excluding VAT and fees in relation to assistance with charity tax affairs of £nil (2019: £1,105) excluding VAT.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the period.

There were no employee benefits received by key management personnel during the period. The charity considers its key management personnel comprise the two Trustees who make all decisions regarding the awarding and payment of grants to projects and the voluntary advisory subcommittee.

The Trustees did not have any expenses reimbursed during the period.

9 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the period was as follows:

	2020 Number	2019 Number
Charitable activities	3	3
	3	3

The total staff costs and employee benefits were as follows:

	2020 £	2019 £
Wages and salaries	54,583	47,500
Social security	1,396	885
Defined contribution pension costs	1,451	1,362
	57,430	49,747

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Assets under construction £	Total £
Cost		
<i>At 1 January 2020</i>	-	-
Additions	2,734,469	2,734,469
At 31 December 2020	2,734,469	2,734,469
Depreciation		
<i>At 1 January 2020</i>	-	-
Charge for the year	-	-
At 31 December 2020	-	-
Net book value		
At 31 December 2020	2,734,469	2,734,469
<i>At 31 December 2019</i>	-	-

11 Debtors

	2020 £	2019 £
Prepayments	3,060	-
Accrued income	-	5,023,898
	3,060	5,023,898

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Current asset investments

	2020 £	2019 £
Programme related investments	525,000	525,000
	525,000	525,000

Programme related investments are concessionary loans made to a charity beneficiary. These are interest free loans repayable on demand. Further detail is provided in note 16 to these accounts.

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	474	-
Accruals and deferred income	3,780	3,900
	4,254	3,900

14 Fund reconciliation

	Balance at 31 December 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds:					
Lillah	8,791,356	-	(294,537)	-	8,496,819
Restricted funds:					
Zakat	25,647,145	5,300	(6,609,141)	-	19,043,304
Interest	118,241	889,371	(505,052)	-	502,560
Total restricted funds	25,765,386	894,671	(7,114,193)	-	19,545,864
	34,556,742	894,671	(7,408,730)	-	28,042,683

Unrestricted funds

Lillah

Lillah comprises the gift aid recovered on Zakat donations. The restrictions placed on the use of Zakat donations does not apply to the related gift aid income which may be applied for any purpose which falls under the primary objects and activities of the charity.

Restricted funds

Zakat

Donations collected on annual religious grounds from able Muslims to help the poor. No administrative expenses or other expenses may be paid for by this fund.

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fund reconciliation (continued)

Interest

Funds generated from interest received on the amounts held within the charity bank account and the bank accounts of individual Muslims, these funds are discharged under the guidance of religious ruling.

	Balance at 31 December 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
Unrestricted funds:					
<i>Lillah</i>	4,545,809	5,012,500	(766,953)	-	8,791,356
Restricted funds:					
<i>Zakat</i>	14,271,335	20,050,000	(8,674,190)	-	25,647,145
<i>Interest</i>	105,673	225,742	(213,174)	-	118,241
Total restricted funds	14,377,008	20,275,742	(8,887,364)	-	25,765,386
	18,922,817	25,288,242	(9,654,317)	-	34,556,742

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fixed assets	2,734,469	-	2,734,469
Cash at bank and in hand	5,263,544	19,520,864	24,784,408
Other current assets/liabilities	498,806	25,000	523,806
	8,496,819	19,545,864	28,042,683
	Unrestricted funds £	Restricted funds £	Total 2019 £
<i>Cash at bank and in hand</i>	3,282,756	25,728,988	29,011,744
<i>Other current assets/liabilities</i>	5,508,600	36,398	5,544,998
	8,791,356	25,765,386	34,556,742

ISSA FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Related party transactions

Mr Z Issa and Mr M Issa were both Trustees of the charity throughout the period. During the period Mr Z Issa and Mr M Issa both made charitable donations to the charity.

The total of the charitable donations made to the charity by the trustees was £865,656.

At the year end a balance of £525,000 was due to Issa Foundation from Blackburn Markaz - Makki Masjid Mosque.

Mr V Issa, the father of Mr Z Issa and Mr M Issa, is part of the founding team of Blackburn Makaz. The loans were issued to support the day to day running costs of the Markaz and are interest free loans repayable on demand.